

Södra's interim report

1 July–30 September 2026

- » Net sales amounted to SEK 6,492 million (6,349).
- » Operating profit before depreciation, amortisation and impairment amounted to SEK 681 million (50).
- » Operating profit totalled SEK 267 million (loss: 360).
- » The operating margin was 4 percent (neg: 6).
- » Cash flow after investments was SEK 225 million (444).

Key indicators	2026 Jul–Sep	2025 Jul–Sep	2026 Jan–Sep	2025 Jan–Sep	2025 Jan–Dec
Net sales, SEK million	6,492	6,349	20,043	21,696	28,302
Operating profit before depreciation, amortisation and impairment, SEK million	681	50	1,978	901	352
Operating profit/loss, SEK million	267	–360	737	–310	–1,290
EBITDA margin	10%	1%	10%	4%	1%
Operating margin	4%	–6%	4%	–1%	–5%
Return on capital employed ¹⁾	—	—	–1%	2%	–5%
Equity ratio	—	—	56%	57%	56%
Cash flow after investments, SEK million	225	444	6,146	–243	–1,921
No. of members	—	—	51,971	52,307	52,262
Affiliated forest area, million hectares	—	—	2.86	2.85	2.86
Average no. of employees	3,002	3,316	3,042	3,236	3,234
No. of employees	—	—	3,327	3,679	3,486
Fossil emissions in the value chain ²⁾ , Mt CO ₂ eq	—	—	—	—	2.5
Lost time accidents (LTA) ³⁾ , no.	9	9	31	30	41
Lost time accident rate (LTAR) ⁴⁾	9	8	9	8	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⁾ CO₂eq=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 third quarter of 2026.

LTAR | Number of occupational injuries with absence
per million hours worked

9

SEK billion | Net sales

6.5

SEK billion | Operating profit/loss

0.3

% | Return on capital employed

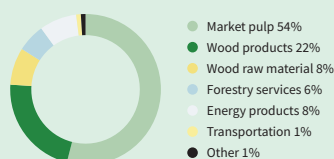
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% | Equity ratio

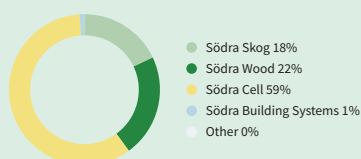
56

million hectares | Affiliated forest area

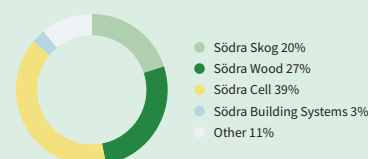
2.86



Net sales per revenue category.
SEK 6,492 million in total, excluding
internal deliveries.



Net sales per business area.
SEK 6,492 million in total, excluding internal
deliveries. Södra Bioproducts is included in the other
business areas in the amount of SEK 916 million.



Average no. of employees per
business area, 3,002 in total.
Södra Bioproducts' employees are
included under Södra Cell.

2026 is a challenging year that requires us to remain collectively strong and focused on what we ourselves can control. The following are a selection of key events from the third quarter.

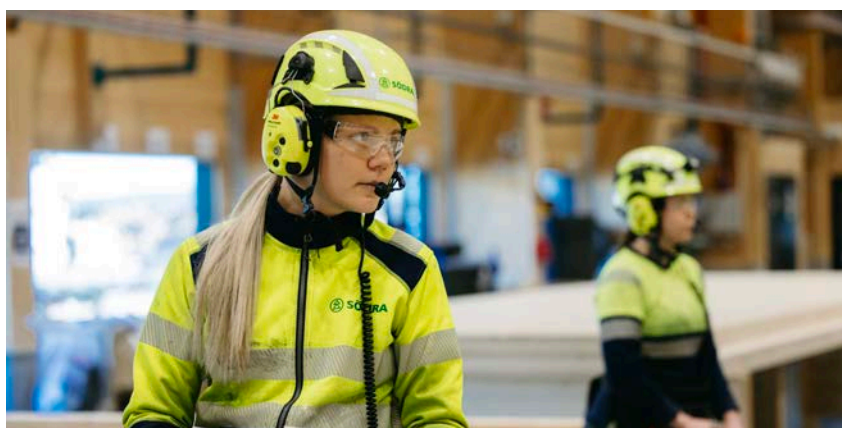
The quarter in brief



Tannin initiative takes next step

Södra's tannin initiative has taken the next step as testing begins at the new facility at Värö. Among other applications, tannin is used as a tanning agent in the leather industry, but interest is also growing in other areas, such as the animal feed sector.

The tannin project is part of Södra's commitment to developing new business opportunities. Using raw materials that are already available within our operations can increase the value of forests while addressing the growing demand for bio-based alternatives to traditional chemicals.



New business for CLT in Latvia

Södra has secured a new customer in Latvia through its collaboration with Kelmor Group, its partner in the Baltic market, involving delivery of CLT to be further processed locally for the Latvian market.

The new business will support increased production and improved capacity utilisation at the Värö plant. The partnership also strengthens Södra's footprint in the Baltic market and creates opportunities for continued sales of CLT.



Temporary premium for hardwood pulpwood and sawable birch

There is an increasing amount of hardwood growing in members' forests, and Södra is actively working to strengthen markets for hardwood products as part of efforts to ensure profitability of forest estates. In the autumn, the hardwood balance needs to be strengthened, partly due to the increased demand for pulp made from birch pulpwood. A temporary premium was therefore introduced in September for hardwood pulpwood and sawable birch.

"Our industrial operations have a short-term need for birch pulpwood that will extend until the end of the year. At the same time, we recognise the significant potential of birch logs for the future. At present, we are experiencing an increase in the volume of birch logs sold, including for plywood production in the Baltics," says Markus Springfeldt, Marketing Manager at Södra Skog.



Launch of My Forest Estate 3.0

Södra has launched a completely new version of My Forest Estate (app and website) that makes it easier for members to make well-informed decisions and monitor their forest over time. Thanks to its new design and modern planning system, as well as a forest management plan that is continuously updated, the plan is now more dynamic and relevant than before. My Forest Estate 3.0 marks the beginning of a new generation of digital tools for members of Södra.



Södra reviews agreements for harvesting and forest fuel services

During the quarter, a review began of Södra's contractor agreements for regeneration harvesting, thinning and services related to forest fuel. The aim is to ensure that the agreements are adapted to current and future conditions, while also establishing long-term and clear terms for both Södra and the contractors.

enriched by  **SÖDRA**

Launch of Enriched by Södra

Södra has launched Enriched by Södra, an offering that helps companies highlight the value of renewable forest raw materials from family forestry and make their origin a clear part of the customer experience.

The first customer is Varberg Energi. Material from members' forests is being used in production at Värö, where excess heat is recovered and fed into Varberg Energi's district heating network. Enriched by Södra makes the connection clearer between the forest, production at Värö and the heat that reaches homes and businesses in Varberg.



Södra ranked among the top performers in global sustainability assessment

Södra is among the top 1 percent of companies assessed for sustainability according to the independent sustainability ratings provider EcoVadis. The 2026 assessment shows that Södra is once again ranked among the top performers of the more than 175,000 evaluated companies in over 230 sectors and 180 countries. EcoVadis is one of the world's leading sustainability assessment platforms.

EcoVadis' evaluation covers four main areas: environment, labour and human rights, ethics and sustainable procurement. With an overall score of 88 out of 100, Södra received its highest ranking to date and was awarded a platinum rating.

"It feels very good to achieve such a strong result in an independent assessment and to see several of our strategic areas, including environmental performance, receive high scores," said Jessica Nordin, Södra's Director of Sustainability.

