Stora Enso
Interim Report
Q1

January-March 2023

Our purpose:

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

List of contents

President and CEO Annica Bresky:

"The business environment this year is expected to be significantly more challenging for all our divisions. Current demand for most of our products is weak or weakening and market uncertainties are persisting."

Highlights

A stronger presence in European packaging markets

The De Jong Packaging Group acquisition was completed in early January. The integration process and the expected synergy effects are proceeding according to plan.

Divestment of paper assets

The Paper division was discontinued on 1 January 2023, and the Nymölla, Hylte and Maxau sites have been divested. The Langerbrugge and Anjala paper sites are retained in Stora Enso.

On track with science-based CO_2e targets for scope 1 and 2

Continued actions on CO_2e reduction for scope 1 and 2 have resulted in a 32% decrease from the 2019 baseline. The target is to halve the emissions by 2030.

Cover: Asia's largest mass timber building at Nanyang Technological University
Photo: Steeltech Industries PTE Ltd

Due to the worsened market outlook actions are taken to protect margins and manage costs

Quarterly financial highlights

- Sales decreased by 3% to EUR 2,721 (2,798) million.
- Operational EBIT decreased by 53% to EUR 234 (503) million.
- Operational EBIT margin decreased to 8.6% (18.0%).
- Operating profit (IFRS) decreased to EUR 258 (394) million.
- EPS was EUR 0.24 (0.37) and EPS excl. fair valuations (FV) was EUR 0.23 (0.35).
- The value of the forest assets increased to EUR 8.3 (8.0) billion, equivalent to EUR 10.49 per share.
- Cash flow from operations amounted to EUR 254 (403) million. Cash flow after investing activities was EUR 1 (224) million.
- Net debt increased due to the acquisition of De Jong Packaging Group and dividend payment by EUR 324 million to EUR 2,917 (2,593) million.
- The net debt to operational EBITDA ratio was 1.3 (1.1). The target is to keep the ratio below 2.0.
- Operational ROCE excluding the Forest division (LTM[1]) decreased to 16.5% (20.5%), the target being >13%.

Key highlights

- The acquisition of the Dutch De Jong Packaging Group was completed on 6 January 2023.
- The Paper division was discontinued as of 1 January 2023.
- The plan to divest of the Beihai site in China is proceeding according to plan.
- The consumer board investment at the Oulu site in Finland is moving ahead according to schedule. Construction estimated to start during 2024, start of production expected during 2025.
- Fitch and Moody's have changed their outlook to "positive" from "stable" with unchanged Investment Grade Ratings of BBB- and Baa3 respectively.
- Continued actions on Group CO_2e reduction for scope 1 and 2 have resulted in a 32% decrease from the 2019 baseline.
- Stora Enso was recognised as a global leader in supplier engagement on climate by the global environmental non-profit organisation CDP.
- A dividend of EUR 0.60 per share for the full year 2022 was paid on 27 March 2023.

Guidance

Stora Enso has lowered its guidance for the full-year 2023 due to worsening market outlook. The new guidance is:

Stora Enso's full-year 2023 operational EBIT is expected to be significantly lower than for the full-year 2022 (EUR 1,891 million).

Sales	Operational EBIT margin	Operational ROCE excl. the Forest division (LTM[1])
EUR 2,721 million	**8.6%**	**16.5%**
(Q1/2022: 2,798)	(Q1/2022: 18.0%)	(Q1/2022: 20.5%)

Net debt to operational EBITDA	EPS (basic)	Cash flow from operations
1.3	**EUR 0.24**	**EUR 254 million**
(Q1/2022: 1.1)	(Q1/2022: 0.37)	(Q1/2022: 403)

[1] Last 12 months

Outlook for the full year 2023

The market outlook is worsening and accelerated towards the latter part of the first quarter. Cost pressures and market uncertainties are expected to be significantly more challenging in 2023 than in 2022, weighing on our results and lowering the short-term visibility this year. Compared to 2022, Group margins are expected to be adversely impacted by increasing costs, particularly in relation to energy, wood, and chemicals.

The whole packaging market is currently weakening. Especially containerboard demand which is expected to remain weak but also consumer board is showing signs of weakening, with the exception for liquid packaging board.

The construction sector remains challenging with a lower number of issued building permits and new housing starts. This is expected to have a temporary impact on demand for the Wood Products division this year. In addition to higher pulpwood cost, a weakening global pulp market is expected to weigh on the Biomaterials division. Availability for pulpwood remains tight.

To protect margins, preparatory actions are taken to respond to fluctuations in demand with reinforced cost control. Other measures such as pricing, flexibility in product mix, capacity and inventory management, and sourcing and logistics have been put in place. In Finland, Stora Enso has completed negotiations on potential furloughs at its divisions' production sites. Capacity adjustment activities are in place to respond to fluctuations in demand.

The Group has made extensive changes to reshape the business over the past three years under its new leadership and disciplined capital allocation is firmly integrated into the Group's day to day operations. After the discontinuation of the Paper division, the Group now consists of five divisions with a key focus on strategic growth areas for long term shareholder and customer value creation.

Operationally, the focus on decentralisation continues together with reduction of overhead costs. Restrictive capital expenditure and working capital management to safeguard cash flow and to secure a solid balance sheet are in place.

Stora Enso is now financially, operationally and strategically in better shape to handle market fluctuations while investing for growth in renewable packaging, sustainable building solutions and biomaterials innovations.

Market demand development by division quarter-on-quarter, Q1/2023 to Q2/2023

	Q2/2023 market demand outlook
Packaging Materials	Demand for consumer board is expected to remain stable. Demand for containerboard is expected to remain weak.
Packaging Solutions	Demand for corrugated packaging is expected to slightly improve due to seasonality.
Biomaterials	Pulp demand is expected to be lower in Europe and China.
Wood Products	Limited seasonal demand improvement for sawn wood expected.
Forest	Sawlogs demand is expected to remain stable, while pulpwood demand is expected to decline.

Key figures

EUR million	Q1/23	Q1/22	Change % Q1/23–Q1/22	Q4/22	Change % Q1/23–Q4/22	2022
Sales	2,721	2,798	-2.7%	2,864	-5.0%	11,680
Operational EBITDA	399	662	-39.8%	515	-22.6%	2,529
Operational EBITDA margin	14.7%	23.7%		18.0%		21.7%
Operational EBIT	234	503	-53.5%	355	-34.1%	1,891
Operational EBIT margin	8.6%	18.0%		12.4%		16.2%
Operating profit (IFRS)	258	394	-34.6%	705	-63.5%	2,009
Profit before tax (IFRS)	228	374	-39.1%	666	-65.7%	1,858
Net profit for the period (IFRS)	185	287	-35.4%	584	-68.3%	1,536
Cash flow from operations	254	403	-36.9%	429	-40.7%	1,873
Cash flow after investing activities	1	224	-99.7%	202	-99.7%	1,162
Capital expenditure	229	85	168.9%	368	-37.8%	778
Capital expenditure excluding investments in biological assets	214	71	200.0%	346	-38.2%	701
Depreciation and impairment charges excl. IAC	136	135	1.1%	130	4.5%	527
Net interest-bearing liabilities	2,917	2,593	12.5%	1,853	57.4%	1,853
Forest assets[1]	8,269	7,965	3.8%	8,338	-0.8%	8,338
Operational return on capital employed (ROCE), LTM[2]	11.5%	13.6%		13.7%		13.7%
Operational ROCE excl. Forest division, LTM[2]	16.5%	20.5%		20.4%		20.4%
Earnings per share (EPS) excl. FV, EUR	0.23	0.35	-33.4%	0.32	-28.0%	1.55
EPS (basic), EUR	0.24	0.37	-34.4%	0.74	-67.7%	1.97
Return on equity (ROE), LTM[2]	12.2%	14.4%		13.3%		13.3%
Net debt/equity ratio	0.25	0.24		0.15		0.15
Net debt to LTM[2] operational EBITDA ratio	1.3	1.1		0.7		0.7
Equity per share, EUR	14.82	13.60	9.0%	15.89	-6.7%	15.89
Average number of employees (FTE)	21,144	22,211	-4.8%	21,004	0.7%	21,790

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.

