Year-end report presentation 2021

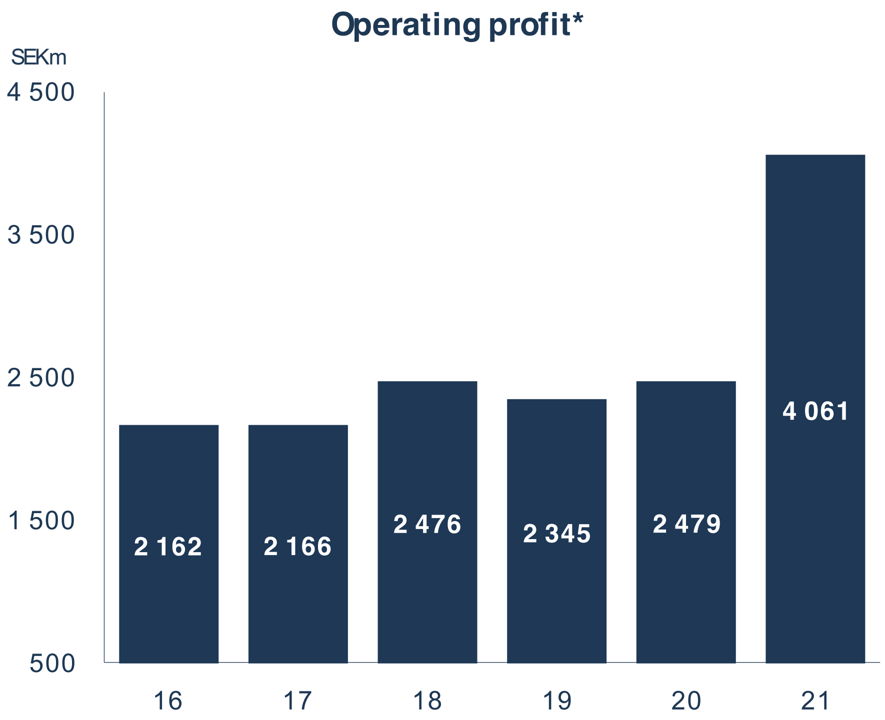
Henrik Sjölund, CEO

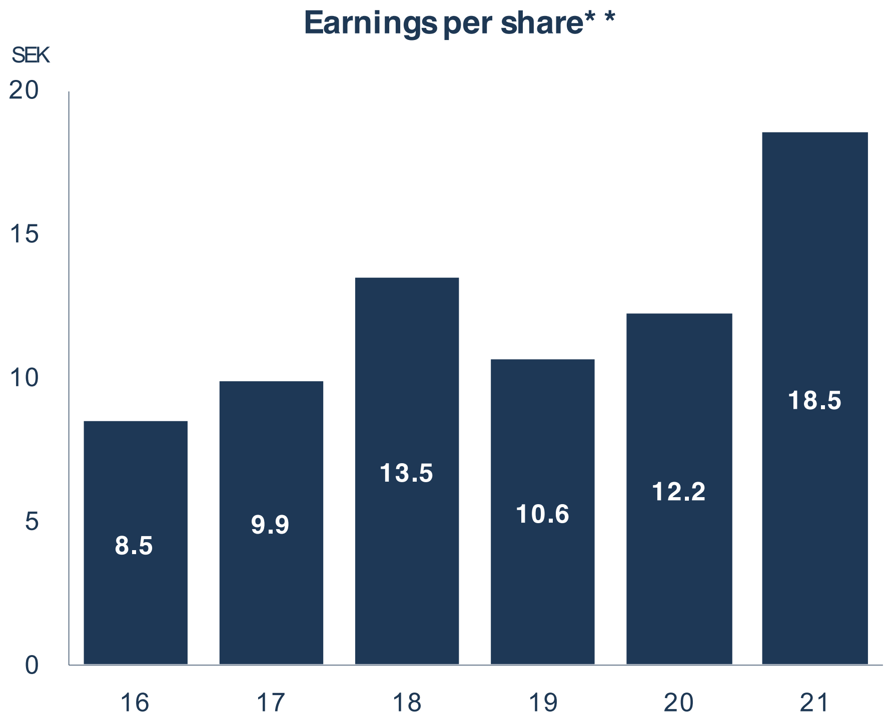
Anders Jernhall, CFO

January 28th, 2022

Historically high result 2021

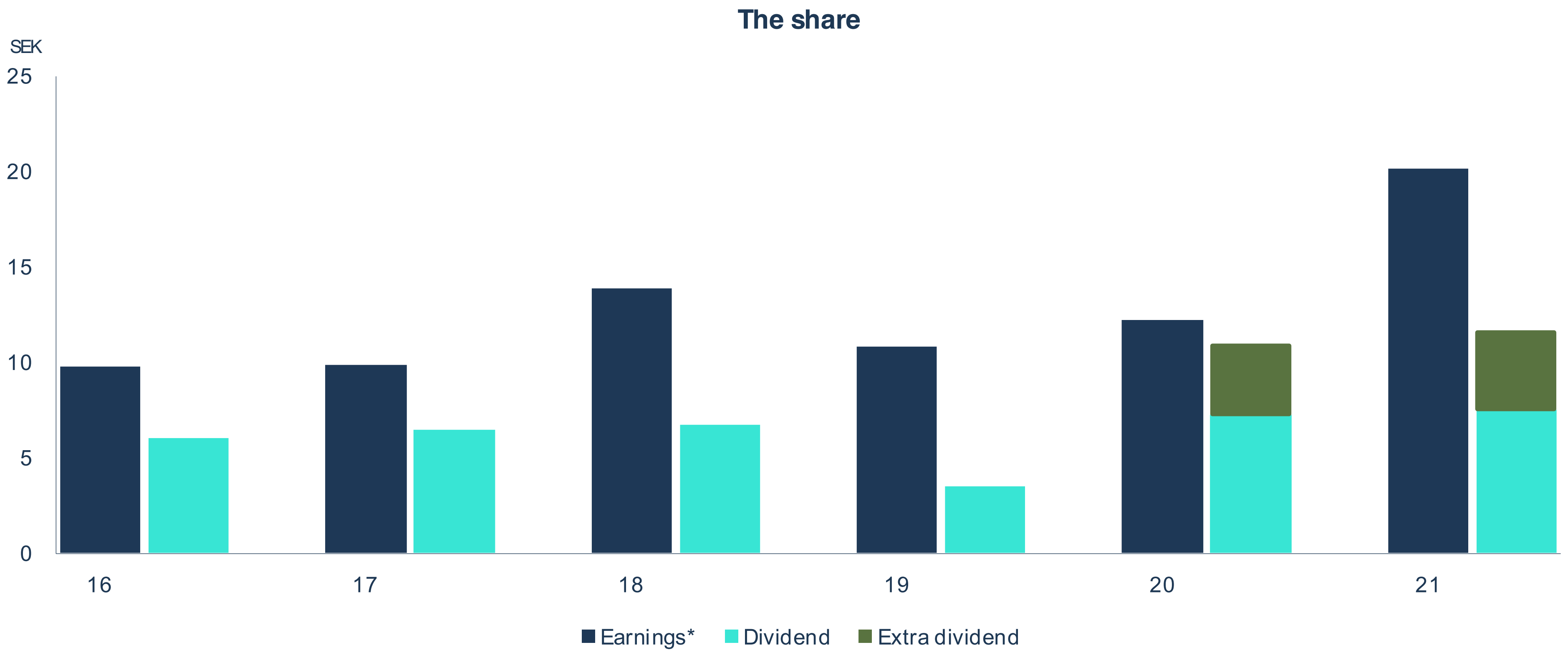
Wood product expansion in an exceptionally strong market





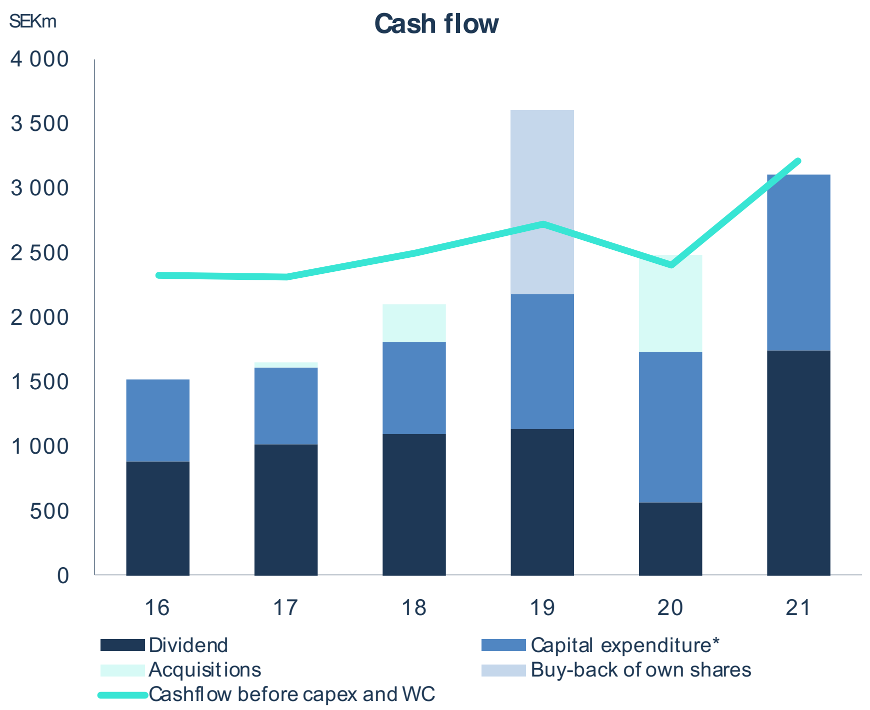
*Excl. items affecting comparability.
**Excl. revaluation of forest in 2019

