Södra's interim report

1 April – 30 June 2026

- Net sales amounted to SEK 6,947 million (7,193).
- Operating loss before depreciation, amortisation and impairment amounted to SEK 10 million (profit: 15).
- Operating loss totalled SEK 424 million (loss: 389).
- The operating margin was negative 6 percent (neg: 5).
- Cash flow after investments was negative SEK 979 million (neg: 1,155).

Key indicators	**2026 Apr–Jun**	2025 Apr–Jun	**2026 Jan–Jun**	2025 Jan–Jun	2025 Jan–Dec
Net sales, SEK million	6,947	7,193	13,551	15,348	28,302
Operating profit/loss before depreciation, amortisation and impairment, SEK million	−10	15	1,297	851	352
Operating profit/loss, SEK million	−424	−389	470	50	−1,290
EBITDA margin	0%	0%	10%	6%	1%
Operating margin	−6%	−5%	3%	0%	−5%
Return on capital employed [1]	—	—	−4%	7%	−5%
Equity ratio	—	—	55%	57%	56%
Cash flow after investments, SEK million	−979	−1,155	5,921	−687	−1,921
No. of members	—	—	52,092	52,332	52,262
Affiliated forest area, million hectares	—	—	2.86	2.84	2.86
Average no. of employees	3,032	3,231	3,062	3,196	3,234
No. of employees	—	—	3,280	3,525	3,486
Fossil emissions in the value chain [2], Mt CO_2eq	—	—	—	—	2.5
Lost time accidents (LTA) [3], no.	12	16	21	21	41
Lost time accident rate (LTAR) [4]	9	11	8	7	8

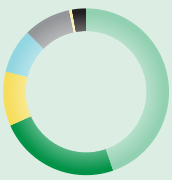
[1] Average capital employed is calculated on the basis of the current and previous four quarters. Adjusted operating profit is calculated on the current and previous three quarters.
[2] CO_2eq=carbon dioxide equivalents. This key indicator is calculated on an annual basis.
[3] LTA (lost time accident): occupational injury with absence.
[4] LTAR (lost time accident rate): number of occupational injuries with absence per million hours worked.

This is a translation of the interim report. This translation does not replace the original report. In the event of any lack of clarity or disparity between this translation and the interim report, the interim report will always take precedence.

The quarter in figures

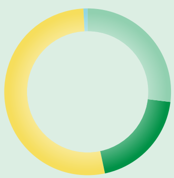
Some of our most important figures and key indicators for the second quarter of 2026.

9	LTAR | Number of occupational injuries with absence per million hours worked
6.9	SEK billion | Net sales
−0.4	SEK billion | Operating profit/loss
−4	% | Return on capital employed
55	% | Equity ratio
2.86	million hectares | Affiliated forest area



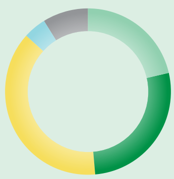
- Market pulp 45%
- Wood products 24%
- Wood raw material 11%
- Forestry services 8%
- Energy products 9%
- Transportation 1%
- Other 2%

Net sales per revenue category.
SEK 6,947 million in total, excluding internal deliveries.



- Södra Skog 25%
- Södra Wood 22%
- Södra Cell 51%
- Södra Building Systems 1%
- Other 1%

Net sales per business area.
SEK 6,947 million in total, excluding internal deliveries.
Södra Bioproducts is included in the other business areas in the amount of SEK 888 million.



- Södra Skog 19%
- Södra Wood 27%
- Södra Cell 40%
- Södra Building Systems 3%
- Other 11%

Average no. of employees per business area, 3,032 in total.
Södra Bioproducts' employees are included under Södra Cell.

A few highlights from the quarter to show how we are increasing member value and strengthening the Södra brand, always with our mission in focus – to refine and renew family forestry.

The quarter in brief

AGM decides on a profit distribution of SEK 696 million

Södra's Annual General Meeting resolved to distribute SEK 696 million in profit to the members of Södra. The meeting was marked by strong member engagement, with a focus on the cooperative's development, long-term competitiveness and the impact of the external environment.

Storm Dave – strong cooperation in challenging situation

Storm Dave felled approximately one million m^3 of timber on the land of Södra's members, primarily in Västra Götaland and parts of Jönköping County. It was necessary to process the timber quickly to reduce the risk of insect damage, since the storm struck late in the season. Thanks to the prompt action of members, good progress has been made and virtually all of the timber felled in the storm has been cleared and stacked by roads.

Södra Ädla becomes an integrated part of Södra's innovation activities

Södra is discontinuing the wholly owned subsidiary Södra Ädla AB, which has invested in innovative companies that develop forestry and the profitability of the forest estate. This change is driven by a shifting business environment and the need to prioritise resources for core operations and initiatives that create the greatest value for Södra and the members of the association.

The change in the corporate structure does not affect Södra's engagement in the portfolio companies Nordic Forestry Automation (NFA) and Nordluft.

"Our engagement in these companies remains unchanged, as we see that their solutions contribute to the profitability of the forest estate," said Henric Brage, Head of Innovation and Strategy at Södra.

Södra ranks highly among employers in new survey

Södra has been ranked 14 out of 150 employers in the Randstad Employer Brand Research 2026 – one of Sweden's most comprehensive surveys on what talent values in an employer. The survey is based on responses from nearly 4,000 people in Sweden and provides a broad picture of how employers are perceived in today's labour market.

New paper pulp combines forest raw materials with oat hulls

Södra is taking the next step in its innovation journey with the launch of Södra blue S – a new type of paper pulp that combines softwood fibres with oat hulls from Swedish grain processing. The initiative is a concrete example of how Södra explores new solutions while using resources more efficiently to create value and contribute to a more circular future.

"Södra blue S demonstrates what happens when we challenge our own assumptions. By combining forest raw materials with oat hulls from a local partner such as Berte Qvarn, we increase resource efficiency and create value across two key basic industries," said Annica Ahlstedt Larsson, Head of Product, Södra Cell.

Södra reduces price for forest raw materials

On 18 June, Södra reduced its prices for sawlogs and pulpwood. The reason was an increase in the supply of forest raw materials in the wake of Storm Johannes and Storm Dave, combined with a weaker market particularly for pine logs and fibre. In parallel, a market premium for spruce logs was introduced in the south of Södra's operating area. Prices for the fuel range remain unchanged.

Södra completes deliveries of CLT to Gothenburg's tallest timber-frame building

Deliveries of approximately 22,000 m² of cross-laminated timber (CLT) to Kaj 16 have now been completed. The building – which will reach a height of 78 meters, making it one of Sweden's largest timber-frame buildings – combines high standards of sustainability and architecture.

Södra's Research Foundation awards SEK 10 million to ten projects

Södra's Research Foundation supports research in forestry and the forest industry. In the latest call for proposals, 72 applications were received, and ten projects are now being awarded a total of SEK 9.8 million. The projects address societal challenges and market needs, test new technologies and build knowledge that the forest sector needs in the future.

Cecilia Karlsson new CFO of Södra

Södra has appointed Cecilia Karlsson to the role of Chief Financial Officer (CFO) at Södra. She will take up the position on 1 December 2026. Cecilia most recently held the position of Chief Financial Officer at Öresundskraft and has previously held similar roles at IKEA and Findus, as well as having many years of experience at McKinsey. She holds a Master of Science in Engineering from Chalmers University of Technology.

Continued investment in AI support for forest machines

Södra is continuing to invest in Nordic Forestry Automation (NFA), the company that develops AI-based operator support for forest machines. At the end of June, NFA closed a funding round led by Navigare Ventures and Almi Invest Greentech, and in which LRF Ventures joined as a new partner. Södra is following up its investment together with other existing owners and will therefore maintain its ownership stake of just over 10 percent.

Decisive action in a challenging market environment

Lotta Lyrå
President & CEO

Södra reports an operating loss of SEK 424 million for the second quarter. The result reflects yet another quarter of challenging market conditions, with depressed demand, a weak price scenario and a continued significant imbalance between the raw material market and the markets for our products. We are doing our utmost to reverse our earnings trend by strengthening our cost position and by enhancing efficiency and our commercial capabilities.

Södra's second-quarter net sales amounted to SEK 6,947 million. The operating margin was negative 6 percent, return on capital employed negative 4 percent and the equity ratio 55 percent. Following the sharp drop in Södra's contribution margin in 2025, efforts to improve the situation have been ongoing ever since. During the second quarter, the figure improved from 17 percent in the first quarter to 22 percent. However, we will need to see an improvement in the market conditions for our products if the contribution margin is to reach a sustainable level. During the quarter, we had a planned maintenance shutdown at Mörrum, which resulted in costs being approximately SEK 100 million higher than in the first quarter. We were also impacted by delays due to stock levels in the value chain. For example, current purchasing prices, including price adjustments already made for raw materials, would have had an impact of approximately SEK 400 million on operating profit for the quarter if they had been fully reflected during the period. The current situation requires that we continue to work actively and comprehensively on various initiatives, one of which is our top priority: occupational health and safety, where the lost time accident rate (LTAR) for the quarter was 9. While this is about on par with the corresponding period last year, we are not satisfied with the result.