IAC = Items affecting comparability, FV = Fair valuations and non-operational items

[1] Total forest assets value, including leased land and Stora Enso's share of Tornator.
[2] Last 12 months - change in the calculation method explained in the section *Non-IFRS measures*

Production and external deliveries

	Q1/23	Q1/22	Change % Q1/23–Q1/22	Q4/22	Change % Q1/23–Q4/22	2022
Board deliveries[1], 1,000 tonnes	1,026	1,081	-5.1%	1,010	1.6%	4,294
Board production[1], 1,000 tonnes	1,127	1,244	-9.4%	1,094	2.9%	4,682
Corrugated packaging European deliveries, million m^2	285	224	27.4%	166	72.4%	741
Corrugated packaging European production, million m^2	290	236	22.9%	171	69.0%	771
Market pulp deliveries, 1,000 tonnes	564	580	-2.7%	632	-10.7%	2,374
Wood products deliveries, 1,000 m^3	1,044	1,219	-14.4%	1,043	0.1%	4,397
Wood deliveries, 1,000 m^3	3,779	3,091	22.3%	3,335	13.3%	13,304
Paper deliveries, 1,000 tonnes	266	535	-50.2%	396	-32.7%	1,924
Paper production, 1,000 tonnes	258	533	-51.6%	407	-36.6%	1,926

[1] Includes consumer board and containerboard volumes

Total maintenance impact

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

EUR million	Q2/2023[1]	Q1/2023[2]	Q4/2022	Q3/2022	Q2/2022	Q1/2022
Total maintenance impact	143	119	180	150	120	107

[1] Estimated
[2] The estimate for Q1/2023 was EUR 109 million.

CEO comment

During the last two years, we have delivered record high results and advanced our growth agenda in renewable packaging, sustainable building solutions and biomaterials innovations. Simultaneously, we have taken investment decisions to improve the competitiveness of strategic assets and steps to reduce cyclicality by exiting the paper business.

The business environment this year is expected to be significantly more challenging for all our divisions. Demand for most of our products is weak or weakening and market uncertainties are persisting. During the quarter, the high inflationary pressures persisted, and we have curtailed production to reduce inventories and adapt to the prevailing market conditions. For us, this means reinforced cost control and diligent capital allocation management.

In packaging, all end-uses excluding liquid packaging, are showing signs of weakening demand throughout the year. Wood products continue to be challenged by the weaker construction market with fewer building permits and lower rates of home renovations. For the pulp market, we see slower market activity in China and for paper and packaging end-uses, and the global inventories reached very high levels at the end of the quarter. In addition, around 4.5 million tonnes of new pulp capacity is coming on stream during this year which will put additional pressure on the market. For pulpwood, the market is tight, an impact from the lack of Russian wood volumes and increased competition from the energy sector.

Our results for the first quarter this year are very disappointing. Beyond the market-driven lower demand and cost escalation, we have been negatively impacted by operational issues and the logistical strikes in Finland. This resulted in an operational EBIT of 234 million euro, with a margin of 9%, a year-on-year decrease by 53%. Our sales were 2,722 million euro, a year-on-year decrease by 3%. For the full year we expect the challenging market conditions to prevail and therefore we forecast a result that is significantly lower than last year.

To protect our margins, we are constantly taking actions by curtailing production, reducing fixed and variable costs, managing working capital, evaluating product and market mix, and price adjustments where possible. We continue our path of decentralising decision-making, so divisions can more effectively capitalise on customer opportunities, and we are creating lean HQ operations to reduce overhead costs, strengthen leadership and efficiencies across the Group. Our asset footprint is reviewed continuously in order to develop cost-competitive assets and if necessary, restructure to adapt to market conditions. Recently, we have consolidated to five divisions after the discontinuation of the Paper business and as the demand of publication paper continues to rapidly decline, we are planning to permanently reduce capacity at the Anjala paper site.

Delivering on our strategic roadmap with disciplined capital allocation

For the past few years, we have been investing in our long-term growth initiatives in packaging, wood products and biomaterials innovations. Due to the current business environment and to protect our balance sheet and cash flow we will be restrictive on new strategic capex initiatives. Our focus is to deliver long-term shareholder and customer value from the investment decisions already made and run our operations as efficiently as possible.

We always look for the best opportunities to optimise capital allocation. Continuing operations at Beihai, would require sizeable investments to further improve cost competitiveness. The Beihai divestment process is progressing well, and we are working closely with our Joint Venture partners to manage the interest from potential buyers. The released capital will support our already decided investments in Europe, improving our long-term profitable growth opportunities.

The benefits of De Jong Packaging Group acquisition are starting to be visible. We are gaining a modern, cost competitive production base and a strong ecosystem in relatively resilient end uses such as agricultural products. We will also be able to long-term reduce our long position in containerboard. Timing wise, these opportunities do not come very often and for us this is a significant strategic step to gain market share in Western Europe. As to a possible future conversion in Langerbrugge, we will postpone such a decision until more favourable market conditions for containerboard.

The construction of a new consumer board line at the Oulu site is also progressing well. Economies of scale and the additional investments in pulp production, will improve the cost structure and competitiveness of the whole site. The site will have a leading cost-curve position, enabling transportation overseas while still being able to offer high-margin products. The added flexibility from the new line, will also allow for growth in liquid packaging end-uses. Products from other consumer board sites can be moved to Oulu, streamlining the product portfolio and improving productivity in all sites.

We aim to lead in the fiber-based packaging market in premium end-uses globally. The demand for both virgin and recycled consumer board is expected to grow by more than 11 million tonnes globally, approaching 57 million tonnes by 2030. The investment in Oulu allows us to build on the plastic substitution trend and grow with existing and new customers through our global sales network.

The green transition is expediting our strategy

There is long-term, growing demand for Stora Enso's renewable products and we are confident that our strategy will continue to deliver market share gains and sustainable growth from a more resilient and powerful business platform over the cycles.

I am very grateful for the commitment of our teams in these turbulent times, to deliver innovative products, financial and operational performance, and to meaningfully contribute to a better environment and value for all stakeholders. With our values to "lead" and "do 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, the replacement of plastics to fiber-based packaging, 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 carbon net positive products. The Company sees significant prospects to expand its total addressable market and aim to grow by >5% 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, replace and displace fossil-based products. The Company creates value by focusing on growing its leading positions in: renewable packaging, sustainable 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

A stronger European market presence in packaging

In January, Stora Enso finalised the acquisition of the Dutch De Jong Packaging Group. The integration process is proceeding according to plan. When the ongoing expansion projects in packaging converting are ramped up, an additional EBITDA of EUR 40 million is estimated to be delivered. In the mid-term, the acquisition is expected to generate average annual synergies of EUR 30 million over the cycle.

Restructuring of paper assets

The divestments of the Nymölla and Maxau paper sites were completed during the quarter, and the divestment of the Hylte site was completed on 4 April. The divestment process of the Anjala paper site was discontinued. The Paper division was discontinued on 1 January 2023.

New reporting structure

Stora Enso's segment reporting was changed on 1 January 2023 due to the reorganisation of the Paper division's operations and changes in the reporting of emerging businesses in the Packaging Solutions division. The Langerbrugge and Anjala paper sites, which are retained in Stora Enso, are reported as part of the Packaging Materials division, and the emerging businesses under segment Other. The restated comparative figures were published on 29 March.

New co-operations to enhance the development of lignin-based products

Stora Enso and the Polish plywood manufacturer Paged are collaborating to meet customers' demand for bio-based and sustainable plywood. Utilising Stora Enso's bio-based high-purity kraft lignin, Paged can replace 40% of fossil-based glue in plywood.

Stora Enso and Finnish company Valmet are collaborating on next-generation lignin product and process development. The objective is to further develop the quality and customer value of lignin, increase the supply by using optimised process machinery and asset design, and accelerate fulfilment of the growing demand for lignin.

Bio-based alternatives to fossil-based plastics

Stora Enso and Korean company Kolon Industries have signed a Joint Development Agreement to develop and industrialise bio-based polyesters and their applications, as well as renewable binder resin formulations. Application areas cover, packaging, car tyre reinforcements, and films for products such as electronics, panels and displays.

Events after the quarter

Stora Enso plans to consolidate its book paper production and permanently close one of the two paper machines at the Anjala paper unit in Finland. The Group has started change negotiations concerning all employees at the integrated Anjalankoski site.

The Finnish energy company Pohjolan Voima, in which Stora Enso has a 15.6% shareholding, started regular electricity production at the new nuclear power reactor 3 at Olkiluoto plant on 16 April. The income from energy sales is reported under the segment Other. The divisions are charged for electricity at market price. Stora Enso has an estimated 75% energy self-sufficiency in 2023.

The negotiations of the union trade collective agreements in Sweden and Central Europe have been closed and contracts put in place. The agreement in Finland was put in place in 2021.

Key sustainability targets and performance

Stora Enso contributes to the circular bioeconomy transition in the three areas in which it has the biggest impact and opportunities: climate change, biodiversity and circularity. The foundation for these is the conduct of everyday business in a responsible manner.

Climate change

Stora Enso's science-based target is to reduce absolute scope 1, 2 and 3 greenhouse gas (CO_2e) emissions by 50% by 2030 from the 2019 base year, in line with the 1.5-degree scenario.