Södra enters into agreement with Brüning Group regarding parts of its operations in Denmark

Södra has entered into an agreement with the German corporate group Brüning Group under which Brüning Group will acquire parts of Södra's operations in Denmark, including project sales, interior wood products, and the trading activities within the bioenergy business. The transaction forms part of Södra's efforts to focus on its core businesses and create a more efficient organisation. Through this change, Södra will be able to further concentrate resources and expertise on its different business areas while continuing to develop its offering in the Danish market.





Profitability challenges continue to drive transition

Lotta Lyrå
President & CEO

Södra posted an operating profit of SEK 267 million for the third quarter. The divestment of shares in Sunpine had a positive impact of SEK 288 million on operating profit. Excluding the divestment, Södra reported an operating loss of SEK 21 million. Meanwhile, the contribution margin is progressing in the right direction and implemented measures are yielding results. Profitability is still insufficient, and our transition is therefore continuing.

Södra's net sales amounted to SEK 6,492 million. The operating margin was 4 percent, return on capital employed negative 1 percent and the equity ratio 56 percent. During the third quarter, the contribution margin improved from 22 percent in the previous quarter to 23 percent. This is important progress, though the level is still unsustainable in the long-term.

We are continuing to implement measures across a broad front. During the quarter, we reduced our overheads by SEK 200 million, or 15 percent, compared with the corresponding period last year. In health and safety, the lost time accident rate (LTAR) was 9 for the quarter. While this is about on par with the corresponding period last year, we are not satisfied with the result.

Södra's financial stability is a strength in the prevailing market conditions. The robust balance sheet that we have built up over time has been further strengthened through the divestment of the holding in Sunpine. This provides us with the flexibility to address short-term pressure on profitability through necessary adjustments and to continue investing in what strengthens Södra's competitiveness and creates value for members.

Continued adaptation due to market conditions

We now live in a world where geopolitical unrest, altered trade flows and intense competition are the norm. We are operating in a different business environment and market situation than before. We must therefore continue to adapt our operations and business to the prevailing conditions.

At Södra Cell, we witnessed a cautious recovery during the quarter. Lower raw material costs are gradually taking effect, and – given Södra's significant export volumes – exchange rates have developed in our favour. In parallel, demand remains weak in our core markets in Europe. Announced capacity reductions are expected to affect supply of paper pulp moving forward, but these have not yet had an impact.

For sawn timber, the situation remains very challenging. Sawmills are experiencing the toughest economic situation for several decades, while high timber costs are putting pressure on profitability. It takes time for price adjustments for raw materials to take effect. We are addressing this situation by continuing to focus on costs and efficiency. We are also strengthening our commercial capabilities and striving to increase flexibility, with the aim of targeting more lucrative markets.

The market for our bioproducts remains largely positive. Demand for our offerings is being driven by a greater willingness to reduce risks, dependencies and exposure linked to fossil-based products. Performance during the quarter was mainly driven by a robust tall oil and electricity business. During the quarter, we began producing tannin as planned and launched a small-scale pilot production run of lignin. These are important steps in the development of new bio-based businesses. Dissolving pulp performed strongly, with rising prices and good production levels.

Södra Building Systems noted continued growth during the quarter, increasing sales of both building systems and CLT. Our export market initiatives are beginning to yield results and are strengthening the potential for continued expansion. Although profitability is moving in the right direction, the market remains challenging and work is ongoing to balance high raw material costs with price levels in the market.

Looking ahead to the final quarter of the year, we expect market conditions for many of our products to remain challenging, and we do not anticipate a rapid recovery. A scheduled maintenance shutdown at the Mönsterås pulp mill will also impact earnings.

The transition continues

During the quarter, we continued to strengthen profitability in areas that we ourselves can control. We are reducing overheads, prioritizing investments and increasing efficiency. World-class Efficiency is an integrated part of day-to-day operations and we implemented efficiency gains and improvements yielding SEK 181 million during the quarter. At the same time, we are strengthening our commercial capabilities across the value chain. With Enriched by Södra, we are moving one step closer to the market and the end customer. As more people seek to understand the origin, composition and value of

materials, new opportunities arise to differentiate our offer and strengthen demand for products originating from members' forests.

Södra is to provide good conditions for current and future forest owners. We must therefore combine initiatives that strengthen profitability here and now with changes that will make Södra more competitive over time. It is a matter of strengthening the profitability of forest estates and the member offer, developing a competitive industrial structure, creating more value from every tree and continuing to strengthen our business. To ensure the success of this strategy, we also need to organise ourselves accordingly. That is why we are making changes to Södra's management, with a focus on further strengthening the development potential at Södra Cell while ensuring continued strong leadership at Södra Wood and Södra Skog.

For many years, Södra has invested in the development of lignin, tannin and other bio-based materials. Now we are taking the next step as some of the results of these innovations are scaled up and given a clearer link to the business. We continue to invest significant resources in the future, but are giving a clearer priority to areas that have the greatest potential to strengthen competitiveness and create more value from forest raw materials. This will also affect the scope of our innovation efforts going forward.

Forest estates and industrial operations need each other

Our mission is to create long-term value for forest estates by combining members' forests with industrial operations that can compete in rapidly evolving international markets. That connection must be safeguarded even when the market is weak. Lower activity in the forest affects raw material supply, capacity utilisation in industrial operations, and, ultimately, the competitiveness of the entire value chain.

Our industrial operations are an asset that generations of members have helped build, enabling the creation of more value from raw materials and strengthening the profitability of forestry over time. Demand for pulpwood remains high, while demand for sawlogs is seasonally slightly lower. When the market demands more of a raw material, this should also be reflected in purchases from the forest owner. The birch premium introduced during the quarter is one example of this.

Södra has a solid foundation and draws great strength from its many committed employees. Market conditions are challenging, but we can see that measures implemented have had an effect. We will now continue to focus fully on what we ourselves can control in order to strengthen profitability, competitiveness and long-term value for members.

Effects of the Södra Leap action programme	2026 Jan-Sep	2025 Jan-Sep
Overheads, SEK million	4,151	4,680
<i>of which consulting costs (SEK million)</i>	156	316
No. of employees	3,327	3,679
Revenue from electricity and liquid bioproducts (SEK million)	657	314

The period in brief

Profitability needs to be further strengthened, and during the third quarter we continued our transition, focusing on reducing costs, increasing efficiency and enhancing competitiveness. Operating profit for the quarter totalled SEK 267 million, compared with a loss of SEK 360 million in the year-earlier period. The divestment of shares in Sunpine AB had a positive impact on operating profit in the form of a capital gain of SEK 288 million. Excluding the divestment, the operating loss amounted to SEK 21 million. Sales rose 2 percent to SEK 6,492 million (6,349). Return on capital employed R12 was negative 1 percent (pos: 2) and the equity ratio was 56 percent (57).

Market conditions

The global economy showed greater resilience than expected in the third quarter. However, developments continued to be dominated by geopolitical unrest, high energy prices and rising interest rates. Investments in areas such as AI, defence and infrastructure helped to sustain activity in the global economy. In parallel, the conflict in the Middle East continued to create uncertainty surrounding energy supply, inflation and global trade.

In the US, growth remained stable and demand in the domestic market was sustained. However, inflation remained high, which prompted the US Federal Reserve to raise its key interest rate in September. This reinforced the view that US interest rates will remain at an elevated level for some time to come.

