Stora Enso
Interim Report

January–September 2022

Q3

Our purpose:

Do good for people and the planet. Replace non-renewable materials with renewable products.

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President and CEO Annica Bresky:

"During Q3, we continued to stay vigilant in an unprecedented and volatile environment."

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Sustainable batteries featuring anode produced from renewable raw materials

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Strong quarterly performance and executing on our strategic agenda to accelerate long-term growth

Quarterly financial highlights

- Sales increased by 15% to EUR 2,963 (2,577) million. Sales excluding Paper increased by 17%.
- Operational EBIT increased by 29% to EUR 527 (410) million. Operational EBIT excluding Paper increased to EUR 478 (441) million.
- Operational EBIT margin increased to 17.8% (15.9%).
- Operating profit (IFRS) increased to EUR 511 (386) million.
- EPS was EUR 0.47 (0.38) and EPS excl. fair valuations (FV) was EUR 0.47 (0.37).
- The value of the forest assets increased to EUR 8.1 (7.4) billion, equivalent to EUR 10.30 per share.
- Cash flow from operations amounted to EUR 639 (485) million. Cash flow after investing activities was EUR 489 (347) million.
- Net debt decreased by EUR 547 million to EUR 2,125 (2,672) million.
- The net debt to operational EBITDA ratio improved to 0.8 (1.4). The target is to keep the ratio below 2.0.
- Operational ROCE excluding the Forest division increased to 22.2% (20.0%), the target being >13%.

January–September result

- Sales were EUR 8,816 (7,445) million.
- Operational EBIT was EUR 1,536 (1,102) million.
- Cash flow from operations amounted to EUR 1,445 (1,133) million. Cash flow after investing activities was EUR 960 (677) million.
- Operational ROCE excluding the Forest division increased to 22.3% (16.8%).

Key highlights

- Stora Enso has entered into an agreement to acquire the Dutch De Jong Packaging Group to advance its strategic direction, accelerate revenue growth and build market share in renewable packaging in Europe. The transaction is expected to be closed in early 2023 and is subject to employee consultation and regulatory approval.
- The divestments of the Maxau paper site in Germany and the Nymölla site in Sweden were announced in September for a total enterprise value of EUR 360 million. Closure of the transactions is expected at the beginning of 2023.
- In October, Stora Enso decided to invest approximately EUR 1 billion to convert the remaining idle paper machine at the Group's Oulu site in Finland into a high-volume consumer board production line. The expected annual sales volume is approximately EUR 800 million.
- In July, Stora Enso and Northvolt, the battery cells and systems supplier, entered into a Joint Development Agreement to create a battery with wood-based components sourced sustainably and locally in the Nordic countries.

Sales	Operational EBIT margin	Operational ROCE excl. the Forest division
EUR 2,963 million	**17.8%**	**22.2%**
(Q3/2021: 2,577)	(Q3/2021: 15.9%)	(Q3/2021: 20.0%)
Net debt to operational EBITDA	**EPS (basic)**	**Cash flow from operations**
0.8	**0.47**	**EUR 639 million**
(Q3/2021: 1.4)	(Q3/2021: 0.38)	(Q3/2021: 485)

Outlook

Global megatrends such as an increased awareness of sustainability, an accelerated focus on combatting climate change, and digitalisation underpin Stora Enso’s business strategy and the demand for its renewable and eco-friendly products, both short and long term.

Stora Enso remains vigilant against the persisting market disruptions and uncertainties such as increased geopolitical risk, the rapidly changing macroeconomic environment, inflationary pressures, logistical constraints and material shortages. To manage volatility, measures such as pricing, flexibility in sourcing and logistics, as well as hedging are in place. Stora Enso also benefits from its high self-sufficiency in wood of 30% and in energy of 69% for the Group.

Stora Enso enters Q4 with the profitability of the Packaging Materials division expected to deteriorate due to escalated cost inflation in energy along with costs for planned maintenance at four of its sites including its two largest. There is stable demand in consumer board with a strong orderbook. Contracts are typically fixed long-term which are now impacted by cost inflation and will be renegotiated as they expire. The normalisation of the demand in containerboard from the third quarter continues, contracts in containerboard are short-term and hence give flexibility for renegotiations. The demand for corrugated packaging is expected to remain stable.

Pulp is showing early signs of price normalisation from the recent extraordinary high levels as the pulp market in general follows the development of the global economy. The overall pulp demand when including all our grades is expected to be flat.

In Wood Products, there is a continued market decline in traditional sawn goods from the first half year's peak levels.

In Building Solutions, the order book is good for Q4, but the demand is expected to weaken due to increased uncertainty among developers, especially impacting residential and commercial construction.

In the Forest division, wood demand in Q4 is estimated to remain on par with the previous quarter. There is strong demand for pulpwood, while sawlogs demand is at a lower level due to a weaker sawn wood market.

In the Paper division there is a solid demand outlook for the fourth quarter, supported by seasonality and a good orderbook. However, the division will be impacted in Q4 by higher energy costs and maintenance work.

The Group impact from higher energy costs in the Packaging Materials and Paper divisions will be partly offset by recognised income in Segment Other due to Stora Enso's ownership in the energy company Pohjolan Voima.

Guidance

Stora Enso reiterates its full-year 2022 operational EBIT guidance to be higher than the full year operational EBIT 2021 (EUR 1,528 million).

Key figures

EUR million	Q3/22	Q3/21	Change % Q3/22–Q3/21	Q2/22	Change % Q3/22–Q2/22	Q1-Q3/22	Q1-Q3/21	Change % Q1-Q3/22–Q1-Q3/21	2021
Sales	2,963	2,577	15.0%	3,054	-3.0%	8,816	7,445	18.4%	10,164
Operational EBITDA	689	570	20.8%	663	3.9%	2,014	1,582	27.3%	2,184
Operational EBITDA margin	23.2%	22.1%		21.7%		22.8%	21.2%		21.5%
Operational EBIT	527	410	28.7%	505	4.4%	1,536	1,102	39.4%	1,528
Operational EBIT margin	17.8%	15.9%		16.5%		17.4%	14.8%		15.0%
Operating profit (IFRS)	511	386	32.3%	399	27.8%	1,304	729	78.8%	1,568
Profit before tax (IFRS)	448	349	28.3%	370	20.9%	1,192	626	90.5%	1,419
Net profit for the period (IFRS)	367	299	22.7%	299	22.8%	953	652	46.2%	1,268
Cash flow from operations	639	485	31.6%	404	58.2%	1,445	1,133	27.5%	1,752
Cash flow after investing activities	489	347	40.6%	247	97.8%	960	677	41.6%	1,101
Capital expenditure	164	124	31.6%	161	1.6%	410	378	8.4%	666
Capital expenditure excluding investments in biological assets	145	111	30.9%	139	4.7%	356	336	5.8%	609
Depreciation and impairment charges excl. IAC	131	136	-3.8%	131	-0.2%	397	410	-3.1%	555
Net interest-bearing liabilities	2,125	2,672	-20.5%	2,434	-12.7%	2,125	2,672	-20.5%	2,309
Forest assets[1]	8,135	7,415	9.7%	8,161	-0.3%	8,135	7,415	9.7%	7,966
Operational return on capital employed (ROCE), %	14.9%	13.3%		14.9%		14.9%	12.2%		12.4%
Operational ROCE excl. Forest division	22.2%	20.0%		22.8%		22.3%	16.8%		17.8%
Earnings per share (EPS) excl. FV, EUR	0.47	0.37	24.5%	0.42	9.8%	1.24	0.87	42.0%	1.19
EPS (basic), EUR	0.47	0.38	23.5%	0.38	23.0%	1.22	0.83	48.1%	1.61
Return on equity (ROE)	12.3%	12.6%		10.9%		11.0%	9.4%		13.0%
Net debt/equity ratio	0.17	0.27		0.21		0.17	0.27		0.22
Net debt to last 12 months' operational EBITDA ratio	0.8	1.4		1.0		0.8	1.4		1.1
Equity per share, EUR	15.84	12.39	27.8%	14.39	10.0%	15.84	12.39	27.8%	13.55
Average number of employees (FTE)	21,804	23,358	-6.7%	22,327	-2.3%	22,049	23,295	-5.3%	23,071

Operational key figures, items affecting comparability and other non-IFRS measures: The list of Stora Enso's non-IFRS measures, and the calculation and definitions of the key figures are presented at the end of this report. See also the section *Non-IFRS measures* at the beginning of the Financials section.

[1] Total forest assets value, including leased land and Stora Enso's share of Tornator.

Production and external deliveries

	Q3/22	Q3/21	Change % Q3/22–Q3/21	Q2/22	Change % Q3/22–Q2/22	Q1-Q3/22	Q1-Q3/21	Change % Q1-Q3/22–Q1-Q3/21	2021
Board deliveries[1], 1,000 tonnes	1,090	1,071	1.8%	1,113	-2.1%	3,284	3,177	3.4%	4,258
Board production[1], 1,000 tonnes	1,139	1,189	-4.2%	1,204	-5.4%	3,588	3,496	2.6%	4,685
Corrugated packaging European deliveries, million m^2	158	229	-31.1%	194	-18.8%	575	708	-18.7%	949
Corrugated packaging European production, million m^2	160	254	-36.8%	203	-21.0%	599	787	-23.9%	1,049
Market pulp deliveries, 1,000 tonnes	569	565	0.8%	592	-3.9%	1,742	1,835	-5.1%	2,495
Wood products deliveries, 1,000 m^3	971	1,107	-12.3%	1,163	-16.5%	3,353	3,646	-8.0%	4,803
Wood deliveries, 1,000 m^3	2,901	2,847	1.9%	3,978	-27.1%	9,970	8,934	11.6%	12,091
Paper deliveries, 1,000 tonnes	476	747	-36.3%	517	-7.9%	1,528	2,256	-32.3%	2,872
Paper production, 1,000 tonnes	461	762	-39.5%	526	-12.3%	1,519	2,247	-32.4%	2,776

[1] Includes consumer board and containerboard volumes
The comparative Q3/2021 market pulp figures have been adjusted. Q2/2022 Wood deliveries and Q2/2022 Corrugated packaging European deliveries have been adjusted.

Total maintenance impact

Expected and historical impact as lost value of sales and maintenance costs

EUR million	Q4/2022[1]	Q3/2022[2]	Q2/2022	Q1/2022	Q4/2021	Q3/2021
Total maintenance impact	125	150	120	107	146	169

[1] Estimated
[2] The estimate for Q3/2022 was EUR 132 million.

CEO comment

'Leading and doing what is right' is not only the core value of Stora Enso; it drives how we conduct our business and guides the choices we make. We believe that through our actions and decisions Stora Enso will play a fundamental role to operate within the planetary boundaries, to create healthy societies and to safeguard the renewable future we and future generations depend on. It is also the best way to future-proof our business and create long-term value for all our stakeholders.

During the past quarter, we continued to stay vigilant in an unprecedented and volatile environment. Inflationary cost pressures intensify, but I am pleased that we were able to mitigate and deliver strong results. We advance our growth agenda and capitalise on new sustainable business opportunities to deliver shareholder value. Our sales increased by 15% to 2,963 million euros, the highest third quarter sales since 2007, excluding Paper the increase was 17%. We delivered a 29% increase in operational EBIT to 527 million euros, the highest quarterly result since the early 2000s at an operational EBIT margin of nearly 18%.

Looking ahead, we see the first signs of potential macroeconomic slow-down that could eventually also impact our business. I am however confident in our ability to be proactive and to adapt. Stora Enso is stronger and more resilient than before due to restructuring efforts and strategic choices made over the past few years: to exit paper, reduce our debt and focus investments on our growth businesses. I'm very thankful for the commitment and teamwork of our people who have all been instrumental in making this successful.

Accelerating growth in renewable packaging

The acquisition of De Jong Packaging Group is still subject to employee consultation and regulatory approval. However, once closed it will be one of the largest and most important investments that Stora Enso has made. The enterprise value is approximately one billion euro and through this acquisition, our sales and capacity in Packaging Solutions will double.

De Jong has an entrepreneurial spirit, a solid track record for growth and is one of the largest corrugated packaging producers in Benelux. Stora Enso's and De Jong's shared focus on agility and customer value will enable us to build a much stronger market position for future growth in renewable packaging in Western Europe. We also see opportunities to jointly optimise our containerboard portfolios and further integrate with our production site in Langerbrugge, Belgium.

Building on the successful first conversion in our site in Oulu, Finland in 2021, we will continue investing in high-quality consumer board by converting the second paper machine at this site. By utilising existing infrastructure, we will significantly reduce the risks and the investment costs compared to a green field expansion. This is our third paper-to-packaging machine conversion since 2016 and we have experienced teams in place to drive the project to create a cost leading mega-site for renewable packaging. At full production, we expect annual sales of 800 million euros, reinforcing our leading position in consumer packaging, serving food end-use markets in Europe and North America.

Investing in building solutions for a future of low-carbon and efficient construction

We continue to invest in a more sustainable construction value-chain and recently inaugurated one of the world's most modern production sites for cross laminated timber (CLT). Located in the Czech Republic, the new site will generate 70 million euros in annual sales at full production. Our capacity to serve markets in Europe, Japan, Australia, and North America will increase by approximately 40%, enabling us to meet the growing demand in green, low-carbon construction.

Commercialising lignin-based innovations

We are step by step commercialising our new lignin-based product portfolio, in end-uses such as glues and binders for furniture, construction and lately components in asphalt. We are scaling up production with partnerships and running customer trials to customise Lignode to specific performance needs. With partners, we also progress with our ambitions to build the world's greenest battery. In July, we signed a joint development agreement with Northvolt. In October, we signed a Letter of Intent with Beyonder, Norwegian energy storage technology company, for optimisation of properties and commercial deliveries of lignin-based anode material for batteries after industrial-scale production has started.