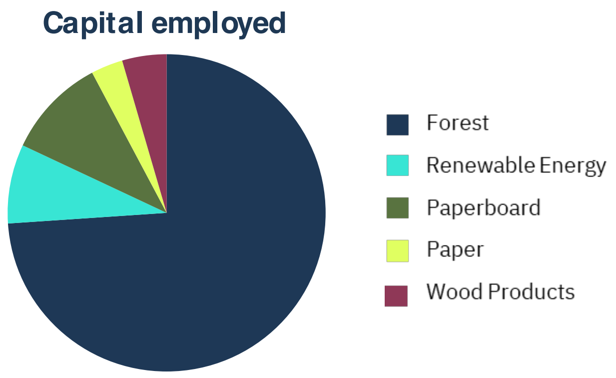
Proposes dividend of SEK 7.50 + 4.00

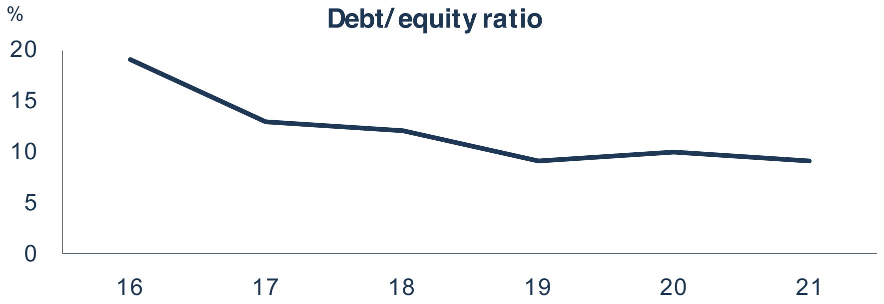


*Excl. items affecting comparability.

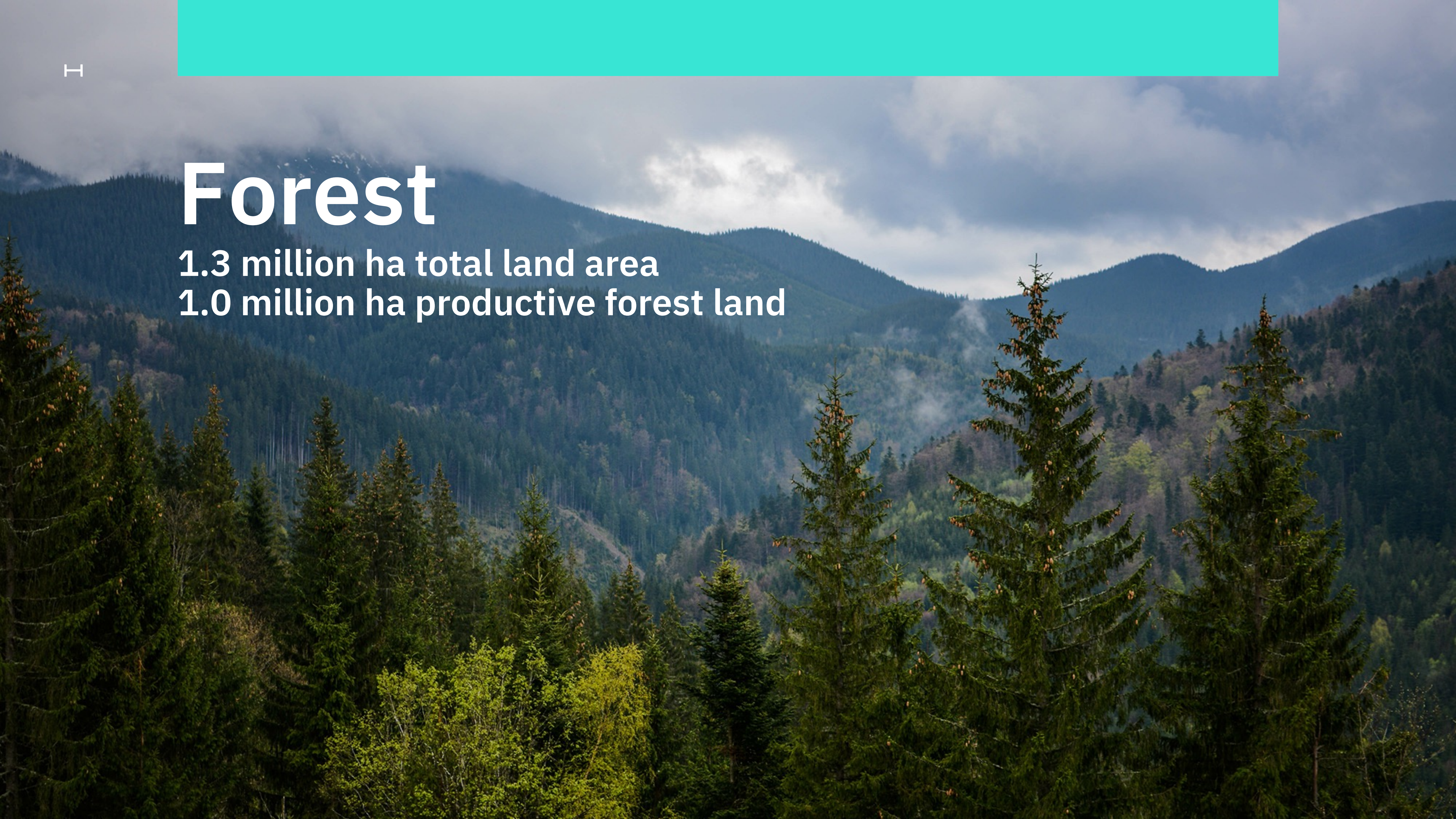
Balance sheet remains strong
Forest value increased to SEKbn 47







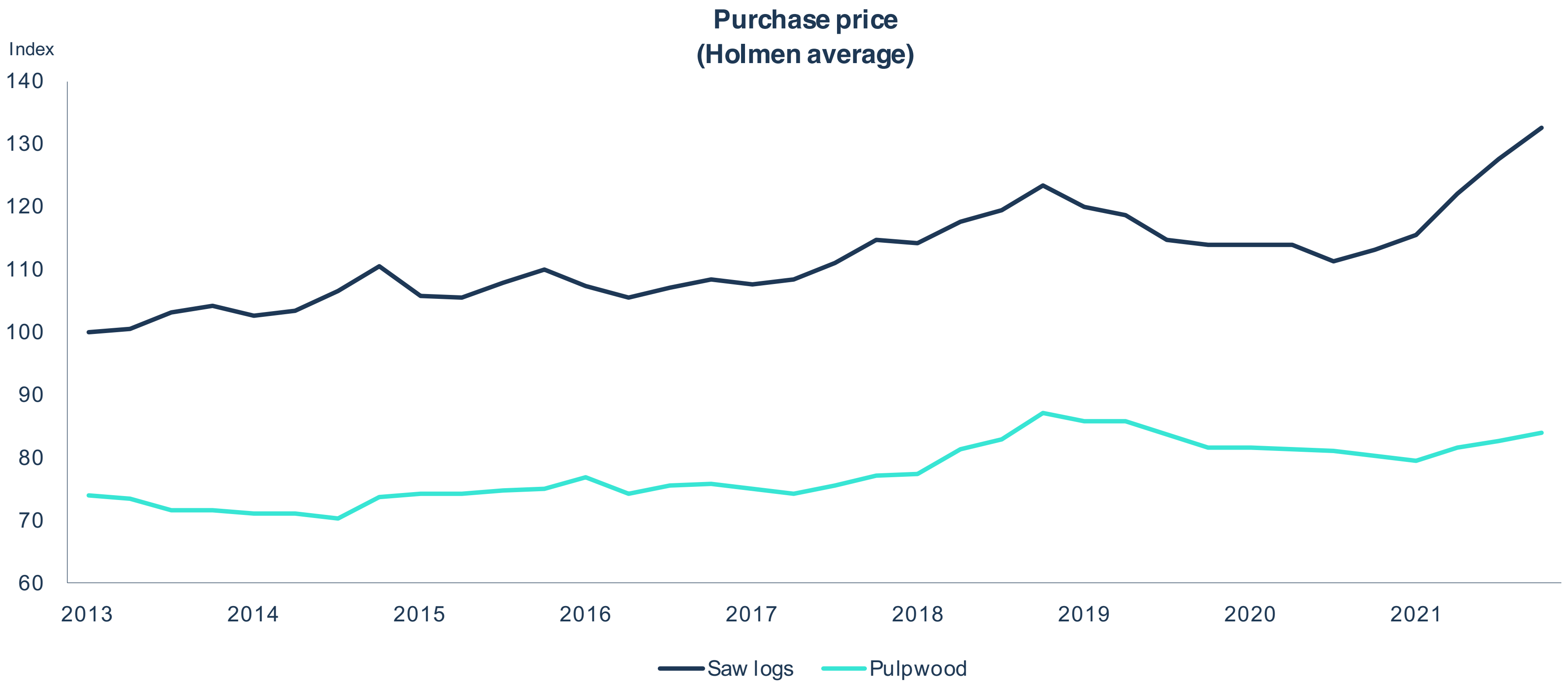
*Excl. sale of the newsprint mill in Spain (2016) and acquisition of loan relating partly owned wind power company (2018).