The European economy performed better than expected, in part due to increased investments, which included major spending on defence and infrastructure. Meanwhile, the increased optimism among households bolstered consumption and the service sector. However, higher energy prices contrib-

uted to rising inflation, and the European Central Bank raised its key interest rate. At the same time, weak industrial competitiveness and geopolitical tensions continued to limit the prospects for stronger growth.

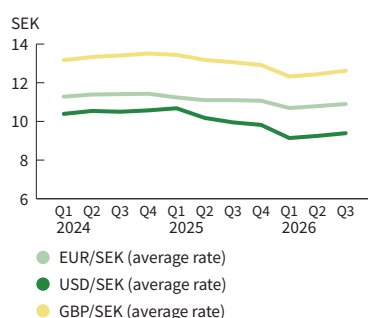
The Swedish economy entered the third quarter from a stronger starting position, but the recovery slowed over the summer. The Riksbank left the key interest rate unchanged at 1.75 percent. Higher energy prices and a weaker SEK are expected to increase inflationary pressure moving forward.

Compared with the preceding quarter, the SEK weakened against the USD, EUR and GBP in the third quarter. Year-on-year, the SEK was weaker than average against the USD and GBP, but relatively unchanged against the EUR.

Wood supply

The market for wood raw material remained challenging during the quarter. Demand for spruce logs was weak due to a temporary decline in production at the sawmills early in the quarter. The market for pine logs was affected by a significant inflow of raw material from storm-affected areas in other parts

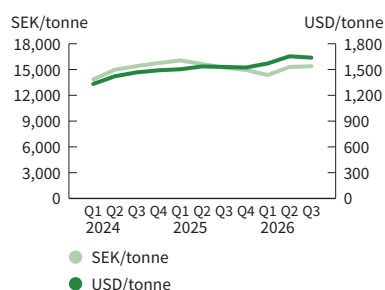
Foreign exchange rates



The diagram shows the annual average exchange rate.

Source: ECB

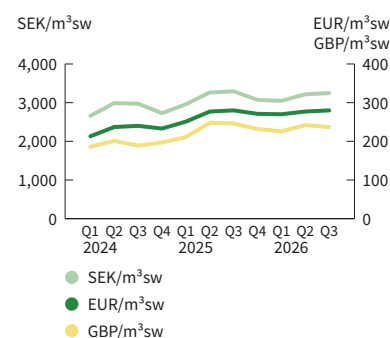
Delivery prices for bleached softwood sulphate pulp



The price of bleached softwood sulphate pulp in USD decreased 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



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

Source: Södra

of the country. The increased supply, particularly of pine logs, contributed to continued price pressure in the sawlog market. However, demand for softwood pulpwood remained high, while there was a temporary increase in demand for hardwood pulpwood.

Forest production and deliveries were in line with the year-earlier period. Roadside stocks increased in line with the aim of ensuring delivery capacity during the quarter. In parallel, the supply of raw materials and activity in the Götaland region were significantly lower than in the year-earlier period, which is unsustainable in the long term as regards satisfying Södra's total raw material needs.

Wood products market

The sawn timber market has not gained momentum since the summer, with the third quarter being characterised by continued weak demand in several of Södra's major markets. The UK (Great Britain and Northern Ireland) was affected by rising construction and energy costs, which impacted both new construction and investments. The US market was marked by continued uncertainty stemming from political developments, rising energy prices and the handling of trade tariffs, while new construction declined. The consumption of sawn timber also declined. Meanwhile, demand was stronger and customers were more willing to pay in markets such as the Netherlands, Poland and Sweden.

The downturn in the UK (Great Britain and Northern Ireland) and falling market prices, which were further exacerbated by a higher share of sawn pine timber, means an increasing number of producers are turning to markets with a greater willingness to pay. This may affect developments towards the end of 2026. The overall market situation has contributed to lower delivery volumes and lower prices compared with the year-earlier period and budget.

The CLT market remains challenging, though the proportion of timber used in new buildings is rising steadily. Export activity gained momentum and price levels rose slightly, but order intake was relatively weak during the quarter. Delivery volumes were higher than in the corresponding period last year, both during the quarter and cumulative for the year.

Paper pulp market

The market for paper pulp followed the same pattern as in the first two quarters of the year, and the imbalance between supply and demand for Södra's core product, softwood pulp, remained during the quarter. A weak economy in large parts of the world is leading to a lack of demand for both paper and board, which in turn is leading to overcapacity in the pulp industry.

Several softwood pulp manufacturers have announced capacity reductions and market-driven production stoppages at their mills. There is also excess capacity for hardwood pulp. Overall, the situation is exerting price pressure on paper pulp across all continents, following a slight increase in pulp prices during the spring.

The geopolitical situation has led to uncertainty regarding paper pulp flows. Freight costs are strongly correlated with the price of oil, which in turn is largely influenced by the situation in the Middle East. At the same time, decisions on trade barriers can quickly change the competitive situation for manufacturers.

Bioproducts market

The market for Södra's bioproducts remained positive during the third quarter, albeit with clear differences between the product areas. High gas prices in Europe, combined with low water levels and limited availability of nuclear power, led to high electricity prices this season, primarily in the SE4 electricity bidding zone in Sweden but also in SE3. The high electricity prices are also driving demand for unprocessed fuels and pellets, which noted rising demand during the quarter. In parallel, the supply of fuel wood remains high, which exerted some price pressure compared with the year-earlier period. Biomethanol prices are also affected by the price of gas, as gas is a raw material in fossil methanol production. Biomethanol prices rose during the quarter.

Demand for dissolving pulp remained favourable, supported by a high production rate and low stock levels among viscose producers. The market for tall oil and turpentine also performed favourably during the quarter. Demand remains favourable for both products, and prices increased compared with the preceding quarter.

Net sales

During the quarter, consolidated net sales amounted to SEK 6,492 million (6,349), up 2 percent. The positive sales trend for the quarter was primarily due to higher delivery volumes of paper pulp and higher prices for energy products.

Net sales for the first nine months of the year amounted to SEK 20,043 million (21,696), down 8 percent.

Result

Operating profit for the quarter totalled SEK 267 million (loss: 360), representing an operating margin of 4 percent (neg: 6). The divestment of shares in Sunpine AB had a positive impact on operating profit in the form of a capital gain of SEK 288 million. Excluding the divestment, the operating loss for the quarter amounted to SEK 21 million. Operating profit compared

with the year-earlier period was also primarily attributable to higher delivery volumes of paper pulp, higher prices for energy products, a positive exchange rate effect from the weaker SEK against the USD and lower overheads. Profit before tax was SEK 322 million (loss: 340). Tax expense for the period was SEK 3 million (income: 12).

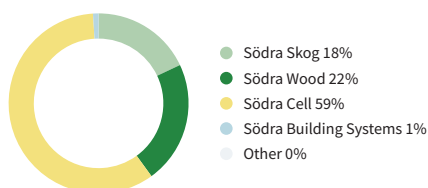
Operating profit for the first nine months of the year totalled SEK 737 million (loss: 310). The divestment of the forest operations in the Baltics had a positive impact on cumulative operating profit, generating a capital gain of SEK 1,473 million. The divestment of shares in Sunpine AB had a positive impact on cumulative operating profit in the form of a capital gain of SEK 288 million. Excluding the divestments, the cumulative operating loss amounted to SEK 1,024 million. Return on capital employed R12 was a negative 1 percent (pos: 2).