Setting ambitious goals to advance strategic focus

Stora Enso is committed to deliver a stronger and more resilient investor proposition, both now and for the long term. At our Capital Markets Day in September, we laid out a clear set of targets and long-term ambitions for 2030 to capture growth opportunities. These include increase of sales, excluding inflation, by 30% compared to 2021 and maintaining a 15% operational EBIT margin over the cycle.

But we do not do this alone. We create ecosystems with like-minded partners to build on the creativity and drive of our employees. By leading and doing what is right, we will future proof our business for tomorrow and beyond.

The renewable future grows in the forest.

Annica Bresky

President and CEO

Market dynamics

Global megatrends such as urbanisation, digitalisation, global warming and eco and brand awareness all underpin Stora Enso's growth opportunities. Regulation promoting a circular economy further supports growth. Stora Enso creates renewable, sustainable and circular products which respond to its customers' need to substitute fossil-based materials, helping combat climate change. The global increased focus on sustainability provides us with several long-term growth opportunities and enables us to lead the green materials transition. There is strong drive to maximise the efficient use of raw materials and to make the value chains circular. This is supported by lifecycle thinking, hand in hand with rising consumer demand for eco-friendly products that enable a reduced carbon footprint. Stora Enso foresee strong, long-term, and accelerating demand for renewable, recyclable and 'net positive' products. The Company sees significant prospects to expand its total addressable market and aim to grow by >5% (excl. Paper) per year over the cycle.

Stora Enso's strategy

Sustainability is driving Stora Enso's strategy and is a natural part of its business conduct. The Company's forest holding is a real asset which both initiates the integrated value chain and sustainability credentials throughout the whole product line. Stora Enso's products store CO_2, and substitute and displace fossil-based products. The Company creates value by focusing on growing its leading positions in: renewable packaging, building solutions and biomaterials innovations. It also ensures maximising value creation in the foundation businesses: forest, biomaterials and wood products. Stora Enso helps drive the green revolution by investing in innovation, helping its customers reach their sustainability targets regarding climate impact and circular solutions. Stora Enso drives a performance culture through its business-specific processes to grow profitability long term. Responsible leadership based on a diverse and inclusive culture is a top priority and the strongest driver for performance, company culture and personal well-being.

Events and product update

Strengthening European market presence in corrugated packaging

Stora Enso is acquiring De Jong Packaging Group, based in the Netherlands, for an enterprise value of approximately EUR 1,020 million. The acquisition will advance Stora Enso's strategic direction, accelerate revenue growth and build market share in renewable packaging in Europe, entering new markets in Benelux, Germany, and the UK. Closure of the transaction is subject to employee consultation and regulatory approval and is expected at the beginning of 2023.

Paper divestment

Stora Enso announced the divestments of the Maxau paper site in Germany to Schwarz Produktion and the Nymölla site in Sweden to Sylvamo for a total enterprise value of EUR 360 million. Closure of the transactions is expected at the beginning of 2023. The transactions are part of the previously announced plan to divest four of Stora Enso's five paper production sites. The divestment process continues for the Hylte and Anjala sites with no committed timeline for conclusion.

Assessing growth opportunities in packaging materials

Stora Enso is conducting a feasibility study at its paper production site in Langerbrugge, Belgium, for the conversion of one of the two paper lines into a high-volume recycled containerboard line. The study is expected to be finalised in H1/2023. On a positive investment decision, the converted line could be in production during 2025. The total investment is estimated to be approximately. EUR 400 million.

Partnerships for circular solutions to recycle beverage cartons and cups

Stora Enso and Tetra Pak are examining a shared beverage carton recycling solution to meet the growing recycling need in Benelux, responding to the demand for circular paper-based packaging solutions. The study includes a plan for a beverage carton recycling facility at Stora Enso's Langerbrugge site.

Stora Enso and Huhtamaki launched a paper cup recycling initiative to set new standards for paper cup collection and recycling in Europe. The programme, the first of its kind in Europe, aims to recycle and capture the value of used paper cups on an industrial scale.

Partnership to develop wood-based batteries

On 22 July, Stora Enso and Northvolt, battery cells and systems supplier, announced a joint development agreement to create sustainable batteries using lignin-based hard carbon, Lignode® . The aim is to develop the world's first industrialised battery fully based on European strategic raw materials from the Nordic forests, both lowering the carbon footprint and increasing the quality and value.

Accelerating growth in low-carbon building solutions

The new production site for cross-laminated timber (CLT) in Ždírec, the Czech Republic, has started operations. Following a EUR 79 million investment, the new site is one of the most modern in the world. It supports Stora Enso's strategy of growth within wooden building solutions to meet the increasing demand for sustainable, cost-effective and renewable building materials. The investment is expected to generate annual sales of approximately EUR 70 million. Stora Enso will hence strengthen its position as one of the world's leading providers of wood-based building solutions with a total capacity of 490,000 m³.

Scaling up lignin-based bio-binders in asphalt

As a further step in commercialising the applications of our Lignin product portfolio, Stora Enso and Peab have paved asphalt where fossil-based binder (bitumen) is replaced with renewable lignin. Using Stora Enso's bio-based lignin binder significantly reduces the carbon footprint of roads. The purpose of the paving is to confirm the impact of lignin on the properties of asphalt for further scale-up. The potential bitumen market in Europe is EUR 8 billion. Stora Enso's bio-binders are its first products on the market in its Lignin product portfolio and pave the way for its other lignin-based innovations like anode material for batteries.

Exit of Russian operations

Stora Enso has disposed of its operations in Russia to local management. Minor formalities remain to complete the transaction for certain Russian legal entities.

Nuclear power plant Olkiluoto 3 ramping up production

The Finnish energy company Pohjolan Voima, in which Stora Enso has a 15.6% shareholding, comments that the testing period at the new nuclear power plant Olkiluoto 3 is ongoing and commercial use is estimated to start in the end of December. The income from energy sales is reported under the segment Other. The divisions are charged for electricity at market price.

Capital Markets Day (CMD)

Stora Enso presented an update on its 2030 goals and ambitions[1]. Main highlights:

- an increase in Group sales by 30% excl inflation vs 2021
- a 15% operational EBIT margin over a cycle
- Packaging to represent more than 60% of Group sales
- >40% of Wood Products sales from Building Solutions, increase the operational EBITDA in Wood Products by 75% over a cycle
- new revenue streams of EUR 1 billion from Biomaterials innovations
- 5–10 TWh of wind power from the Group's own forest land
- market pulp exposure significantly reduced, no paper exposure
- earnings cyclicality to be reduced by half compared to 2016–2021

Events after the quarter

Stora Enso will invest approximately EUR 1 billion to convert the remaining idle paper machine at the Group's Oulu site in Finland into a state-of-the-art, high-volume consumer board production line. The converted line will be the most cost competitive folding box board machine in Europe and supports the Group's growth strategy in renewable packaging. Targeted end-use segments are food and beverage packaging, mainly in Europe and North America. Production on the converted machine is estimated to start in early 2025 with expected annual sales of approximately EUR 800 million.

[1] The 2030 goals and ambition should not be considered as targets or guidance for 2030.

Key sustainability targets and performance

Stora Enso focuses its efforts towards a sustainable future concentrating on the three areas in which it has the biggest impact and opportunities: climate change, biodiversity and circularity.

Climate change

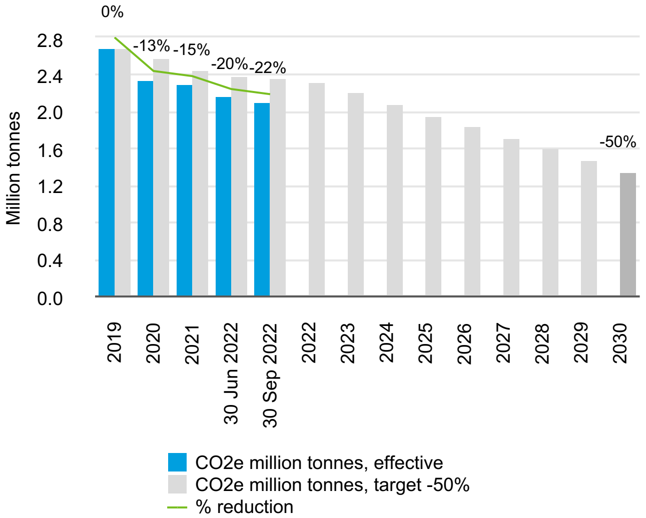
Stora Enso's science-based target is to reduce absolute scope 1, 2 and 3 greenhouse gas (GHG) emissions by 50% by 2030 from the 2019 base year, in line with the 1.5-degree scenario.

By the end of the quarter, the scope 1 and 2 GHG emissions were 2.10 million tonnes or 22% less than in the base year.

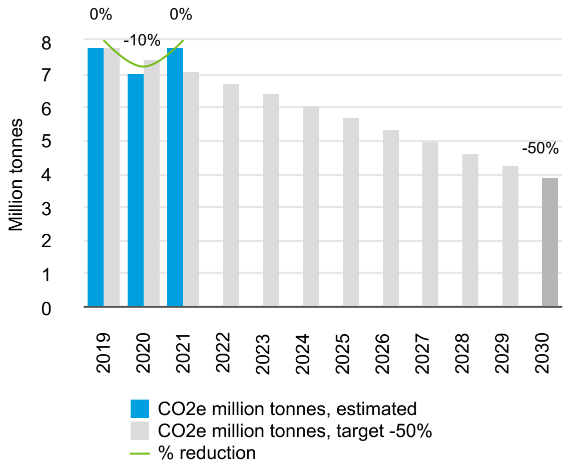
Stora Enso will reduce scope 1 and 2 emissions from operations by investing in energy efficiency, and by further increasing the share of clean energy sources, including wood-based biofuels from sustainable sources.

In 2021, Stora Enso's estimated scope 3 GHG emissions along the value chain were 7.83 million tonnes or at the same level as in the base year (2020: 7.06 million tonnes or 10% less). The emissions increased year-on-year partly due to recovered production. During 2022, Stora Enso is continuing to identify scope 3 emission reduction potential and take appropriate action.

Direct and indirect GHG emissions (scope 1+2, last four quarters)[1,2]



GHG emissions along the value chain (scope 3)[1]



[1] For definitions, see the section *Calculation of key figures*.
[2] Historical figures recalculated due to divestments or additional data after the previous Interim Reports.

Biodiversity

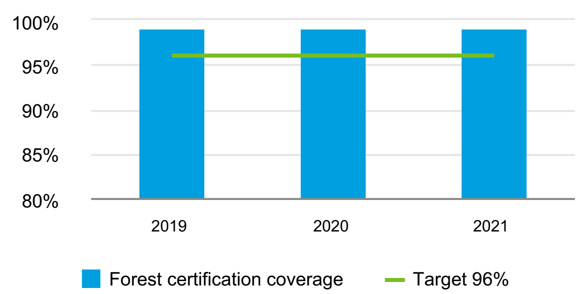
Biodiversity is an integral part of forest certifications including protection of valuable ecosystems. Stora Enso is committed to achieving a net-positive impact on biodiversity in its own forests and plantations by 2050 through active biodiversity management.

During the quarter, Stora Enso continued to implement its biodiversity action programmes for its own forests in Sweden and wood supply in Finland. A similar programme is being planned for Stora Enso's wood supply in the Baltics. The Group steers its biodiversity actions through a Biodiversity Leadership Programme that covers a number of measures and projects concerning its own forests, suppliers' forests, global forests, and biodiversity beyond the forest sector.

Forest certification ensures that the raw material used in wood-based products comes from responsibly managed forests. Stora Enso's target is to maintain the forest certification coverage level of at least 96% for the company's own and leased forest lands.

The forest certification coverage for Stora Enso's owned and leased lands has remained stable. In 2021, the coverage amounted to 99% (2020: 99%).

Biodiversity: forest certification coverage[1]



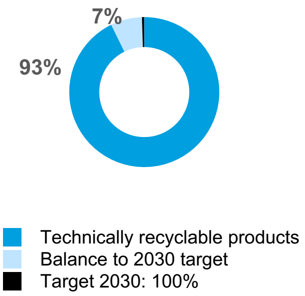
[1] For definitions, see the section *Calculation of key figures*.

Circularity

By the end of 2021, 93% of Stora Enso's products, such as paper and packaging products, were recyclable and the target is to reach 100% by 2030. Stora Enso aims to ensure the recyclability of products through an increased focus on circularity in the innovation processes. Stora Enso collaborates actively with customers and partners to set up the infrastructure to enable 100% circularity in its markets.

During the quarter, Stora Enso and Huhtamaki announced a partnership on an industrial-scale recycling programme for paper cups in Europe. The Cup Collective aims to recycle half a billion paper cups in the first two years and, due to scalability, has the capacity to significantly increase recycling volumes in Europe. Stora Enso and Tetra Pak announced a joint feasibility study for finding a possible solution for beverage carton recycling in Benelux.

Circularity: share of technically recyclable products[1 2]



[1] As of 31 December 2021
[2] For definitions, see the section *Calculation of key figures*.

Responsible business practices

	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021	Target
Occupational safety: TRI rate, year-to-date	5.9	5.6	6.2	6.3	5.3 by the end of 2022
Gender balance: % of female managers among all managers	23%	24%	23%	23%	25% by the end of 2024
Water: total water withdrawal per saleable tonne (m^3/tonne)[1]	60	60	60	61	Decreasing trend
Water: process water discharges per saleable tonne, (m^3/tonne)[1]	31	31	31	31	Decreasing trend
Sustainable sourcing: % of supplier spend covered by the Supplier Code of Conduct (SCoC)	95%	95%	96%	96%	95%

For definitions, see the section *Calculation of key figures*.
[1] Historical figures recalculated due to divestments or additional data after the previous Interim Reports.

In July, there was a work-related fatality of a Stora Enso employee at the Ostrołęka plant in Poland. The incident and the root causes have been investigated together with the local authorities. The learnings from this tragic event will be acted upon to prevent such accidents from recurring.