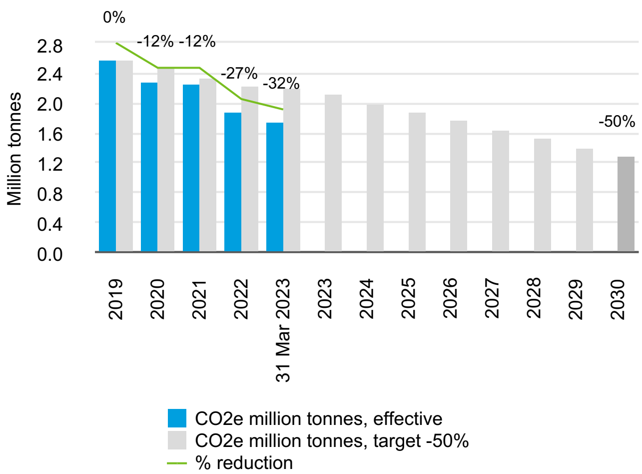
By the end of Q1/2023, the scope 1 and 2 CO_2e emissions were 1.76 million tonnes or 32% less than in the base year. During the quarter, the emissions decreased mainly due to the impacts of the closure of the Veitsiluoto site, as well as lower overall production volumes.

Stora Enso continues to further reduce scope 1 and 2 emissions from operations by investing in energy efficiency, and by increasing the share of clean energy sources, including wood-based biofuels from sustainable sources. A recent example of the Group's continued action on CO_2e reduction is the investment to renew the energy set-up and process equipment at the Heinola fluting site in Finland, reducing the site's CO_2e emissions by more than 90%.

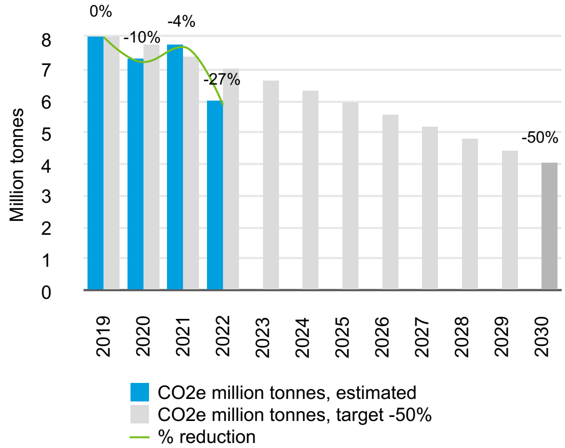
In 2022, Stora Enso's estimated scope 3 CO_2e emissions along the value chain were 6.01 million tonnes or 27% less than in the base year (2021: 7.83 million tonnes or 4% less). The emissions decreased year-on-year due to mill closures and dissolving pulp production.

During 2023, Stora Enso will continue to identify areas where scope 3 emissions could be further reduced. The focus is on supplier engagement and improving the accounting for scope 3 emissions.

Direct and indirect CO_2e emissions (scope 1+2, last four quarters)[1 2]



CO_2e emissions along the value chain (scope 3)[1]



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

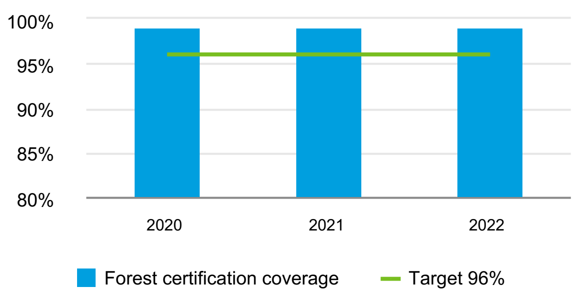
Biodiversity

Stora Enso is committed to achieving a net-positive impact on biodiversity in its own forests and plantations by 2050 through active biodiversity management. The Group steers its biodiversity actions through a Biodiversity Leadership Programme to improve biodiversity on the species, habitat and landscape levels. The actions are guided by science-based targets, and progress is monitored with impact indicators reported on the Group's website.

Stora Enso has launched a new project to regenerate biodiversity by recovering wetlands in the south-east Sweden during 2023. The project contributes to the recovery of vegetation and other species, increasing the wetlands' carbon sequestration in the long run. The project will continue beyond 2023, with new areas being mapped. A similar project was launched in 2022 with Tornator in Finland and will continue until 2027.

Biodiversity is an integral part of forest certifications including protection of valuable ecosystems. Stora Enso's target is to maintain a forest certification coverage level of at least 96% for the Group's own and leased forest lands. The forest certification coverage has remained stable and amounted to 99% in 2022 (2021: 99%).

Biodiversity: forest certification coverage[1]



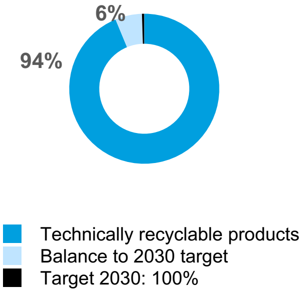
[1] For definitions, see the section *Calculation of key figures*.

Circularity

Stora Enso's target is to reach 100% recyclable products by 2030. By the end of 2022, 94% (2021: 94%) of products, such as paper and packaging products, were recyclable. Stora Enso aims to ensure the recyclability of products through an increased focus on circularity in innovation processes. Stora Enso also collaborates actively with customers and partners to set up infrastructure to improve the actual recycling of its products.

Finland's largest trading sector company Kesko decided to replace the plastic buckets used for transporting flowers with Stora Enso's square boxes made from 97% renewable material. The boxes are optimised for transport and storage, providing high efficiency in logistics, and enable Kesko to save 27 tonnes of plastic annually.

Circularity: share of technically recyclable products[1 2]



[1] As of 31 December 2022
[2] For definitions, see the section *Calculation of key figures*.

Responsible business practices

	31 Mar 2023	31 Dec 2022	31 Mar 2022	Target
Occupational safety: TRI rate, year-to-date[1]	5.2	5.9	6.5	4.9 by the end of 2023
Gender balance: % of female managers among all managers	24%	23%	23%	25% by the end of 2024
Water: total water withdrawal per saleable tonne (m^3/tonne)[2]	60	58	56	Decreasing trend
Water: process water discharges per saleable tonne, (m^3/tonne)[1,2]	34	34	33	17% reduction by 2030
Sustainable sourcing: % of supplier spend covered by the Supplier Code of Conduct (SCoC)[1]	96%	96%	96%	95%

[1] The figures exclude De Jong Packaging Group.
[2] Comparative figures recalculated due to structural changes or additional data after the previous Interim Reports.
For definitions, see the section *Calculation of key figures*. For a full overview of Stora Enso's sustainability targets and 2022 performance, see our website.

Stora Enso's safety target for 2023 is to achieve a TRI of 4.9 by the end of the year. The Group's safety performance remained stable during the quarter.

Stora Enso constantly strives to improve its water performance through targeted investments. As of 2023, the new goal is to reduce specific process water discharges per saleable tonne (m^3/tonne) by 17% from the 2019 base year (36 m^3/tonne) by 2030. During the quarter, the process water discharges decreased by 4% from the base year. The total water withdrawal per saleable tonne increased slightly from the 2016 base year (59 m^3/tonne), and was 60 m^3/tonne.

The key performance indicator (KPI) for sustainable sourcing measures the proportion of total supplier spend covered by the Supplier Code of Conduct. By the end of the quarter, 96% 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 24%. The target is 25% by the end of 2024. Among all employees, the proportion of female employees was 25%. In the Group Leadership Team (GLT), 42% of the members were female at the end of Q1/2023.

Stora Enso actively participates in the following ESG assessment schemes:

ESG rating	Stora Enso score	Change vs previous score	Rating compared to peers	Last update
CDP	Climate A- Forest B Water B	Climate and Water unchanged, declined in Forest from A- to B	Clearly above the industry average level	Q4/2022
FTSE Russell	4.5 out of 5.0	Improved from 4.4 to 4.5	Among highest rank in the industry	Q4/2022
ISS Corporate Rating	B- / A+	Unchanged	Among highest decile rank in the industry	Q2/2022
ISS QualityScore	Governance 1* Social 1 Environment 1	Improved in Governance from 2 to 1*	Clearly above the industry average level	Q1/2023
MSCI	AAA / AAA	Unchanged	Clearly above the industry average level	Q3/2022
Sustainalytics	15.8 out of 100**	Improved slightly from 15.9 to 15.8	Clearly above the industry average level	Q1/2023
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

Other

Stora Enso was, for the third consecutive year, included in the global environmental non-profit CDP Supplier Engagement Rating (SER) Leaderboard. Stora Enso ranks among the top 8% of companies assessed on efforts to engage suppliers on climate change.