Fluctuating markets and global imbalances

The market landscape varies across our operations. During the quarter, pulp production proceeded as planned, and volumes are reaching the market. However, global imbalances remain, with supply outstripping demand, which is impacting prices. The sawn timber market is volatile, even during a period that is normally marked by peak business activity and more stable demand. The cross-laminated timber (CLT) market is being affected by the sluggish construction market, which is in need of a boost. There is strong demand and favourable prices for several bioproducts, including electricity, tall oil and biomethanol. Generally speaking, however, the positive aspects for Södra do not outweigh the broader market challenges.

The market for raw materials is also in flux. Supply and flows were impacted by Storm Johannes and Storm Dave, and we can see how the gap in spruce log prices across our region is widening. The supply of pulpwood is good, while work to manage storm damage and secure the supply of fibre is continuing. Moving forward, it will be crucial to increase activity in the forest while ensuring the overall coherence of the raw material supply chain, industrial operations and the market.

Action programme reduces operating costs

This situation places high demands on what we can control ourselves. During the quarter, we continued to strengthen our cost position and enhance efficiency. Efforts to reduce operating costs have been conducted across the organisation since the launch of the Södra Leap action programme a year ago. We have more clearly defined priorities, reduced consulting costs, reconsidered and completed major IT initiatives, and implemented approved workforce adjustments. Overall, these measures have reduced operating expenses by SEK 329 million, of which SEK 202 million in the second quarter. At the same time, a concentrated effort is underway to strengthen our commercial capabilities, focusing on creating greater value for customers, growing our business, and increasing profitability across the value chain. For example, inbound and outbound logistics is an area with further potential for improvement in areas such as our customer offering, data-driven insights, efficiency gains and coordination benefits. All of these are measures that can strengthen our competitiveness and long-term flexibility. Activities will continue throughout 2026, and we cannot rule out further measures.

World-class Efficiency

Södra has now been working with World-class Efficiency for just over five years. What began as an initiative to build capacity in times of high business activity has now become a guide to help us navigate more challenging times. During the quarter, we implemented efficiency gains and improvements yielding SEK 122 million. One example is the work being conducted at one of our sawmills, where a new data-driven tool has been developed that links each sawing operation to the actual results. It provides better decision-making data for measures that can increase the yield of sawn timber from the same volume of raw material. This demonstrates the organisation's ability to identify, implement and achieve improvements, even in challenging market conditions. But it is also an example of how we take a structured approach to AI and digitisation as an integral part of World-class Efficiency to develop our operations and strengthen our competitiveness. We test and develop solutions in stages, enabling us to learn quickly and gradually scale up what works. These initiatives support increased efficiency, better decision-making data, and more automated and robust processes. The emphasis is now on sustaining the pace of the work and ensuring that the results have a long-lasting impact.

Robust balance sheet

Safeguarding the financial stability of Södra is especially important right now, which is why we work to nurture it every day. The divestment of SunPine was completed after the end of the quarter and is expected to have a positive impact on the Group's earnings. The outcome will be reported in the third quarter. The robust balance sheet that we have built up over time has been further strengthened during the year through the divestment of our forest holding in the Baltics, providing us with important flexibility in a turbulent market environment. Decisions like these enable us to take a long-term approach to the priorities that strengthen Södra's competitiveness over time and to continue to develop our business, while creating direct value for the members through the dividend for the year of SEK 696 million.

Value for family forestry

Södra is big enough to make a difference, but also local enough to allow for individual responsibility. We have more than 52,000 members and 3,000 employees, with the forests of Götaland as our base and the world as our market. Having local roots and a global business is both a strength and a responsibility. In a rapidly evolving and increasingly fast-paced market, it is essential that we keep the entire chain – from the forest estate and raw material supply to industrial operations, commercial operations and the customer – working cohesively. Always with health and safety as a fundamental starting point for everything we do. We are approaching the current market with cost discipline and commercial acumen, but also with optimism. We will continue to develop our industrial operations, strengthen our customer and member offer, and safeguard profitability over time. That is how we create value for family forestry at Södra and for society as a whole.

Effects of the Södra Leap action programme	**2026 Jan–Jun**	2025 Jan–Jun
Overheads, SEK million	3,037	3,366
of which consulting costs (SEK million)	119	212
No. of employees	3,280	3,525
Revenue from electricity and liquid bioproducts (SEK million)	385	215

The period in brief

The market environment remains challenging, and during the quarter we continued to strengthen our cost position and enhance efficiency. Operating loss for the quarter totalled SEK 424 million, compared with a loss of SEK 389 million in the year-earlier period. Sales declined 3 percent to SEK 6,947 million (7,193). Return on capital employed R12 was negative 4 percent (pos: 7) and the equity ratio was 55 percent (57).

Market conditions

The outlook for global growth remained largely unchanged in the second quarter of the year. However, global economic uncertainty remained high. Conflicts in the Middle East continued to affect the energy and raw material markets. Meanwhile, uncertainty surrounding trade policy, geopolitics and the direction of future interest rates persisted.

The turbulent global environment contributed to continued weak demand in several markets. The low level of construction activity in Europe and North America continued to stifle demand, while shifts in trade flows and increased global production capacity impacted the competitive landscape.

Development in the European economy remained weak. There were only limited signs of recovery in Germany, while growth was stronger in parts of Southern Europe. The cautious trend for investment and consumption was driven by higher energy prices and uncertainty about economic developments.

The economic recovery continued in Sweden, but at a sluggish pace. Against the backdrop of the uncertain global situation, household consumption showed modest growth, and household and business confidence remained subdued.

Compared with the preceding quarter, the SEK weakened against the USD, EUR and GBP in the second quarter. Year-on-year, the SEK was stronger than average against the USD, EUR and GBP.

Wood supply

During the quarter, demand for spruce logs slowed slightly, while demand for pine logs declined. Combined with a higher inflow of pine logs in Södra's operating area, this put pressure on raw material prices. Demand for softwood pulp remained high. Forest production and deliveries were slightly lower year-on-year, partly as a result of the processing of storm-damaged forest in the wake of Storm Dave and Storm Johannes. Raw material supplies in the region were significantly lower year-on-year.

Wood products market

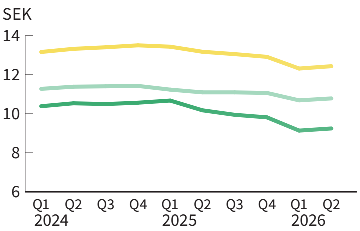
The market for sawn timber was weak during the quarter, mainly in Sweden, the UK (Great Britain and Northern Ireland) and the US, while several markets in Europe noted higher activity. The US reported a slight recovery in demand. While prices during the quarter were slightly lower year-on-year, there remains uncertainty surrounding demand moving forward. Demand in the building materials trade in Sweden was low, while demand in the industrial sector increased slightly. Price formation in the UK and US remained very challenging. Price levels in Asia remained low. Delivery volumes were considerably lower compared with the year-earlier period, but higher than in the first quarter of 2026.

Although the CLT market remains challenging, there are signs of recovery and export activity is gaining momentum. The proportion of new buildings with wooden frames is also rising steadily. Price levels rose slightly, but order intake was relatively weak during the quarter. Delivery volumes were lower than in the corresponding period last year, but slightly higher accumulated for the year.

Paper pulp market

The economy remained weak as did demand for paper and board, leading to continued soft demand for paper pulp in Europe. There is still a slight imbalance between supply and

Foreign exchange rates

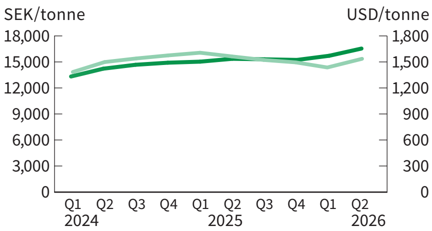


- EUR/SEK (average rate)
- USD/SEK (average rate)
- GBP/SEK (average rate)

The diagram shows the annual average exchange rate.

Source: ECB

Delivery prices for bleached softwood sulphate pulp

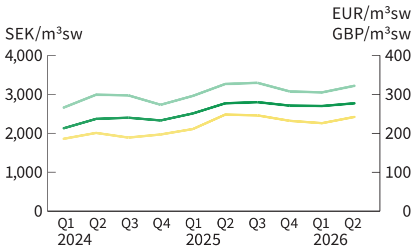


- SEK/tonne
- USD/tonne

The price of bleached softwood sulphate pulp in USD rose during the quarter. The diagram shows the average prices for softwood sulphate pulp delivered to European customers.

Source: FOEX PIX and Södra

Delivery prices for sawn timber



- SEK/m³sw
- EUR/m³sw
- GBP/m³sw

The diagram shows delivery prices for sawn timber in the most important currencies.

Source: Södra

demand worldwide. The price of softwood pulp has stopped rising in Europe and the US, while the price level in Asia remains unchanged.