Water performance remained stable during the quarter. Stora Enso strives constantly to improve its water performance through targeted investments. Stora Enso will introduce new targets for water performance by the end of 2022.

The KPI for sustainable sourcing measures the proportion of total supplier spend covered by the SCoC. By the end of the quarter, 95% of the spend on materials, goods, and services was covered by the SCoC.

The KPI for diversity and inclusion measures the proportion of female managers among all managers. At the end of the quarter, the proportion was 23%. The target is 25% by the end of 2024. Among all employees, the proportion of female employees was 25%. In the Group's Leadership Team, four out of 12 members were women at the end of Q3/2022.

ESG assessments and external recognition

Stora Enso actively participates in the following ESG assessment schemes:

ESG rating	Stora Enso score	Change vs previous score	Rating against peers	Last update
CDP	Climate A- Forest A- Water B	Unchanged	Clearly above the industry average level	Q4/2021
FTSE Russell	4.4 out of 5.0	Improved from 4.2 to 4.4	Clearly above the industry average level	Q2/2022
ISS Corporate Rating	B- / A+	Unchanged	Among highest decile rank in the industry sector	Q2/2022
ISS QualityScore	Governance 4* Social 1 Environment 1	Unchanged	Clearly above the industry average level	Q3/2022
MSCI	AAA / AAA	Unchanged	Clearly above the industry average level	Q3/2022
Sustainalytics	15.9 out of 100	Improved from 18.0 to 15.9**	Clearly above the industry average level	Q1/2022
VigeoEiris* **	73 out of 100	Improved from 68 to 73	Highest ranked company in the industry	Q3/2021

* 1 indicating the lowest risk ** 0 indicating the lowest risk *** V.E. part of Moody's ESG solutions

Third quarter 2022 results (compared with Q3/2021)

Sales increase	Operational EBIT increase	Earnings per share
15%	**29%**	**EUR 0.47** (Q3/2021: 0.38)

Group sales increased by 15%, or EUR 387 million, to EUR 2,963 (2,577) million. This was the highest third quarter level since 2007. Group sales excluding the Paper division increased by 17%. Higher sales prices in all divisions except Wood products, supported by active mix management, improved topline. Foreign exchange rates improved sales, especially due to a stronger US dollar. This was only partly offset by the negative effect of structural changes, mainly related to paper site closures at Veitsiluoto in Finland and Kvarnsveden in Sweden, as well as the exit from the Russian operations.

Group operational EBIT increased by 29%, or EUR 117 million to EUR 527 (410) million. This was the highest quarterly profitability since the early 2000s and the operational EBIT margin increased to 17.8% (15.9%). The margin improved on the back of higher sales prices in all divisions except Wood Products. Net foreign exchange rates had a positive EUR 61 million impact on operational EBIT. The exit from Russian operations impacted volumes, which reduced operational EBIT by EUR 21 million. Increased variable costs had an impact of EUR 359 million. Fixed costs increased by EUR 21 million, mainly due to a changed annual maintenance schedule, as well as higher inflation. The impact from the closed units was positive EUR 24 million and equity accounted investments and depreciations had a positive impact of EUR 13 million on operational EBIT.

Fair valuations and non-operational items had a positive net impact on the operating profit of EUR 6 (8) million. The impact came mainly from emission rights.

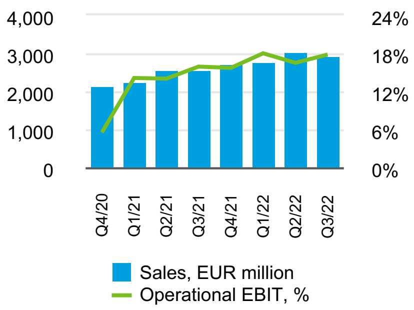
The Group recorded items affecting comparability (IAC) with a negative impact of EUR 22 (-32) million on its operating profit. The related tax impact was positive EUR 1 (0) million. The IACs relate mainly to the disposal of the Russian operation in the Wood Products and Forest divisions.

Net financial expenses of EUR 63 million were EUR 26 million higher than a year ago. Net interest expenses of EUR 27 million decreased by EUR 4 million, mainly because of lower interest-bearing liabilities and higher interest income on deposits and cash. Other net financial expenses of EUR 27 million were EUR 22 million higher than a year ago, mainly due to write-down of loan receivables from disposed Russian entities. The net foreign exchange impact in respect of cash equivalents, interest-bearing assets and liabilities and related foreign-currency hedges amounted to a loss of EUR 9 (-2) million.

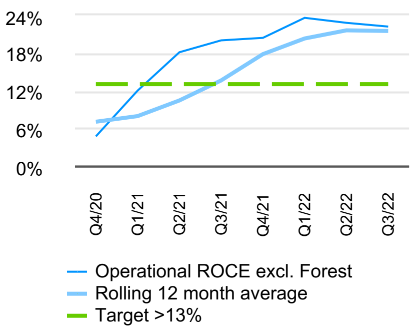
Earnings per share increased by 24% to EUR 0.47 (0.38), and earnings per share excluding fair valuations increased by 25% to EUR 0.47 (0.37).

The operational return on capital employed (ROCE) was 14.9% (13.3%). Operational ROCE excluding the Forest division was 22.2% (20.0%).

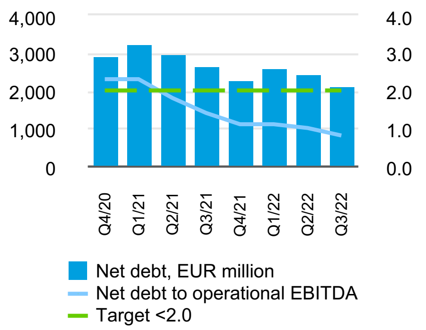
Sales and operational EBIT



ROCE excluding Forest



Net debt to operational EBITDA



Breakdown of change in sales

Sales Q3/2021, EUR million	2,577
Price and mix	17%
Currency	3%
Volume	2%
Other sales[1]	-1%
Total before structural changes	20%
Structural changes[2]	-5%
Total	15%
Sales Q3/2022, EUR million	**2,963**

[1] Energy, paper for recycling (PfR), by-products etc.
[2] Asset closures, major investments, divestments and acquisitions

Breakdown of change in capital employed

Capital employed 30 September 2021, EUR million	12,426
Capital expenditure excl. investments in biological assets less depreciation	86
Investments in biological assets less depletion of capitalised silviculture costs	-10
Impairments and reversal of impairments	-91
Fair valuation of forest assets	838
Unlisted securities (mainly PVO)	892
Equity accounted investments	156
Net liabilities in defined benefit plans	234
Operative working capital and other interest-free items, net	312
Emission rights	50
Net tax liabilities	-368
Translation difference	77
Other changes	-18
Capital employed 30 September 2022	**14,584**

January–September results 2022 (compared with Jan–Sep 2021)

Group sales increased by 18%, or EUR 1,371 million to EUR 8,816 (7,445) million. This was the highest third quarter YTD sales since 2007. Sales excluding the Paper division increased by 22%. Significantly higher sales prices and active mix management was only partly offset by the negative impact from the structural changes, mainly related to the paper site closures at Veitsiluoto in Finland and Kvarnsveden in Sweden as well as exit from Russian operations.

Operational EBIT grew by 39% or EUR 434 million to EUR 1,536 (1,102) million. Significantly higher sales prices in all divisions and positive net foreign exchange rate impact were only partly offset by EUR 973 million higher variable costs and EUR 109 million higher fixed costs. Volume impact was stable as higher board volumes were offset by the exit from Russian operations. The positive impact from the closed units was EUR 64 million.

Sales

EUR 8,816 million

(Q1–Q3/2021: 7,445)

Operational EBIT

17.4%

(Q1–Q3/2021: 14.8%)

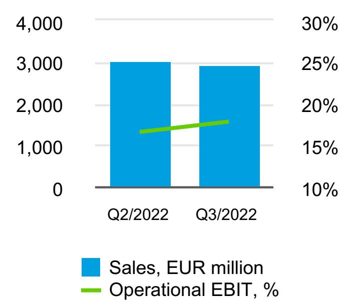
Third quarter 2022 results (compared with Q2/2022)

Group sales decreased by 3%, or EUR 91 million, to EUR 2,963 (3,054) million. Higher sales prices in Packaging Materials, Paper, Biomaterials and Forest improved profitability. This was more than offset by lower deliveries, which were negatively impacted by the annual maintenance schedule, structural changes in Paper and the exit from Russian operations.

Operational EBIT increased by EUR 22 million to EUR 527 (505) million and the margin to 17.8% (16.5%). The positive impact from higher sales prices was offset by higher variable costs. Seasonally lower fixed costs, and positive net foreign exchange rate impact were only partly offset by negative volume impact.

Operational EBIT improved by EUR 9 million due to positive impact from equity accounted investments, closed units and depreciations.

Sales and operational EBIT



Packaging Materials

- Strong quarter driven by containerboard profitability despite further weakening demand
- Stable demand in consumer board with a strong orderbook but pressure on margins due to increasing variable costs
- Price increases to mitigate variable cost increases
- Major planned maintenance shutdowns during Q4

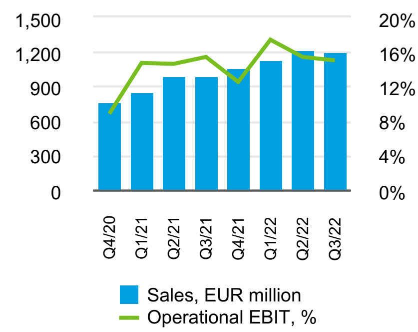
Operational ROOC
21.3%
(Target: >20%)

Sales increase YoY
23%

Operational EBIT margin
15.0%
(Q3/2021: 15.4%)

- Sales increased by 23%, or EUR 222 million, to EUR 1,210 million. The topline increase was driven by higher board prices.
- Operational EBIT increased by EUR 28 million to EUR 181 million, driven by improved containerboard profitability. Higher board prices offset higher variable costs.
- Operational ROOC was 21.3% (19.5%), exceeding the long-term target of >20%.

Sales and operational EBIT



EUR million	Q3/22	Q3/21	Change % Q3/22–Q3/21	Q2/22	Change % Q3/22–Q2/22	Q1-Q3/22	Q1-Q3/21	Change % Q1-Q3/22–Q1-Q3/21	2021
Sales	1,210	988	22.5%	1,222	-1.0%	3,563	2,836	25.6%	3,898
Operational EBITDA	258	225	14.6%	265	-2.6%	796	636	25.0%	846
Operational EBITDA margin	21.3%	22.8%		21.7%		22.3%	22.4%		21.7%
Operational EBIT	181	153	18.7%	188	-3.6%	565	423	33.6%	556
Operational EBIT margin	15.0%	15.4%		15.4%		15.9%	14.9%		14.3%
Operational ROOC	21.3%	19.5%		22.2%		22.9%	18.5%		18.0%
Cash flow from operations	278	236	17.9%	169	64.4%	602	581	3.6%	807
Cash flow after investing activities	212	170	25.0%	103	106.9%	389	331	17.5%	459
Deliveries, 1,000 tonnes	1,160	1,162	-0.1%	1,193	-2.8%	3,514	3,447	1.9%	4,616
Production, 1,000 tonnes	1,139	1,189	-4.2%	1,204	-5.4%	3,588	3,496	2.6%	4,685

Market development during Q3

Product	Market	Demand Q3/22 compared with Q3/21	Demand Q3/22 compared with Q2/22	Price Q3/22 compared with Q3/21	Price Q3/22 compared with Q2/22
Consumer board (FBB)	Europe	Slightly stronger	Slightly weaker	Significantly higher	Slightly higher
Virgin fiber-based containerboard	Global	Slightly weaker	Slightly weaker	Significantly higher	Stable
Recycled fiber based (RCP) containerboard	Europe	Slightly weaker	Slightly weaker	Significantly higher	Stable

Source: Fastmarket RISI, Fastmarket FOEX, CEPI, Numera Analytics

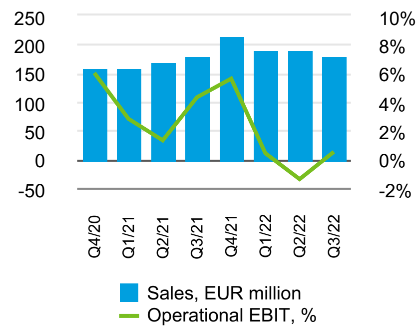
Packaging Solutions

- Year-on-year profitability impacted by the exit from Russian operations, continued investments in new businesses, and lower demand
- The acquisition of De Jong Packaging Group will further accelerate growth in renewable corrugated packaging and offer an entry into key Western European markets. After the acquisition, sales for the division will nearly double

Operational ROOC	Sales decrease YoY	Operational EBIT margin
1.7%	**-1%**	**0.5%**
(Target: >15%)		(Q3/2021: 4.3%)

- Sales of EUR 179 million were in line with Q3/2021, despite divestment of the Russian units and lower volumes in Europe, as a consequence of higher prices and record-high sales of Innovation and Service led business.
- Operational EBIT decreased by EUR 7 million to EUR 1 million, due to divestment of the Russian units in the second quarter of 2022, as well as higher costs relating to investments in growing the new businesses.
- Operational ROOC was 1.7%, below the long-term target of >15%. The target was changed from 25% to 15% due to the acquisition of De Jong Packaging, changes in the business portfolio and future growth ambitions.