First quarter 2023 results (compared with Q1/2022)

Sales YoY	Operational EBIT YoY	Earnings per share
-3%	**-53%**	**EUR 0.24** (Q1/2022: 0.37)

Group sales decreased by 3%, or EUR 77 million, to EUR 2,721 (2,798) million. Higher sales prices in all divisions, except Wood Products, improved the topline. Foreign exchange rates had a positive impact on sales. This was more than offset by lower deliveries and a negative effect of structural changes, mainly related to the paper site divestments at Nymölla in Sweden and Maxau in Germany, as well as the exit from the Russian operations.

Group operational EBIT decreased by 53%, or EUR 269 million to EUR 234 (503) million and the operational EBIT margin decreased to 8.6% (18.0%). The exit from the Russian operations reduced the first quarter profitability by EUR 12 million compared to a year ago. Higher sales prices in all divisions except Wood Products improved profitability by EUR 116 million. Net foreign exchange rates had a positive EUR 49 million impact on operational EBIT. Increased variable costs had a negative EUR 313 million impact. Lower volumes reduced operational EBIT by EUR 48 million. Fixed costs increased by EUR 77 million, impacted by De Jong Packaging Group acquisition. The impact from the closed and divested paper units, depreciations, equity accounted investments and other was positive EUR 4 million on operational EBIT.

Fair valuations and non-operational items had a positive net impact on the operating profit of EUR 11 (21) million. The impact came mainly from valuation of emission rights.

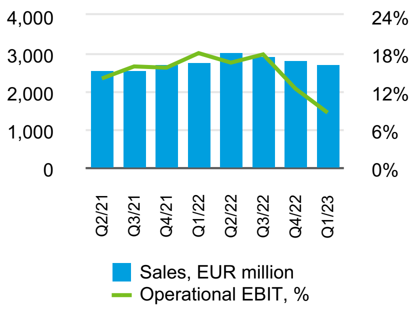
The Group recorded items affecting comparability (IAC) with a positive impact of EUR 12 (negative 130) million on its operating profit. The related tax impact was negative EUR 3 (positive 4) million. The IACs relate mainly to the disposals of the Nymölla and Maxau paper sites, De Jong Packaging Group acquisition and paper mill restructurings.

Net financial expenses of EUR 29 million were EUR 10 million higher than a year ago. Net interest expenses of EUR 25 million decreased by EUR 3 million, mainly because of higher interest income on deposits and cash. Other net financial expenses of EUR 2 million were EUR 5 million lower than a year ago. 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 2 (16) million.

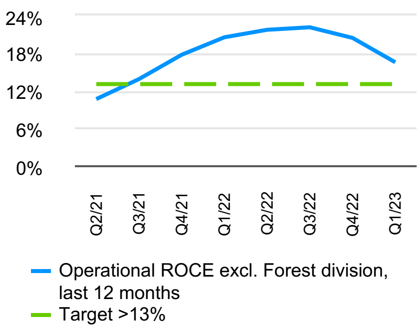
Earnings per share decreased by 34% to EUR 0.24 (0.37), and earnings per share excluding fair valuations were EUR 0.23 (0.35).

The operational return on capital employed (ROCE) was 11.5% (13.6%). Operational ROCE excluding the Forest division was 16.5% (20.5%).

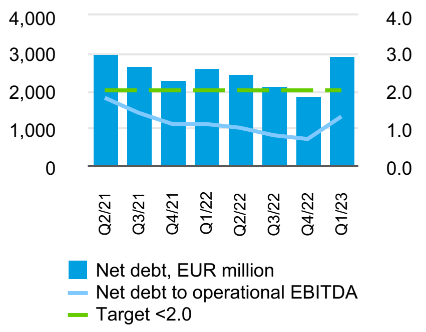
Sales and operational EBIT



Operational ROCE excl. Forest



Net debt to operational EBITDA



Breakdown of change in sales

Sales Q1/2022, EUR million	2,798
Price and mix	3%
Currency	1%
Volume	-7%
Other sales[1]	1%
Total before structural changes	-2%
Structural changes[2]	-1%
Total	-3%
Sales Q1/2023, EUR million	**2,721**

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

Breakdown of change in capital employed

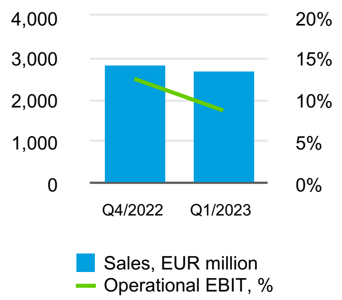
Capital employed 31 March 2022, EUR million	13,299
Capital expenditure excl. investments in biological assets less depreciation	310
Investments in biological assets less depletion of capitalised silviculture costs	6
Impairments and reversal of impairments	-57
Fair valuation of forest assets	544
Unlisted securities (mainly PVO)	-1
Equity accounted investments	244
Net liabilities in defined benefit plans	80
Operative working capital and other interest-free items, net	317
Emission rights	-69
Net tax liabilities	-240
Acquisition of subsidiaries	868
Disposal of subsidiaries	-231
Translation difference	-473
Other changes	-23
Capital employed 31 March 2023	**14,573**

First quarter 2023 results (compared with Q4/2022)

Group sales decreased by 5%, or EUR 143 million, to EUR 2,721 (2,864) million. Sales were negatively impacted by the paper site disposals of Nymölla in Sweden and Maxau in Germany. Higher sales in Packaging Solutions mainly as a consequence of the De Jong Packaging Group acquisition was more than offset by lower pulp prices and deliveries.

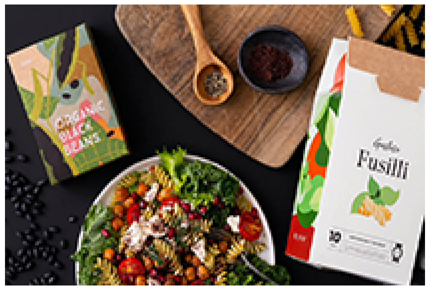
Operational EBIT decreased by EUR 121 million to EUR 234 (355) million and the margin to 8.6% (12.4%). The sales prices were EUR 61 million lower mainly due to lower pulp and sawn wood prices. Variable costs were EUR 94 million higher, especially due to energy and pulpwood. Lower volumes reduced operational EBIT by EUR 30 million and negative net foreign exchange rates by EUR 18 million. Fixed costs were EUR 54 million lower, driven by seasonality and timing of annual maintenance shutdowns. Positive impact from the closed and divested units, depreciations, equity accounted investments and other was EUR 27 million.

Sales and operational EBIT



Packaging Materials

- High operating costs continued in Q1/2023
- Consumer board demand turned softer towards the end of the quarter in some of the end-use segments, excl Liquid Packaging Board
- Consumer board price increases materialised according to expectations
- Containerboard demand remained low and prices continued to decrease due to low economic activity and decreasing energy prices
- Production was adjusted and cost savings measures put in place to meet the lower demand



Operational ROOC

13.5%

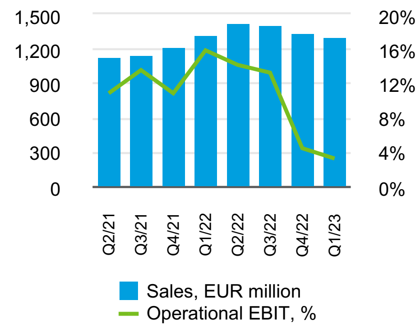
(Target: >20%)

Maintenance shutdowns

	2022	2023
Q1	—	—
Q2	Beihai, Ostrołęka	Beihai, Ostrołęka, Langerbrugge
Q3	Skoghall, Ingerois, Heinola, Oulu, Anjala, Nymölla	Anjala, Heinola, Ingerois, Ostrołęka, Oulu, Varkaus
Q4	Fors, Imatra, Skoghall, Varkaus	Fors, De Hoop, Imatra, Skoghall

- Sales decreased by 1%, or EUR 16 million, to EUR 1,300 million. Price and volume decline in containerboard was only partly offset by the contribution from the De Hoop recycled containerboard site and higher consumer board and paper prices.
- Operational EBIT decreased by EUR 167 million to EUR 41 million. Increased operating costs, lower containerboard volumes and prices, and the impact from the logistics strikes in Finland were only partly offset by higher consumer board and paper prices.
- Operational ROOC was 13.5% (18.4%), below the long-term target of >20%.
- The De Hoop containerboard site (part of De Jong Packaging Group) is included in the Packaging Materials division as of January 2023.
- Stora Enso will postpone the decision regarding the possible future conversion at the Langerbrugge site, until there are more favourable market conditions for containerboard.