BUSINESS AREAS

SEK MILLION	Net sales					Operating profit/loss				
	2026 Jul-Sep	2025 Jul-Sep	2026 Jan-Sep	2025 Jan-Sep	2025 Jan-Dec	2026 Jul-Sep	2025 Jul-Sep	2026 Jan-Sep	2025 Jan-Sep	2025 Jan-Dec
Södra Skog	1,158	1,196	4,562	4,879	6,606	-75	-32	-84	8	-14
Södra Wood	1,449	1,568	4,623	5,135	6,458	-256	-103	-786	-85	-463
Södra Cell	3,817	3,533	10,645	11,462	14,919	380	-80	133	237	-258
Södra Building Systems	68	41	193	161	235	-37	-51	-104	-133	-168
Other	—	11	20	59	84	255	-94	1,578	-337	-387
Group	6,492	6,349	20,043	21,696	28,302	267	-360	737	-310	-1,290

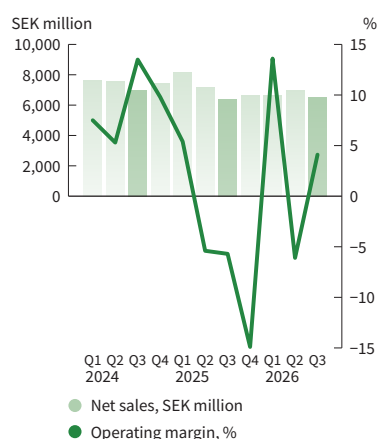
Södra Bioproducts' revenue is included in the other business areas in the amount of SEK 916 million (674) for the quarter and SEK 3,553 million for the preceding full year.

Sales per business area

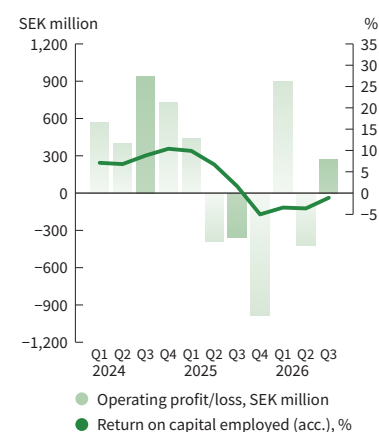


SEK 6,492 million in total, excluding internal deliveries. Södra Bioproducts is included in the other business areas in the amount of SEK 916 million.

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

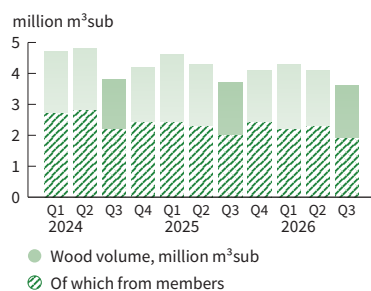
Södra Skog's sales for the quarter amounted to SEK 1,158 million (1,196), mainly an effect of lower delivery volumes. Demand for spruce logs was lower, while demand for softwood pulpwood and energy products was at a stable level compared with the year-earlier period.

Total outbound deliveries of sawlogs, pulpwood and energy products for the quarter were 3.6 million m³sub (3.7).

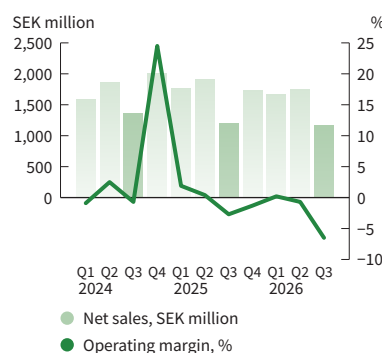
Operating loss for the quarter totalled SEK 75 million (loss: 32) and was primarily due to lower margins and lower delivery volumes, which resulted in reduced revenue.

Cumulative sales amounted to SEK 4,562 million (4,879) and operating loss totalled SEK 84 million (profit: 8).

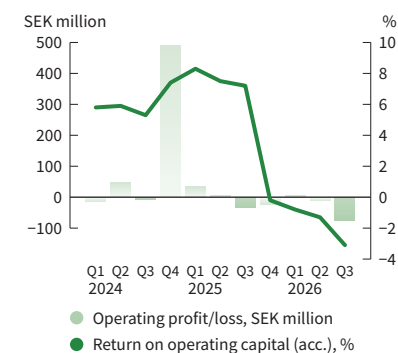
Wood volume



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 1,449 million (1,568), an effect of lower delivery volumes and slightly lower market prices.

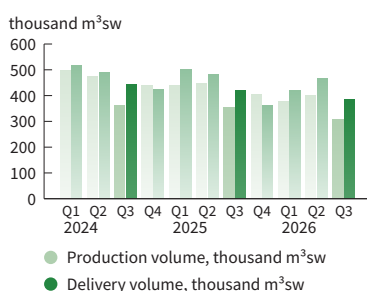
The production volume for the quarter was 306 thousand m³sw, down 48 thousand m³sw compared with the year-earlier period.

Outbound deliveries of sawn timber for the quarter were 385 thousand m³sw, down 33 thousand m³sw on the year-earlier period.

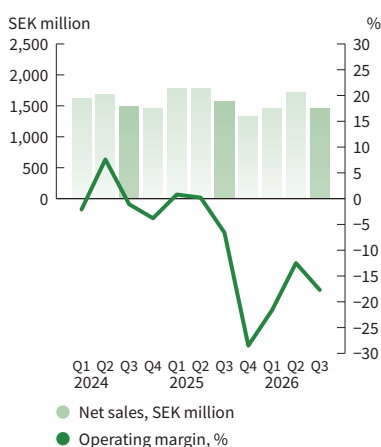
Operating loss for the quarter totalled SEK 256 million (loss: 103) and was primarily due to lower delivery volumes, lower market prices and higher raw material costs.

Cumulative sales amounted to SEK 4,623 million (5,135) and operating loss totalled SEK 786 million (loss: 85).

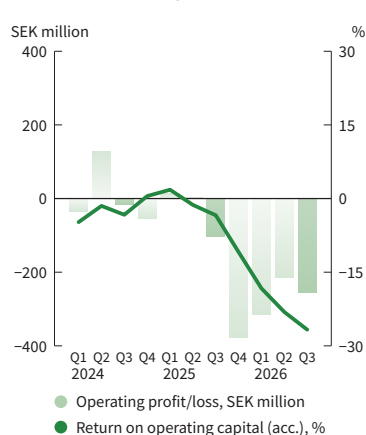
Production and delivery volume, sawn timber



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 3,817 million (3,533), mainly an effect of higher delivery volumes and higher energy prices.

During the quarter, the production volume totalled 504 ktonnes (484), comprising 415 ktonnes (428) of softwood sulphate pulp, 44 ktonnes (13) of hardwood sulphate pulp and 45 ktonnes (43) of dissolving pulp.

Outbound deliveries of pulp for the quarter were 505 ktonnes, up 25 ktonnes on the year-earlier period.

Operating profit for the quarter totalled SEK 380 million (loss: 80) and was primarily due to higher delivery volumes and lower overheads as well as the weaker SEK against the USD.

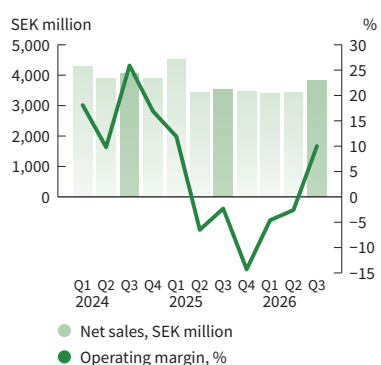
Cumulative sales amounted to SEK 10,645 million (11,462) and operating profit totalled SEK 133 million (237).

During the quarter, electricity generated by the pulp mills, wind turbines and the hydropower plant totalled 489 GWh. Excess electricity amounted to 149 GWh. The excess represented about 31 percent of the generated volume and was sold to other business areas within Södra and on the open market.