Sales and operational EBIT



EUR million	Q3/22	Q3/21	Change % Q3/22–Q3/21	Q2/22	Change % Q3/22–Q2/22	Q1-Q3/22	Q1-Q3/21	Change % Q1-Q3/22–Q1-Q3/21	2021
Sales	179	180	-0.8%	189	-5.5%	558	509	9.5%	723
Operational EBITDA	8	15	-47.6%	4	87.2%	20	36	-43.8%	56
Operational EBITDA margin	4.5%	8.5%		2.3%		3.7%	7.2%		7.8%
Operational EBIT	1	8	-87.6%	-3	136.5%	-1	14	-106.3%	26
Operational EBIT margin	0.5%	4.3%		-1.4%		-0.2%	2.8%		3.6%
Operational ROOC	1.7%	12.6%		-4.7%		-0.5%	7.8%		10.8%
Cash flow from operations	-7	3	n/m	-2	-180.8%	-15	29	-154.0%	56
Cash flow after investing activities	-15	-5	-208.9%	-9	-70.2%	-38	9	n/m	26
Corrugated packaging European deliveries, million m^2	167	252	-33.8%	202	-17.5%	601	782	-23.2%	1,046
Corrugated packaging European production, million m^2	160	254	-36.8%	203	-21.0%	599	787	-23.9%	1,049

Market development during Q3

Product	Market	Demand Q3/22 compared with Q3/21	Demand Q3/22 compared with Q2/22	Price Q3/22 compared with Q3/21	Price Q3/22 compared with Q2/22
Corrugated packaging	Europe	Slightly weaker	Slightly weaker	Significantly higher	Higher

Source: Fastmarket RISI

Biomaterials

- All-time high quarterly sales and profitability supported by continued strong market demand
- All-time high price levels, a strong US dollar and high operational efficiency were partly offset by increasing variable costs, lower wood availability and logistical constraints

- The Lignode project is developing according to plan with the start of larger-scale customer trials

Operational ROOC
28.0%
(Target: >15%)

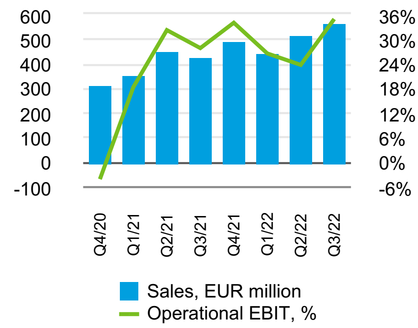
Sales increase YoY
33%

Operational EBIT margin
34.8%
(Q3/2021: 27.7%)

- Sales increased by 33%, or EUR 141 million, to an all-time high of EUR 567 million.
- Operational EBIT increased by EUR 79 million to EUR 197 million, an all-time high. Higher sales prices and favourable currency exchange rates fully offset the higher variable costs.

- Operational ROOC was 28.0%, above the long-term target of 15%.

Sales and operational EBIT



EUR million	Q3/22	Q3/21	Change % Q3/22–Q3/21	Q2/22	Change % Q3/22–Q2/22	Q1-Q3/22	Q1-Q3/21	Change % Q1-Q3/22–Q1-Q3/21	2021
Sales	567	427	32.9%	522	8.6%	1,531	1,234	24.0%	1,728
Operational EBITDA	234	147	59.1%	155	50.5%	538	414	30.1%	618
Operational EBITDA margin	41.2%	34.4%		29.8%		35.1%	33.5%		35.7%
Operational EBIT	197	118	66.8%	123	60.4%	437	328	33.3%	495
Operational EBIT margin	34.8%	27.7%		23.6%		28.6%	26.6%		28.7%
Operational ROOC	28.0%	19.6%		18.4%		21.5%	18.8%		20.8%
Cash flow from operations	188	184	2.2%	145	29.3%	469	338	38.7%	490
Cash flow after investing activities	156	157	-0.2%	114	36.5%	368	272	35.4%	391
Pulp deliveries, 1,000 tonnes	611	598	2.1%	639	-4.4%	1,861	1,898	-2.0%	2,576

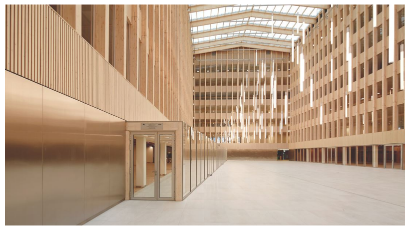
Market development during Q3

Product	Market	Demand Q3/22 compared with Q3/21	Demand Q3/22 compared with Q2/22	Price Q3/22 compared with Q3/21	Price Q3/22 compared with Q2/22
Softwood pulp	Europe	Stronger	Stable	Significantly higher	Higher
Hardwood pulp	Europe	Stronger	Stable	Significantly higher	Higher
Hardwood pulp	China	Stronger	Stable	Significantly higher	Slightly higher

Source: PPPC, Fastmarket FOEX, Fastmarket RISI, Stora Enso

Wood Products

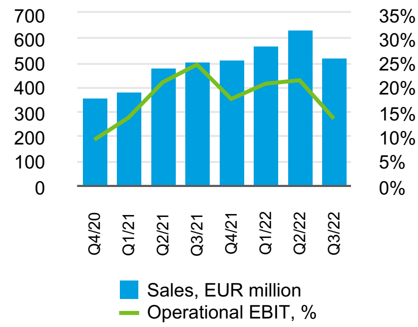
- Record-high Q3 sales, despite the weakening sawn wood market
- Good demand in Building Solutions
- The new CLT production site in the Czech Republic, with expected annual sales of EUR 70 million, started up as planned in October



Operational ROOC	Sales increase YoY	Operational EBIT margin
38.4%	**3%**	**13.5%**
(Target: >20%)		(Q3/2021: 24.5%)

- Sales increased by 3%, or EUR 17 million, to EUR 520 million, supported by higher sales prices.
- Operational EBIT decreased by EUR 53 million to EUR 70 million, affected by increased costs mainly for logistics, electricity and raw materials.
- Operational ROOC remained above the long-term target of >20% at 38.4% (76.5%).

Sales and operational EBIT



EUR million	Q3/22	Q3/21	Change % Q3/22–Q3/21	Q2/22	Change % Q3/22–Q2/22	Q1-Q3/22	Q1-Q3/21	Change % Q1-Q3/22–Q1-Q3/21	2021
Sales	520	503	3.4%	631	-17.5%	1,724	1,362	26.5%	1,872
Operational EBITDA	82	135	-39.4%	146	-43.8%	357	310	15.3%	410
Operational EBITDA margin	15.7%	26.8%		23.1%		20.7%	22.7%		21.9%
Operational EBIT	70	123	-43.1%	134	-47.7%	322	275	17.0%	364
Operational EBIT margin	13.5%	24.5%		21.3%		18.7%	20.2%		19.5%
Operational ROOC	38.4%	76.5%		74.9%		60.4%	60.6%		59.4%
Cash flow from operations	74	97	-24.2%	141	-47.9%	292	208	40.5%	313
Cash flow after investing activities	57	85	-32.1%	124	-53.5%	236	169	40.0%	252
Wood products deliveries, 1,000 m^3	935	1,044	-10.4%	1,123	-16.7%	3,236	3,404	-4.9%	4,508

Market development during Q3

Product	Market	Demand Q3/22 compared with Q3/21	Demand Q3/22 compared with Q2/22	Price Q3/22 compared with Q3/21	Price Q3/22 compared with Q2/22
Wood products	Europe	Significantly weaker	Significantly weaker	Significantly lower	Significantly lower

Source: Stora Enso

Forest

- Stable financial result continues with a strong demand for sawlogs and pulpwood
- Wood prices remained at a high level
- Discontinued Russian wood imports largely mitigated by flexible use of own forest assets and Stora Enso's wood sourcing network in the Baltic Sea area

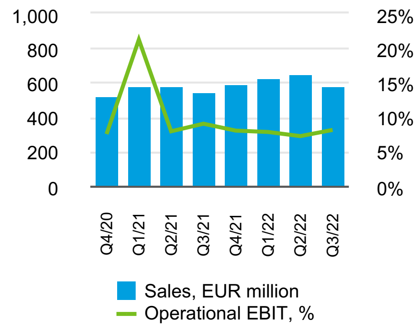
Operational ROCE
3.4%
(Target: >3.5%)

Total value of forest assets
EUR 8.1 billion
(Q3/2021: EUR 7.4 billion)

Sales increase YoY
6%

- Sales increased by 6%, or EUR 35 million, to EUR 581 million, due to higher wood prices driven by strong demand.
- Operational EBIT of EUR 47 million remained at a stable level reflecting resilient forest performance.
- Operational ROCE, at 3.4% (3.9%), was in line with the 3.5% long-term target, showing a stable performance despite the increasing fair value of Stora Enso’s forest assets in the Nordics.

Sales and operational EBIT



EUR million	Q3/22	Q3/21	Change % Q3/22–Q3/21	Q2/22	Change % Q3/22–Q2/22	Q1-Q3/22	Q1-Q3/21	Change % Q1-Q3/22–Q1-Q3/21	2021
Sales	581	546	6.5%	649	-10.6%	1,856	1,714	8.3%	2,311
Operational EBITDA	60	63	-5.2%	59	1.7%	177	258	-31.3%	318
Operational EBITDA margin	10.3%	11.6%		9.1%		9.5%	15.0%		13.7%
Operational EBIT	47	49	-4.9%	47	0.4%	142	219	-35.0%	267
Operational EBIT margin	8.1%	9.0%		7.2%		7.7%	12.8%		11.5%
Operational ROCE	3.4%	3.9%		3.4%		3.5%	5.8%		5.1%
Cash flow from operations	59	12	n/m	23	161.5%	126	85	49.0%	158
Cash flow after investing activities	48	4	n/m	11	n/m	93	51	83.0%	112
Wood deliveries, 1,000 m^3	8,366	9,454	-11.5%	10,491	-20.3%	29,081	29,940	-2.9%	39,652
Operational fair value change of biological assets	23	22	5.6%	20	14.3%	65	62	4.6%	82

Paper

- Paper business turnaround after restructuring
- Tight supply-demand balance continued with good orderbooks

- Sales from the retained businesses rose by 52% YoY and cash flow turned positive

Cash flow after investing activities to sales ratio
6.0%
(Target: >7%)

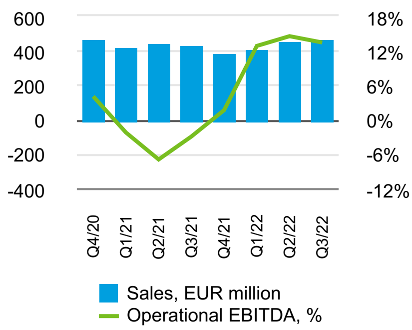
Sales increase YoY (retained businesses*)
52%

Operational EBITDA margin
13.4%
(Q3/2021: -3.0%)

- Sales increased by 7% or EUR 30 million, to EUR 471 million, supported by higher sales prices from retained business after the closures of the Veitsiluoto site in Finland and the Kvarnsveden site in Sweden during Q3/2021.
- Operational EBIT increased by EUR 80 million to EUR 49 million, resulting in an EBIT margin of 10.5% (-7.0%). Higher paper prices fully mitigated higher variable costs. Structural changes, as mentioned above, lowered fixed costs and volumes.

- The cash flow after investing activities to sales ratio improved to 6.0% (-7.7%). This was due to improved profitability and working capital efficiency. The cash flow to sales ratio for retained business improved to 14.3% (-6.9%).

Sales and operational EBITDA



* Retained businesses include the sites of Langerbrugge, Anjala, Hylte, and the divestments of Maxau and Nymölla (pending regulatory approval).

EUR million	Q3/22	Q3/21	Change % Q3/22–Q3/21	Q2/22	Change % Q3/22–Q2/22	Q1-Q3/22	Q1-Q3/21	Change % Q1-Q3/22–Q1-Q3/21	2021
Sales	471	441	6.9%	462	2.0%	1,349	1,314	2.6%	1,703
Operational EBITDA	63	-13	n/m	67	-5.7%	183	-54	n/m	-48
Operational EBITDA margin	13.4%	-3.0%		14.5%		13.6%	-4.1%		-2.8%
Operational EBIT	49	-31	258.9%	51	-2.6%	136	-114	219.1%	-124
Operational EBIT margin	10.5%	-7.0%		10.9%		10.1%	-8.7%		-7.3%
Operational ROOC	66.6%	-74.2%		84.3%		84.1%	-47.7%		-40.3%
Cash flow from operations	44	-20	n/m	20	116.2%	66	-28	n/m	-25
Cash flow after investing activities	28	-34	182.7%	4	n/m	19	-66	129.3%	-77
Cash flow after investing activities to sales, %	6.0%	-7.7%		0.8%		1.4%	-5.0%		-4.5%
Paper deliveries, 1,000 tonnes	476	747	-36.3%	517	-7.9%	1,528	2,256	-32.3%	2,872
Paper production, 1,000 tonnes	461	762	-39.5%	526	-12.3%	1,519	2,247	-32.4%	2,776

Market development during Q3

Product	Market	Demand Q3/22 compared with Q3/21	Demand Q3/22 compared with Q2/22	Price Q3/22 compared with Q3/21	Price Q3/22 compared with Q2/22
Paper	Europe	Significantly weaker	Slightly weaker	Significantly higher	Significantly higher

Source: PPPC

Segment Other

The segment Other includes Stora Enso's shareholding in the energy company Pohjolan Voima (PVO), and the Group's shared services and administration.

EUR million	Q3/22	Q3/21	Change % Q3/22–Q3/21	Q2/22	Change % Q3/22–Q2/22	Q1-Q3/22	Q1-Q3/21	Change % Q1-Q3/22–Q1-Q3/21	2021
Sales	282	302	-6.7%	290	-2.7%	808	807	0.2%	1,092
Operational EBITDA	-10	5	-288.4%	-18	46.8%	-37	-4	n/m	-9
Operational EBITDA margin	-3.4%	1.7%		-6.3%		-4.5%	-0.5%		-0.8%
Operational EBIT	-12	-3	-289.9%	-19	36.0%	-46	-30	-52.5%	-48
Operational EBIT margin	-4.4%	-1.1%		-6.7%		-5.7%	-3.7%		-4.4%
Cash flow from operations	3	-27	111.6%	-92	103.4%	-96	-80	-19.8%	-48
Cash flow after investing activities	1	-28	103.7%	-99	101.1%	-109	-89	-21.9%	-62

- Sales decreased to EUR 282 million and operational EBIT decreased by EUR 9 million to EUR -12 million.
- A higher result from energy sales, driven by increased electricity prices, was more than offset by higher Group services costs.
- The divisions are charged for electricity at market prices. Through its 15.6% shareholding in the Finnish energy company Pohjolan Voima (PVO), Stora Enso is entitled to receive, at cost, 8.9% of the electricity produced by the Olkiluoto nuclear reactors, and 20.6% of the electricity from the hydropower plants.