Sales and operational EBIT



EUR million	Q1/23	Q1/22	Change % Q1/23–Q1/22	Q4/22	Change % Q1/23–Q4/22	2022
Sales	1,300	1,317	-1.2%	1,335	-2.6%	5,496
Operational EBITDA	128	293	-56.2%	142	-9.4%	993
Operational EBITDA margin	9.9%	22.3%		10.6%		18.1%
Operational EBIT	41	208	-80.3%	59	-30.3%	655
Operational EBIT margin	3.2%	15.8%		4.4%		11.9%
Operational ROOC, LTM[1]	13.5%	18.4%		18.6%		18.6%
Cash flow from operations	-5	165	-103.1%	168	-103.0%	823
Cash flow after investing activities	-157	81	-293.9%	61	n/m	488
Deliveries, 1,000 tonnes	1,119	1,160	-3.5%	1,086	3.1%	4,599
Production, 1,000 tonnes	1,127	1,244	-9.4%	1,094	2.9%	4,682

[1] Last 12 months

Comparative figures have been restated as described in our release from 29 March 2023

Market development during Q1

Product	Market	Demand Q1/23 compared with Q1/22	Demand Q1/23 compared with Q4/22	Price Q1/23 compared with Q1/22	Price Q1/23 compared with Q4/22
Consumer board	Europe	Significantly weaker	Stronger	Significantly higher	Slightly lower
Kraftliner	Global	Significantly weaker	Slightly stronger	Significantly lower	Significantly lower
Testliner	Europe	Significantly weaker	Stable	Significantly lower	Significantly lower
Paper	Europe	Significantly weaker	Significantly weaker	Significantly higher	Stable

Source: Fastmarket RISI, Fastmarket FOEX, CEPI, Numera Analytics, Stora Enso. Consumer board prices only include FBB.

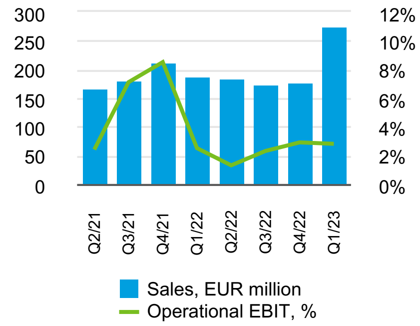
Packaging Solutions

- The acquisition of De Jong Packaging Group was completed on 6 January 2023, integration work is proceeding according to plan
- Overall market demand conditions continued to be challenging
- Seasonally weak demand in Q1 was amplified by a cold spring delaying agricultural production, one of the division's largest end-use segments. Demand for e-commerce packaging also slowed down during Q1
- Restructuring in the Nordics and China Packaging improved results, offsetting soft demand and the divestment of the Russian operations in Q2/2022

Operational ROOC	Sales YoY	Operational EBIT margin
5.2%	**46%**	**2.8%**
(Target: >15%)		(Q1/2022: 2.5%)

- Sales increased by 46% or EUR 87 million to EUR 276 million. The acquisition of De Jong Packaging Group more than offset the impact of the divestment of the Russian operations in Q2/2022. Sales from the Northern and Central-Eastern European businesses decreased slightly due to the soft market. Sales prices in corrugated packaging were lower as a consequence of lower raw material prices in containerboard.
- Operational EBIT increased by EUR 3 million to EUR 8 million, including amortisation of acquired intangibles of EUR 4 million. The acquisition of De Jong Packaging Group and contribution from the Northern and Central-Eastern European businesses improved performance, mitigating the negative impact of the soft market for the remaining businesses and the divestment of the Russian operations (Q2/2022).
- Operational ROOC was 5.2%, below the long-term target of >15%.

Sales and operational EBIT



EUR million	Q1/23	Q1/22	Change % Q1/23–Q1/22	Q4/22	Change % Q1/23–Q4/22	2022
Sales	276	189	46.3%	177	56.2%	727
Operational EBITDA	24	11	111.0%	11	111.6%	42
Operational EBITDA margin	8.6%	6.0%		6.3%		5.7%
Operational EBIT	8	5	64.3%	5	51.6%	16
Operational EBIT margin	2.8%	2.5%		2.9%		2.2%
Operational ROOC, LTM[1]	5.2%	18.6%		7.9%		7.9%
Cash flow from operations	19	-3	n/m	17	12.3%	11
Cash flow after investing activities	-7	-10	32.5%	9	-171.3%	-14
Corrugated packaging European deliveries, million m^2	307	232	32.6%	171	80.1%	772
Corrugated packaging European production, million m^2	290	236	22.9%	171	69.0%	771

[1] Last 12 months
Comparative figures have been restated as described in our release from 29 March 2023

Market development during Q1

Product	Market	Demand Q1/23 compared with Q1/22	Demand Q1/23 compared with Q4/22	Price Q1/23 compared with Q1/22	Price Q1/23 compared with Q4/22
Corrugated packaging	Europe	Significantly weaker	Weaker	Stable	Stable

Source: Fastmarket RISI

Biomaterials

- All-time high first quarter sales did not mitigate cost escalation
- The pulp market turned softer with weaker year-on-year demand in most regions leading to lower prices. Global inventories increased to highest levels since 2019
- Demand in China was seasonally weak
- The maintenance shutdown and operational issues at start-up at the Veracel site caused volume losses and higher maintenance impact

Operational ROOC

24.0%

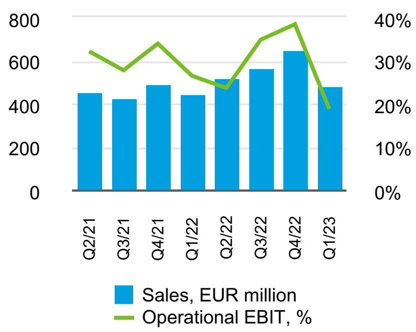
(Target: >15%)

Maintenance shutdowns

	2022	2023
Q1	Montes del Plata	Veracel
Q2	Enocell	Montes del Plata, Skutskär
Q3	Sunila	Sunila
Q4	—	Enocell

- Sales increased by 10%, or EUR 46 million to EUR 488 million. The record-high first quarter sales were driven by stronger year-on-year prices, solid by-product sales support and favourable currency exchange rates.
- Operational EBIT decreased by 22%, or EUR 25 million, to EUR 91 million. Higher sales did not offset the higher wood, chemicals and fixed costs. The maintenance shutdown and operational issues at start-up at the Veracel site in Brazil caused volume losses and higher maintenance impact.
- Operational ROOC was 24.0%, above the long-term target of >15%.

Sales and operational EBIT



EUR million	Q1/23	Q1/22	Change % Q1/23–Q1/22	Q4/22	Change % Q1/23–Q4/22	2022
Sales	488	442	10.5%	649	-24.8%	2,180
Operational EBITDA	125	149	-15.8%	284	-55.9%	822
Operational EBITDA margin	25.7%	33.7%		43.8%		37.7%
Operational EBIT	91	117	-21.7%	249	-63.3%	687
Operational EBIT margin	18.7%	26.4%		38.4%		31.5%
Operational ROOC, LTM[1]	24.0%	22.2%		25.3%		25.3%
Cash flow from operations	192	136	41.0%	213	-9.9%	682
Cash flow after investing activities	140	97	43.8%	168	-16.5%	536
Pulp deliveries, 1,000 tonnes	580	611	-5.0%	693	-16.3%	2,554

[1] Last 12 months

Market development during Q1

Product	Market	Demand Q1/23 compared with Q1/22	Demand Q1/23 compared with Q4/22	Price Q1/23 compared with Q1/22	Price Q1/23 compared with Q4/22
Softwood pulp	Europe	Weaker	Slightly weaker	Higher	Slightly lower
Hardwood pulp	Europe	Weaker	Slightly weaker	Significantly higher	Slightly lower
Hardwood pulp	China	Slightly stronger	Weaker	Significantly higher	Significantly lower

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

Wood Products

- Sales and profit were impacted by a significantly weaker sawn wood market and the exit from Russian operations in Q2/2022
- The results were impacted by lower sawn wood prices, lower volumes and continued high raw material costs
- Building Solutions showed growth due to finalised projects, especially in France and the UK, supported by the new Cross Laminated Timber (CLT) site in the Czech Republic.
- The construction market is significantly impacted by fewer building permits and projects

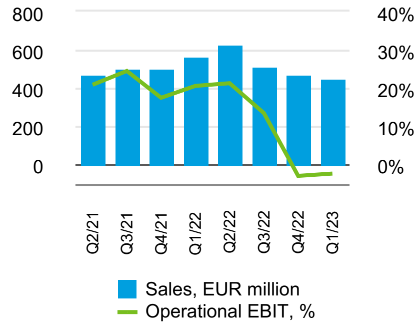
Operational ROOC
24.9%
(Target: >20%)

Sales YoY
-21%

Operational EBIT margin
-2.3%
(Q1/2022: 20.6%)

- Sales decreased by 21%, or EUR 119 million, to EUR 454 million, mainly impacted by lower volumes and sales prices, especially for sawn wood, and the exit from Russian operations in Q2/2022.
- Operational EBIT decreased by EUR 129 million to EUR -11 million, affected by lower prices and volumes, together with increased costs mainly for logistics and electricity.
- Operational ROOC was above the long-term target of >20% at 24.9% (65.8%).