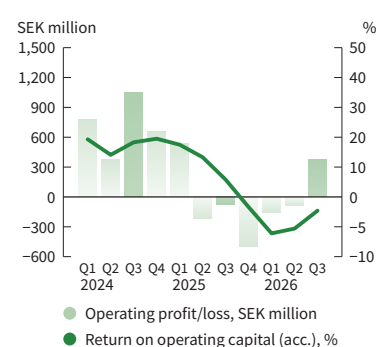
Production and delivery volume, pulp



Net sales and operating margin



Operating profit/loss and return on operating capital



Södra Building Systems

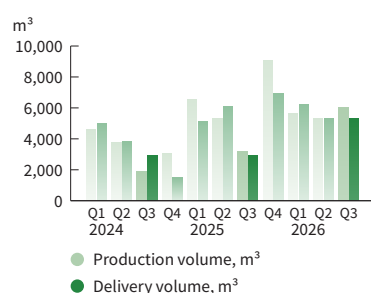
Södra Building Systems' sales for the quarter amounted to SEK 68 million (41), an increase of 60 percent, driven by project-based business in Sweden and Denmark.

The production volume for the quarter amounted to 6,038 m³ (3,201). Outbound deliveries of CLT for the quarter amounted to 5,296 m³ (2,909).

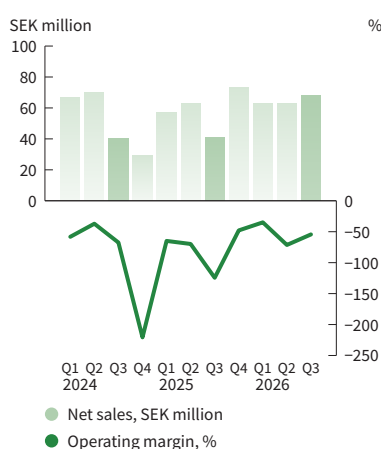
Operating loss for the quarter totalled SEK 37 million (loss: 51). The improvement was driven by growth, but was somewhat held back by increased raw material costs. Export activity is gaining momentum, and the focus on sales channels and partnerships outside Sweden is starting to pay off.

Cumulative sales amounted to SEK 193 million (161), and operating loss to SEK 104 million (loss: 133).

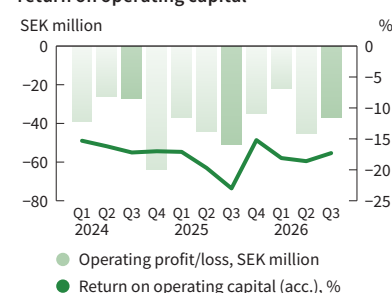
Production and delivery volume, CLT



Net sales and operating margin



Operating profit/loss and return on operating capital



Södra Bioproducts

Södra Bioproducts' sales for the quarter amounted to SEK 916 million (674), 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.

For electricity, higher selling prices and significantly higher delivery volumes contributed to the growth in sales. Sales from

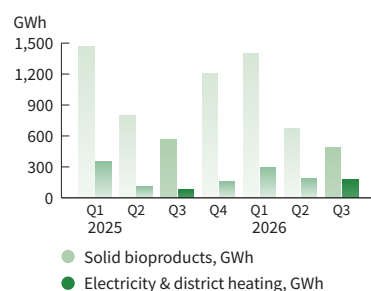
solid by-products increased slightly during the quarter despite lower delivery volumes.

Sales of dissolving pulp increased due to higher selling prices. Delivery volumes were slightly higher year-on-year.

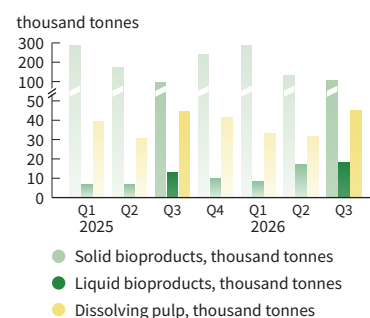
Sales for the district heating business decreased during the quarter, mainly due to lower delivery volumes.

Cumulative sales amounted to SEK 2,884 million (2,626).

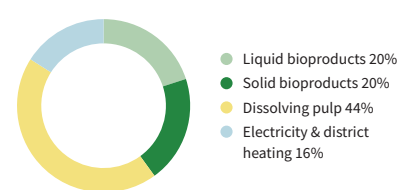
Delivery volume, bioproducts



Delivery volume, bioproducts



Sales of bioproducts



Net financial items

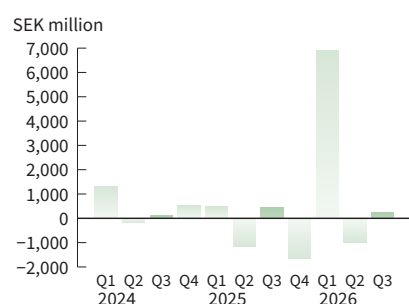
Net financial income for the quarter amounted to SEK 55 million (20).

Cash flow

Cash flow before investments for the quarter was SEK 418 million (940). Cash flow after investments for the quarter was SEK 225 million (444).

At the end of the quarter, cash and cash equivalents and current investments amounted to SEK 16,773 million (10,632 at 31 December 2025).

Cash flow after investments



Cash flow after investments was a positive SEK 225 million for the quarter.

Financial position

At 30 September 2026, equity amounted to SEK 25,200 million (24,910 at 31 December 2025), of which paid-up and issued contributed capital accounted for SEK 6,931 million (6,842 at 31 December 2025).

Total assets amounted to SEK 45,252 million (44,634 at 31 December 2025). At 30 September 2026, the equity ratio was 56 percent (56 at 31 December 2025).

Södra's borrowing comprised loans of SEK 12,638 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

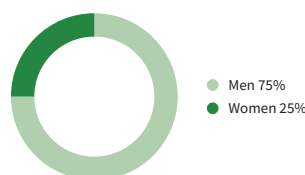
Investments for the quarter totalled SEK 694 million (506), of which SEK 16 million (18) pertained to Södra Skog, SEK 179 million (105) to Södra Wood, SEK 497 million (357) to Södra Cell and SEK 2 million (34) to Södra Building Systems. The investments mainly relate to new markets and new technology.

Events after the close of the period

No significant events occurred after the end of the reporting period.

Employees

The average number of employees was 3,002 (3,234 for full-year 2025), of whom 25 percent were women (25).



Future outlook

The rate of inflation, and thus interest rates, remained relatively stable in the third quarter. Uncertainty surrounding interest rate trends has increased further, while inflation is expected to rise in the quarters ahead. Higher inflation would increase the risk of rate hikes, which in turn could have a negative impact on economic growth and demand, even though there are other counterbalancing factors.

Electricity prices in the third quarter were higher than usual for the season, with relatively large price fluctuations. This had a positive impact on earnings in the short term, as Södra is a net seller of electricity. It is, however, difficult to estimate the long-term price trend.

Pulp prices were relatively stable in the third quarter, and demand remained relatively soft. Prices in USD are expected to remain at approximately their current level going forward, with a slight tendency to increase. 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. However, the imbalance narrowed further during the third quarter, which could suggest a continued improvement. Meanwhile, 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 forest-based products. Tightened emissions reduction targets and an increased focus on energy security are driving the transition towards a bioeconomy.