Capital structure in the third quarter of 2022 (compared with Q2/2022)

EUR million	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Operative fixed assets[1]	14,608	13,891	13,696	12,926
Equity accounted investments	624	608	580	470
Operative working capital, net	968	936	448	656
Non-current interest-free items, net	-167	-243	-417	-440
Operating Capital Total	**16,033**	**15,192**	**14,307**	**13,612**
Net tax liabilities	-1,450	-1,433	-1,331	-1,186
Capital Employed[2]	**14,584**	**13,759**	**12,976**	**12,426**
Equity attributable to owners of the Parent	12,489	11,350	10,683	9,769
Non-controlling interests	-30	-25	-16	-15
Net interest-bearing liabilities	2,125	2,434	2,309	2,672
Financing Total[2]	**14,584**	**13,759**	**12,976**	**12,426**

[1] Operative fixed assets include goodwill, other intangible assets, property, plant and equipment, right-of-use assets, forest assets, emission rights, and unlisted securities.
[2] Including assets held for sale and related liabilities.

Cash and cash equivalents net of overdrafts increased by EUR 291 million to EUR 1,620 million.

Net debt decreased by EUR 309 million to EUR 2,125 (2,434) million during the third quarter. The ratio of net debt to the last 12 months' operational EBITDA was at slightly lower level at 0.8 (1.0). The net debt/equity ratio on 30 September 2022 decreased to 0.17 (0.21). The average interest expense rate on borrowings was at reporting date 3.3% (3.3%).

Stora Enso had EUR 900 million committed fully undrawn credit facilities as per 30 September 2022.

Valuation of forest assets

The value of total forest assets, including leased land and Stora Enso's share of Tornator's forest assets, decreased by EUR 25 million to EUR 8,135 (8,161) million. The decrease is mainly a result of negative foreign exchange impact. The fair value of biological assets, including Stora Enso's share of Tornator, decreased by EUR 3 million to EUR 5,296 (5,299) million. The value of forest land, including leased land and Stora Enso's share of Tornator, decreased by EUR 22 million to EUR 2,839 (2,861) million.

Credit ratings

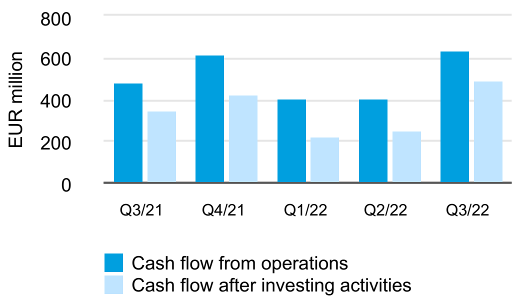
Rating agency	Long/short-term rating	Valid from
Fitch Ratings	BBB- (stable)	8 August 2018
Moody's	Baa3 (stable) / P-3	1 November 2018

Cash flow in the third quarter of 2022 (compared with Q2/2022)

Operative cash flow

EUR million	Q3/22	Q3/21	Change % Q3/22–Q3/21	Q2/22	Change % Q3/22–Q2/22	Q1-Q3/22	Q1-Q3/21	Change % Q1-Q3/22–Q1-Q3/21	2021
Operational EBITDA	689	570	20.8%	663	3.9%	2,014	1,582	27.3%	2,184
IAC on operational EBITDA	-20	-32	38.2%	-60	66.8%	-141	-199	29.3%	-213
Other adjustments	-25	-26	4.9%	27	-192.2%	15	-134	111.1%	-194
Change in working capital	-5	-27	79.5%	-227	97.6%	-443	-115	-286.2%	-25
Cash flow from operations	**639**	**485**	**31.6%**	**404**	**58.2%**	**1,445**	**1,133**	**27.5%**	**1,752**
Cash spent on fixed and biological assets	-150	-138	-8.9%	-153	2.2%	-480	-452	-6.2%	-645
Acquisitions of equity accounted investments	0	0	-18.2%	-3	100.6%	-5	-4	-30.8%	-6
Cash flow after investing activities	**489**	**347**	**40.6%**	**247**	**97.8%**	**960**	**677**	**41.6%**	**1,101**

Strong cash flow after investing activities at EUR 489 (247) million. Working capital increased by EUR 5 million, mainly due to increased inventories and trade receivables, and was offset by increased payables. Cash spent on fixed and biological assets was EUR 150 million. Payments related to the previously announced provisions amounted to EUR 34 million.



Capital expenditure in the third quarter of 2022 (compared with Q3/2021)

Additions to fixed and biological assets totalled EUR 164 (124) million, of which EUR 145 (111) million were fixed assets and EUR 18 (13) million biological assets.

Depreciations and impairment charges excluding IACs totalled EUR 131 (136) million. Additions in fixed and biological assets had a cash outflow impact of EUR 150 (138) million.

Capital expenditure by division

EUR million	Q3/22	Q1-Q3/22		Investment to be finalised
Packaging Materials	80	188	Wood handling upgrade at Imatra, Finland Board machine 8 capacity increase at Skoghall in Sweden	Q3/2022 2024
Packaging Solutions	8	18		n/a
Biomaterials	34	94	Skutskär bleach plant upgrade in Sweden Lignin related investments at Sunila, Finland	2024 Q1/2023
Wood Products	23	55	Cross laminated timber (CLT) investment at Ždírec, Czech Republic	Q3/2022
Forest	4	16		n/a
Paper	12	31		n/a
Total	**164**	**410**		

Capital expenditure and depreciation forecast 2022

EUR million	Forecast 2022
Capital expenditure	730–780
Depreciation and depletion of capitalised silviculture costs	610–650

The capital expenditure forecast for 2022 is increased from EUR 700–750 million to EUR 730–780 million.

Stora Enso’s capital expenditure forecast includes approximately EUR 70 million for the Group's forest assets. The depletion of capitalised silviculture costs is forecast to be EUR 65–80 million.

Short-term risks

Risk is characterised by both threats and opportunities, which may have an impact on future performance and the financial results of Stora Enso, as well as on its ability to meet certain social and environmental objectives.

The rapidly changing macroeconomic and geopolitical disruption caused by the war in Ukraine is increasing complexity. The sanctions on Russia, retaliatory measures as well as conflict-related risks to people, operations, trade credit, cyber security, supply, and demand, could all have an adverse impact on the Group.

There is a risk of continuously higher cost inflation and increased price volatility for raw materials such as wood, components and energy in Europe, as well as continued logistical disruptions across the markets. The logistical infrastructure challenges to transporting wood in Finland, could cause disruptions such as delays and/or lack of wood supply to the Group's production sites. The war in Ukraine has also increased the risk of a global economic downturn and recession, as well as sudden interest rate increases and currency fluctuations, which could all affect the Group's profits, cash flow and financial position negatively.

Other risks and uncertainties include, but are not limited to; general industry conditions, unanticipated expenditures related to the cost of compliance with existing and new environmental and other governmental regulations, and related to actual or potential litigation; material process disruption at one of Stora Enso's manufacturing facilities with operational or environmental impacts; risks inherent in conducting business through joint ventures; and other factors that can be found in Stora Enso's press releases and disclosures.

Stora Enso has been granted various investment subsidies and has given certain investment commitments in several countries e.g. Finland, China and Sweden. If commitments to planning conditions are not met, local officials may pursue administrative measures to reclaim some of the formerly granted investment subsidies or to impose penalties on Stora Enso, and the outcome of such a process could result in adverse financial impact on Stora Enso.

A more detailed description of risks is included in Stora Enso's Annual Report 2021 storaenso.com/annualreport.

Sensitivity analysis

Energy sensitivity analysis: the direct effect of a 10% change in electricity and fossil fuel market prices would have an impact of approximately EUR 64 million on operational EBIT for the next 12 months.

Wood sensitivity analysis: the direct effect of a 10% change in wood prices would have an impact of approximately EUR 236 million on operational EBIT for the next 12 months.

Pulp sensitivity analysis: the direct effect of a 10% change in pulp market prices would have an impact of approximately EUR 165 million on operational EBIT for the next 12 months.

Chemical and filler sensitivity analysis: the direct effect of a 10% change in chemical and filler prices would have an impact of approximately EUR 61 million on operational EBIT for the next 12 months.

Foreign exchange rates transaction risk sensitivity analysis for the next twelve months: the direct effect on operational EBIT of a 10% strengthening in the value of the US dollar, Swedish krona and British pound would be approximately positive EUR 136 million, negative EUR 12 million and positive EUR 25 million annual impact, respectively. Weakening of the currencies would have the opposite impact. These numbers are net of hedges and assuming no changes occur other than a single currency exchange rate movement in an exposure currency.

The Group's consolidated income statement on operational EBIT level is exposed to a foreign-currency translation risk worth approximately EUR 111 million expense exposure in Brazilian real (BRL) and approximately EUR 83 million income exposure in Chinese Renminbi (CNY). These exposures arise from the foreign subsidiaries and joint-operations located in Brazil and China, respectively. For these exposures a 10% strengthening in the value of a foreign currency would have a negative EUR 11 million and a positive EUR 8 million impact on operational EBIT, respectively.

Legal proceedings

Contingent liabilities

Stora Enso has undertaken significant restructuring actions in recent years which have included the divestment of companies, sale of assets and mill closures. These transactions include a risk of possible environmental or other obligations the existence of which would be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A provision has been recognised for obligations for which the related amount can be estimated reliably and for which the related future cost is considered to be at least probable.

Stora Enso is party to legal proceedings that arise in the ordinary course of business and which primarily involve claims arising out of commercial law. The management does not consider that liabilities related to such proceedings before insurance recoveries, if any, are likely to be material to the Group's financial condition or results of operations.

European Commission inspection

As announced in Stora Enso's stock exchange release on 12 October 2021, the European Commission has conducted unannounced inspections in locations at several member states at the premises of companies active in the wood pulp sector. Stora Enso was included in the European Commission's inspection at its headquarters in Helsinki, Finland.

Stora Enso is cooperating fully with the authorities. As stated by the Commission, the fact that they carry out such inspections does not mean that the companies are guilty of anti-competitive behaviour nor does it prejudge the outcome of the investigation itself.

Stora Enso is under strict confidentiality rules regarding the details of the ongoing European Commission investigation and cannot pre-empt or speculate regarding the next steps or eventual outcome of the investigation.

Legal proceedings in South America

Veracel

On 11 July 2008, Stora Enso announced that a federal judge in Brazil had issued a decision claiming that the permits issued by the State of Bahia for the operations of Stora Enso's joint operations company Veracel were not valid. The judge also ordered Veracel to take certain actions, including reforestation with native trees on part of Veracel's plantations and a possible fine of, at the time of the decision, BRL 20 (EUR 4) million. Veracel disputes the decision and has filed an appeal against it. Veracel operates in full compliance with all Brazilian laws and has obtained all the necessary environmental and operating licences for its industrial and forestry activities from the relevant authorities. In November 2008, a Federal Court suspended the effects of the decision. No provisions have been recorded in Veracel's or Stora Enso's accounts for the reforestation or the possible fine.

Shareholders' Nomination Board

Stora Enso's Shareholders' Nomination Board was established in September. The Shareholders' Nomination Board consists of the following members: **Antti Mäkinen** (Chair of Stora Enso's Board of Directors), **Håkan Bushke** (Vice Chair of Stora Enso's Board of Directors), **Harri Sailas** (Chair of the Board of Directors of Solidium Oy), and **Marcus Wallenberg** (Chair of the Board of Directors of FAM AB). The Shareholders' Nomination Board elected Marcus Wallenberg as its Chair.

Annual General Meeting in 2022

Stora Enso's Annual General Meeting (AGM) was held on 15 March 2022 at the Company's Head Office in Helsinki, Finland. In order to prevent the spread of the Covid-19 pandemic, a shareholder or his/her proxy representative could not be present at the venue of the meeting.

The AGM approved the proposal by the Board of Directors that the Company distribute a dividend of EUR 0.55 per share for the year 2021. The dividend was paid on 24 March 2022.

Kari Jordan was elected as a new member of the Board of Directors. **Mikko Helander** had announced that he was not available for re-election to the Board of Directors.

More information about the AGM in 2022 is available in the release Stora Enso's Annual General Meeting and decisions by the Board of Directors.

This report has been prepare in English, Finnish, and Swedish. If there are any variations in the content between the versions, the English version shall govern. This report is unaudited.

Helsinki, 21 October 2022
Stora Enso Oyj
Board of Directors

Financials

Basis of Preparation

This unaudited interim financial report has been prepared in accordance with the accounting policies set out in International Accounting Standard 34 on Interim Financial Reporting and in the Group's Financial Report for 2021 with the exception of new and amended standards applied to the annual periods beginning on 1 January 2022 and changes in accounting principles described below.

All figures in this Interim Report have been rounded to the nearest million, unless otherwise stated. Therefore, percentages and figures in this report may not add up precisely to the totals presented and may vary from previously published financial information.

Accounting considerations relating to Russian operations

Stora Enso had three corrugated packaging plants, two wood products sawmills and forest operations in Russia, employing around 1,100 people. In 2021, sales in Russia represented about 3% of total Group revenues. As announced in March 2022, all import and export activities from and to Russia were halted, and the sawmills and wood supply in Russia stopped. As a result of the worsened business outlook, in Q1/2022 the Group recognised fixed asset impairments and write-downs in inventories and trade receivables of EUR 112 million related to its Russian operations and customers.