The geopolitical situation has led to uncertainty regarding paper pulp flows. The increase in hardwood pulp prices levelled off during the quarter, and delivery volumes were higher than in the corresponding period last year. The production of softwood pulp was higher than in the year-earlier period, while production of hardwood pulp and dissolving pulp was lower.

Bioproducts market

Market conditions for Södra’s bioproducts remained generally positive during the second quarter, albeit with clear differences between the product areas. Demand for dissolving pulp was favourable, driven by a high production rate and low stock levels among viscose producers. The market for tall oil and turpentine continued to perform well during the quarter, while high price levels driven by high natural gas prices and robust demand affected the biomethanol market.

The market scenario was more varied for solid biofuels. Limited supply and stable demand continued to support pellets and industrial fuels, while forest chips and fuel wood faced downward price pressure ahead of the coming season. Significant price fluctuations continued to dominate the electricity market during the quarter, with low reservoir levels, limited nuclear power availability, and developments in the European energy market contributing to high price levels. As regards new products, the commercial development of lignin and tannin continued.

Net sales

During the quarter, consolidated net sales amounted to SEK 6,947 million (7,193), down 3 percent. The sales trend is mainly attributable to a deterioration in the SEK/USD exchange rate (difference of approximately SEK 0.30) and lower delivery volume of sawn timber compared with the year-earlier period.

Net sales for the first half-year amounted to SEK 13,551 million (15,348), down 12 percent.

Result

Operating loss for the quarter totalled SEK 424 million (loss: 389), representing a negative operating margin of 6 percent (neg: 5). Operating loss compared with the year-earlier period was attributable primarily to lower delivery volumes of sawn timber. The negative volume effect was partly offset by lower overheads resulting from the action programme.

Loss before tax was SEK 368 million (loss: 356). Tax expense for the period was SEK 2 million (income: 35).

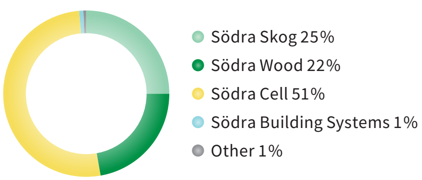
Operating profit for the first half-year totalled SEK 470 million (50). The divestment of the forest operations in the Baltics had a positive impact on cumulative operating profit, generating a capital gain of SEK 1,473 million. Excluding the divestment, the cumulative operating loss amounted to SEK 1,003 million. Return on capital employed R12 was a negative 4 percent (pos: 7).

BUSINESS AREAS

SEK MILLION	Net sales					Operating profit/loss				
	2026 Apr–Jun	2025 Apr–Jun	2026 Jan–Jun	2025 Jan–Jun	2025 Jan–Dec	2026 Apr–Jun	2025 Apr–Jun	2026 Jan–Jun	2025 Jan–Jun	2025 Jan–Dec
Södra Skog	1,743	1,913	3,404	3,684	6,606	−12	7	−8	40	−14
Södra Wood	1,714	1,787	3,173	3,566	6,458	−215	3	−530	17	−463
Södra Cell	3,427	3,418	6,829	7,930	14,919	−88	−221	−247	318	−258
Södra Building Systems	63	63	125	120	235	−45	−44	−67	−82	−168
Other	—	12	20	48	84	−64	−134	1,322	−243	−387
Group	**6,947**	**7,193**	**13,551**	**15,348**	**28,302**	**−424**	**−389**	**470**	**50**	**−1,290**

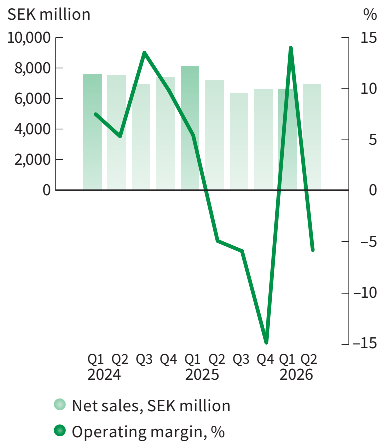
Södra Bioproducts’ revenue is included in the other business areas in the amount of SEK 888 million (703) for the quarter and SEK 3,553 million for the preceding full year.

Sales per business area

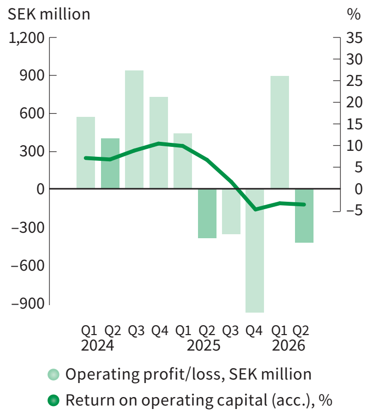


SEK 6,947 million in total, excluding internal deliveries.
Södra Bioproducts is included in the other business areas in the amount of SEK 888 million.

Net sales and operating margin



Operating profit/loss and return on capital employed



Södra’s financial target is a minimum long-term return of 10 percent on capital employed.

Business areas

Södra is a forest industry group that offers forestry services, sawn timber, timber building systems, energy, biochemicals and pulp for the pulp market. The Group consists of five business areas: Södra Skog, Södra Wood, Södra Cell, Södra Building Systems and Södra Bioproducts.

Södra Bioproducts is monitored solely based on sales and delivered volumes for bioproducts. Sales, costs and results for bioproducts continue to be included in the other business areas.

Södra Skog

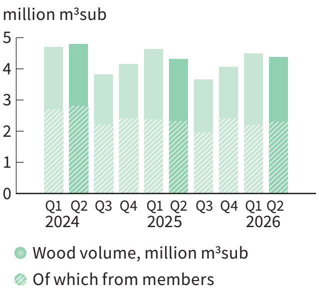
Södra Skog's sales for the quarter amounted to SEK 1,743 million (1,913), which was primarily an effect of lower delivery volumes. Demand for spruce logs was lower, while demand for softwood pulp and energy products was at a stable level compared with the year-earlier period.

Total outbound deliveries of sawlogs, pulpwood and energy products for the quarter were 4.1 million m³sub (4.3).

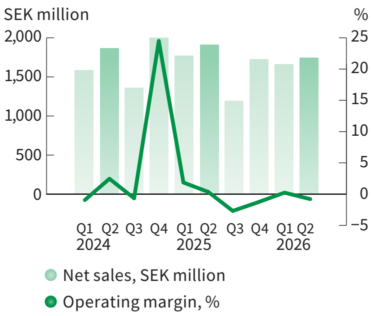
Operating loss for the quarter totalled SEK −12 million (profit: 7) and was primarily due to lower delivery volumes and thus lower revenue.

Cumulative sales amounted to SEK 3,404 million (3,684) and operating loss totalled SEK 8 million (profit: 40).

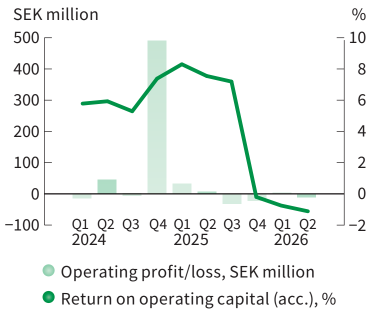
Wood volume



Net sales and operating margin



Operating profit/loss and return on operating capital



Södra Wood

Södra Wood's sales for the quarter amounted to SEK 1,714 million (1,787), which was primarily an effect of lower delivery volumes.

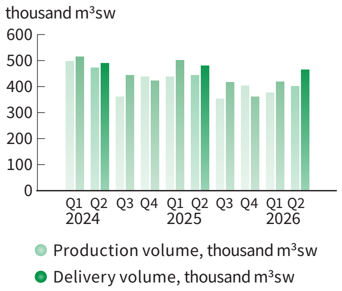
The production volume for the quarter amounted to 402 thousand m^3sw, down 43 thousand m^3sw compared with the year-earlier period.

Outbound deliveries of sawn timber for the quarter were 466 thousand m^3sw, down 14 thousand m^3sw compared with the year-earlier period.

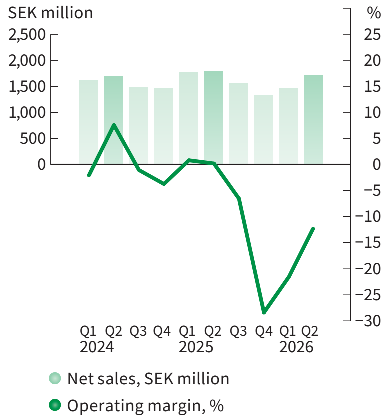
Operating loss for the quarter totalled SEK 215 million (profit: 3) and was primarily due to lower delivery volumes, somewhat lower market prices and higher raw material costs.

Cumulative sales amounted to SEK 3,173 million (3,566) and operating loss totalled SEK 530 million (profit: 17).