Forest

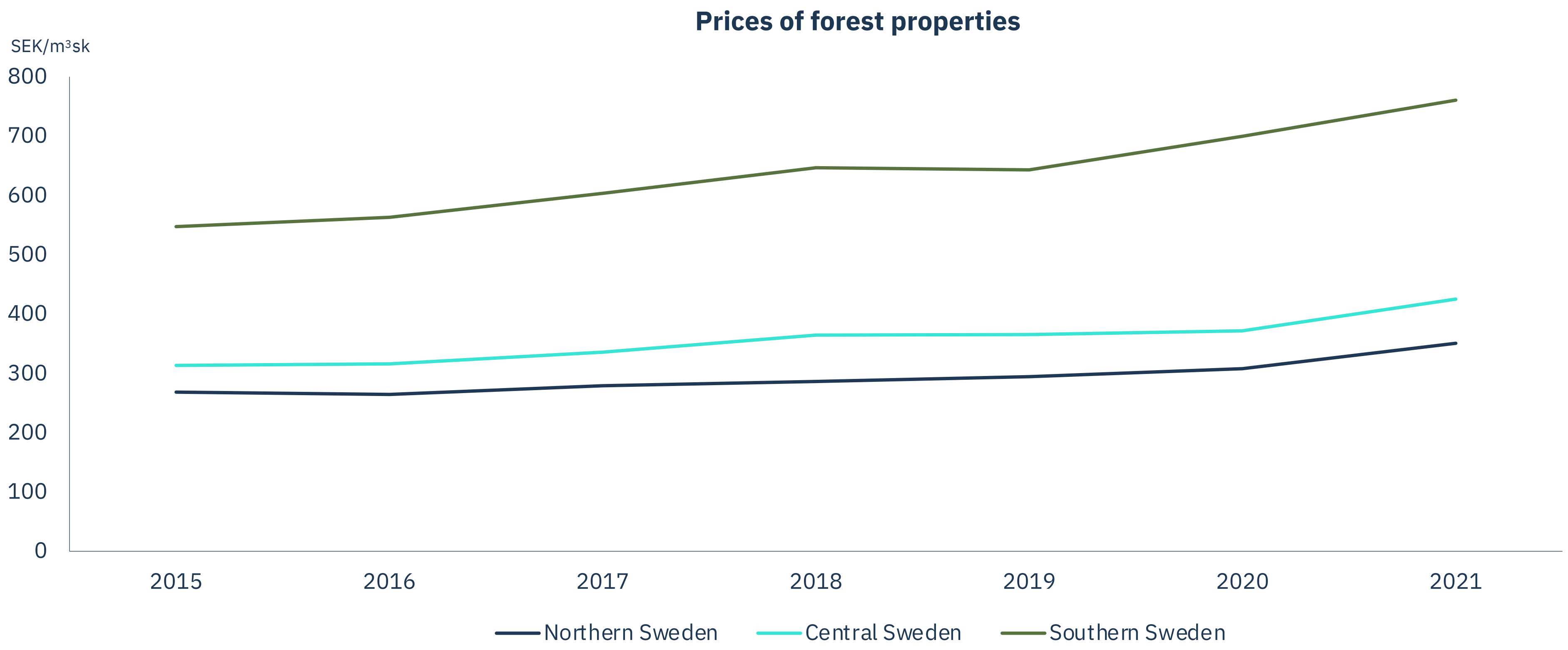
1.3 million ha total land area
1.0 million ha productive forest land

High demand for saw logs
Stable pulp wood market



Source: Holmen

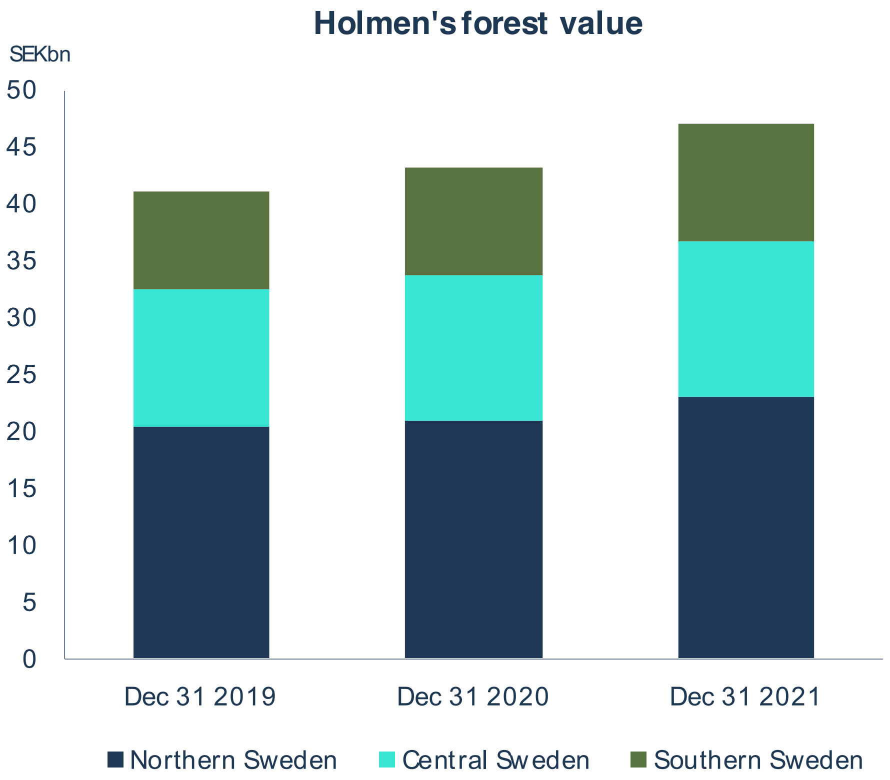
Transaction prices rising across Sweden

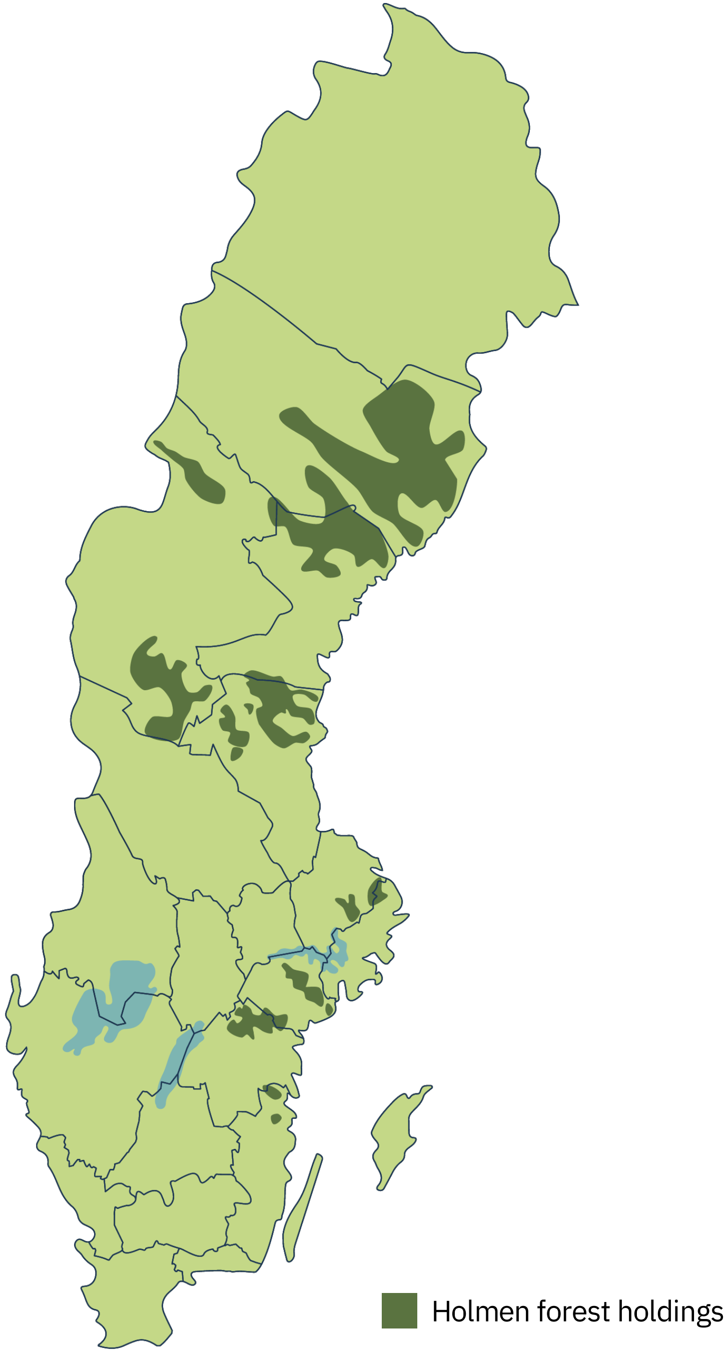


Source: External price statistics, weighted

Forest value +9% to 47 SEKbn

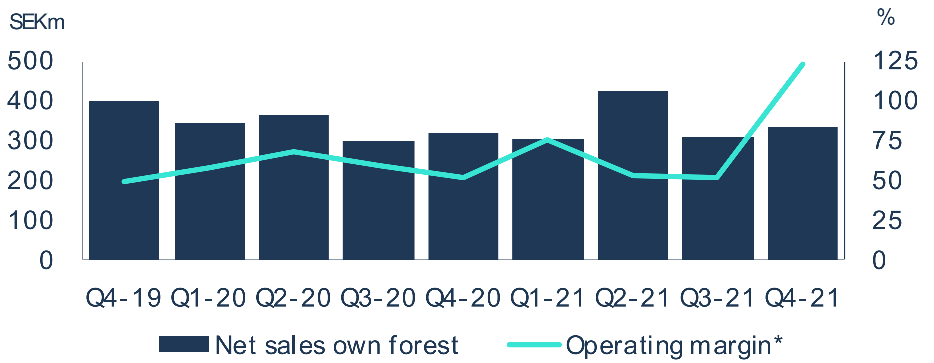
Based on 3 years transactions





Forest financials

- Q4 SEKm 513 (Q3: 323)
  – Disposal of forest land in England
- 2021 SEKm 1 495 (PY: 1 367)
  – Forest land disposals