During Q2/2022 Stora Enso disposed of its corrugated packaging plants in Russia to local management for an undisclosed sale consideration, receivable in instalments at future dates.

The loss on disposal was approximately EUR 54 million, consisting mainly of cumulative translation adjustments (CTA) being released from equity to income statement at closing.

During Q3/2022 Stora Enso disposed of its two wood products sawmills and most of the forest operations in Russia to local management for an undisclosed sale consideration, receivable in instalments. Minor formalities remain to complete the transaction for certain Russian legal entities.

The loss on disposal recorded in Q3/2022 was EUR 27 million, including cumulative translation adjustments (CTA) being released from equity to income statement at closing. In addition there was a write-down of loan receivables of EUR 23 million from disposed Russian entities.

Disposal of Group companies

The following table is reflecting the net assets of companies sold, including disposal consideration.

EUR million	Q1-Q3/22	Q1-Q3/21
Net Assets Sold		
Cash and cash equivalents	102	12
Property, plant and equipment and Intangible assets	10	32
Working capital	0	10
Tax assets and liabilities	8	9
Interest-bearing assets and liabilities	-26	-1
Net assets in disposed companies	**94**	**62**
Total disposal consideration	**63**	**67**

Assets held for sale

As announced in September 2022, Stora Enso has signed agreements to dispose of the Maxau paper production site in Germany and the Nymölla paper site in Sweden. Both units are 100% owned by and belong to the Paper division.

Assets are classified as held for sale, if their carrying amounts will be recovered mainly through a sale transaction rather than through continuing use. The assets must be available for immediate sale in their present condition subject only to terms that are usual and customary for sale of such assets. Also, the sale must be highly probable and expected to be completed within one year from the date of classification.

These assets and related liabilities are presented separately in the consolidated statement of financial position and measured at the lower of the carrying amount and fair value less costs to sell. Comparative information is not restated. Assets classified as held for sale are not depreciated.

Accordingly, assets held for sale at the end of Q3/2022 include the Maxau and Nymölla sites. Assets held for sale include mainly fixed assets, inventories and operative receivables, whereas related liabilities consist mainly of current and non-current operative liabilities.

Non-IFRS measures

The Group's key non-IFRS performance metric is operational EBIT, which is used to evaluate the performance of its operating segments and to steer allocation of resources to them.

Operational EBIT comprises the operating profit excluding items affecting comparability (IAC) and fair valuations from the segments and Stora Enso's share of the operating profit of equity accounted investments (EAI), also excluding items affecting comparability and fair valuations.

Items affecting comparability are exceptional transactions that are not related to recurring business operations. The most common IAC are capital gains and losses, impairments or impairment reversals, disposal gains and losses relating to Group companies, provisions for planned restructurings, environmental provisions, changes in depreciation due to restructuring and penalties. Items affecting comparability are normally disclosed individually if they exceed one cent per share.

Fair valuations and non-operational items include CO_2 emission rights, non-operational fair valuation changes of biological assets, adjustments for differences between fair value and acquisition cost of forest assets upon disposal and the Group's share of income tax and net financial items of EAI. Non-operational fair value changes of biological assets reflect changes made to valuation assumptions and parameters. Operational fair value changes of biological assets contain all other fair value changes, mainly due to inflation and differences in actual harvesting levels compared to the harvesting plan. The adjustments for differences between fair value and acquisition cost of forest assets upon disposal are a result of the fact that the cumulative non-operational fair valuation changes of disposed forest assets were included in previous periods in IFRS operating profit (biological assets) and other comprehensive income (forest land) and are included in operational EBIT only at the disposal date.

Cash flow after investing activities (non-IFRS) is calculated as follows: cash flow from operations (non-IFRS) excluding cash spent on intangible assets, property, plant and equipment, and biological assets and acquisitions of EAIs.

Capital expenditure on fixed assets includes investments in and acquisitions of tangible and intangible assets as well as internally generated assets and capitalised borrowing costs, net of any related subsidies. Capital expenditure on leased assets includes new capitalised leasing contracts. Capital expenditure on biological assets consists of acquisitions of biological assets and capitalisation of costs directly linked to growing trees in plantation forests. The cash flow impact of capital expenditure is presented in cash flow from investing activities, excluding lease capex, where the cash flow impact is based on paid lease liabilities and presented in cash flow from financing and operating activities.

The full list of the non-IFRS measures is presented at the end of this report.

The following new and amended standards are applied to the annual periods beginning on 1 January 2022

- Amended standards and interpretations did not have material effect on the Group.

Future standard changes endorsed by the EU but not yet effective in 2022

- No future standard changes endorsed by the EU which would have material effect on the Group.

Condensed consolidated income statement

EUR million	Q3/22	Q3/21	Q2/22	Q1-Q3/22	Q1-Q3/21	2021
Sales	**2,963**	**2,577**	**3,054**	**8,816**	**7,445**	**10,164**
Other operating income	68	77	80	237	201	345
Change in inventories of finished goods and WIP	76	89	92	257	132	122
Materials and services	-1,709	-1,565	-1,831	-5,223	-4,369	-5,936
Freight and sales commissions	-317	-242	-298	-860	-699	-939
Personnel expenses	-307	-307	-355	-986	-1,019	-1,351
Other operating expenses	-150	-121	-174	-459	-441	-610
Share of results of equity accounted investments	17	10	28	65	28	143
Change in net value of biological assets	2	6	-64	-74	-10	328
Depreciation, amortisation and impairment charges	-134	-136	-132	-470	-540	-697
Operating profit	**511**	**386**	**399**	**1,304**	**729**	**1,568**
Net financial items	-63	-37	-29	-111	-103	-149
Profit before tax	**448**	**349**	**370**	**1,192**	**626**	**1,419**
Income tax	-81	-50	-71	-240	26	-151
Net profit for the period	**367**	**299**	**299**	**953**	**652**	**1,268**
Attributable to						
Owners of the Parent	372	301	303	964	650	1,266
Non-controlling interests	-5	-2	-4	-11	1	3
Net profit for the period	**367**	**299**	**299**	**953**	**652**	**1,268**
Earnings per share						
Basic earnings per share, EUR	0.47	0.38	0.38	1.22	0.83	1.61
Diluted earnings per share, EUR	0.47	0.38	0.38	1.22	0.83	1.60

Consolidated statement of comprehensive income

EUR million	Q3/22	Q3/21	Q2/22	Q1-Q3/22	Q1-Q3/21	2021
Net profit for the period	**367**	**299**	**299**	**953**	**652**	**1,268**
Other comprehensive income (OCI)						
Items that will not be reclassified to profit and loss						
Equity instruments at fair value through OCI	725	243	-98	694	305	501
Actuarial gains and losses on defined benefit plans	64	27	107	249	142	126
Revaluation of forest land	-6	-1	414	408	139	225
Share of OCI of Equity accounted investments (EAI)	0	-1	0	0	-2	16
Income tax relating to items that will not be reclassified	-11	-5	-98	-119	-52	-68
	772	**263**	**325**	**1,232**	**532**	**800**
Items that may be reclassified subsequently to profit and loss						
Cumulative translation adjustment (CTA)	26	-7	15	66	34	56
Net investment hedges and loans	-17	2	-14	-30	6	14
Cash flow hedges and cost of hedging	-23	1	-12	-3	-33	-35
Share of OCI of Non-controlling Interests (NCI)	0	0	-1	-3	0	-3
Income tax relating to items that may be reclassified	8	0	5	8	9	9
	-7	**-4**	**-7**	**39**	**15**	**42**
Total comprehensive income	**1,132**	**558**	**617**	**2,224**	**1,199**	**2,110**
Attributable to						
Owners of the Parent	1,138	560	623	2,237	1,198	2,110
Non-controlling interests	-5	-2	-5	-14	1	0
Total comprehensive income	**1,132**	**558**	**617**	**2,224**	**1,199**	**2,110**

CTA = Cumulative translation adjustment
OCI = Other comprehensive income
EAI = Equity accounted investments

Condensed consolidated statement of financial position

EUR million		30 Sep 2022	31 Dec 2021	30 Sep 2021
Assets				
Goodwill	O	252	282	280
Other intangible assets	O	130	124	130
Property, plant and equipment	O	4,835	5,060	4,894
Right-of-use assets	O	434	441	441
		5,651	**5,907**	**5,745**
Forest assets	O	6,889	6,747	6,335
Biological assets	O	4,369	4,547	4,210
Forest land	O	2,520	2,201	2,126
Emission rights	O	186	137	136
Equity accounted investments	O	624	580	470
Listed securities	I	10	13	13
Unlisted securities	O	1,601	905	710
Non-current interest-bearing receivables	I	184	51	102
Deferred tax assets	T	109	143	161
Other non-current assets	O	120	34	29
Non-current assets		**15,376**	**14,517**	**13,700**
Inventories	O	1,766	1,478	1,468
Tax receivables	T	21	17	15
Operative receivables	O	1,572	1,449	1,442
Interest-bearing receivables	I	99	84	26
Cash and cash equivalents	I	1,624	1,481	1,272
Current assets		**5,083**	**4,509**	**4,222**
Assets held for sale		422	0	0
Total assets		**20,880**	**19,026**	**17,922**
Equity and liabilities				
Owners of the Parent		12,489	10,683	9,769
Non-controlling Interests		-30	-16	-15
Total equity		**12,459**	**10,666**	**9,754**
Post-employment benefit obligations	O	158	347	339
Provisions	O	88	91	119
Deferred tax liabilities	T	1,457	1,430	1,331
Non-current interest-bearing liabilities	I	3,010	3,313	3,465
Non-current operative liabilities	O	10	13	12
Non-current liabilities		**4,723**	**5,195**	**5,265**
Current portion of non-current debt	I	442	180	180
Interest-bearing liabilities	I	587	444	422
Bank overdrafts	I	4	1	16
Provisions	O	63	139	124
Operative liabilities	O	2,318	2,339	2,129
Tax liabilities	T	98	61	31
Current liabilities		**3,512**	**3,165**	**2,903**
Liabilities related to assets held for sale		186	0	0
Total liabilities		**8,422**	**8,360**	**8,168**
Total equity and liabilities		**20,880**	**19,026**	**17,922**

Items designated with “O” comprise Operating Capital
Items designated with “I” comprise Net Interest-bearing Liabilities
Items designated with “T” comprise Net Tax Liabilities

Condensed consolidated statement of cash flows

EUR million	Q1-Q3/22	Q1-Q3/21
Cash flow from operating activities		
Operating profit	1,304	729
Adjustments for non-cash items	584	519
Change in net working capital	-443	-115
Cash flow from operations	**1,445**	**1,133**
Net financial items paid	-82	-93
Income taxes paid, net	-149	-100
Net cash provided by operating activities	**1,214**	**940**
Cash flow from investing activities		
Acquisitions of equity accounted investments	-5	-4
Acquisitions of unlisted securities	0	-1
Cash flow on disposal of subsidiary shares and business operations, net of disposed cash	-72	55
Cash flow on disposal of forest and intangible assets and property, plant and equipment	12	100
Capital expenditure	-480	-452
Proceeds from/payment of non-current receivables, net	-10	0
Net cash used in investing activities	**-556**	**-301**
Cash flow from financing activities		
Proceeds from issue of new long-term debt	259	15
Repayment of long-term debt and lease liabilities	-353	-752
Change in short-term borrowings	-14	-65
Dividends paid	-434	-237
Purchase of own shares[1]	-1	-3
Net cash provided by financing activities	**-543**	**-1,041**
Net change in cash and cash equivalents	**115**	**-402**
Translation adjustment	25	3
Net cash and cash equivalents at the beginning of period	1,480	1,655
Net cash and cash equivalents at period end	**1,620**	**1,256**
Cash and cash equivalents at period end	**1,624**	**1,272**
Bank overdrafts at period end	**-4**	**-16**
Net cash and cash equivalents at period end	**1,620**	**1,256**

[1] Own shares purchased for the Group's share award programme. The Group did not hold any of its own shares on 30 September 2022.