Sales and operational EBIT



EUR million	Q1/23	Q1/22	Change % Q1/23–Q1/22	Q4/22	Change % Q1/23–Q4/22	2022
Sales	454	573	-20.7%	471	-3.7%	2,195
Operational EBITDA	2	130	-98.8%	-1	n/m	356
Operational EBITDA margin	0.3%	22.7%		-0.1%		16.2%
Operational EBIT	-11	118	-109.0%	-14	22.3%	309
Operational EBIT margin	-2.3%	20.6%		-2.9%		14.1%
Operational ROOC, LTM[1]	24.9%	65.8%		43.2%		43.2%
Cash flow from operations	3	78	-96.0%	54	-94.3%	346
Cash flow after investing activities	-8	55	-114.1%	28	-128.0%	264
Wood products deliveries, 1,000 m^3	1,001	1,178	-15.0%	999	0.1%	4,235

[1] Last 12 months

Market development during Q1

Product	Market	Demand Q1/23 compared with Q1/22	Demand Q1/23 compared with Q4/22	Price Q1/23 compared with Q1/22	Price Q1/23 compared with Q4/22
Wood products	Europe	Significantly weaker	Stronger	Significantly lower	Slightly lower
Wood products	Overseas	Significantly weaker	Significantly weaker	Significantly lower	Slightly lower

Source: Stora Enso

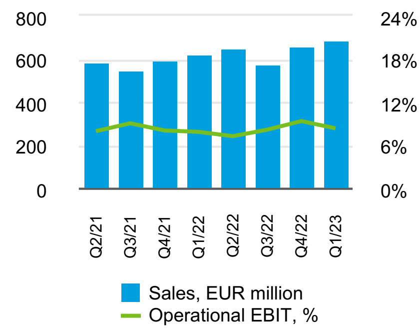
Forest

- Strong and stable financial result continued
- Forest valuation increased to EUR 8.3 billion, equivalent to EUR 10.49 per share
- Wood prices and demand remained at high levels
- Wood market around the Baltic Sea area remained tight due to the lack of Russian wood supply
- Flexible use of the Group's own forests and efficient wood sourcing continue to secure reliable wood availability

Operational ROCE	Total value of forest assets	Sales YoY
3.8%	**EUR 8.3 billion**	**+10%**
(Target: >3.5%)	(Q1/2022: EUR 8.0 billion)	

- Sales increased by 10%, or EUR 61 million, to EUR 687 million, driven by higher wood prices, especially in pulpwood, whereas wood demand was lower year-on-year.
- Operational EBIT of EUR 57 million was driven by a stable and strong operational performance in the Group's own forest assets and in the wood supply operations.
- Operational ROCE, at 3.8% (3.7%), was above the 3.5% long-term target, despite the increasing fair value of Stora Enso's forest assets in the Nordics.

Sales and operational EBIT



EUR million	Q1/23	Q1/22	Change % Q1/23–Q1/22	Q4/22	Change % Q1/23–Q4/22	2022
Sales[1]	687	626	9.7%	664	3.4%	2,519
Operational EBITDA	68	58	16.2%	79	-14.4%	256
Operational EBITDA margin	9.9%	9.3%		11.9%		10.2%
Operational EBIT	57	49	16.4%	62	-7.9%	204
Operational EBIT margin	8.3%	7.8%		9.3%		8.1%
Operational ROCE, LTM[2]	3.8%	3.7%		3.7%		3.7%
Cash flow from operations	20	45	-55.0%	20	-0.3%	146
Cash flow after investing activities	9	34	-73.6%	-3	n/m	91
Wood deliveries, 1,000 m^3	9,227	10,224	-9.7%	9,136	1.0%	38,217
Operational fair value change of biological assets	29	22	31.9%	22	36.5%	87

[1] In Q1/2023, internal wood sales to Stora Enso's divisions represented 62% of net sales and external sales to other forest companies represented 38%.
[2] Last 12 months

Segment Other

The segment Other included the paper production sites in the process of divestment during the first quarter, the reporting of the emerging businesses (including Formed Fiber, Circular Solutions (biocomposites), and Selfly Stores), as well as Stora Enso's shareholding in the energy company Pohjolan Voima (PVO), and the Group's shared services and administration.

EUR million	Q1/23	Q1/22	Change % Q1/23–Q1/22	Q4/22	Change % Q1/23–Q4/22	2022
Sales	364	481	-24.2%	528	-30.9%	2,150
Operational EBITDA	31	21	50.6%	20	57.4%	102
Operational EBITDA margin	8.6%	4.3%		3.8%		4.7%
Operational EBIT	27	6	n/m	14	93.6%	63
Operational EBIT margin	7.3%	1.3%		2.6%		2.9%
Cash flow from operations	25	-17	244.8%	-42	159.6%	-136
Cash flow after investing activities	23	-34	168.2%	-61	138.3%	-203

Comparative figures have been restated as described in our release from 29 March 2023

- Sales decreased by EUR 117 million to EUR 364 million driven by the divestment of the Nymölla and Maxau paper sites during Q1/2023.
- Operational EBIT improved by EUR 20 million to EUR 27 million.
- 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. The new nuclear power reactor Olkiluoto 3 started regular electricity production on 16 April.

Capital structure in the first quarter of 2023 (compared with Q4/2022)

EUR million	31 Mar 2023	31 Dec 2022	31 Mar 2022
Operative fixed assets[1]	14,503	14,368	13,800
Equity accounted investments	820	832	578
Operative working capital, net	949	862	617
Non-current interest-free items, net	-211	-255	-331
Operating Capital Total	**16,061**	**15,806**	**14,664**
Net tax liabilities	-1,488	-1,451	-1,364
Capital Employed[2]	**14,573**	**14,356**	**13,300**
Equity attributable to owners of the Parent	11,688	12,532	10,726
Non-controlling interests	-31	-30	-19
Net interest-bearing liabilities	2,917	1,853	2,593
Financing Total[2]	**14,573**	**14,356**	**13,300**

[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 decreased by EUR 679 million to EUR 1,238 million.

Net debt increased by EUR 1,063 million to EUR 2,917 (1,853) million during the first quarter. The ratio of net debt to the last 12 months' operational EBITDA was at 1.3 (0.7). The net debt/equity ratio on 31 March 2023 increased to 0.25 (0.15). The average interest expense rate on borrowings was at reporting date 3.5% (3.3%).

During the first quarter Stora Enso draw bilateral loans of EUR 200 million with three-year maturity and extension options. These loans were arranged during last quarter of 2022, but undrawn at the year-end.

Stora Enso had in total EUR 900 million committed fully undrawn credit facilities as per 31 March 2023. Additionally, the Company has access to EUR 1,050 million statutory pension premium loans in Finland.

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 69 million to EUR 8,269 (8,338) million. The decrease is mainly caused by foreign exchange impact. The fair value of biological assets, including Stora Enso's share of Tornator, decreased by EUR 24 million to EUR 5,629 (5,653) million. The value of forest land, including leased land and Stora Enso's share of Tornator, decreased by EUR 45 million to EUR 2,640 (2,685) million.

Credit ratings

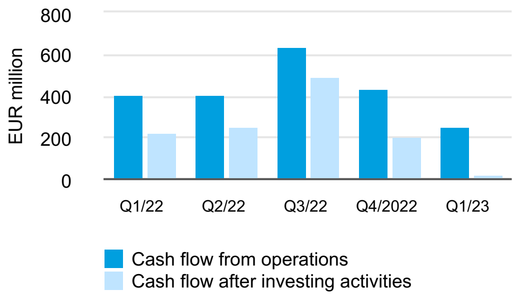
Rating agency	Long/short-term rating	Valid from
Fitch Ratings	BBB- (positive)	9 March 2023
Moody's	Baa3 (positive) / P-3	10 February 2023

Cash flow in the first quarter of 2023 (compared with Q4/2022)

Operative cash flow

EUR million	Q1/23	Q1/22	Change % Q1/23–Q1/22	Q4/22	Change % Q1/23–Q4/22	2022
Operational EBITDA	399	662	-39.8%	515	-22.6%	2,529
IAC on operational EBITDA	32	-61	152.1%	8	280.9%	-133
Other adjustments	-57	13	n/m	-77	26.5%	-62
Change in working capital	-120	-211	43.2%	-18	n/m	-461
Cash flow from operations	**254**	**403**	**-36.9%**	**429**	**-40.7%**	**1,873**
Cash spent on fixed and biological assets	-253	-177	-43.4%	-225	-12.8%	-705
Acquisitions of equity accounted investments	0	-2	100.0%	-2	100.0%	-7
Cash flow after investing activities	**1**	**224**	**-99.7%**	**202**	**-99.7%**	**1,162**

Cash flow after investing activities was EUR 1 (202) million. Working capital increased by EUR 120 million, mainly due to increased inventories, and was offset by lower trade receivables and increased payables. Cash spent on fixed and biological assets was EUR 253 million. Payments related to the previously announced provisions amounted to EUR 7 million.