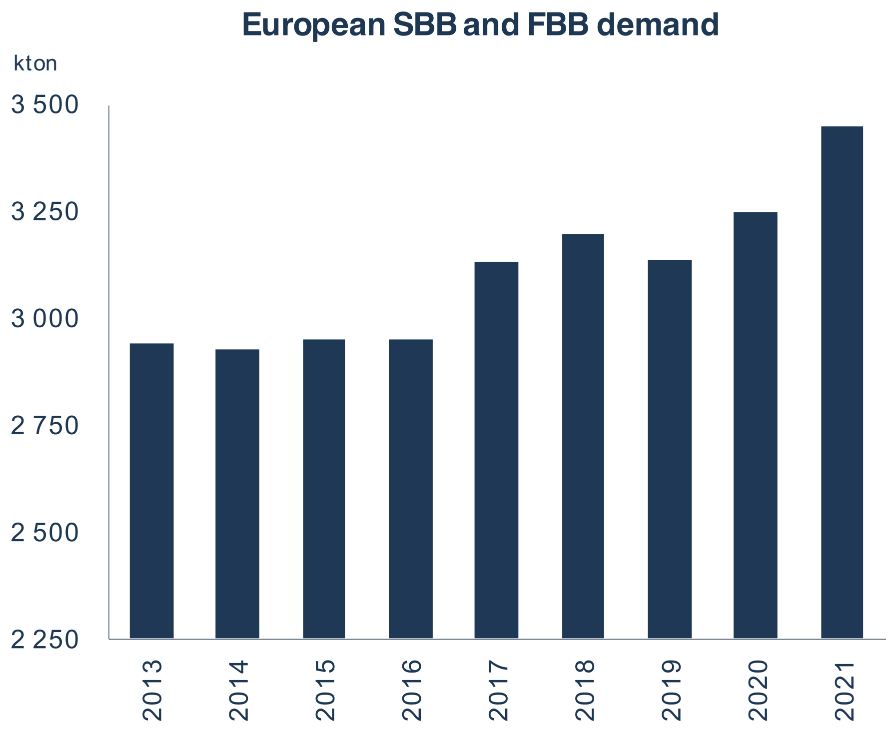


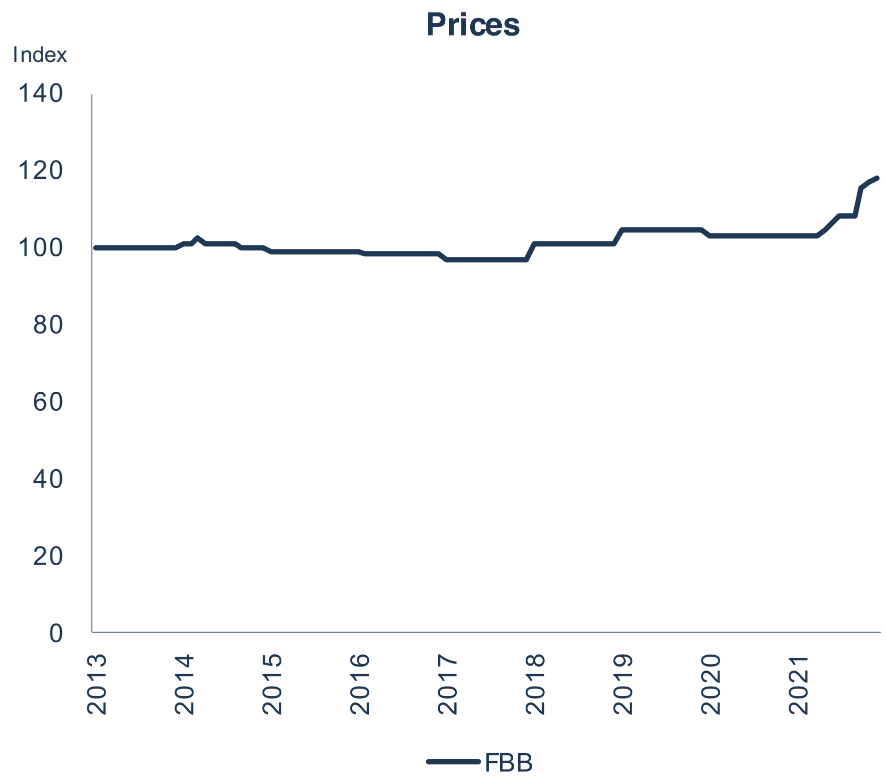
*Excl. items affecting comparability.

Paperboard

550 000 tonnes per year

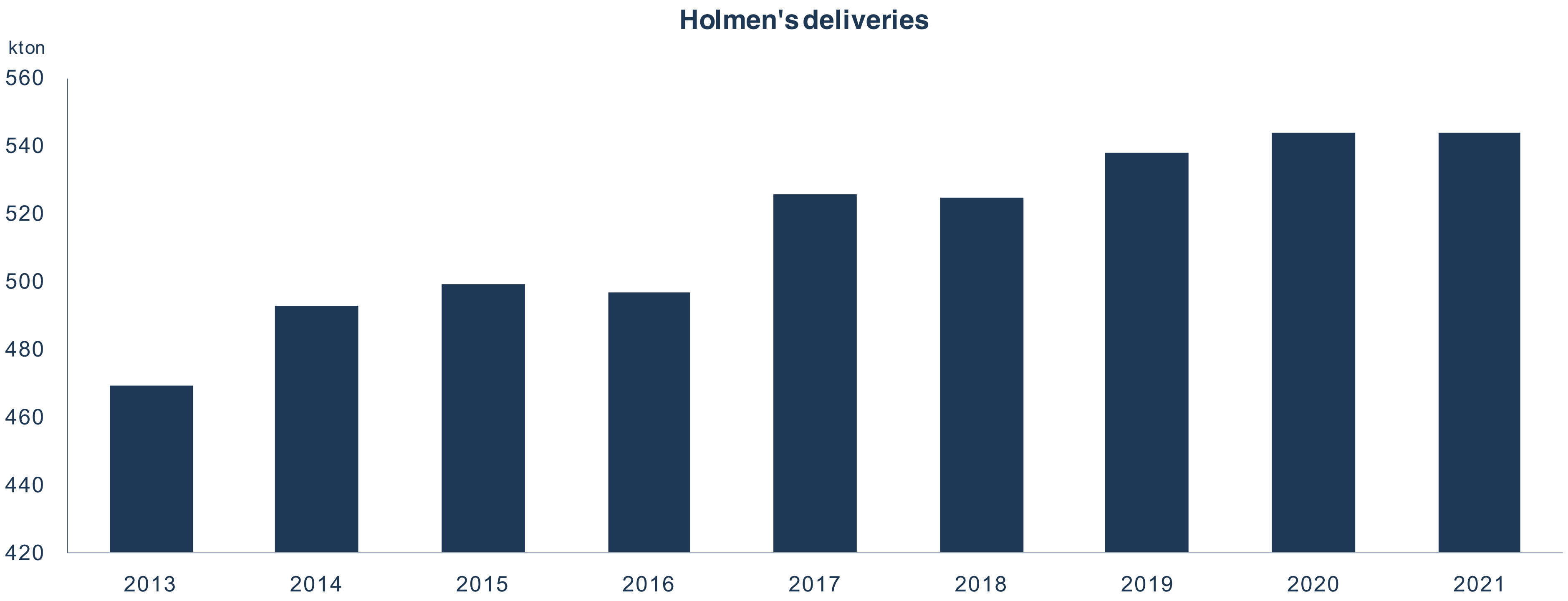
Strong demand pushing up prices





Source: CEPI and Holmen, RISI

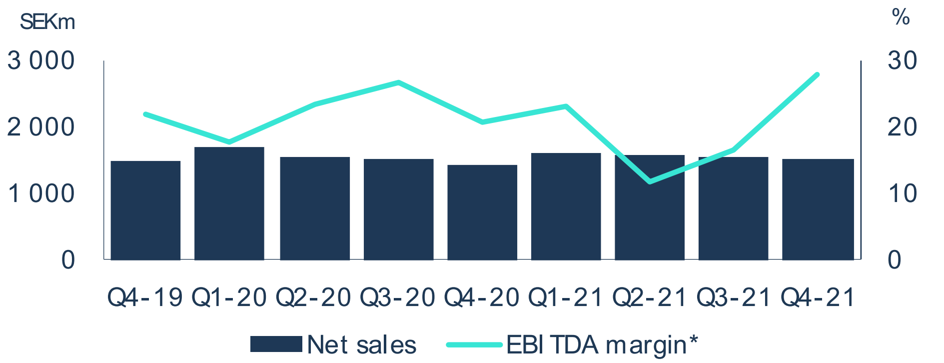
Maintenance shuts have limited our deliveries