Statement of changes in equity

					Fair Value Reserve								
EUR million	**Share Capital**	**Share Premium and Reserve fund**	**Invested Non-Restricted Equity Fund**	**Treasury Shares**	**Equity instruments through OCI**	**Cash Flow Hedges**	**Revaluation reserve**	**OCI of Equity Accounted Investments**	**CTA and Net Investment Hedges and loans**	**Retained Earnings**	**Attributable to Owners of the Parent**	**Non-controlling Interests**	**Total**
Balance at 1 January 2021	**1,342**	**77**	**633**	**—**	**277**	**23**	**1,195**	**12**	**-267**	**5,518**	**8,809**	**-16**	**8,793**
Net profit for the period	—	—	—	—	—	—	—	—	—	650	650	1	652
OCI before tax	—	—	—	—	305	-33	139	-2	40	142	591	—	590
Income tax relating to OCI	—	—	—	—	1	7	-29		2	-24	-43		-43
Total Comprehensive Income	**—**	**—**	**—**	**—**	**306**	**-26**	**110**	**-2**	**41**	**768**	**1,198**	**1**	**1,199**
Dividend	—	—	—	—	—	—	—	—	—	-237	-237	—	-237
Acquisitions and disposals	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	-3	—	—	—	—	—	—	-3	—	-3
Share-based payments	—	—	—	3	—	—	—	—	—	-1	2	—	2
Balance at 30 September 2021	**1,342**	**77**	**633**	**—**	**583**	**-3**	**1,305**	**11**	**-226**	**6,048**	**9,769**	**-15**	**9,754**
Net profit for the period	—	—	—	—	—	—	—	—	—	615	615	1	616
OCI before tax	—	—	—	—	195	-1	86	18	30	-16	313	-3	310
Income tax relating to OCI	—	—	—	—	—	—	-18	—	—	2	-15	—	-15
Total Comprehensive Income	**—**	**—**	**—**	**—**	**195**	**-1**	**69**	**18**	**31**	**601**	**912**	**-1**	**911**
Dividend	—	—	—	—	—	—	—	—	—	—	—	—	—
Acquisitions and disposals	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	—	—	—	—	—	—	—	—	—	—
Share-based payments	—	—	—	—	—	—	—	—	—	1	1	—	1
Balance at 31 December 2021	**1,342**	**77**	**633**	**—**	**778**	**-4**	**1,373**	**29**	**-195**	**6,650**	**10,683**	**-16**	**10,666**
Net profit for the period	—	—	—	—	—	—	—	—	—	964	964	-11	953
OCI before tax	—	—	—	—	694	-3	408	—	36	249	1,384	-3	1,381
Income tax relating to OCI	—	—	—	—	1	1	-84	—	7	-35	-110		-110
Total Comprehensive Income	**—**	**—**	**—**	**—**	**695**	**-1**	**324**	**—**	**43**	**1,177**	**2,237**	-14	**2,224**
Dividend	—	—	—	—	—	—	—	—	—	-434	-434	—	-434
Acquisitions and disposals	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	-1	—	—	—	—	—	—	-1	—	-1
Share-based payments	—	—	—	1	—	—	—	—	—	3	4	—	4
Balance at 30 September 2022	**1,342**	**77**	**633**	**—**	**1,473**	**-6**	**1,697**	**28**	**-152**	**7,396**	**12,489**	**-30**	**12,459**

CTA = Cumulative Translation Adjustment OCI = Other Comprehensive Income NCI = Non-controlling Interests

Goodwill, other intangible assets, property, plant and equipment, right-of-use assets and forest assets

EUR million	Q1-Q3/22	Q1-Q3/21	2021
Carrying value at 1 January	**12,654**	**12,130**	**12,130**
Additions in tangible and intangible assets	334	315	576
Additions in right-of-use assets	22	21	33
Additions in biological assets	54	42	58
Depletion of capitalised silviculture costs	-58	-46	-68
Disposals and classification as held for sale[1]	-295	-102	-106
Depreciation and impairment	-478	-540	-697
Fair valuation of forest assets	392	174	621
Translation difference and other	-85	86	108
Statement of Financial Position Total	**12,540**	**12,080**	**12,654**

[1] Including company disposals

Borrowings

EUR million	30 Sep 2022	30 Sep 2021	31 Dec 2021
Bond loans	2,499	2,496	2,497
Loans from credit institutions	552	719	577
Lease liabilities	398	400	387
Long-term derivative financial liabilities	1	25	30
Other non-current liabilities	2	6	4
Non-current interest bearing liabilities including current portion	**3,452**	**3,645**	**3,493**
Short-term borrowings	407	354	372
Interest payable	34	33	34
Short-term derivative financial liabilities	146	36	38
Bank overdrafts	4	16	1
Total Interest-bearing Liabilities	**4,042**	**4,084**	**3,938**

EUR million	Q1-Q3/22	Q1-Q3/21	2021
Carrying value at 1 January	**3,938**	**4,756**	**4,756**
Proceeds of new long-term debt	259	15	19
Additions in lease liabilities	22	21	33
Repayment of long-term debt	-322	-712	-870
Repayment of lease liabilities and interest	-44	-53	-88
Change in short-term borrowings and interest payable	35	-61	-42
Change in derivative financial liabilities	78	31	38
Disposals and classification as held for sale	-27	-1	-1
Translation differences and other	104	88	93
Total Interest-bearing Liabilities	**4,042**	**4,084**	**3,938**

Commitments and contingencies

EUR million	30 Sep 2022	31 Dec 2021	30 Sep 2021
On Own Behalf			
Guarantees	15	15	14
On Behalf of Equity Accounted Investments			
Guarantees	5	0	2
On Behalf of Others			
Guarantees	6	6	6
Other commitments	36	36	36
Total	**61**	**57**	**57**
Guarantees[1]	25	21	21
Other commitments[1]	36	36	36
Total	**61**	**57**	**57**

[1] The comparative figures have been restated.

Capital commitments

EUR million	30 Sep 2022	31 Dec 2021	30 Sep 2021
Total	**213**	**220**	**241**

The Group's direct capital expenditure contracts include the Group's share of direct capital expenditure contracts in joint operations.

Reconciliation of operational profitability

EUR million	Q3/22	Q3/21	Change % Q3/22–Q3/21	Q2/22	Change % Q3/22–Q2/22	Q1-Q3/22	Q1-Q3/21	Change % Q1-Q3/22–Q1-Q3/21	2021
Operational EBITDA	**689**	**570**	**20.8%**	**663**	**3.9%**	**2,014**	**1,582**	**27.3%**	**2,184**
Depreciation and silviculture costs of EAI	-4	-3	-21.4%	-2	-72.3%	-8	-8	-4.8%	-11
Silviculture costs[1]	-26	-21	-27.7%	-24	-11.2%	-73	-62	-17.3%	-89
Depreciation and impairment excl. IAC	-131	-136	3.8%	-131	0.2%	-397	-410	3.1%	-555
Operational EBIT	**527**	**410**	**28.7%**	**505**	**4.4%**	**1,536**	**1,102**	**39.4%**	**1,528**
Fair valuations and non-operational items[2]	6	8	-31.7%	-45	112.4%	-18	-43	57.6%	394
Items affecting comparability (IAC)[2]	-22	-32	30.3%	-61	63.1%	-214	-329	35.1%	-354
Operating profit (IFRS)	**511**	**386**	**32.3%**	**399**	**27.8%**	**1,304**	**729**	**78.8%**	**1,568**

[1] Including damages to forests
[2] See section Non-IFRS measures for IAC and fair valuations and non-operational items definitions.

Sales by segment – total

EUR million	Q3/22	Q2/22	Q1/22	2021	Q4/21	Q3/21	Q2/21	Q1/21
Packaging Materials	1,210	1,222	1,132	3,898	1,062	988	987	862
Packaging Solutions	179	189	191	723	214	180	170	159
Biomaterials	567	522	442	1,728	494	427	453	355
Wood Products	520	631	573	1,872	510	503	477	382
Forest	581	649	626	2,311	597	546	586	582
Paper	471	462	416	1,703	389	441	446	428
Other	282	290	236	1,092	285	302	265	240
Inter-segment sales	-846	-910	-817	-3,163	-831	-809	-792	-732
Total	**2,963**	**3,054**	**2,798**	**10,164**	**2,719**	**2,577**	**2,592**	**2,276**

Sales by segment – external

EUR million	Q3/22	Q2/22	Q1/22	2021	Q4/21	Q3/21	Q2/21	Q1/21
Packaging Materials	1,158	1,163	1,078	3,715	1,006	937	945	827
Packaging Solutions	173	182	186	704	209	175	166	155
Biomaterials	471	435	370	1,499	424	364	393	318
Wood Products	487	595	540	1,766	479	481	450	355
Forest	195	219	211	781	208	180	197	196
Paper	448	443	399	1,644	373	425	431	413
Other	32	17	14	55	20	14	10	12
Total	**2,963**	**3,054**	**2,798**	**10,164**	**2,719**	**2,577**	**2,592**	**2,276**

Disaggregation of revenue

EUR million	Q3/22	Q2/22	Q1/22	2021	Q4/21	Q3/21	Q2/21	Q1/21
Product sales	2,927	3,000	2,753	10,047	2,670	2,539	2,581	2,257
Service sales	37	54	45	117	49	38	11	18
Total	**2,963**	**3,054**	**2,798**	**10,164**	**2,719**	**2,577**	**2,592**	**2,276**

Operational EBIT by segment

EUR million	Q3/22	Q2/22	Q1/22	2021	Q4/21	Q3/21	Q2/21	Q1/21
Packaging Materials	181	188	196	556	133	153	144	127
Packaging Solutions	1	-3	1	26	12	8	2	4
Biomaterials	197	123	117	495	167	118	145	65
Wood Products	70	134	118	364	89	123	100	52
Forest	47	47	49	267	48	49	46	123
Paper	49	51	36	-124	-10	-31	-49	-34
Other	-12	-19	-14	-48	-17	-3	-16	-11
Inter-segment eliminations	-6	-15	0	-8	5	-7	-8	1
Operational EBIT	**527**	**505**	**503**	**1,528**	**426**	**410**	**364**	**328**
Fair valuations and non-operational items[1]	6	-45	21	394	437	8	-11	-40
Items affecting comparability[1]	-22	-61	-130	-354	-25	-32	-171	-126
Operating Profit (IFRS)	**511**	**399**	**394**	**1,568**	**839**	**386**	**182**	**161**
Net financial items	-63	-29	-19	-149	-46	-37	-30	-36
Profit before Tax	**448**	**370**	**374**	**1,419**	**793**	**349**	**152**	**125**
Income tax expense	-81	-71	-88	-151	-177	-50	56	20
Net Profit	**367**	**299**	**287**	**1,268**	**616**	**299**	**207**	**145**

[1] See section Non-IFRS measures for IAC and fair valuations and non-operational items definitions.

Items affecting comparability (IAC), fair valuations and non-operational items

EUR million	Q3/22	Q2/22	Q1/22	2021	Q4/21	Q3/21	Q2/21	Q1/21
Impairments and impairment reversals	-2	-2	-111	-141	-12	0	-20	-110
Restructuring costs excluding impairments	-5	-3	-6	-227	-31	-30	-145	-21
Acquisitions and disposals	-17	-56	0	11	16	-5	0	0
Other	1	0	-13	4	2	3	-6	5
Total IAC on Operating Profit	**-22**	**-61**	**-130**	**-354**	**-25**	**-32**	**-171**	**-126**
Fair valuations and non-operational items	6	-45	21	394	437	8	-11	-40
Total	**-17**	**-106**	**-109**	**40**	**413**	**-24**	**-182**	**-167**

Items affecting comparability had a negative impact on the operating profit of EUR 22 (-32) million. The IACs relate mainly to the disposal of the Russian operation in the Wood Products and Forest divisions. Fair valuation and non-operational items had a positive impact on the operating profit of EUR 6 (8) million. The impact came mainly from emission rights.

Items affecting comparability (IAC) by segment

EUR million	Q3/22	Q2/22	Q1/22	2021	Q4/21	Q3/21	Q2/21	Q1/21
Packaging Materials	-3	1	-5	-12	-11	2	-3	0
Packaging Solutions	-5	-57	-36	-4	-2	-1	0	0
Biomaterials	0	0	-2	-5	0	1	-1	-5
Wood Products	-21	-2	-27	-1	-1	0	0	0
Forest	-6	0	-43	17	17	0	0	0
Paper	10	-1	-4	-304	-11	-31	-136	-126
Other	1	-2	-14	-46	-16	-4	-31	5
IAC on Operating Profit	**-22**	**-61**	**-130**	**-354**	**-25**	**-32**	**-171**	**-126**
IAC on tax	1	1	4	58	2	0	31	26
IAC on Net Profit	**-21**	**-60**	**-126**	**-296**	**-23**	**-33**	**-139**	**-101**

Fair valuations and non-operational items by segment

EUR million	Q3/22	Q2/22	Q1/22	2021	Q4/21	Q3/21	Q2/21	Q1/21
Packaging Materials	1	2	-12	8	7	0	0	0
Packaging Solutions	0	0	0	0	0	0	0	0
Biomaterials	0	-6	-2	16	16	0	0	0
Wood Products	0	0	0	0	0	0	0	0
Forest	2	-47	10	338	412	-5	-21	-48
Paper	-6	0	11	6	-3	7	1	1
Other	8	6	14	27	6	6	9	6
FV on Operating Profit	**6**	**-45**	**21**	**394**	**437**	**8**	**-11**	**-40**
FV on tax	-1	13	-4	-64	-72	-2	2	8
FV on Net Profit	**5**	**-32**	**17**	**330**	**366**	**6**	**-10**	**-32**

Operating profit/loss by segment

EUR million	Q3/22	Q2/22	Q1/22	2021	Q4/21	Q3/21	Q2/21	Q1/21
Packaging Materials	179	191	179	552	129	155	141	127
Packaging Solutions	-4	-59	-35	23	10	7	2	4
Biomaterials	198	117	113	506	182	119	144	60
Wood Products	49	133	91	363	88	123	100	52
Forest	43	0	16	622	477	44	25	75
Paper	54	49	43	-423	-24	-55	-185	-159
Other	-3	-15	-13	-67	-28	-1	-38	0
Inter-segment eliminations	-6	-15	0	-8	5	-7	-8	1
Operating Profit (IFRS)	**511**	**399**	**394**	**1,568**	**839**	**386**	**182**	**161**
Net financial items	-63	-29	-19	-149	-46	-37	-30	-36
Profit before Tax	**448**	**370**	**374**	**1,419**	**793**	**349**	**152**	**125**
Income tax expense	-81	-71	-88	-151	-177	-50	56	20
Net Profit	**367**	**299**	**287**	**1,268**	**616**	**299**	**207**	**145**

Key exchange rates for the euro

One Euro is	Closing Rate		Average Rate (Year-to-date)	
	30 Sep 2022	31 Dec 2021	30 Sep 2022	31 Dec 2021
SEK	10.8993	10.2503	10.5237	10.1448
USD	0.9748	1.1326	1.0650	1.1835
GBP	0.8830	0.8403	0.8469	0.8600

Fair Values of Financial Instruments

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques, for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly;

- Level 3: techniques which use inputs that have a significant effect on the recorded fair values that are not based on observable market data.

The valuation techniques are described in more detail in the Group's Financial Report. The instruments carried at fair value in the following tables are measured at fair value on a recurring basis.