Capital expenditure in the first quarter of 2023 (compared with Q1/2022)

Additions to fixed and biological assets totalled EUR 229 (85) million, of which EUR 214 (71) million were fixed assets and EUR 15 (14) million biological assets.

Depreciations and impairment charges excluding IACs totalled EUR 136 (135) million. Additions in fixed and biological assets had a cash outflow impact of EUR 253 (177) million.

Capital expenditure by division

EUR million	Q1/23		Investment to be finalised
Packaging Materials	83	Oulu consumer board investment Board machine 8 capacity increase at Skoghall in Sweden	2025 2024
Packaging Solutions	88	De Jong Packaging Group's De Lier site expansion	2023
Biomaterials	42	Skutskär bleach plant upgrade in Sweden Lignin related investments at Sunila, Finland	2024 2023
Wood Products	6		n/a
Forest	5		n/a
Other	5		n/a
Total	**229**		

Capital expenditure and depreciation forecast 2023

EUR million	Forecast 2023
Capital expenditure	1,200–1,300
Depreciation and depletion of capitalised silviculture costs	640–680

Stora Enso's capital expenditure forecast includes approximately EUR 80 million for the Group's forest assets. The depletion of capitalised silviculture costs is forecast to be EUR 70–80 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 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 risk of continued high cost inflation in general and increased price volatility for raw materials such as wood, chemicals, other components and energy in Europe, as well as continued logistical disruptions across the markets. The tight wood market could cause disruptions such as delays and/or lack of wood supply to the Group's production sites. The risk of a prolonged global economic downturn and recession, as well as sudden interest rate increases, currency fluctuations, and trade unions strike action could all affect negatively the Group's profits, cash flow and financial position, as well as access to material and transport.

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 2022, available at 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 35 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 222 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 150 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 46 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 89 million, negative EUR 12 million and positive EUR 14 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 164 million expense exposure in Brazilian real (BRL) and approximately EUR 77 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 16 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.

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.

Changes in Group management

Micaela Thorström was appointed EVP Legal and General Counsel and Member of the Group Leadership Team. She assumed her new role in April. Micaela joined Stora Enso in 2015 as Legal Counsel and was appointed Vice President of Group Legal in April 2022.

Before joining Stora Enso, she held several senior level positions at companies and law firms in Finland such as PricewaterhouseCoopers, Hannes Snellman, Lindholm Wallgren Attorneys and Roschier.

Decisions by the Annual General Meeting

Stora Enso Oyj's Annual General Meeting was held on 16 March 2023 in Helsinki, Finland. The AGM adopted the accounts for 2022, reviewed the Remuneration Report 2022 and granted the Company's Board of Directors and Chief Executive Officer discharge from liability for the period.

The AGM approved the proposal by the Board of Directors that the Company distribute a dividend of EUR 0.60 per share for the year 2022. The dividend was paid on 27 March 2023.

The AGM approved the proposal by the Shareholders' Nomination Board that the current members of the Board of Directors – Håkan Buskhe, Elisabeth Fleuriot, Helena Hedblom, Kari Jordan, Christiane Kuehne, Antti Mäkinen, Richard Nilsson and Hans Sohlström – were re-elected members of the Board of Directors until the end of the following AGM and that Astrid Hermann was elected new member of the Board of Directors for the same term of office. The AGM elected Kari Jordan as Chair of the Board of Directors and Håkan Buskhe as Vice Chair of the Board of Directors.

The AGM approved the proposal that PricewaterhouseCoopers Oy be elected as auditor until the end of the following AGM. PricewaterhouseCoopers Oy has notified the company that Samuli Perälä, APA, will act as the responsible auditor.

The AGM approved the proposals that the Board of Directors be authorised to decide on the repurchase and on the issuance of Stora Enso R shares. The amount of shares shall not to exceed a total of 2,000,000 R shares, corresponding to approximately 0.25% of all shares and 0.33% of all R shares.

The AGM approved the annual remuneration for the Board of Directors as follows:

Chair	EUR 209,000 (2022: 203,000)
Vice Chair	EUR 118,000 (2022: 115,000)
Members	EUR 81,000 (2022: 79,000)

The AGM approved the proposal by the Shareholders' Nomination Board that the annual remuneration for the members of the Board of Directors, be paid in Company shares and cash so that 40% will be paid in Stora Enso R shares to be purchased on the Board members' behalf from the market at a price determined in public trading, and the rest in cash.

The AGM approved the proposed annual remuneration for the Board committees.

The AGM approved the amendment of Stora Enso's Articles of Association to enable arranging a General Meeting of Shareholders as a virtual meeting without a meeting venue as an alternative for a physical meeting or a hybrid meeting.

Decisions by the Board of Directors

At its meeting held after the AGM, Stora Enso's Board of Directors elected Richard Nilsson (Chair), Elisabeth Fleuriot and Astrid Hermann as members of the Financial and Audit Committee.

Kari Jordan (Chair), Håkan Buskhe and Antti Mäkinen were elected members of the People and Culture Committee.

Christiane Kuehne (Chair), Helena Hedblom and Hans Sohlström were elected members of the Sustainability and Ethics Committee.

This report has been prepared 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, 25 April 2023
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 2022 with the exception of new and amended standards applied to the annual periods beginning on 1 January 2023 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.

Changes in segment reporting

Due to the divestments and reorganisation of retained Paper division operations, Stora Enso's segment reporting was changed as of 1 January 2023. The Paper division was discontinued and not reported as a separate segment from 1 January 2023 onwards. The Maxau, Nymölla and Hylte sites together with all previously sold and closed sites are reported as part of segment Other. The retained sites Langerbrugge and Anjala are reported as part of the Packaging Materials division.

As of 1 January 2023 emerging business related units in the Packaging Solutions division were moved to segment Other. These units include Formed Fiber, Circular Solutions (biocomposites) and Selfly Stores.

Comparative figures have been restated accordingly. As of 1 January 2023, the reportable segments are Packaging Materials, Packaging Solutions, Biomaterials, Wood Products, Forest, and segment Other.

Acquisition of Group companies – De Jong Packaging Group

In September 2022, Stora Enso signed an agreement to acquire De Jong Packaging Group and the transaction was completed at the beginning of January 2023. De Jong Packaging Group is based in the Netherlands and is one of the largest corrugated packaging producers in the Benelux countries. De Jong Packaging Group is also active in containerboard production through the acquisition of the De Hoop mill in the Netherlands in 2021. De Jong Packaging Group has 16 sites in the Netherlands, Belgium, Germany and the UK and employs approximately 1,300 people. The acquisition will advance Stora Enso's strategic direction, increase its corrugated packaging capacity, accelerate revenue growth and build market share in renewable packaging in Europe. De Jong Packaging Group's product portfolio and geographic presence will complement and enhance Stora Enso's offering. The acquisition is expected to generate synergies over the cycle, mainly through sourcing, containerboard integration optimisation and commercial opportunities.

The shares of the acquired companies are mainly 100% owned, with certain units having minor non-controlling interests. The non-controlling interest is measured on basis of the proportionate share of the identifiable net assets.

The preliminary cash purchase consideration was EUR 612 million, excluding a contingent earn-out component. The maximum amount of the earn-out component is EUR 45 million. It will be settled in cash in 2024 and it is subject to De Jong Packaging Group achieving certain earnings thresholds. The contingent consideration is measured at its fair value and estimated at EUR 0 million on the date of acquisition. The final purchase price is subject to customary purchase price adjustments.

The fair values of the identifiable assets and liabilities as of the acquisition date are presented in the table below.