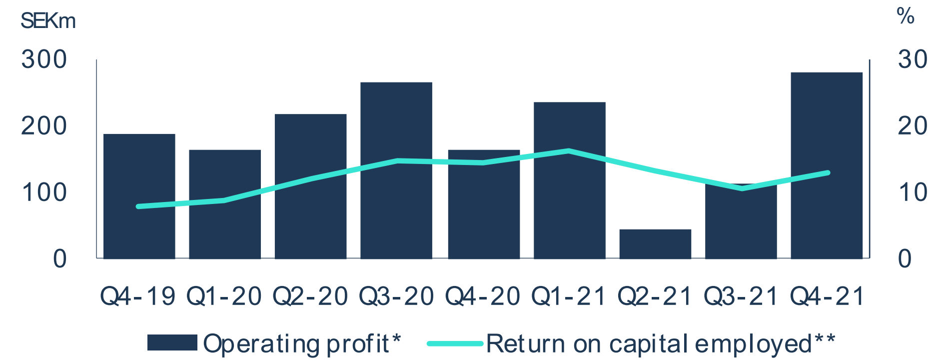


Source: Holmen

Paperboard financials

- Q4 SEKm 281 (Q3: 112)
  - Maintenance shut in Q3
  - Price increases
  - Green electricity bonus & positive one-offs
- 2021 SEKm 673 (PY: 812)
  - Maintenance shut SEKm 310 vs 110
- Turbine start-up in Q1 2022
  - Insurance investigation still ongoing
  - Treated as item affecting comparability



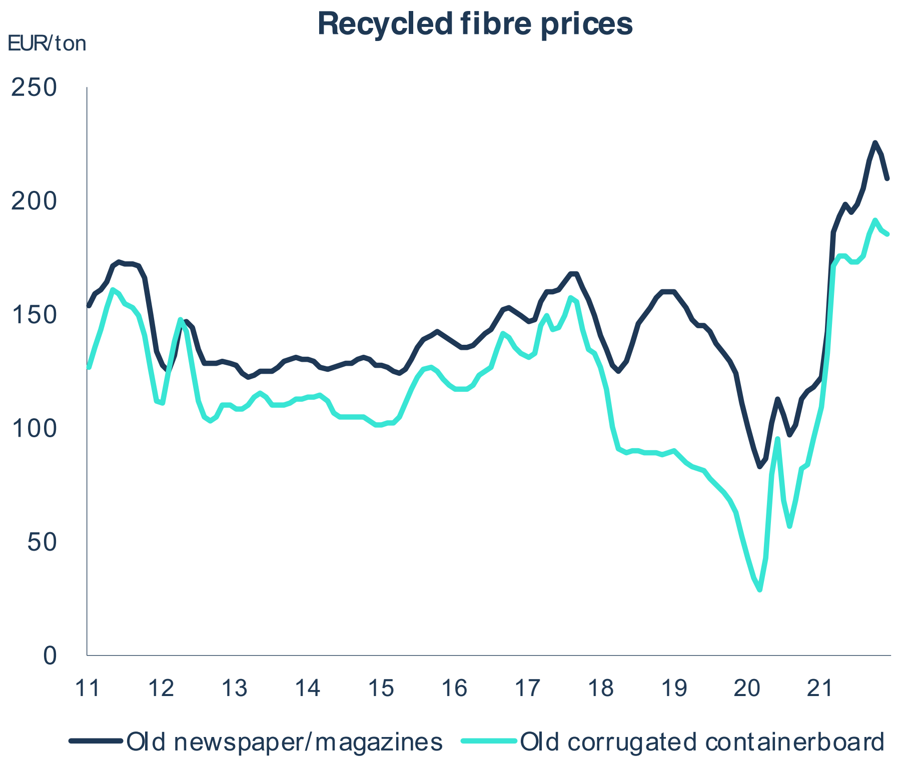


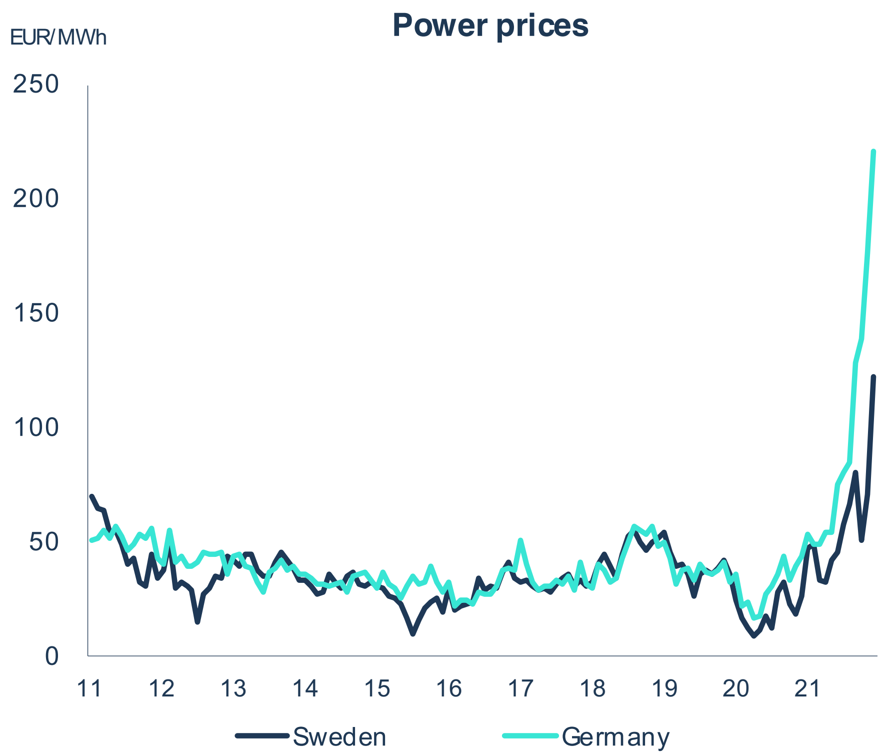
*Excl. items affecting comparability
**Twelve-month rolling average.