Carrying amounts of financial assets and liabilities by measurement and fair value categories: 30 September 2022

EUR million	Amortised cost	Fair value through OCI	Fair value through income statement	Total carrying amount	Fair value	Fair value hierarchy Level 1	Level 2	Level 3
Financial assets								
Listed securities	—	10	—	10	10	10	—	—
Unlisted securities	—	1,597	4	1,601	1,601	—	—	1,601
Non-current interest-bearing receivables	117	57	11	184	184	—	67	—
Derivative assets	—	57	11	67	67	—	67	—
Loan receivables	117	—	—	117	117	—	—	—
Trade and other operative receivables	1,239	100	—	1,339	1,339	—	100	—
Current interest-bearing receivables	58	41	2	101	101	—	43	—
Derivative assets	—	41	2	43	43	—	43	—
Other short-term receivables	58	—	—	58	58	—	—	—
Cash and cash equivalents	1,624	—	—	1,624	1,624	—	—	—
Total	**3,038**	**1,805**	**17**	**4,860**	**4,860**	**10**	**211**	**1,601**

EUR million	Amortised cost	Fair value through OCI	Fair value through income statement	Total carrying amount	Fair value	Fair value hierarchy Level 1	Level 2	Level 3
Financial liabilities								
Non-current interest-bearing liabilities	3,009	1	—	3,010	2,979	—	1	—
Derivative liabilities	—	1	—	1	1	—	1	—
Non-current debt	3,009	—	—	3,009	2,979	—	—	—
Current portion of non-current debt	443	—	—	443	443	—	—	—
Current interest-bearing liabilities	440	102	46	588	588	—	148	—
Derivative liabilities	—	102	46	148	148	—	148	—
Current debt	440	—	—	440	440	—	—	—
Trade and other operative payables	2,017	—	—	2,017	2,017	—	—	—
Bank overdrafts	4	—	—	4	4	—	—	—
Total	**5,913**	**103**	**46**	**6,062**	**6,031**	**—**	**149**	**—**

In accordance with IFRS, derivatives are classified as fair value through income statement. In the above tables for financial assets and liabilities the cash flow hedge accounted derivatives are however presented as fair value through OCI, in line with how they are booked for the effective portion.

Carrying amounts of financial assets and liabilities by measurement and fair value categories: 31 December 2021

EUR million	Amortised cost	Fair value through OCI	Fair value through income statement	Total carrying amount	Fair value	Fair value hierarchy Level 1	Level 2	Level 3
Financial assets								
Listed securities	—	13	—	13	13	13	—	—
Unlisted securities	—	900	5	905	905	—	—	905
Non-current interest-bearing receivables	45	6	—	51	51	—	6	—
Derivative assets	—	6	—	6	6	—	6	—
Loan receivables	45	—	—	45	45	—	—	—
Trade and other operative receivables	1,110	39	—	1,149	1,149	—	39	—
Current interest-bearing receivables	52	31	1	84	84	—	32	—
Derivative assets	—	31	1	32	32	—	32	—
Other short-term receivables	52	—	—	52	52	—	—	—
Cash and cash equivalents	1,481	—	—	1,481	1,481	—	—	—
Total	**2,687**	**990**	**6**	**3,683**	**3,683**	**13**	**77**	**905**

EUR million	Amortised cost	Fair value through OCI	Fair value through income statement	Total carrying amount	Fair value	Fair value hierarchy Level 1	Level 2	Level 3
Financial liabilities								
Non-current interest-bearing liabilities	3,284	7	23	3,313	3,618	—	30	—
Derivative liabilities	—	7	23	30	30	—	30	—
Non-current debt	3,284	—	—	3,284	3,589	—	—	—
Current portion of non-current debt	180	—	—	180	180	—	—	—
Current interest-bearing liabilities	403	35	7	444	444	—	42	—
Derivative liabilities	—	35	7	42	42	—	42	—
Current debt	403	—	—	403	403	—	—	—
Trade and other operative payables	1,960	—	—	1,960	1,960	—	—	—
Bank overdrafts	1	—	—	1	1	—	—	—
Total	**5,827**	**42**	**29**	**5,899**	**6,204**	**—**	**71**	**—**

In accordance with IFRS, derivatives are classified as fair value through income statement. In the above tables for financial assets and liabilities the cash flow hedge accounted derivatives are however presented as fair value through OCI, in line with how they are booked for the effective portion.

Reconciliation of level 3 fair value measurement of financial assets and liabilities: 30 September 2022

EUR million	Q1-Q3/22	2021	Q1-Q3/21
Financial assets			
Opening balance at 1 January	905	401	401
Reclassifications	-1	0	0
Gains/losses recognised in other comprehensive income	697	504	309
Additions	0	1	1
Closing balance	**1,601**	**905**	**710**

The Group did not have level 3 financial liabilities as at 30 September 2022.

Level 3 Financial Assets

At period end, Level 3 financial assets included EUR 1 597 million of Pohjolan Voima Oy (PVO) shares for which the valuation method is described in more detail in the Annual Report. The valuation is most sensitive to changes in electricity prices and discount rates. The discount rate of 6.58% used in the valuation model is determined using the weighted average cost of capital method. A +/- 5% change in the electricity price used in the DCF would change the valuation by EUR +132 million and -131 million, respectively. A +/- percentage point change in the discount rate would change the valuation by EUR -95 million and +126 million, respectively.

Stora Enso shares

During the third quarter of 2022, the conversions of 1,401 A shares into R shares were recorded in the Finnish trade register.

On 30 September 2022, Stora Enso had 176,238,697 A shares and 612,381,290 R shares in issue. The company did not hold its own shares. The total number of Stora Enso shares in issue was 788,619,987 and the total number votes at least 237,476,826.

On 17 October, the conversion of 140 A shares into R shares was recorded in the Finnish trade register.

Trading volume

	Helsinki		Stockholm	
	A share	**R share**	**A share**	**R share**
July	71,671	34,222,800	202,742	6,536,686
August	64,397	26,088,016	134,511	3,968,364
September	97,554	32,575,827	170,642	5,817,678
Total	**233,622**	**92,886,643**	**507,895**	**16,322,728**

Closing price

	Helsinki, EUR		Stockholm, SEK	
	A share	**R share**	**A share**	**R share**
July	15.85	15.06	162.80	156.70
August	15.40	14.88	165.80	159.00
September	13.90	13.09	146.00	142.70

Number of shares

Million	Q3/22	Q3/21	Q2/22	2021
At period end	788.6	788.6	788.6	788.6
Average	788.6	788.6	788.6	788.6
Average, diluted	789.5	789.3	789.6	789.1

Calculation of key figures

Operational return on capital employed, operational ROCE (%)	100 x	Annualised operational EBIT / Capital employed[1 2]
Operational return on operating capital, operational ROOC (%)	100 x	Annualised operational EBIT / Operating capital[2]
Return on equity, ROE (%)	100 x	Net profit/loss for the period / Total equity[2]
Net interest-bearing liabilities		Interest-bearing liabilities – interest-bearing assets
Net debt/equity ratio		Net interest-bearing liabilities / Equity[3]
Earnings per share (EPS)		Net profit/loss for the period[3] / Average number of shares
Operational EBIT		Operating profit/loss excluding items affecting comparability (IAC) and fair valuations of the segments and Stora Enso's share of operating profit/loss excluding IAC and fair valuations of its equity accounted investments (EAI)
Operational EBITDA		Operating profit/loss excluding silviculture costs and damage to forests, fixed asset depreciation and impairment, IACs and fair valuations. The definition includes the respective items of subsidiaries, joint arrangements and equity accounted investments.
Net debt/last 12 months' operational EBITDA ratio		Net interest-bearing liabilities / LTM operational EBITDA
Fixed costs		Maintenance, personnel and other administration type of costs, excluding IAC and fair valuations.
Last 12 months (LTM)		12 months prior to the end of reporting period

[1] Capital employed = Operating capital – Net tax liabilities [2] Average for the financial period [3] Attributable to the owners of the Parent

List of non-IFRS measures

Operational EBITDA
Operational EBITDA margin
Operational EBIT
Operational EBIT margin
Capital expenditure
Capital expenditure excl. investments in biological assets
Capital employed
Depreciation and impairment charges excl. IAC
Operational ROCE
Earnings per share (EPS), excl. FV
Net debt/last 12 months' operational EBITDA ratio
Operational ROOC
Cash flow after investing activities

Definitions and calculation of key sustainability figures

GHG emissions, scope 1 + 2	Direct fossil CO_2e emissions from production (scope 1) and indirect fossil CO_2e emissions related to purchased electricity and heat (scope 2). Excluding joint operations. Reported as last four quarters. Calculated in accordance with the Greenhouse Gas Protocol.
GHG emissions, scope 3	Fossil CO_2e emissions from supply chain, transportation and customer operations are estimated based on the most recent methodology. Joint operations included as suppliers. Currently, material emission categories for Scope 3 emissions are updated annually or every second year. Accounting based on guidelines provided by the Greenhouse Gas Protocol of the World Resource Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).
Forest certification coverage	The proportion of land in wood production and harvesting owned or leased by Stora Enso that is covered by forest certification schemes. Reporting on total land area and its forest certification coverage aligned with financial reporting on forests assets. Historical figures have been recalculated for comparability.
Share of technically recyclable products	The proportion of technically recyclable products based on production volumes as tonnes. Technical recyclability is defined by international standards and tests when available, such as PTS and CTP, and in the absence of these, by Stora Enso's own tests that prove recyclability. The reporting scope includes Stora Enso's packaging, pulp, paper and solid wood products as well as biochemical by-products. The recyclability of corrugated packaging is estimated in 2021 reporting and will be confirmed by further testing.
TRI (Total recordable incidents) rate	Number of incidents per one million hours worked. The figure represents own employees, including employees of the joint operations Veracel and Montes del Plata.
Gender balance	Calculated based on the headcount of permanent and temporary employees, including both fulltime and part-time employees.
Total water withdrawal and Process water discharges per saleable tonne	Last four quarters for board, pulp and paper units. Excluding joint operations. Excluding mechanical wood product units and packaging converting units due to their low impact on the Group's consolidated water use and different metrics for sales production (cubic metre and square metre) compared to board, pulp and paper units (tonnes).
Supplier Code of Conduct (SCoC) coverage	% of supplier spend (last 12 months) covered by the Supplier Code of Conduct (SCoC). Excludes joint operations, intellectual property rights, leasing fees, financial trading, government fees such as customs, and wood purchases from private individual forest owners.

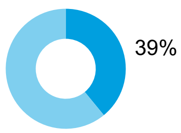
Divisions in brief

Stora Enso's diversified business portfolio creates resilience to changing market dynamics and fluctuations in demand, while enabling flexibility for evolving transformation.

Packaging Materials

Leading the development of circular packaging, providing premium packaging materials based on virgin and recycled fiber.

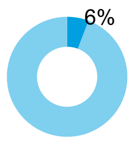
Share of Group external sales



Packaging Solutions

Developing and selling premium fiber-based packaging products and services.

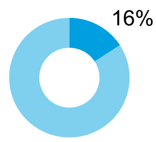
Share of Group external sales

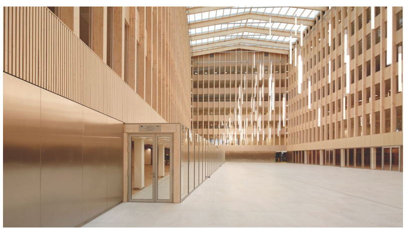


Biomaterials

Meeting the growing demand for bio-based solutions to replace fossil-based and hazardous materials.

Share of Group external sales

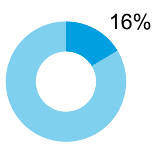




Wood Products

One of the largest sawn wood producers in Europe and a global leading provider of renewable wood-based solutions.

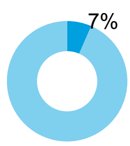
Share of Group external sales



Forest

Creating value through sustainable forest management, competitive wood supply and innovation.

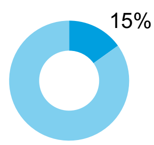
Share of Group external sales



Paper

A major paper producer in Europe with a wide product portfolio for print and office use.

Share of Group external sales



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Q4 and full year 2022 results
31 January 2023

Part of the global bioeconomy, Stora Enso is a leading provider of renewable products in packaging, biomaterials, wooden construction and paper, and one of the largest private forest owners in the world. We believe that everything that is made from fossil-based materials today can be made from a tree tomorrow. Stora Enso has approximately 22,000 employees and Group sales in 2021 of EUR 10.2 billion. Stora Enso 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 as ADRs (SEOAY). **storaenso.com/investors**

It should be noted that Stora Enso and its business are exposed to various risks and uncertainties and certain statements herein which are not historical facts, including, without limitation those regarding expectations for market growth and developments; expectations for growth and profitability; and statements preceded by “believes”, “expects”, “anticipates”, “foresees”, or similar expressions, are forward-looking statements. Since these statements are based on current plans, estimates and projections, they involve risks and uncertainties, which may cause actual results to materially differ from those expressed in such forward-looking statements. Such factors include, but are not limited to: (1) operating factors such as continued success of manufacturing activities and the achievement of efficiencies therein, continued success of product development, acceptance of new products or services by the Group’s targeted customers, success of the existing and future collaboration arrangements, changes in business strategy or development plans or targets, changes in the degree of protection created by the Group’s patents and other intellectual property rights, the availability of capital on acceptable terms; (2) industry conditions, such as strength of product demand, intensity of competition, prevailing and future global market prices for the Group’s products and the pricing pressures thereto, price fluctuations in raw materials, financial condition of the customers and the competitors of the Group, the potential introduction of competing products and technologies by competitors; and (3) general economic conditions, such as rates of economic growth in the Group’s principal geographic markets or fluctuations in exchange and interest rates. All statements are based on management’s best assumptions and beliefs in light of the information currently available to it and Stora Enso assumes no obligation to publicly update or revise any forward-looking statement except to the extent legally required.