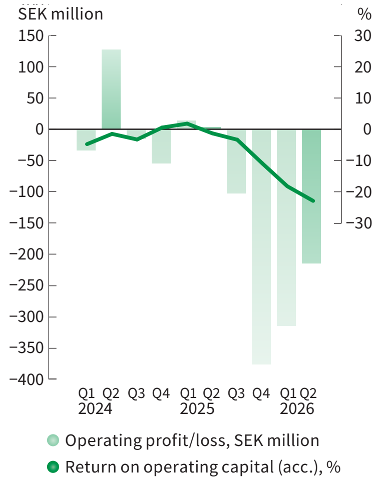
Production and delivery volume, sawn timber



Net sales and operating margin



Operating profit/loss and return on operating capital



Södra Cell

Södra Cell's sales for the quarter amounted to SEK 3,427 million (3,418), which was mainly an effect of higher delivery volumes combined with a deterioration in the exchange rate trend.

During the quarter, the production volume was 468 ktonnes (432), comprising 421 ktonnes (375) of softwood sulphate pulp, 20 ktonnes (25) of hardwood sulphate pulp and 27 ktonnes of dissolving pulp (32).

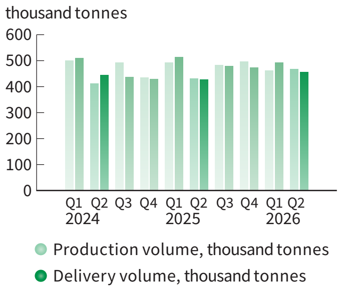
Outbound deliveries of pulp for the quarter were 457 ktonnes, up 29 ktonnes compared with the year-earlier period.

Operating loss for the quarter totalled SEK 88 million (loss: 221) and was primarily due to higher delivery volumes and lower overheads, attributable in part to lower maintenance shutdown costs.

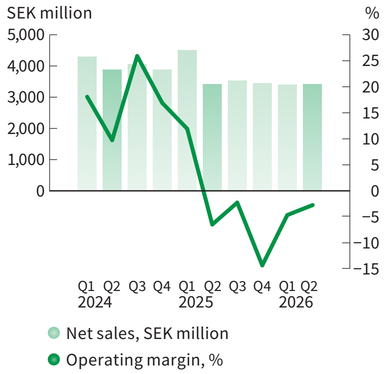
Cumulative sales amounted to SEK 6,829 million (7,930), and operating loss to SEK 247 million (profit: 318).

During the quarter, electricity generated by the pulp mills, wind turbines and the hydropower plant totalled 459 GWh. Excess electricity amounted to 142 GWh. The excess represented about 31 percent of the generated volume and was sold both within Södra and on the open market.

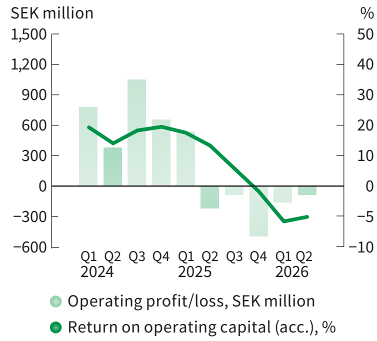
Production and delivery volume, pulp



Net sales and operating margin



Operating profit/loss and return on operating capital



Södra Building Systems

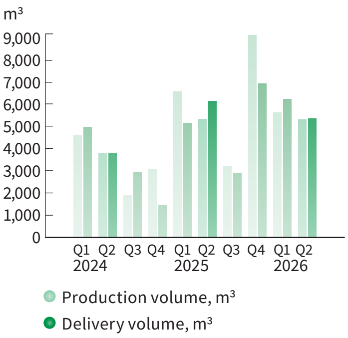
Södra Building Systems' sales for the quarter amounted to SEK 63 million (63), with the order book for delivery being somewhat higher than in the year-earlier period.

The production volume during the quarter amounted to 5,295 m^3 (5,315). Outbound deliveries of CLT for the quarter amounted to 5,337 m^3 (6,122).

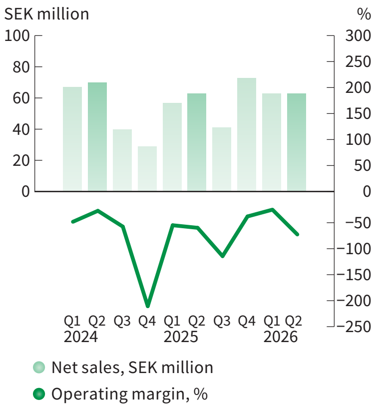
Operating loss for the quarter amounted to SEK 45 million (loss: 44) as a result of stable sales and control of overheads. CLT's share of sales continued to rise. Export activity is gaining momentum, and the focus on sales channels and partnerships outside Sweden is starting to pay off.

Cumulative sales amounted to SEK 125 million (120), and operating loss to SEK 67 million (loss: 82).

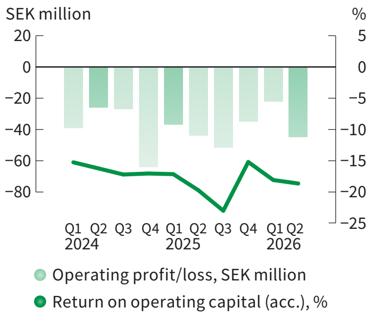
Production and delivery volume, CLT



Net sales and operating margin



Operating profit/loss and return on operating capital



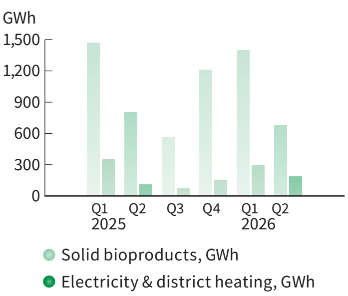
Södra Bioproducts

Södra Bioproducts' sales for the quarter amounted to SEK 888 million (704), which was mainly an effect of a strong trend for tall oil and electricity. Outbound deliveries of tall oil grew sharply compared with the year-earlier period, supported by good production and a continued robust market. Meanwhile, electricity prices were higher and a sharp increase in sales volumes was noted during the quarter compared with the corresponding period last year.

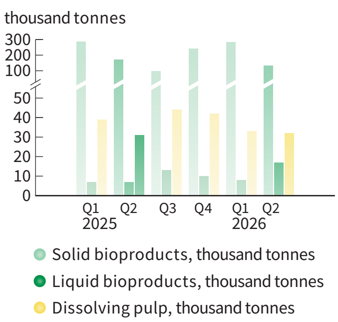
Sales of solid bioproducts fell by 4 percent during the period due to lower delivery volumes. Sales of dissolving pulp declined year-on-year due to lower prices, while deliveries were slightly higher. The district heating business grew slightly during the quarter, mainly due to higher delivery volumes.

Cumulative sales amounted to SEK 1,968 million (1,952).

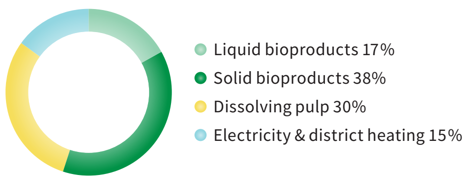
Delivery volume, bioproducts



Delivery volume, bioproducts



Sales of bioproducts



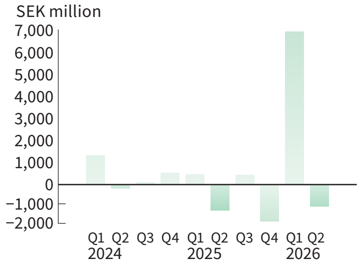
Net financial items

Net financial income for the quarter amounted to SEK 56 million (33).

Cash flow

Cash flow before investments for the quarter was a negative SEK 251 million (neg: 658). Cash flow after investments for the quarter was a negative SEK 979 million (neg: 1,155). At the end of the quarter, cash and cash equivalents and current investments amounted to SEK 16,698 million (10,632 at 31 December 2025).

Cash flow after investments



Cash flow after investments was a negative SEK 979 million for the quarter.

Financial position

At 30 June 2026, equity amounted to SEK 24,857 million (24,910 at 31 December 2025), of which paid-up and issued contributed capital accounted for SEK 6,943 million (6,842 at 31 December 2025). Total assets amounted to SEK 45,108 million (44,634 at 31 December 2025). At 30 June 2026, the equity ratio was 55 percent (56 at 31 December 2025).

Södra's borrowing comprised loans of SEK 12,795 million (12,433 at 31 December 2025) from members. Södra has a credit agreement in the form of a club agreement, enabling it to borrow up to SEK 3,000 million until December 2030. The debt/equity ratio was −0.2 times (0.1 at 31 December 2025).

Investments, acquisitions and divestments

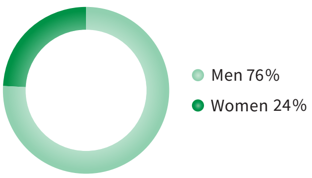
Investments for the quarter totalled SEK 796 million (513), of which SEK 678 million (409) pertained to Södra Cell, SEK 100 million (90) to Södra Wood, SEK 14 million (5) to Södra Skog and SEK 4 million (0) to Södra Building Systems. The investments mainly relate to new markets and technology.

Events after the close of the period

The divestment of the holding in SunPine was completed after the end of the quarter, and the effects will be recognised in the third quarter. No other significant events occurred after the balance-sheet date.

Employees

The average number of employees was 3,032 (3,234 for full-year 2025), of whom 24 percent were women (25).