Paper

1 million tonnes per year

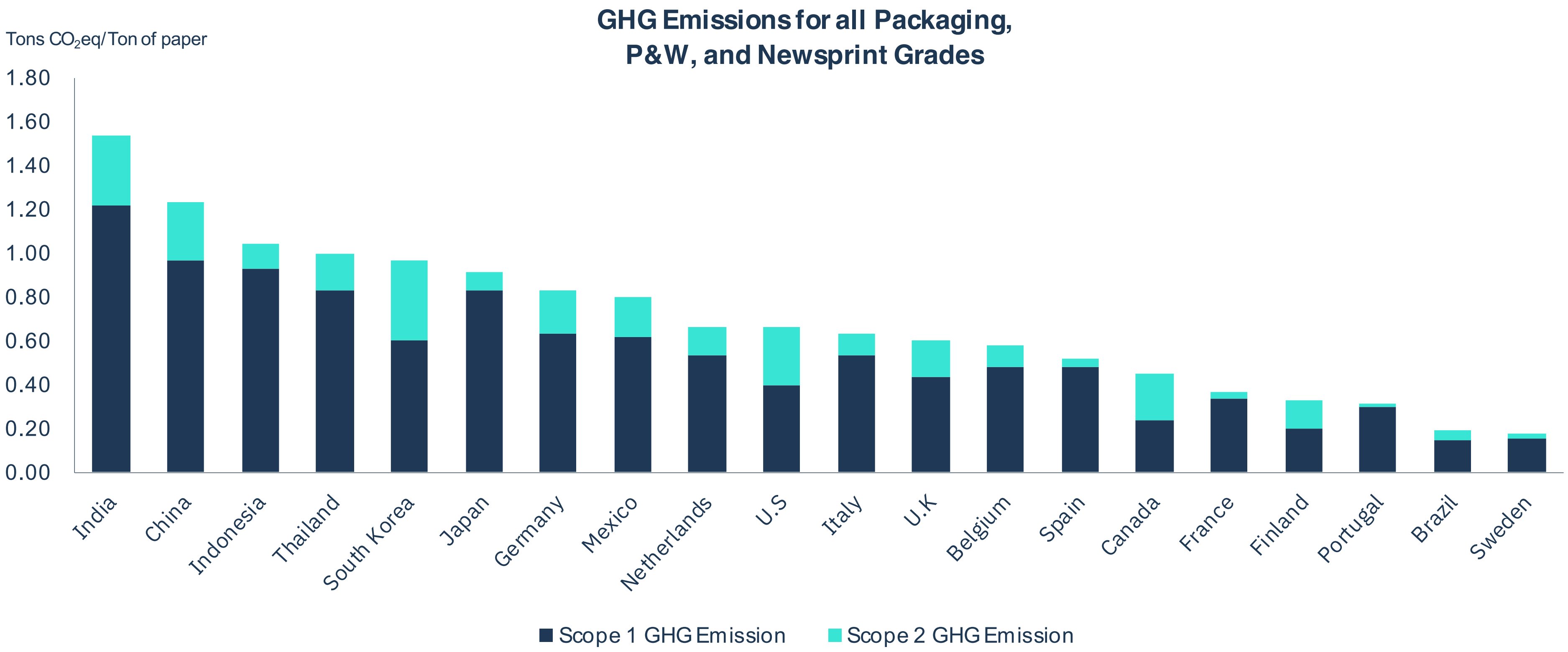
Fibre and energy crunch





Source: RISI, FOEX, PPPC, Macrobond

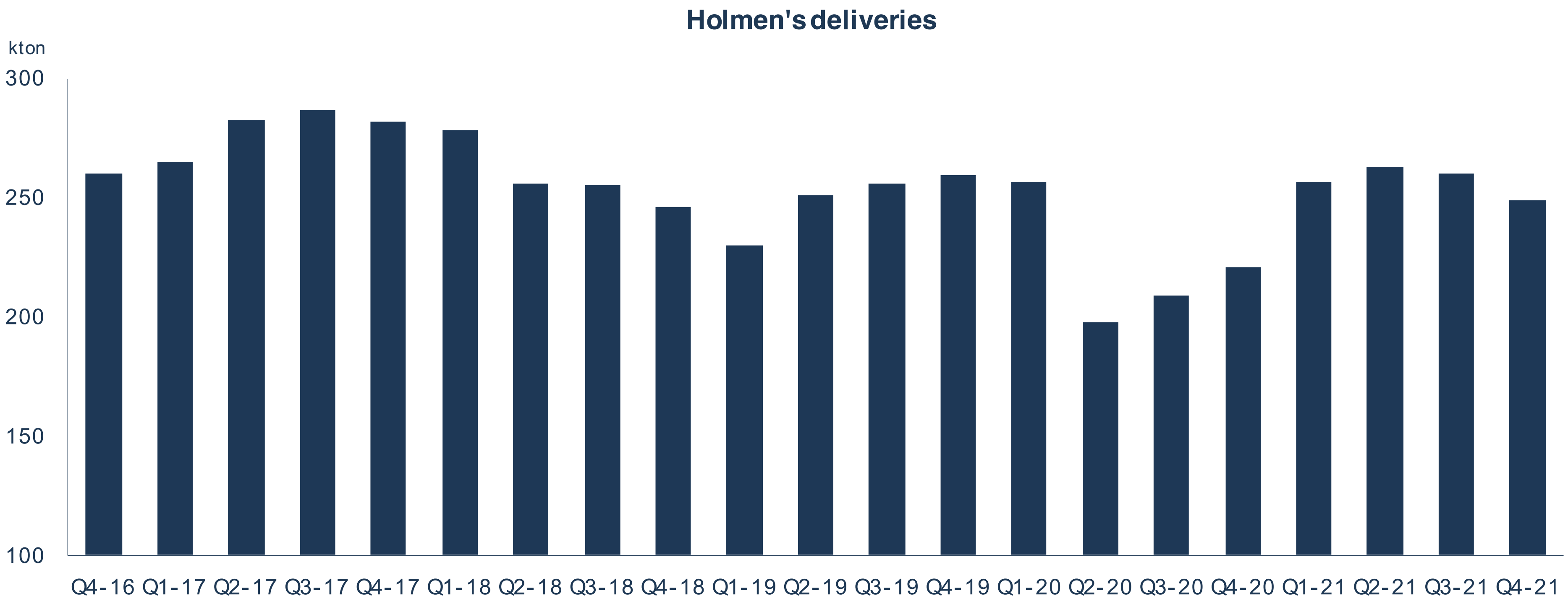
Local wood & fossil-free electricity



Source: Holmen and FisherSolve

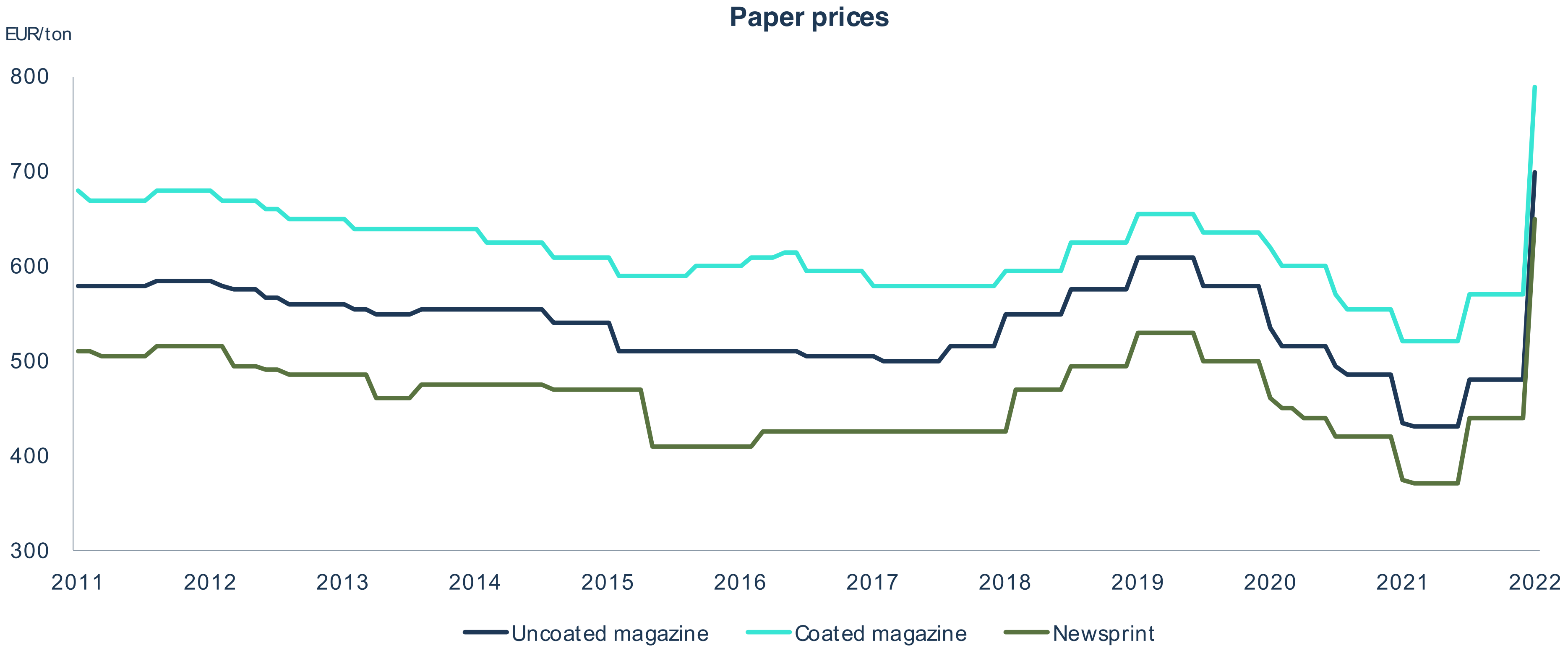
We’ve been running full

Q4 impacted by maintenance



Source: Holmen

Shortages driving prices up in 2022

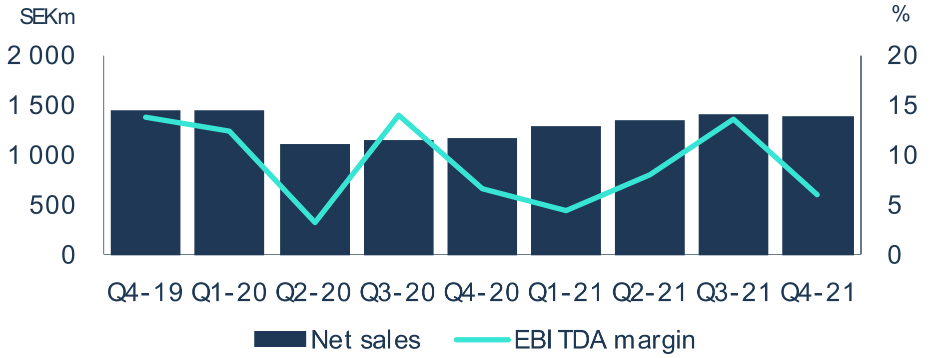


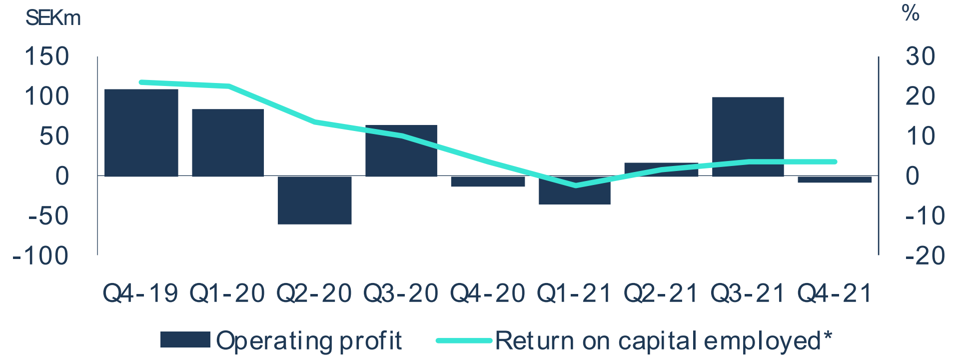
Source: RISI, FOEX, PPPC, Euro-Graph

Paper financials

- Q4 SEKm -9 (Q3: 100)
  - Very high power prices in Q4
  - Seasonally higher maintenance & personnel costs balanced by one-offs

- 2021 SEKm 70 (PY: 73)
  - Lower prices and higher electricity cost
  - Increased production, better mix and lowered costs