Sustainability

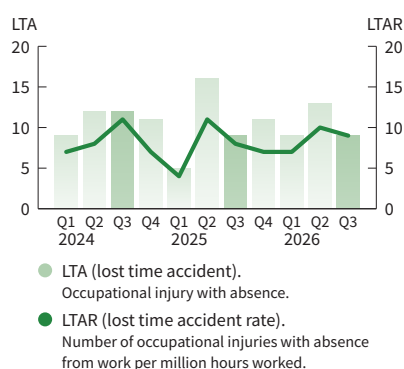
Sustainability permeates Södra's Group-wide strategy. Two key areas are people and culture at the centre as well as sustainable use of the forest and earth's resources.

People and culture at the centre

The health and safety of 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 third quarter, the number of lost time accidents (LTA) was 9 (9) and the LTAR was 9 (8).

Occupational injuries



During the third quarter, Södra's President and CEO launched a series of leadership dialogues on health and safety. These aim to increase understanding of the conditions required to lead this work and identify areas to strengthen for continued development. Work continued on Södra's shared model for behaviour-based safety (BBS). The focus was on developing implementation plans and further developing the structure and organisation.

Work continued to break down traditional cultural barriers and increase 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 third quarter, several internal initiatives for employees were carried out to strengthen DEI efforts. These included professional development workshops that focused on language, macho culture and the work environment, leadership workshops on leading from a DEI perspective, as well as on-site training on LGBTQI+ inclusion. Efforts aimed at combating discrimination and harassment and promoting equal conditions and opportunities in operations continued. A new channel for reporting bullying, harassment and discrimination – SpeakUp – was implemented. This aims to make it easier to draw attention to issues and ensure that they are handled in a secure and structured manner.

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 third quarter, Södra submitted an application to LIFE, the EU's funding programme for environment and climate action, to develop low-impact and efficient soil scarification methods. The application concerns the further development of Södra's previous initiative, BraSatt, and aims to develop more accurate forest regeneration methods for soil scarification and planting. The goal is to ensure high quality and survival rates for seedlings while minimising the impact on the soil surface. During the quarter, the NFA (Nordic Forestry Automation) thinning system reached the implementation phase, and a gradual rollout has begun across operations. The system provides machine operators with real-time decision support to better adapt thinning to individual stands, which can increase forest growth and lead to higher long-term forest value. A large-scale implementation is planned for 2027.

Södra works to preserve and promote biodiversity – a process under continuous development. 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.

Nature conservation measures continued in the third quarter. Training sessions were conducted for advisors and contractors, with a focus on nature conservation. Meetings were also held with the nature conservation representatives from the forestry districts to enhance their expertise and support knowledge sharing in this area.

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 third quarter, Scope 1 and 2 emissions amounted to 17 ktonnes of CO₂eq (17).

During the third quarter, work continued to increase the percentage of recycled material in sawn timber plastic packaging by switching to a new type of plastic. At one pulp mill, the source of nitrogen in biological treatment processes was switched from nitrate nitrogen to ammonium sulphate, resulting in a lower climate impact. The Conscious Delivery offer continued to expand and now includes more customers and destinations for deliveries of solid biofuels. The aim of the initiative is to reduce the use of fossil fuels in the logistics chain to customers.

CO₂ equivalents (CO₂eq) 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 CO₂eq, 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.



The Board and President's assurance

The Board of Directors and President assure that this interim report provides a true and fair view of the Parent Company and the Group's operations, position and results and describes the significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Växjö, 21 October 2026

Magnus Hall
Chair

Paul Christensson
Vice Chair

Pål Börjesson
Board member

Charlotte Eriksson
Board member

Joakim Henriksson
Board member

Tina Hultkvist
Board member

Leif Hultman
Board member

Mikaela Johnsson
Board member

Håkan Larsson
Board member

Teddy Hedlund
Employee representative

Pontus Johansson
Employee representative

Ann-Sofi Petersson
Employee representative

Lotta Lyrå
President and CEO

Assurance report

Södra Skogsägarna ekonomisk förening (Corporate Identity Number: 729500-3789).

Introduction

We have performed a review of the interim financial information (interim report) provided by Södra Skogsägarna ekonomisk förening at 30 September 2026, and the nine-month period ending on that date. The Board of Directors and the President are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Approach and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, 'Review of Interim Report Performed by the Independent Auditor of the Entity.' A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a

different focus and is substantially less in scope compared with the focus and scope of an audit in accordance with ISAs and other generally accepted auditing standards. The procedures performed in a review do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. Therefore, the conclusion expressed on the basis of a review does not provide the same level of assurance as a conclusion expressed on the basis of an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for the Group, and the Swedish Annual Accounts Act for the Parent Company.

Växjö, 21 October 2026

Madeleine Edberg
Authorised Public Accountant
Auditor in Charge
Öhrlings PricewaterhouseCoopers AB

Erik Bergh
Authorised Public Accountant
Öhrlings PricewaterhouseCoopers AB

Anette Westerlund
Member Representative Auditor

Roger Johansson
Member Representative Auditor

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Condensed consolidated statement of comprehensive income

SEK MILLION	2026 Jul-Sep	2025 Jul-Sep	2026 Jan-Sep	2025 Jan-Sep	2025 Jan-Dec
Net sales	6,492	6,349	20,043	21,696	28,302
Capital gain on divestment of subsidiaries in Baltics	—	—	1,473	—	—
Other revenue	53	11	229	70	221
Share of profit of associates*	293	21	308	51	74
Operating expenses	-6,157	-6,331	-20,075	-20,916	-28,245
Earnings before depreciation, amortisation and impairment	681	50	1,978	901	352
Depreciation, amortisation and impairment	-414	-410	-1,241	-1,211	-1,642
Operating profit/loss	267	-360	737	-310	-1,290
Financial income and expense	55	20	81	69	84
Profit/loss before income tax	322	-340	818	-241	-1,206
Income tax	-3	12	251	-49	-117
Profit/loss for the period	319	-328	1,069	-290	-1,323
Other comprehensive income					
Items that will not be reclassified to profit or loss	—	77	9	76	30
Items that will be reclassified to profit or loss	37	-67	-181	-240	-213
Other comprehensive income for the period	37	10	-172	-164	-183
Total comprehensive income for the period	356	-318	897	-454	-1,506
Profit/loss attributable to					
Owners of the Parent	319	-328	1,069	-290	-1,323
Profit/loss for the period	319	-328	1,069	-290	-1,323
Comprehensive income attributable to					
Owners of the Parent	356	-318	897	-454	-1,506
Comprehensive income for the period	356	-318	897	-454	-1,506

*Note 8

Condensed consolidated statement of financial position

SEK MILLION	30 Sept 2026	30 Sep 2025	31 Dec 2025
ASSETS			
Intangible assets	91	91	94
Property, plant and equipment	16,646	15,546	15,702
Biological assets	820	892	820
Shares and participations in associates	2	338	358
Surplus in funded pension plans	461	355	448
Financial investments	48	44	44
Non-current financial receivables	7	7	8
Other non-current receivables	0	43	0
Deferred tax assets	—	—	0
Total non-current assets	18,075	17,316	17,474
Inventories	4,761	5,206	5,430
Tax assets	—	363	49
Current financial receivables	2	2	4
Operating receivables	5,641	4,854	4,481
Current investments	15,209	9,273	8,369
Cash and cash equivalents	1,564	2,216	2,263
Total current assets	27,177	21,914	20,596
Assets held for sale	—	6,411	6,564
TOTAL ASSETS	45,252	45,641	44,634
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent	25,200	25,842	24,910
Total equity	25,200	25,842	24,910
Non-current interest-bearing financial liabilities	184	318	312
Non-current interest-bearing operating liabilities	31	87	70
Provisions for pensions	8	32	42
Non-current provisions	554	520	533
Deferred tax liabilities	1,759	2,068	2,169
Total non-current liabilities	2,536	3,025	3,126
Current interest-bearing financial liabilities	12,455	11,411	12,189
Current interest-bearing operating liabilities	87	104	112
Income tax liabilities	162	43	106
Other current operating liabilities	4,812	5,130	4,169
Total current liabilities	17,516	16,688	16,576
Total liabilities	20,052	19,713	19,702
Liabilities attributable to assets held for sale	—	86	22
TOTAL EQUITY AND LIABILITIES	45,252	45,641	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	897
Contributed capital, paid-up by members	148
Contributed capital, paid-out to members	-59
Dividends to members	-696
Closing balance, 30 September 2026	25,200
Opening balance, 1 January 2025	27,803
Comprehensive income for the year	-454
Contributed capital, paid-up by members	165
Contributed capital, paid-out to members	-45
Dividends to members	-1,627
Closing balance, 30 September 2025	25,842