Future outlook

The rate of inflation, and thus interest rates, remained relatively stable in the second quarter. While uncertainty about the interest rate trajectory moving forward has increased slightly, inflation is expected to remain at about the current level. A continued decline in inflation would enable interest rates to be cut, or at least would prevent any hikes being made. This could have a positive effect on economic growth and demand, even though base levels remain low.

Electricity prices in the second quarter were higher than usual for the season, while price trends were relatively stable. It is difficult to estimate the price developments in the long term.

Pulp prices stabilised in the second quarter, and demand remained relatively soft. Prices in USD are expected to remain at approximately their current level going forward. For sawn timber, the price scenario remained weak, particularly in some geographical markets, while other products showed a more stable trend.

Demand is affected by residential construction in the short term and the market is cautious. Meanwhile, the demand for timber construction is increasing in the long term.

Operating profit was negatively impacted during the quarter. This was due to the continued imbalance between raw material costs and product prices in SEK, stemming from the relatively weak demand in Europe. The imbalance narrowed slightly, which could suggest continued improvement in the future. However, demand and price developments are difficult to assess due to the significant geopolitical uncertainty. The long-term outlook for Södra's core products is considered favourable. Global economic growth will bolster the underlying demand for sustainable forest-based products. Tightened emissions reduction targets are also driving the transition towards a more sustainable bioeconomy.

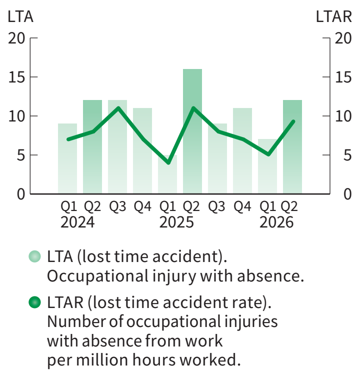
Sustainability

Sustainability permeates Södra's Group-wide strategy. Two key areas are people and culture at the centre as well as sustainable use of the forest and earth's resources.

People and culture at the centre

The health and safety of our employees is a top priority. Södra shall offer a safe and secure workplace for employees and contractors, and we have a zero accident vision. The target is a lost time accident rate (LTAR) of 5 or less in 2026, and 2 or less by 2032. In the second quarter, the number of lost time accidents (LTA) was 12 (16) and the LTAR was 9 (11).

Occupational injuries



Work continued on developing a Group-wide model for behaviour-based safety (BBS) during the second quarter. The implementation of safe behaviours continued while a framework for maintaining the programme in the future was developed. The reporting rate for proactive key performance indicators, for example, positive observations and risk observations, remained good for the period. A Group-wide app for monitoring key performance indicators was built during the quarter. It aims to enable consistent and accessible monitoring of health and safety statistics across the organisation.

We are continuing work to break down traditional cultural barriers and increasing diversity, equity and inclusion (DEI). Södra strives to achieve greater gender balance in the organisation and the target is that 35 percent of managers will be women by 2028.

During the second quarter, several internal initiatives were carried out with the aim of strengthening DEI efforts. For example, upskilling workshops were held at two units in the Wood business area, focusing on leadership to promote gender equality and inclusion in work teams. In addition, further efforts were made in the form of workshops to address the issues of the language used and macho culture within the organisation.

Efforts aimed at combating discrimination and harassment and promoting equal conditions and opportunities continued. The management training programme focused on dealing with suspected cases of victimisation and discrimination also continued during the quarter. A digital workshop on LGBTQI issues was offered, and a seminar was held with the aim of increasing understanding of an LGBTQI-inclusive work environment. Södra also took part in Pride parades in Växjö and Varberg.

Externally, Södra participated in the annual meeting of the Forestry Sector Gender Equality Council (Sw: Skogssektorns jämställdhetsråd) and continued its work within the council's working group *Gender equality in private forest ownership (Sw: Jämställt enskilt skogsägande)*. During this period, the emphasis was on promoting initiatives for degree projects specialising in increasing gender equality in the forestry sector.

Sustainable use of the forest and earth's resources

Sustainable forestry involves increasing forest growth responsibly by using forests in line with their long-term production capacity and preserving and promoting the environmental, cultural and social values of forests. Södra's target is that the annual rate of forest growth on the members' estates shall be 20 percent higher in 2050 compared with the base year of 2015. Key measures for the achievement of this target include effective and active forest management, nutrient recycling, forest tree breeding and damage reduction.

During the second quarter, work continued on developing forest regeneration methods as part of the BraSatt project. The aim is to increase seedling survival after planting and to enable high-precision site preparation with minimal impact on land. The method also facilitates a more attractive work environment in forestry and strengthens long-term competence supply. Discussions were held with external parties, and development work was pursued in partnership with various stakeholders – from established machinery manufacturers to engineering firms – in parallel with internal development. Opportunities to secure external financing were explored.

As part of Södra's breeding activities related to non-native tree species, the Group participated in the development of a joint long-term programme together with the Forestry Research Institute of Sweden (Skogforsk) and other stakeholders. The programme aims to gather knowledge about several non-native tree species so that we are better prepared to address climate change.

Södra works to preserve and promote biodiversity – a process under continuous development. Södra's aim is to promote richer biodiversity for future generations. In Götaland, nature conservation measures are important for the preservation and promotion of biodiversity. Södra's target for its nature conservation measures is an area corresponding to 3,000 hectares in 2026.

There was a strong focus on nature conservation measures in the second quarter. During this period, training in environmental considerations was conducted, and calibrations of conservation value assessments were carried out among all forestry workers. Södra also actively contributed to the EU project to develop a common framework for nature credits, which aims to promote the conservation and restoration of natural values. As the framework evolves, it is expected to clarify how forestry measures can promote increased biodiversity, while at the same time these values can yield additional benefits for forest owners.

Södra's target for reduced GHG emissions has been validated by the Science Based Targets initiative (SBTi). The targets are to reduce GHG emissions by 50 percent by 2030, compared with the base year of 2020*. For emissions from processing of sold products, the target is an engagement strategy whereby customers corresponding to 70 percent of the emissions will have set their own science-based targets by 2027. In the second quarter, Scope 1 and 2 emissions were 17 ktonnes CO_2eq (20).

During the second quarter, Södra joined a sub-project under the Nordic Roadmap Phase 2, funded by the Nordic Council of Ministers. The project analyses alternative fuels, technical solutions and vessel designs for next-generation vessels, with the aim of contributing to more sustainable shipping.

In addition, Södra contributed to the development of the guide: *"How to reduce emissions from road transportation through carbon insets and book-and-claim,"* aimed at transport buyers. The aim of the guide is to increase awareness of how climate emissions from transportation can be reduced using new business models and policy instruments.

During the quarter, carbon capture was piloted at the Värö pulp mill in collaboration with Svante Technology. The experiments also included the liquefaction of the captured carbon. The findings were positive, thereby strengthening the prospects for the continued development of the technology.

*The target covers land use-related biogenic emissions from biomass combustion and uptake from the production of biomass that is combusted. These emissions and uptake are assumed to offset each other based on the fact that we have a positive net change in forest carbon stock in Sweden's forests and that purchased solid and liquid biofuels have a certificate of sustainability.

CO_2 equivalents (CO_2eq) is a standard unit for measuring greenhouse gas emissions. Each type of greenhouse gas has a different global warming effect. When emissions are reported as CO_2eq, all greenhouse gases are included as if they were carbon dioxide. Scope 1 refers to direct GHG emissions that occur from sources that are financially controlled by Södra. Scope 2 refers to indirect emissions associated with the purchase of energy. Scope 3 refers to other indirect emissions. The greenhouse gases in Scope 1, 2 and 3 are fossil carbon dioxide, methane, nitrous oxide and refrigerants.

[1] LGBTQI is a collective term for lesbian, gay, bisexual, transgender, queer and intersex people.

On behalf of the Board of Directors

Växjö, 16 July 2026

Lotta Lyrå
President and CEO

Assurance report
This interim report has not been audited.