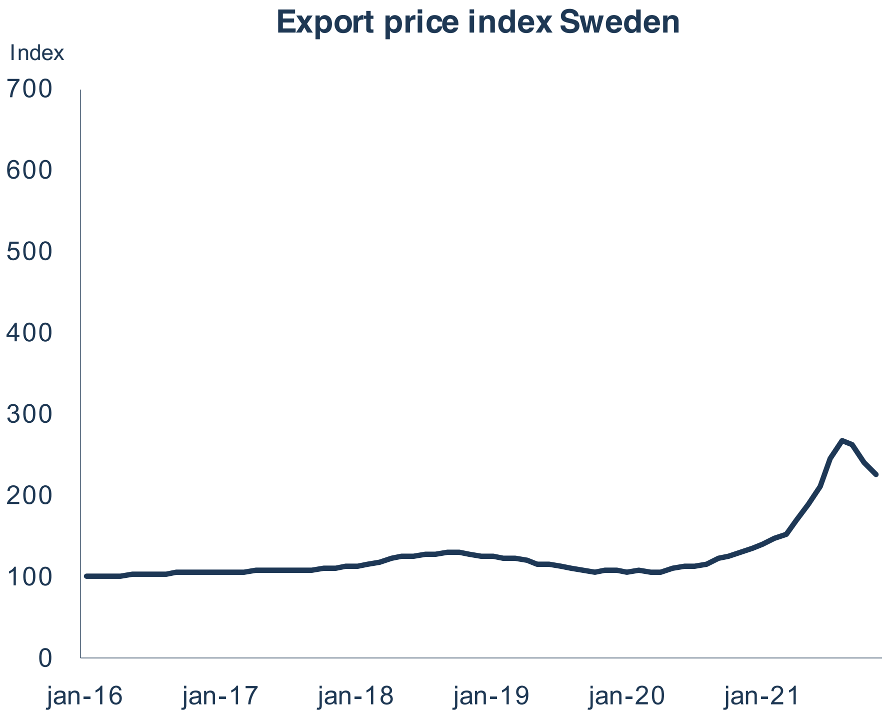


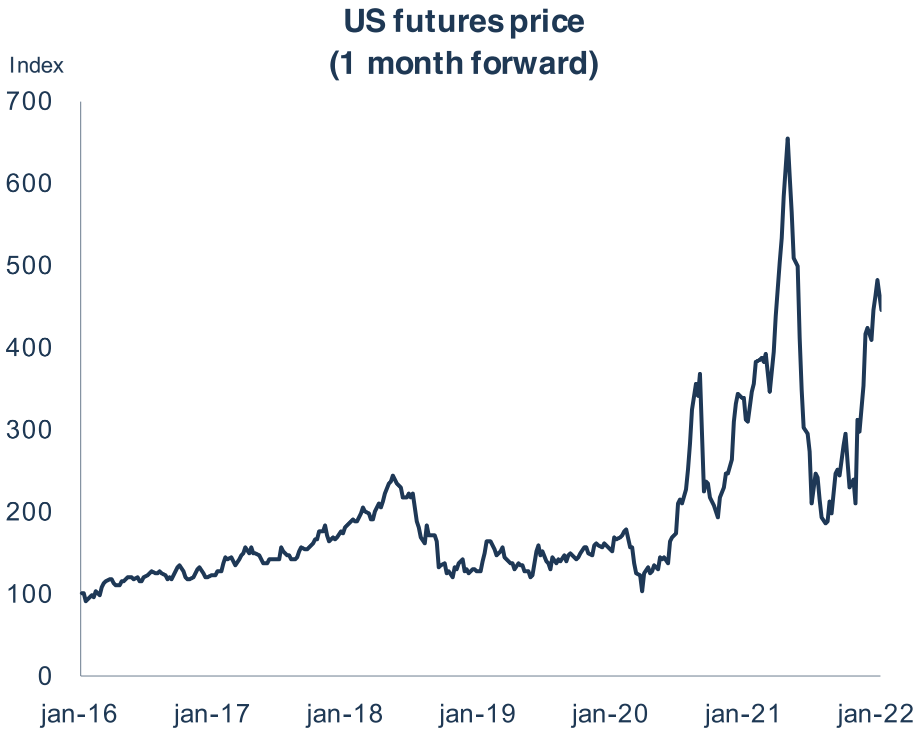
*Twelve-month rolling average.

Wood Products

1.5 million m^3 per year

De-stocking continued in Europe during Q4
US prices rising strongly





Source: Skogsindustrierna and Macrobond

Housing accounts for 35 % of EU CO_2 emissions

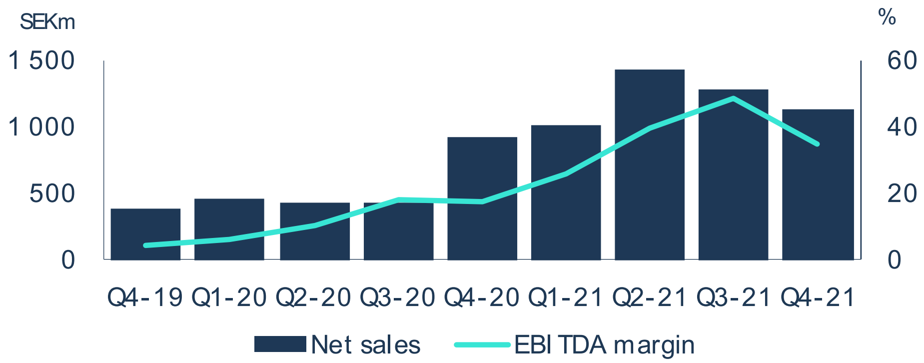
Building in wood stores carbon

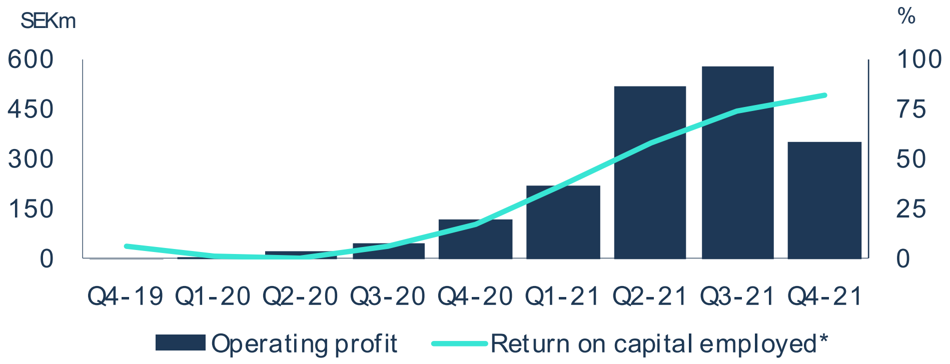
Increasing output & value-added at Iggesund

- SEK 400 million investment
- 20 % production increase
- Adding construction timber
- Start-up autumn 2023
  – Full capacity end of 2024

Wood Products financials

- Q4 SEKm 350 (Q3: 582)
  - – Lower prices
  - – Stocks continued to increase
- 2021 SEKm 1 668 (PY: 185)
  - – Higher prices
  - – Acquired & organic growth



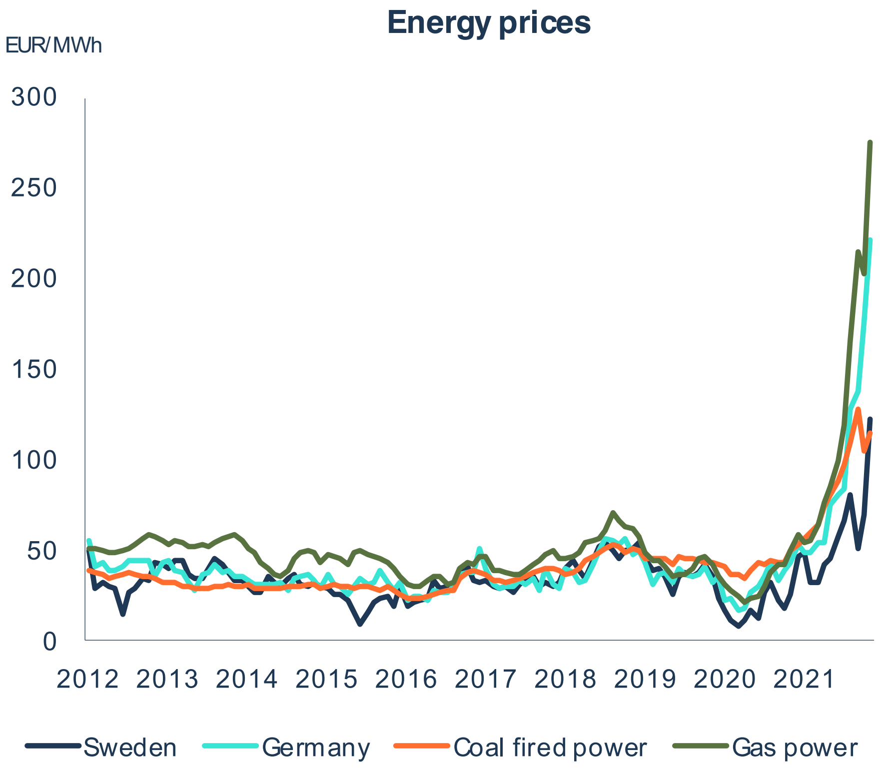


*Twelve-month rolling average.