Condensed consolidated statement of cash flows

SEK MILLION	2026 Jan-Sep	2025 Jan-Sep	2025 Jan-Dec
Profit/loss before tax	818	-241	-1,206
Adjustment for non-cash items and change in provisions	-1,182	1,023	1,423
Income tax paid	-60	-161	210
Cash flow from operating activities before change in working capital	-424	621	427
Change in inventories (decrease +/increase -)	722	-103	-303
Change in operating receivables (decrease +/increase -)	-759	-353	61
Change in operating liabilities (increase +/decrease -)	725	1,173	57
Cash flow from operating activities	264	1,338	242
Cash flow from divestment of Baltics subsidiaries	7,528	—	—
Cash flow from divestment of shares in associates	545	—	—
Cash flow from investing activities	-2,191	-1,581	-2,163
Cash flow after investing activities	6,146	-243	-1,921
Change in contributed capital	89	120	239
Dividends paid	-696	-1,627	-1,626
Change in loans from members	205	1,841	2,679
Change in loans	-68	-66	-133
Dividends received	126	25	58
Change in current investments with maturity > 90 days	-6,833	-747	117
Cash flow from financing activities	-7,177	-454	1,334
CASH FLOW FOR THE PERIOD	-1,031	-697	-587
Cash and cash equivalents at beginning of period	2,548	3,205	3,205
Exchange gains/losses on cash and cash equivalents	47	-47	-70
Cash and cash equivalents at end of period	1,564	2,461	2,548

Parent Company

Result and financial position

Net sales for the quarter amounted to SEK 6,012 million (5,707) and operating profit to SEK 428 million (loss: 458). The positive sales trend for the quarter was primarily due to higher delivery volumes of paper pulp and higher prices for energy products.

Operating profit was positively impacted by the divestment of shares in Sunpine AB, which resulted in a capital gain of SEK 447 million, recognised in the Parent Company under Other revenue. In addition, the earnings trend compared with the year-earlier period was primarily attributable to higher delivery volumes of paper pulp, higher prices for energy products, positive exchange rate effects from the weaker SEK against the USD, and lower overheads.

Net financial income for the quarter was SEK 52 million (68). Profit after net financial items for the quarter totalled SEK 480 million (loss: 390).

Cumulative sales amounted to SEK 18,666 million (19,948) and operating loss totalled SEK 624 million (loss: 511).

Members

The number of members was 51,971 (52,262 at 31 December 2025). The affiliated forest area was 2.86 million hectares (2.86 at 31 December 2025).

Parent Company income statement, condensed

SEK MILLION	2026 Jul-Sep	2025 Jul-Sep	2026 Jan-Sep	2025 Jan-Sep	2025 Jan-Dec
Net sales	6,012	5,707	18,666	19,948	26,038
Other revenue	515	19	665	118	211
Operating expenses	-5,721	-5,810	-18,822	-19,476	-26,497
Earnings/loss before depreciation, amortisation and impairment	806	-84	509	590	-248
Depreciation, amortisation and impairment	-378	-374	-1,133	-1,101	-1,491
Operating profit/loss	428	-458	-624	-511	-1,739
Capital gain on divestment of subsidiaries in Baltics	—	—	3,820	—	—
Financial income and expense	52	68	141	333	201
Profit/loss after financial items	480	-390	3,337	-178	-1,538
Appropriations	—	—	—	—	23
Profit/loss before income tax	480	-390	3,337	-178	-1,515
Income tax	0	31	-164	-8	-10
Profit/loss for the period	480	-359	3,173	-186	-1,525

Parent Company balance sheet, condensed

SEK MILLION	30 Sept 2026	30 Sep 2025	31 Dec 2025
ASSETS			
Property, plant and equipment	16,345	15,226	15,344
Shares and participations in Group companies	448	4,518	4,297
Shares and participations in associates	0	99	99
Surplus in funded pension plans	13	69	12
Other non-current investments	47	35	35
Non-current financial receivables	7	7	8
Other non-current receivables	0	43	0
Deferred tax assets	20	23	21
Total non-current assets	16,880	20,020	19,816
Inventories	3,979	4,433	4,625
Current interest-bearing receivables from Group companies	125	271	300
Current tax assets	43	377	—
Current receivables	5,457	4,769	4,467
Current financial investments	15,651	10,154	9,131
Cash and bank balances	1,080	1,221	1,463
Total current assets	26,335	21,225	19,986
TOTAL ASSETS	43,215	41,245	39,802
EQUITY AND LIABILITIES			
Restricted equity	8,344	8,136	8,255
Non-restricted equity	8,824	7,678	6,337
Total equity	17,168	15,814	14,592
Untaxed reserves	7,347	7,367	7,347
Provisions	575	565	545
Non-current interest-bearing liabilities from Group companies	8	8	8
Non-current interest-bearing liabilities	184	318	312
Total non-current liabilities	192	326	320
Current interest-bearing liabilities from Group companies	711	770	746
Current interest-bearing liabilities	12,454	11,411	12,188
Current tax liabilities	163	—	0
Current operating liabilities and provisions	4,605	4,992	4,064
Total current liabilities	17,933	17,173	16,998
TOTAL EQUITY AND LIABILITIES	43,215	41,245	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 | Risks 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 during the third quarter. The nature and scope of other 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:

SEK MILLION	July–September											
	Södra Skog		Södra Wood		Södra Cell		Södra Building Systems		Other		Group	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Wood raw material	536	589	—	—	—	—	—	—	—	—	536	589
Wood products	—	—	1,343	1,488	—	—	78	40	—	—	1,421	1,528
Pulp	—	—	—	—	3,473	3,415	—	—	—	—	3,473	3,415
Energy products	104	118	101	80	344	118	0	1	—	11	549	328
Forestry services	418	400	—	—	—	—	—	—	—	—	418	400
Transportation	52	40	—	—	—	—	—	—	—	—	52	40
Other	48	49	5	—	0	—	–10	—	—	—	43	49
Net sales, goods and services	1,158	1,196	1,449	1,568	3,817	3,533	68	41	—	11	6,492	6,349

Södra Bioproducts' revenue of SEK 916 million (674) is included in the other business areas.