Condensed consolidated statement of comprehensive income

SEK MILLION	2026 Apr–Jun	2025 Apr–Jun	2026 Jan–Jun	2025 Jan–Jun	2025 Jan–Dec
Net sales	6,947	7,193	13,551	15,348	28,302
Capital gain on divestment of subsidiaries in Baltics	—	—	1,473	—	—
Other revenue	81	36	175	59	221
Share of profit of associates	14	21	15	30	74
Operating expenses	−7,052	−7,235	−13,917	−14,586	−28,245
Earnings/loss before depreciation, amortisation and impairment	**−10**	**15**	**1,297**	**851**	**352**
Depreciation, amortisation and impairment	−414	−404	−827	−801	−1,642
Operating profit/loss	**−424**	**−389**	**470**	**50**	**−1,290**
Financial income and expense	56	33	25	49	84
Profit/loss before income tax	**−368**	**−356**	**495**	**99**	**−1,206**
Income tax	−2	35	255	−61	−117
Profit/loss for the period	**−370**	**−321**	**750**	**38**	**−1,323**
Other comprehensive income					
Items that will not be reclassified to profit or loss	—	—	10	−1	30
Items that will be reclassified to profit or loss	37	152	−218	−171	−213
Other comprehensive income for the period	**37**	**152**	−208	−172	**−183**
Total comprehensive income for the period	**−333**	**−169**	**542**	**−134**	**−1,506**
Profit/loss attributable to					
Owners of the Parent	−370	−321	750	38	−1,323
Profit/loss for the period	**−370**	**−321**	**750**	**38**	**−1,323**
Comprehensive income attributable to					
Owners of the Parent	−333	−169	542	−134	−1,506
Comprehensive income for the period	**−333**	**−169**	**542**	**−134**	**−1,506**

Condensed consolidated statement of financial position

SEK MILLION	30 June 2026	30 June 2025	31 Dec 2025
ASSETS			
Intangible assets	92	93	94
Property, plant and equipment	16,385	17,189	15,702
Biological assets	820	5,293	820
Shares and participations in associates	247	342	358
Surplus in funded pension plans	461	355	448
Financial investments	48	44	44
Non-current financial receivables	8	8	8
Other non-current receivables	0	43	0
Deferred tax assets	—	—	0
Total non-current assets	**18,061**	**23,367**	**17,474**
Inventories	4,833	5,415	5,430
Tax assets	—	288	49
Current financial receivables	2	2	4
Operating receivables	5,514	5,420	4,481
Current investments	15,436	9,145	8,369
Cash and cash equivalents	1,262	2,078	2,263
Total current assets	**27,047**	**22,348**	**20,596**
Assets held for sale		—	6,564
TOTAL ASSETS	**45,108**	**45,715**	**44,634**
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent	24,857	26,151	24,910
Total equity	**24,857**	**26,151**	**24,910**
Non-current interest-bearing financial liabilities	191	320	312
Non-current interest-bearing operating liabilities	44	104	70
Provisions for pensions	24	85	42
Non-current provisions	554	523	533
Deferred tax liabilities	1,754	2,052	2,169
Total non-current liabilities	**2,567**	**3,084**	**3,126**
Current interest-bearing financial liabilities	12,604	11,357	12,189
Current interest-bearing operating liabilities	92	105	112
Income tax liabilities	194	50	106
Other current operating liabilities	4,794	4,968	4,169
Total current liabilities	**17,684**	**16,480**	**16,576**
Total liabilities	**20,251**	**19,564**	**19,702**
Liabilities attributable to assets held for sale	—	—	22
TOTAL EQUITY AND LIABILITIES	**45,108**	**45,715**	**44,634**

Condensed consolidated statement of changes in equity

SEK MILLION	Total equity
Opening balance, 1 January 2026	24,910
Comprehensive income for the year	542
Contributed capital, paid-up by members	104
Contributed capital, paid-out to members	−3
Dividends to members	−696
Closing balance, 30 June 2026	**24,857**
Opening balance, 1 January 2025	27,803
Comprehensive income for the year	−134
Contributed capital, paid-up by members	117
Contributed capital, paid-out to members	−4
Dividends to members	−1,631
Closing balance, 30 June 2025	**26,151**

Condensed consolidated statement of cash flows

SEK MILLION	**2026 Jan–Jun**	2025 Jan–Jun	2025 Jan–Dec
Profit/loss before tax	495	99	−1,206
Adjustment for non-cash items and change in provisions	−1,012	687	1,423
Income tax paid	−29	−108	210
Cash flow from operating activities before change in working capital	**−546**	**678**	**427**
Change in inventories (decrease +/increase −)	625	−319	−303
Change in operating receivables (decrease +/increase −)	−1,555	−506	61
Change in operating liabilities (increase +/decrease −)	1,321	546	57
Cash flow from operating activities	**−155**	**399**	**242**
Cash flow from divestment of Baltics subsidiaries	7,523	—	—
Cash flow from investing activities	−1,447	−1,086	−2,163
Cash flow after investing activities	**5,921**	**−687**	**−1,921**
Change in contributed capital	101	114	239
Dividends paid	−696	−1,627	−1,626
Change in loans from members	361	1,790	2,679
Change in loans	−67	−67	−133
Dividends received	126	0	58
Change in current investments with maturity > 90 days	−7,058	−617	117
Cash flow from financing activities	**−7,233**	**−407**	**1,334**
CASH FLOW FOR THE PERIOD	**−1,312**	**−1,094**	**−587**
Cash and cash equivalents at beginning of period	2,548	3,205	3,205
Exchange gains/losses on cash and cash equivalents	26	−33	−70
Cash and cash equivalents at end of period	**1,262**	**2,078**	**2,548**

Parent Company

Result and financial position

Net sales for the quarter amounted to SEK 6,522 million (6,688) and the operating loss was SEK 476 million (loss: 520). The sales trend is mainly attributable to a deterioration in the SEK/USD exchange rate (difference of approximately SEK 0.30) and lower delivery volume of sawn timber compared with the year-earlier period.

Operating loss compared with the year-earlier period was attributable primarily to lower delivery volumes of sawn timber. The negative volume effect was partly offset by lower overheads resulting from the action programme.

Net financial income for the quarter was SEK 123 million (39). Loss after net financial items for the quarter totalled SEK 353 million (loss: 481).

Cumulative sales amounted to SEK 12,654 million (14,241) and operating loss totalled SEK 1,051 million (loss: 53).

Members

The number of members was 52,092 (52,262 at 31 December 2025). The affiliated forest area decreased by approximately 6,000 hectares during the quarter to 2.86 million hectares (2.86 at 31 December 2025).

Parent Company income statement, condensed

SEK MILLION	**2026 Apr–Jun**	2025 Apr–Jun	**2026 Jan–Jun**	2025 Jan–Jun	2025 Jan–Dec
Net sales	6,522	6,688	12,654	14,241	26,038
Other revenue	64	47	150	98	211
Operating expenses	−6,683	−6,888	−13,100	−13,665	−26,497
Earnings/loss before depreciation, amortisation and impairment	**−97**	**−153**	**−296**	**674**	**−248**
Depreciation, amortisation and impairment	−379	−367	−755	−727	−1,491
Operating profit/loss	**−476**	**−520**	**−1,051**	**−53**	**−1,739**
Capital gain on divestment of subsidiaries in Baltics	—	—	3,820	—	—
Financial income and expense	123	39	88	264	201
Profit/loss after financial items	**−353**	**−481**	**2,857**	**211**	**−1,538**
Appropriations	—	—	0	—	23
Profit/loss before income tax	**−353**	**−481**	**2,857**	**211**	**−1,515**
Income tax	4	67	−165	−38	−10
Profit/loss for the period	**−349**	**−414**	**2,692**	**173**	**−1,525**

Parent Company balance sheet, condensed

SEK MILLION	30 June 2026	30 June 2025	31 Dec 2025
ASSETS			
Intangible assets	–	0	–
Property, plant and equipment	16,049	15,113	15,344
Shares and participations in Group companies	548	4,518	4,297
Shares and participations in associates	99	99	99
Surplus in funded pension plans	12	69	12
Other non-current investments	47	35	35
Non-current financial receivables	8	8	8
Other non-current receivables	0	43	0
Deferred tax assets	19	24	21
Total non-current assets	**16,782**	**19,909**	**19,816**
Inventories	4,046	4,461	4,625
Current interest-bearing receivables from Group companies	167	287	300
Deferred tax assets	25	270	–
Current receivables	5,425	5,305	4,467
Current financial investments	15,517	9,676	9,131
Cash and bank balances	1,126	1,234	1,463
Total current assets	**26,306**	**21,233**	**19,986**
TOTAL ASSETS	**43,088**	**41,142**	**39,802**
EQUITY AND LIABILITIES			
Restricted equity	8,356	8,130	8,255
Non-restricted equity	8,348	8,037	6,337
Total equity	**16,704**	**16,167**	**14,592**
Untaxed reserves	**7,347**	**7,367**	**7,347**
Provisions	**573**	**523**	**545**
Non-current interest-bearing liabilities from Group companies	8	8	8
Non-current interest-bearing liabilities	191	319	312
Total non-current liabilities	**199**	**327**	**320**
Current interest-bearing liabilities from Group companies	860	651	746
Current interest-bearing liabilities	12,603	11,358	12,188
Current tax liabilities	173	–	0
Current operating liabilities and provisions	4,629	4,749	4,064
Total current liabilities	**18,265**	**16,758**	**16,998**
TOTAL EQUITY AND LIABILITIES	**43,088**	**41,142**	**39,802**

Notes

Note 1 | Accounting policies

Södra applies International Financial Reporting Standards (IFRS), as adopted by the EU. This interim report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company applies Recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board, and the Swedish Annual Accounts Act.

The accounting policies applied are consistent with those presented in the 2025 Annual Report, except for new standards and revisions of standards and interpretations applicable to annual periods beginning on or after 1 January 2026 and that have not already been applied in the preparation of the 2025 Annual Report.

A number of new or revised standards and interpretations are not yet effective, and have not been applied in advance in the preparation of these financial statements. No early adoption of updates or amendments that take effect after the 2025 financial year has been planned, and none of these are expected to have any material impact on the consolidated financial statements.