Renewable Energy

1.2 TWh per year. In 2022, 0.4 TWh will be added from the new Blåbergsliden wind farm.

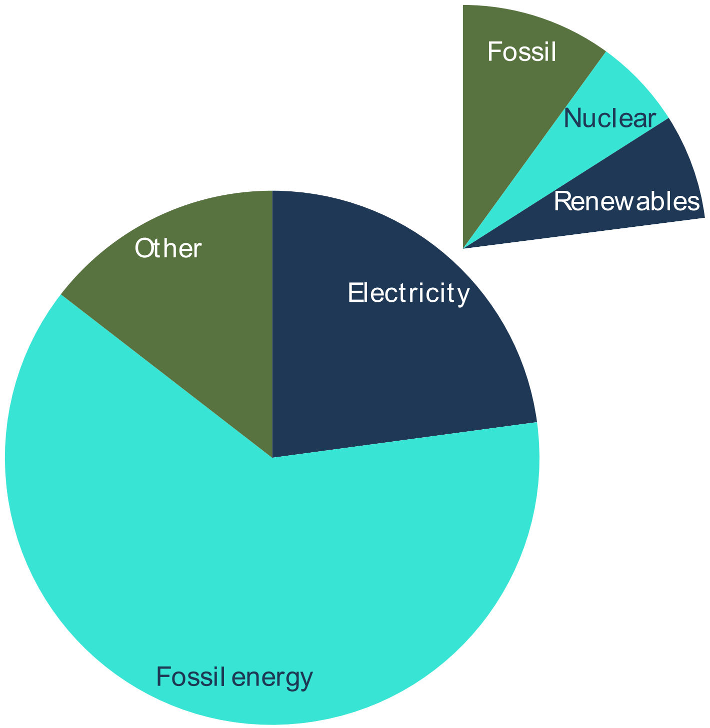
Energy crunch in Europe



Source: Macrobond

EU still dominated by fossil energy

European energy consumption

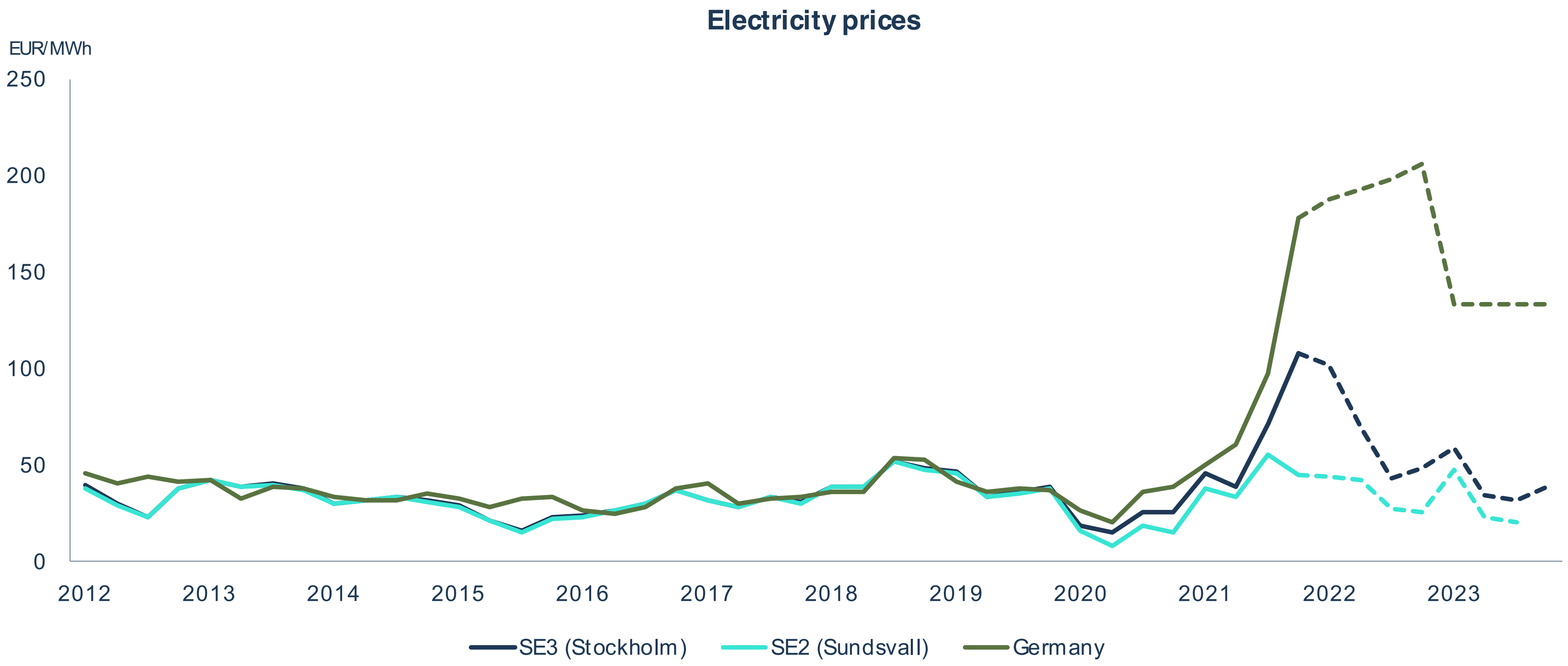


Source: IEA & EEA

Blåbergsliden began to deliver electricity during Q4 2021

30% increase in renewable energy production in 2022

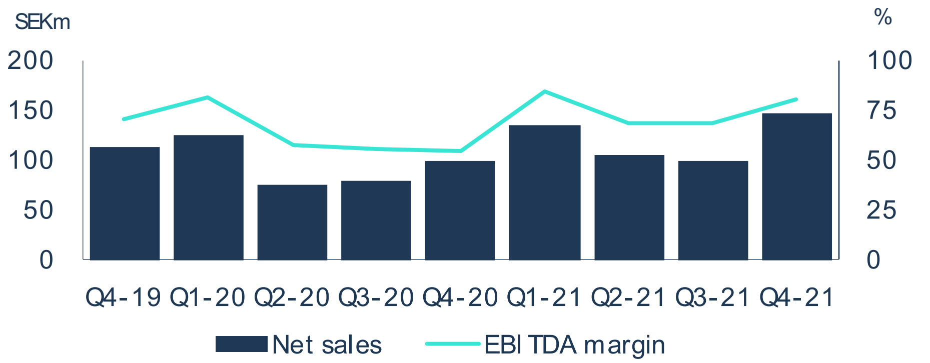
Lack of transmission capacity in Sweden
Creating unusually large price differences between north & south

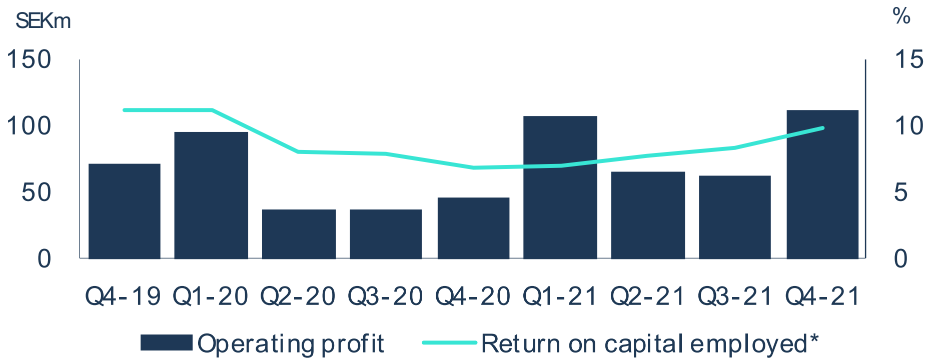


Source: Macrobond

Renewable Energy financials

- Q4 SEKm 112 (Q3: 62)
  – Higher captured prices
  – Seasonally higher production
- 2021 SEKm 347 (PY: 215)
  – Higher prices
  – Lower production

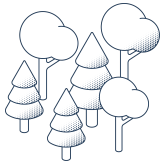




*Twelve-month rolling average.

We grow houses

Leftovers are converted into renewable packaging and paper
We harvest the energy that blows and runs through our forests



1.4 Million tonnes CO_2e — **Carbon sequestration**

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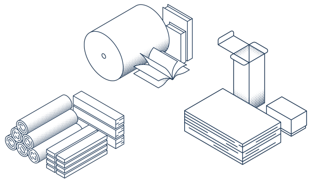

3.7 Million tonnes CO_2e — **Storage and substitution from wood products (2.2), paperboard and paper (1.5)**

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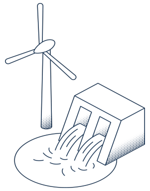

1.7 Million tonnes CO_2e — **Substitution from renewable energy production**

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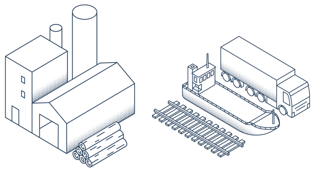


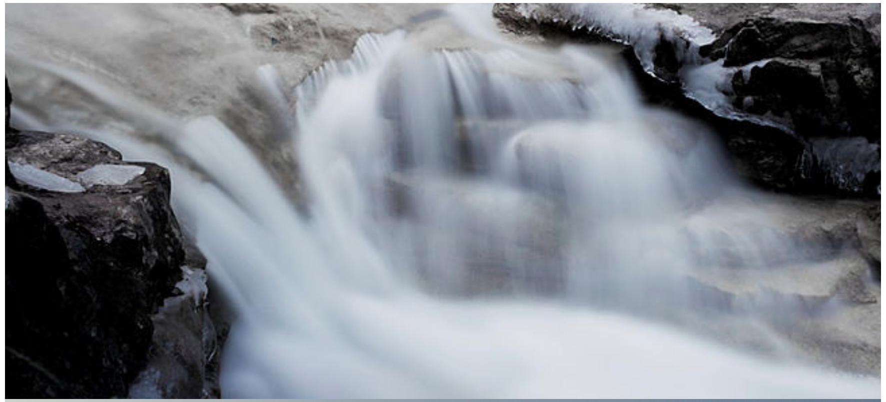
0.4 Million tonnes CO_2e — **Fossil emissions reduced by 88%**

6.4 Million tonnes CO_2e per year

Save the date!

Holmen Investor Day

May 11, 2022

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