

Summary of the Year-end Report 2023

January-December 2023 compared to Januari-December 2022

- Land holdings amounted to 9,157 hectares (9,008)
- Productive forestland amounted to 7,626 hectares (7,004)
- The standing volume was approximately 831,000 cubic meters of standing forest (824,000)
- Equity per A share; EUR 160.6 (140.1) corresponding to SEK 1,787 (1,561)
- Book value land and forest assets; TEUR 41,491 (34,805)
- Change in value of land and forest holdings during the period; TEUR +5,872 (+8,142)
- Group profit after tax; TEUR 4,597 (7,618)
- Result attributable to the A shares; EUR 3,780 (6,209)
- Profit per A share; EUR 20.96 (36.42)
- TEUR 0 was raised through new share issues during the period (3,327)
- Loans from bank; TEUR 10,486 (9,529)
- Loan-to-value ratio; 24.8% (25.7%)
- Cash; 648 TEUR (2,172)

Most important events in the year 2023

- 149 hectares were acquired.
- 454 hectares of young forest were pre commercially thinned.
- 84 hectares of the former clear-cuts were planted.
- 414 hectares of previously unused agricultural land were afforested.
- 1,807 hectares were updated with new taxations and updated forest data.
- 40 km of borders were cleaned and 327 border markers were recreated.
- 17,600 cubic meters were harvested with a net amount of TEUR 608.
- The Skogsfond Baltikum (SB) board decided in September to prepare for the sales of the forest holdings and announced in December that the assets in Latvia will be offered to the market in mid-January 2024.

Significant events after the end of the period

- SB published a Sales Memorandum on January 15, 2024 regarding the Latvian assets 8,080 hectares. Selected investors were offered access to additional information in a data room and where given the opportunity to place an indicative bid on the company's Latvian assets by February 29, 2024.
- Mid February 2024; 1,000 hectares of pre commercial thinning work were passed in Latvia (accumulated since 2019)

CEO's words

"Implemented forest improvement measures increases the growth and carbon sequestration"

During 2023, SB has carried out active measures on over a tenth of all owned land, which today consists of 9,157 hectares in Latvia and Lithuania. Five percent of the area has been pre commercially thinned during the year, one percent has been replanted and over four percent of the area has been afforested. The latter involves the creation of 414 new hectares of productive forestland on previously unused agriland. Investments in forestry aims to increase the photosynthesis-driven growth, which increases the forestland value and creates climate benefits through increased carbon capture.

SB's land holdings were at the end of 2023 valued 17 percent higher than the previous year, an average of EUR 4,681 per hectare, which positively affected financial results and equity. At the same time, it is noted that a number of portfolio transactions on the market have been carried out during 2023 at significantly higher levels than that. It is with pride I see that SB owns good assets, and that they have developed well since the inception a half decade ago.

In the third quarter of 2023, the board decided to investigate the possibility to divest the forestland assets. In January 2024, investors were invited to data rooms for the Latvian assets with an offer date of February 29, 2024. The main reasons why the assets are now being put up for sale are that the prices of forestland have doubled since start and that we have extensive and successful improvement work behind us, which now has reached such a point that it is justified to evaluate the possibilities for sales. Forestland is a green, inflation-protected and sought-after real asset and our assets are prepared for very good growth and substantial carbon sequestration. I therefore look forward to see how the market responds to our offer.

Regardless of the sale, work continues to improve the forest assets. The forestry teams are planning for further pre commercial thinning and planting and the financial situation, with large unused loans, is good. Active forestry is estimated to be able to continue for several years without the need to harvest to finance the ongoing operations. Thus, It is reassuring to know that there is a possibility to wait for a couple of years if we are not satisfied with the outcome of the sales process.

Carl Olén

Chief Executive Officer

The Year-end Report 2023 in its entirety (Swedish) is available on the Company's website:
<https://www.skogsfondbaltikum.se/investor-relations/finansiella-rapporter/>

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Skogsfond Baltikum AB (publ) invests in forest assets in the Baltics, where the price is significantly lower than in Sweden. The target is to deliver an average return of 7-9 percent per year by acquiring, developing and ultimately divesting a consolidated forest portfolio by 2026 at the latest. The investment horizon is eight years and the company is aimed at both professional and retail investors. Skogsfond Baltikum's A-share has been admitted to trading on the regulated market NGM Nordic AIF Sweden since June 2019.

www.skogsfondbaltikum.se