On 1 January 2024, Sweden introduced legislation on top-up tax for companies in multinational groups (Pillar II). The Group has identified exposure to top-up tax in certain jurisdictions, and the recognised tax expense includes the top-up tax deemed attributable to the reporting period.

The rules for economic associations were applied to the calculation of current tax. These mean that the dividend proposal for the financial year (which will be paid out in the following year) is tax deductible in the current year and has been treated as a deduction in the calculation of current tax. The deduction has affected the tax expense recognised in net profit or loss for the year.

All figures in the report have been rounded off to the nearest million, unless otherwise stated. As a result, some percentages and figures in the report may not correspond with the total shown, and may also differ from previously published information.

Note 2 | Risk and uncertainties

No additional material risks have been identified since the 2025 Annual Report. For a description of risks and uncertainties, refer to Södra's 2025 Annual Report under 'Risks and risk management' on pages 153–155. An overall description of a selection of such risk areas, and the key measures for control and management, are presented below.

Södra operates in a global market and is impacted by general economic trends and currency fluctuations, as well as more industry and company-specific factors. The most significant risk areas for Södra's ability to achieve the Group's set targets and the management of each risk area are presented below.

Södra applies a systematic approach to risk management with the aim of protecting the Group from damage, uncertainty and lost opportunities.

Efforts to identify, assess and manage risks are an integral and key component of Södra's business management. Strategic risks are assessed and managed by the Board, Group Senior Management, the Strategy function and the business planning process. Södra Finance Centre is responsible for managing financial risk, based on a Financial Policy established by the Board. Operational risks are controlled and managed by the President, management team and employees, in accordance with central policies and guidelines.

Note 3 | Related parties

There were no transactions between Södra and related parties with any significant effect on the company's financial position or result. The nature and scope of transactions with related parties are consistent with those that existed in 2025.

Note 4 | Revenue

The following table shows Södra's net sales per revenue category:

	April–June											
	Södra Skog		Södra Wood		Södra Cell		Södra Building Systems		Other		Group	
SEK MILLION	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
Wood raw material	731	849	–	–	–	–	–	–	–	–	731	849
Wood products	–	–	1,599	1,678	–	–	48	61	–	–	1,647	1,739
Pulp	–	–	–	–	3,117	3,325	–	–	–	–	3,117	3,325
Energy products	219	248	108	108	310	93	–	–	–	12	637	461
Forestry services	587	587	–	–	–	–	–	–	–	–	587	587
Transportation	53	64	–	–	–	–	–	–	–	–	53	64
Other	153	165	7	1	–	–	15	2	–	–	175	168
Net sales, goods and services	**1,743**	**1,913**	**1,714**	**1,787**	**3,427**	**3,418**	**63**	**63**	**0**	**12**	**6,947**	**7,193**

Södra Bioproducts' revenue of SEK 888 million (703) is included in Södra Skog, Södra Wood and Södra Cell.

Note 5 | Financial instruments

Financial assets and liabilities are substantially the same as in the most recently published annual report.

	30 June 2026		31 December 2025	
Group, SEK million	Carrying amount	Fair value	Carrying amount	Fair value
Financial investments	48	48	44	44
Operating receivables	3,930	3,930	3,471	3,471
Current investments	15,436	15,436	8,369	8,369
Cash and cash equivalents	1,262	1,262	2,263	2,263
Total assets, financial instruments	**20,676**	**20,676**	**14,147**	**14,147**
Other assets, non-financial instruments	24,432		30,487	
Total assets	**45,108**		**44,634**	
Non-current liabilities	235	272	381	403
Current interest-bearing liabilities	12,696	12,438	12,302	12,472
Current operating liabilities	3,326	3,326	2,849	2,849
Total liabilities, financial instruments	**16,257**	**16,036**	**15,532**	**15,724**
Other liabilities, non-financial instruments	3,993		4,170	
Total liabilities	**20,250**		**19,702**	

The following tables present information about how fair value is determined for the financial instruments that are measured at fair value in the statement of financial position. Fair value measurements are categorised into a three-level hierarchy:

Level 1: Based on prices quoted in active markets for identical instruments.

Level 2: Based on direct or indirect observable market data not included in level 1.

Level 3: Based on inputs that are unobservable in the market.

Group, 30 June 2026

SEK MILLION	Level 1	Level 2	Level 3	Total
Assets	15,436	–	49	15,486
Liabilities	–	–	2	2

Group, 31 December 2025

SEK MILLION	Level 1	Level 2	Level 3	Total
Assets	8,369	–	44	8,413
Liabilities	–	–	4	4

The fair value of financial instruments is measured on the basis of quoted market prices at the balance-sheet date. Derivatives are measured on the basis of published price quotations in an active market. For unquoted shares where a reliable market value cannot be determined, the carrying amount is used as an indicator of fair value. The fair value of debt instruments is measured using techniques such as discounting expected future cash flows at quoted market interest rates for each duration.

Note 6 | Standing timber

At 30 June 2026, the estimated fair value of Södra's standing timber was SEK 820 million (820 at 31 December 2025).

During the first quarter, Södra divested its entire holding of standing timber in the Baltics in an amount of SEK 4,612 million, and the holding recognised on the reporting date consists solely of Swedish forest.

Note 7 | Scheduled maintenance shutdowns

At Södra Cell, in addition to routine maintenance during normal operations, there are also scheduled maintenance shutdowns to perform more extensive maintenance, whereby pulp production is stopped.

The earnings impact of the maintenance shutdowns varies, depending on the extent and nature of the maintenance measures and the duration of the shutdowns. The cost comprises loss of revenue from production losses, and the direct costs of the maintenance.

During the quarter, costs for scheduled maintenance shutdowns amounted to SEK 191 million (240).

Quarterly data and segment information

	2026 Apr–Jun	2025 Apr–Jun	**2026 Jan–Jun**	2025 Jan–Jun	2025 Jan–Dec
NET SALES, SEK MILLION					
Södra Skog	1,743	1,913	3,404	3,684	6,606
Södra Wood	1,714	1,787	3,173	3,566	6,458
Södra Cell	3,427	3,418	6,829	7,930	14,919
Södra Building Systems	63	63	125	120	235
Other	—	12	20	48	84
Group	**6,947**	**7,193**	**13,551**	**15,348**	**28,302**
OPERATING PROFIT/LOSS BEFORE DEPRECIATION, AMORTISATION AND IMPAIRMENT, SEK MILLION					
Södra Skog	13	33	40	92	86
Södra Wood	−147	62	−394	131	−206
Södra Cell	206	71	340	898	916
Södra Building Systems	−22	−20	−19	−34	−73
Other	−60	−131	1,330	−236	−371
Group	**−10**	**15**	**1,297**	**851**	**352**
OPERATING PROFIT/LOSS, SEK MILLION					
Södra Skog	−12	7	−8	40	−14
Södra Wood	−215	3	−530	17	−463
Södra Cell	−88	−221	−247	318	−258
Södra Building Systems	−45	−44	−67	−82	−168
Other	−64	−134	1,322	−243	−387
Group	**−424**	**−389**	**470**	**50**	**−1,290**
OPERATING MARGIN					
Södra Skog	neg.	0%	neg.	1%	neg.
Södra Wood	neg.	0%	neg.	0%	neg.
Södra Cell	neg.	neg.	neg.	4%	neg.
Södra Building Systems	neg.	neg.	neg.	neg.	neg.
Group	**−6%**	**−5%**	**3%**	**0%**	**−5%**
OPERATING ASSETS, SEK MILLION					
Södra Skog	—	—	3,559	9,952	10,014
Södra Wood	—	—	5,028	5,079	4,964
Södra Cell	—	—	17,638	16,818	16,530
Södra Building Systems	—	—	850	927	882
Other	—	—	1,297	1,546	1,246
Financial assets	—	—	16,736	11,393	10,998
Total consolidated assets	**0**	**0**	**45,108**	**45,715**	**44,634**

	2026 Apr–Jun	2025 Apr–Jun	**2026 Jan–Jun**	2025 Jan–Jun	2025 Jan–Dec
AVERAGE OPERATING CAPITAL, SEK MILLION					
Södra Skog	—	—	4,712	6,903	7,220
Södra Wood	—	—	4,371	4,075	4,232
Södra Cell	—	—	15,671	15,197	15,401
Södra Building Systems	—	—	824	880	860
Group, average capital employed*	**—**	**—**	**23,821**	**25,665**	**25,965**

* Average capital employed is calculated on the basis of the current and previous four quarters.

	2026 Apr–Jun	2025 Apr–Jun	**2026 Jan–Jun**	2025 Jan–Jun	2025 Jan–Dec
RETURN ON OPERATING CAPITAL					
Södra Skog	—	—	neg.	8%	neg.
Södra Wood	—	—	neg.	neg.	neg.
Södra Cell	—	—	neg.	13%	neg.
Södra Building Systems	—	—	neg.	neg.	neg.
Consolidated return on capital employed*	**—**	**—**	**–4%**	**7%**	**–5%**

* Average capital employed is calculated on the basis of the current and previous four quarters. Adjusted operating profit is calculated on the current and previous three quarters.