Note 5 | Financial instruments

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

Group, SEK million	30 September 2026		31 December 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial investments	48	48	44	44
Operating receivables	4,222	4,222	3,471	3,471
Current investments	15,209	15,209	8,369	8,369
Cash and cash equivalents	1,564	1,564	2,263	2,263
Total assets, financial instruments	21,043	21,043	14,147	14,147
Other assets, non-financial instruments	24,209		30,487	
Total assets	45,252		44,634	
Non-current liabilities	215	227	381	403
Current interest-bearing liabilities	12,541	12,712	12,302	12,472
Current operating liabilities	3,411	3,411	2,849	2,849
Total liabilities, financial instruments	16,167	16,350	15,532	15,724
Other liabilities, non-financial instruments	3,885		4,170	
Total liabilities	20,052		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 September 2026

SEK MILLION	Level 1	Level 2	Level 3	Total
Assets	15,209	—	49	15,258
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 September 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 0 million (0).

Note 8 | Share in profit of associates

During the year, the Group divested its stake in Sunpine AB. The share of Sunpine's earnings was recognised using the equity method until the divestment date. The divestment resulted in a capi-

tal gain of SEK 288 million, which is recognised on the line item Share in profit of associates.

Quarterly data and segment information

	2026 Jul-Sep	2025 Jul-Sep	2026 Jan-Sep	2025 Jan-Sep	2025 Jan-Dec
NET SALES, SEK MILLION					
Södra Skog	1,158	1,196	4,562	4,879	6,606
Södra Wood	1,449	1,568	4,623	5,135	6,458
Södra Cell	3,817	3,533	10,645	11,462	14,919
Södra Building Systems	68	41	193	161	235
Other	—	11	20	59	84
Group	6,492	6,349	20,043	21,696	28,302
OPERATING PROFIT/LOSS BEFORE DEPRECIATION, AMORTISATION AND IMPAIRMENT, SEK MILLION					
Södra Skog	-50	-7	-10	85	86
Södra Wood	-187	-39	-581	92	-206
Södra Cell	673	214	1,013	1,112	916
Södra Building Systems	-14	-27	-33	-62	-73
Other	259	-91	1,589	-326	-371
Group	681	50	1,978	901	352
OPERATING PROFIT/LOSS, SEK MILLION					
Södra Skog	-75	-32	-84	8	-14
Södra Wood	-256	-103	-786	-85	-463
Södra Cell	380	-80	133	237	-258
Södra Building Systems	-37	-51	-104	-133	-168
Other	255	-94	1,578	-337	-387
Group	267	-360	737	-310	-1,290
OPERATING MARGIN					
Södra Skog	neg.	neg.	neg.	0%	neg.
Södra Wood	neg.	neg.	neg.	neg.	neg.
Södra Cell	10%	neg.	1%	2%	neg.
Södra Building Systems	neg.	neg.	neg.	neg.	neg.
Group	4%	-6%	4%	-1%	-5%
OPERATING ASSETS, SEK MILLION					
Södra Skog	—	—	3,795	9,932	10,014
Södra Wood	—	—	4,928	4,918	4,964
Södra Cell	—	—	17,919	16,595	16,530
Södra Building Systems	—	—	832	927	882
Other	—	—	887	1,227	1,246
Financial assets	—	—	16,891	12,042	10,998
Total consolidated assets	—	—	45,252	45,641	44,634

	2026 Jul-Sep	2025 Jul-Sep	2026 Jan-Sep	2025 Jan-Sep	2025 Jan-Dec
AVERAGE OPERATING CAPITAL, SEK MILLION					
Södra Skog	—	—	3,481	6,941	7,220
Södra Wood	—	—	4,358	4,136	4,232
Södra Cell	—	—	15,906	15,410	15,401
Södra Building Systems	—	—	810	857	860
Group, average capital employed*	—	—	22,658	25,834	25,965

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

RETURN ON OPERATING CAPITAL					
Södra Skog	—	—	neg.	7%	neg.
Södra Wood	—	—	neg.	neg.	neg.
Södra Cell	—	—	neg.	6%	neg.
Södra Building Systems	—	—	neg.	neg.	neg.
Consolidated return on capital employed*	—	—	-1%	2%	-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.

CASH FLOW AFTER INVESTMENTS, SEK MILLION					
Södra Skog	248	419	222	1,093	15
Södra Wood	-101	-8	-685	-394	-897
Södra Cell	-198	17	-1,365	-294	-644
Södra Building Systems	-29	-30	-60	11	-21
Other*	305	46	8,034	-659	-374
Group	225	444	6,146	-243	-1,921

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

INVESTMENTS, SEK MILLION					
Södra Skog	16	18	31	52	138
Södra Wood	179	105	350	242	339
Södra Cell	497	357	1,788	1,281	1,734
Södra Building Systems	2	34	7	22	23
Other	—	-8	1	18	14
Group	694	506	2,177	1,615	2,248

AVERAGE NO. OF EMPLOYEES					
Södra Skog	598	712	602	703	699
Södra Wood	816	863	815	852	851
Södra Cell	1,177	1,309	1,198	1,252	1,256
Södra Building Systems	83	81	81	83	82
Other	328	351	346	346	346
Group	3,002	3,316	3,042	3,236	3,234

Alternative performance measures

NET SALES, CHANGE

	2026 Jan-Sep	2025 Jan-Sep	2025 Jan-Dec
Opening net sales	21,696	22,084	29,487
Closing net sales	20,043	21,696	28,302
Change	-8%	-2%	-4%

Change in net sales shows Södra's growth.

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

	2026 Jan-Sep	2025 Jan-Sep	2025 Jan-Dec
Operating profit/loss	737	-310	-1,290
Depreciation, amortisation and impairment of assets	1,241	1,211	1,642
Operating profit/loss before depreciation, amortisation and impairment	1,978	901	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, MARGIN

	2026 Jan-Sep	2025 Jan-Sep	2025 Jan-Dec
Operating profit/loss before depreciation, amortisation and impairment	1,978	901	352
Net sales	20,043	21,696	28,302
EBITDA margin	10%	4%	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-Sep	2025 Jan-Sep	2025 Jan-Dec
Net sales	20,043	21,696	28,302
Other revenue and profit from shares in associates	2,010	121	295
Operating expenses	-20,075	-20,916	-28,245
Depreciation, amortisation and impairment	-1,241	-1,211	-1,642
Operating profit/loss	737	-310	-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-Sep	2025 Jan-Sep	2025 Jan-Dec
Operating profit/loss	737	-310	-1,290
Net sales	20,043	21,696	28,302
Operating margin	4%	-1%	-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-Sep	2025 Jan-Sep	2025 Jan-Dec
Interest-bearing liabilities	12,757	11,920	12,684
Financial receivables	-9	-10	-13
Current investments and cash and cash equivalents	-16,773	-11,734	-10,917
Net debt*	-4,025	176	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-Sep	2025 Jan-Sep	2025 Jan-Dec
Net debt	-4,025	176	1,754
Equity	25,200	25,842	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-Sep	2025 Jan-Sep	2025 Jan-Dec
Assets	45,252	45,641	44,634
Surplus in funded pension plans	-461	-355	-448
Financial assets	-16,830	-11,788	-10,974
Provisions*	-554	-520	-533
Income tax*	-1,920	-2,111	-2,275
Non-interest-bearing operating liabilities	-4,813	-5,216	-4,191
Capital employed**	20,674	25,651	26,215
Average***	22,658	25,834	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-Sep	2025 Jan-Sep	2025 Jan-Dec
Average capital employed	22,658	25,834	25,965
Operating profit/loss	737	-310	-1,290
Adjusted operating profit/loss*	-244	417	-1,290
Return	-1%	2%	-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-Sep	2025 Jan-Sep	2025 Jan-Dec
Equity	25,200	25,842	24,910
Assets	45,252	45,641	44,634
Equity ratio	56%	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 October–December will be published on 12 February 2027.
- » 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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