



StoraEnso

Stora Enso completes strategic review and intends to create the largest listed pure play forest company in Europe (Inside information)

STORA ENSO OYJ INSIDE INFORMATION 14 November 2025 at 10:30 EET

Stora Enso today announces:

- Following the strategic review, the Board of Directors of Stora Enso has decided to initiate preparations for the separation of the Swedish forest assets business of Stora Enso into a new publicly-listed company through a statutory partial cross-border demerger, expected to be completed during the first half of 2027. All shares in the new company would be wholly owned by Stora Enso's shareholders.
- The separation of the Swedish forest assets was assessed to be the best alternative to enhance focus on respective businesses' core strengths and market opportunities, maximising operational and shareholder value, as well as to reduce group complexity.
- It intends to create Europe's largest listed pure play forest company, comprising over 1.2 million hectares of forest land in Sweden with a fair value of approximately EUR 5.7 billion as of 30 September 2025.
- Stora Enso will continue to lead in renewable materials and packaging, with strong market positions and more flexible, integrated, and cost-competitive production.
- The new company is intended to be listed on Nasdaq Stockholm and Nasdaq Helsinki with its headquarter located in Falun, Sweden.
- The contemplated demerger is subject to, among others, approval by a General Meeting of Stora Enso to be convened separately by the Board of Directors at a later stage.

On 18 June 2025, Stora Enso Oyj (the "**Company**" or "**Stora Enso**") announced the initiation of a strategic review of its Swedish forest assets as part of its stronger focus on renewable materials and packaging. After assessing various options, and having completed the divestment of approximately 175,000 hectares of forest land, for an enterprise value of EUR 900 million, the Board of Directors of Stora Enso has completed the strategic review. The Board of Directors has decided to initiate preparations for the separation of the Swedish forest assets business of Stora Enso into a new publicly-listed Swedish company (the "**New Company**") through a statutory partial cross-border demerger of Stora Enso. Stora Enso's major shareholders Solidium Oy and FAM AB, holding in the aggregate approximately 21% of the shares and approximately 55% of the voting rights in Stora Enso, support the contemplated demerger. Shareholders of Stora Enso would receive all the

shares in the New Company (to be established upon the eventual completion of the demerger) as demerger consideration in proportion to their shareholdings in Stora Enso and the share structure with A and R shares would remain unchanged in the New Company. The shares of the New Company would be traded on Nasdaq Stockholm and on Nasdaq Helsinki.

According to the assessment of the Board of Directors, the demerger of the Swedish forest assets business into the New Company would be the best alternative to unlock the full potential of both the Swedish forest assets and Stora Enso's core packaging business as well as to optimise capital allocation and reduce complexity. Moreover, the demerger will enable enhanced focus on the respective companies' core strengths and market opportunities, thus allowing the respective businesses to be assessed on their own merits; maximising operational and shareholder value. Stora Enso will continue to lead in renewable materials and packaging, with strong market positions and more flexible, integrated and cost-competitive production. The New Company will emerge as Europe's largest listed pure play forest company, owning a distinct class of assets with expected long-term value appreciation for example, from a naturally growing standing stock. Additionally, the expected stable cash flow generation with additional potential for significant new revenue streams, would provide investors with an opportunity to receive stable inflation-resilient forest returns with low correlation to other asset classes over the business cycle. Swedish forest assets have over the last 30 years had a total return of approximately 7% per annum¹. The New Company is positioned for additional long-term opportunities of incremental value creation through, among other things, an advanced forest management, land holding value optimisation actions, renewable energy initiatives and carbon sequestration.

Tuomas Hallenberg, currently Executive Vice President of Stora Enso's Forest business area, has been appointed President and CEO of Stora Enso's Swedish forest business.

"The Board's decision to move forward with the demerger marks a milestone in the creation of the largest listed pure play forest company in Europe. The separation and public listing of Stora Enso's Swedish forest assets business will unlock value potential and focus of both the forest assets and industrial operations, enabling accelerated growth across each business. Consistent with Stora Enso's commitment to maximise shareholder value, it will now continue the preparations towards the public listing of the new company," said **Kari Jordan**, Chair of Stora Enso's Board of Directors.

"We are excited to now enter the next phase of this important chapter in our company's history. The demerger will create a solid foundation for independent growth of both companies. Moreover, the two companies would maintain a strategic relationship, where Stora Enso gains

¹ Total returns comprise of land appreciation, standing stock net volume growth and annual harvest return. Figures based on historical data between 1990 to 2023.

access to a long-term wood supply agreement with the new company, securing revenues for both parties," said **Hans Sohlström**, President and CEO of Stora Enso.

The relationship between the New Company and Stora Enso will remain strategically important. In connection with the demerger process, Stora Enso intends to enter into a long-term wood supply agreement for 18 years with the New Company, with non-exclusive volumes available for other customers increasingly over the duration of the agreement. The agreement will provide the New Company with a committed demand base as it grows its own customer base, lowering the risk. The wood prices will be set at market-based rates. In addition to the intended wood supply from the New Company, which would currently represent approximately 9% of Stora Enso's wood and fiber supply in the Nordics region, Stora Enso will retain strategic vertical integration through its other forest assets.

At the Capital Markets Day in London on Tuesday, 25 November 2025, Stora Enso will present an update on its refined strategy and objectives. Following the completion of the strategic review of its Swedish forest assets, Stora Enso remains committed to maintaining an investment grade rating for both companies.

The contemplated demerger would be subject to several conditions, including approval and signing of a demerger plan by Stora Enso's Board of Directors, approval by a General Meeting of Stora Enso to be convened separately by the Board of Directors at a later stage, and market conditions. It also requires applicable legal approval, notification, negotiation, consultation and other procedures, such as co-determination and works council negotiations and other potential legal procedures in all impacted countries including approvals by the financial regulatory and other authorities. Stora Enso expects to announce the cross-border demerger during the second half of 2026, and complete it in the first half of 2027.

Webcast on Friday 14 November 2025

Stora Enso will organise a webcast for analysts, investors and media regarding today's announcements today at 13:30 EET /12:30 CET. The webcast can be accessed at <https://stora-enso-call-november-2025.open-exchange.net/>

Capital Markets Day on 25 November 2025

Stora Enso invites analysts, institutional investors and other capital market representatives to attend its Capital Markets Day in London on Tuesday, 25 November 2025. The programme will start at 9:00 a.m. UK time and end with a luncheon. To register for the event in London and find more information, please visit [Stora Enso Capital Markets Day 2025](https://stora-enso-capital-markets-day-2025).

The Capital Markets Day will also be available via a live webcast, starting at 9:00 UK time (10:00 CET, 11:00 EET), and end at approximately 12:30 UK time. Registration for online participation is open at <https://stora-enso-capital-markets-day-2025.open-exchange.net/welcome>.

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The forest is at the heart of Stora Enso, and we believe that everything made from fossil-based materials today can be made from a tree tomorrow. We are the leading provider of renewable products in packaging, biomaterials, and wooden construction, and one of the largest private forest owners in the world. In 2024, Stora Enso had approximately 19,000 employees, and the Group sales were EUR 9 billion. Stora Enso's shares are listed on Nasdaq Helsinki Oy (STEAV, STERV) and Nasdaq Stockholm AB (STE A, STE R). In addition, the shares are traded in the USA OTC Markets (OTCQX) as ADRs and ordinary shares (SEOAY, SEOFF, SEOJF). storaenso.com

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