	2026 Apr–Jun	2025 Apr–Jun	**2026 Jan–Jun**	2025 Jan–Jun	2025 Jan–Dec
CASH FLOW AFTER INVESTMENTS, SEK MILLION					
Södra Skog	19	−264	−28	674	15
Södra Wood	−114	−149	−584	−385	−897
Södra Cell	−611	−230	−1,166	−310	−644
Södra Building Systems	−23	−335	−31	2	−21
Other*	−250	−177	7,730	−668	−374
Group	**−979**	**−1,155**	**5,921**	**−687**	**−1,921**

* Cash flow effects relating to the divestment of the Baltics subsidiaries are recognised in their entirety under Other.

	2026 Apr–Jun	2025 Apr–Jun	**2026 Jan–Jun**	2025 Jan–Jun	2025 Jan–Dec
INVESTMENTS, SEK MILLION					
Södra Skog		5	16	34	138
Södra Wood	100	90	171	138	339
Södra Cell	678	409	1,291	923	1,734
Södra Building Systems	4	−2	5	−12	23
Other	—	11	0	26	14
Group	**796**	**513**	**1,483**	**1,109**	**2,248**
AVERAGE NO. OF EMPLOYEES					
Södra Skog	588	707	604	697	699
Södra Wood	813	850	814	847	851
Södra Cell	1,206	1,239	1,209	1,224	1,256
Södra Building Systems	83	86	80	84	82
Other	342	349	355	344	346
Group	**3,032**	**3,231**	**3,062**	**3,196**	**3,234**

Alternative performance measures

NET SALES, CHANGE

	2026 Jan–Jun	2025 Jan–Jun	2025 Jan–Dec
Opening net sales	15,348	15,140	29,487
Closing net sales	13,551	15,348	28,302
Change	**–12%**	**1%**	**–4%**

Change in net sales shows Södra's growth.

OPERATING PROFIT/LOSS BEFORE DEPRECIATION, AMORTISATION AND IMPAIRMENT IMPAIRMENT LOSSES, SEK MILLION

	2026 Jan–Jun	2025 Jan–Jun	2025 Jan–Dec
Operating profit/loss	470	50	–1,290
Depreciation, amortisation and impairment of assets	827	801	1,642
Operating profit/loss before depreciation, amortisation and impairment	**1,297**	**851**	**352**

A complement to operating profit/loss, which shows the items on the income statement that affect cash flow.

OPERATING PROFIT/LOSS BEFORE DEPRECIATION, AMORTISATION AND IMPAIRMENT IMPAIRMENT MARGIN

	2026 Jan–Jun	2025 Jan–Jun	2025 Jan–Dec
Operating profit before depreciation, amortisation and impairment	1,297	851	352
Net sales	13,551	15,348	28,302
EBITDA margin	**10%**	**6%**	**1%**

The EBITDA margin shows the percentage of surplus on each SEK earned less operating costs, but before depreciation, amortisation and impairment. This measure gives an overall view of the cash flow generated. The measure is used to produce an overall trend analysis of Södra's performance, and for comparison with other companies.

OPERATING PROFIT/LOSS, SEK MILLION

	2026 Jan–Jun	2025 Jan–Jun	2025 Jan–Dec
Net sales	13,551	15,348	28,302
Other revenue and profit from shares in associates	1,663	89	295
Operating expenses	–13,917	–14,586	–28,245
Depreciation, amortisation and impairment	–827	–801	–1,642
Operating profit/loss	**470**	**50**	**–1,290**

Operating profit shows the surplus on sales less operating costs, including depreciation, amortisation and impairment. This is an essential measure for producing a trend analysis of Södra's performance, and for comparison with other companies.

OPERATING MARGIN

	2026 Jan–Jun	2025 Jan–Jun	2025 Jan–Dec
Operating profit/loss	470	50	–1,290
Net sales	13,551	15,348	28,302
Operating margin	**3%**	**0%**	**–5%**

The operating margin is a measurement of the proportion of surplus on each sales SEK less operating costs, including depreciation, amortisation and impairment. This surplus is used to cover interest expense and tax, and to generate an acceptable profit. The measure is used to produce an overall trend analysis of Södra's performance, and for comparison with other companies.

Södra manages its operations by analysing key indicators. Some of these financial key indicators are defined or specified in applicable regulations for financial information, or by other applicable laws. All others are referred to as alternative performance measures. Södra uses the following alternative performance measures and believes they provide valuable complementary information for analysing Södra's performance.

NET DEBT, SEK MILLION

	2026 Jan–Jun	2025 Jan–Jun	2025 Jan–Dec
Interest-bearing liabilities	12,931	11,886	12,684
Financial receivables	−10	−8	−13
Current investments and cash and cash equivalents	−16,698	−11,223	−10,917
Net debt*	**−3,777**	**655**	**1,754**

* Reclassification of assets and liabilities in accordance with IFRS 5 has not been taken into account in the calculation of Net debt in the preceding year. The calculation is made on the entire Group.

Shows Södra's financial strength.

DEBT/EQUITY RATIO, TIMES

	2026 Jan–Jun	2025 Jan–Jun	2025 Jan–Dec
Net debt	−3,777	655	1,754
Equity	24,857	26,151	24,910
Debt/equity ratio*	**−0.2**	**0.0**	**0.1**

* Reclassification of assets and liabilities in accordance with IFRS 5 has not been taken into account in the calculation of the Debt/equity ratio in the preceding year. The calculation is made on the entire Group.

The debt/equity ratio is used to measure Södra's financial strength and, in combination with the equity ratio, is the measurement most frequently used by management to monitor the Group's financial leverage.

CAPITAL EMPLOYED, SEK MILLION

	2026 Jan–Jun	2025 Jan–Jun	2025 Jan–Dec
Assets	45,108	45,715	44,634
Surplus in funded pension plans	−461	−355	−448
Financial assets	−16,756	−11,277	−10,974
Provisions*	−554	−523	−533
Income tax*	−1,948	−2,102	−2,275
Non-interest-bearing operating liabilities	−4,794	−4,968	−4,191
Capital employed**	**20,595**	**26,490**	**26,215**
Average***	23,821	25,665	25,965

* Not considered in the calculation of Operating capital.
**Reclassification of assets and liabilities in accordance with IFRS 5 has not been taken into account in the calculation of Capital employed in the preceding year. The calculation is made on the entire Group.
*** Average capital employed is calculated on the basis of the current and previous four quarters.

Capital employed shows the capital used by Södra and is a component of Return on capital employed.

RETURN ON CAPITAL EMPLOYED

	2026 Jan–Jun	2025 Jan–Jun	2025 Jan–Dec
Average capital employed	23,821	25,665	25,965
Operating profit/loss	470	50	−1,290
Adjusted operating profit/loss*	−870	1,714	−1,290
Return	**−4%**	**7%**	**−5%**

* Average capital employed is calculated on the basis of the current and previous four quarters. Adjusted operating profit is calculated on the current and previous three quarters.

Return on capital employed is a measure of the interest that Södra pays on capital tied up in operations.

EQUITY RATIO

	2026 Jan–Jun	2025 Jan–Jun	2025 Jan–Dec
Equity	24,857	26,151	24,910
Assets	45,108	45,715	44,634
Equity ratio	**55%**	**57%**	**56%**

An established and key measure of Södra's financial strength. Shows the proportion of total assets financed by equity. The measure indicates the ability to pay long-term liabilities, since any future losses will be deducted from equity.

DEFINITIONS

Operating profit/loss before depreciation, amortisation and impairment, SEK million
Operating profit/loss excluding depreciation, amortisation and impairment of property, plant and equipment and intangible assets.

EBITDA margin, %
Operating profit/loss excluding depreciation, amortisation and impairment of property, plant and equipment and intangible assets expressed as a percentage of net sales.

Operating profit/loss, SEK million
Net sales and other revenue less operating costs including depreciation, amortisation and impairment.

Operating margin, %
Operating profit/loss expressed as a percentage of net sales.

Net debt, SEK million
Interest-bearing liabilities less interest-bearing assets and cash and cash equivalents.

Debt/equity ratio, times
Net debt in relation to equity.

Capital employed, SEK million
Assets excluding surplus in funded pension plans, interest-bearing assets, provisions and liabilities.

Return on capital employed, %
Adjusted operating profit/loss expressed as a percentage of average capital employed.

Equity ratio, %
Equity expressed as a percentage of assets.

Financial statements

» The interim report for July–September will be published on 22 October 2026 at 11 a.m.
» Interim reports can be downloaded from sodra.com/financials

This is Södra

Södra was founded in 1938 on the idea that we are stronger together. Södra is now the largest forest-owner association in Sweden, with more than 50,000 family forest owners as members. Together, the members of Södra own a world-leading industrial operation that processes forest raw material into renewable products such as pulp, timber, building systems, energy and biochemicals. **Rooted in the forest, we grow the future.**

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