EUR million	Q1/2023
Net assets acquired	
Cash and cash equivalents	27
Property, plant and equipment	223
Intangible assets	219
Right-of-use assets	104
Working capital	15
Tax assets and liabilities	-70
Interest-bearing assets and liabilities	-232
Fair value of net assets acquired	**287**
Purchase consideration, cash part	612
Purchase consideration, contingent	0
Total purchase consideration	**612**
Fair value of net assets acquired	-287
Non-controlling interest	2
Goodwill	**327**
Cash outflow on acquisitions	-612
Cash and cash equivalents of acquired subsidiaries	27
Cash flow on acquisition, net of acquired cash	**-585**

The fair values of the acquired assets, liabilities and goodwill as on the acquisition date have been determined on a provisional basis pending finalisation of the post-combination review of the fair values. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition, or any other adjustment items, are identified, the above amounts and the accounting for the acquisition will be adjusted. The provisional goodwill represents the expected synergies, mainly through sourcing, containerboard integration optimisation and commercial opportunities. The goodwill is allocated to the divisions benefiting from the acquisition, Packaging Solutions and Packaging Materials. None of the goodwill recognised is expected to be deductible for tax purposes.

For Q1/2023, De Jong Packaging Group contributed sales of EUR 162 million and an IFRS net loss of EUR 13 million to the Group's results. Since the acquisition occurred in the beginning of the year, Stora Enso Group's consolidated sales and net profit include the results from the acquired units from the beginning of 2023. Related transaction costs amounted to EUR 6 million and are presented in other operating expenses. The acquired units are reported in the Packaging Solutions and Packaging Materials divisions.

Disposal of Group companies

In Q1/2023 Stora Enso completed transactions for the Nymölla paper site in Sweden and the Maxau paper site in Germany. The following table reflects the net assets of companies sold, including disposal consideration.

EUR million	Q1/23	Q1/22
Net assets sold		
Cash and cash equivalents	20	0
Property, plant and equipment	257	1
Intangible assets	57	0
Working capital	-13	0
Tax assets and liabilities	-23	0
Interest-bearing assets and liabilities	-85	0
Net assets in disposed companies	**212**	**1**
Total disposal consideration	**256**	**5**

Assets held for sale

As announced in January 2023, Stora Enso has signed agreements to dispose of the Hylte paper production site in Sweden. The unit belongs to the segment Other, considering the segment changes in 2023. Disposal of the Hylte site was completed at the beginning of April 2023.

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 the sale of such assets. In addition, the sale must be highly probable and expected to be completed within one year after the date of classification.

These assets and related liabilities are presented separately in the consolidated statement of financial position and are 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 Q1/2023 include the Hylte site. Assets held for sale include mainly fixed assets, inventories and operative receivables, whereas related liabilities consist mainly of 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.

Changes in the calculation of operational ROCE and ROOC

Presenting return measures based on the last 12 months is an effective way to analyse the most recent financial data on an annualised basis and is considered more suitable for tracking the development of long-term targets.

From Q1/2023 onwards, Stora Enso will present the operational return on capital employed (operational ROCE) based on the last 12 months prior to the end of the reporting period. This is calculated by dividing the operational EBIT of the last 12 months with the average capital employed. The average capital employed for the last 12 months is determined as the average of the published capital employed of the last five quarter-ends.

Similarly, the return on operating capital (operational ROOC) for the divisions and the return on equity (ROE) for the Group will be based on the last 12 months prior to the end of the reporting period.

The presentation of operational ROCE, operational ROOC and ROE based on quarter or year-to-date figures will be discontinued.

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 2023

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

Future standard changes endorsed by the EU but not yet effective in 2023

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

Condensed consolidated income statement

EUR million	Q1/23	Q1/22	Q4/22	2022
Sales	**2,721**	**2,798**	**2,864**	**11,680**
Other operating income	147	89	89	326
Change in inventories of finished goods and WIP	22	89	1	258
Materials and services	-1,739	-1,682	-1,757	-6,979
Freight and sales commissions	-259	-245	-288	-1,148
Personnel expenses	-328	-324	-330	-1,315
Other operating expenses	-161	-135	-134	-594
Share of results of equity accounted investments	11	20	156	221
Change in net value of biological assets	0	-12	268	195
Depreciation, amortisation and impairment charges	-156	-204	-165	-635
Operating profit	**258**	**394**	**705**	**2,009**
Net financial items	-29	-19	-39	-151
Profit before tax	**228**	**374**	**666**	**1,858**
Income tax	-43	-88	-82	-322
Net profit for the period	**185**	**287**	**584**	**1,536**
Attributable to				
Owners of the Parent	189	289	586	1,550
Non-controlling interests	-4	-2	-2	-13
Net profit for the period	**185**	**287**	**584**	**1,536**
Earnings per share				
Basic earnings per share, EUR	0.24	0.37	0.74	1.97
Diluted earnings per share, EUR	0.24	0.37	0.74	1.96

Consolidated statement of comprehensive income

EUR million	Q1/23	Q1/22	Q4/22	2022
Net profit for the period	**185**	**287**	**584**	**1,536**
Other comprehensive income (OCI)				
Items that will not be reclassified to profit and loss				
Equity instruments at fair value through OCI	-469	68	-175	519
Actuarial gains and losses on defined benefit plans	3	77	-101	147
Revaluation of forest land	0	0	-149	259
Share of OCI of Equity accounted investments (EAI)	0	0	58	58
Income tax relating to items that will not be reclassified	-8	-10	41	-77
	-474	**135**	**-326**	**906**
Items that may be reclassified subsequently to profit and loss				
Cumulative translation adjustment (CTA)	-66	25	-262	-197
Net investment hedges and loans	-1	2	3	-27
Cash flow hedges and cost of hedging	-9	32	55	52
Share of OCI of Non-controlling Interests (NCI)	0	-1	3	0
Income tax relating to items that may be reclassified	1	-5	-14	-6
	-75	**52**	**-216**	**-177**
Total comprehensive income	**-364**	**474**	**42**	**2,265**
Attributable to				
Owners of the parent	-360	477	41	2,278
Non-controlling interests	-4	-3	0	-13
Total comprehensive income	**-364**	**474**	**42**	**2,265**

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

Condensed consolidated statement of financial position

EUR million		31 Mar 2023	31 Dec 2022	31 Mar 2022
Assets				
Goodwill	O	557	244	283
Other intangible assets	O	327	121	122
Property, plant and equipment	O	5,054	4,860	4,975
Right-of-use assets	O	569	418	437
		6,507	**5,643**	**5,817**
Forest assets	O	6,775	6,846	6,737
Biological assets	O	4,492	4,531	4,545
Forest land	O	2,282	2,315	2,192
Emission rights	O	239	123	273
Equity accounted investments	O	820	832	578
Listed securities	I	6	8	12
Unlisted securities	O	972	1,437	973
Non-current interest-bearing receivables	I	112	120	69
Deferred tax assets	T	67	74	123
Other non-current assets	O	36	38	40
Non-current assets		**15,533**	**15,120**	**14,621**
Inventories	O	1,903	1,810	1,619
Tax receivables	T	32	11	26
Operative receivables	O	1,463	1,473	1,543
Interest-bearing receivables	I	68	77	110
Cash and cash equivalents	I	1,257	1,917	983
Current assets		**4,723**	**5,287**	**4,280**
Assets held for sale		33	514	0
Total assets		**20,288**	**20,922**	**18,901**
Equity and liabilities				
Owners of the Parent		11,688	12,532	10,726
Non-controlling Interests		-31	-30	-19
Total equity		**11,656**	**12,502**	**10,706**
Post-employment benefit obligations	O	153	159	263
Provisions	O	83	81	94
Deferred tax liabilities	T	1,499	1,443	1,425
Non-current interest-bearing liabilities	I	2,864	2,792	3,082
Non-current operative liabilities	O	11	11	14
Non-current liabilities		**4,611**	**4,486**	**4,878**
Current portion of non-current debt	I	917	667	182
Interest-bearing liabilities	I	559	513	496
Bank overdrafts	I	19	0	6
Provisions	O	34	43	132
Operative liabilities	O	2,389	2,410	2,413
Tax liabilities	T	84	64	88
Current liabilities		**4,001**	**3,697**	**3,317**
Liabilities related to assets held for sale		20	237	0
Total liabilities		**8,632**	**8,419**	**8,195**
Total equity and liabilities		**20,288**	**20,922**	**18,901**

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	Q1/23	Q1/22
Cash flow from operating activities		
Operating profit	258	394
Adjustments for non-cash items	116	220
Change in net working capital	-120	-211
Cash flow from operations	**254**	**403**
Net financial items paid	-24	-27
Income taxes paid, net	-40	-56
Net cash provided by operating activities	**190**	**319**
Cash flow from investing activities		
Acquisition of subsidiary shares and business operations, net of acquired cash	-585	0
Acquisitions of equity accounted investments	0	-2
Acquisitions of unlisted securities	-1	0
Cash flow on disposal of subsidiary shares and business operations, net of disposed cash	236	5
Cash flow on disposal of forest and intangible assets and property, plant and equipment	35	2
Capital expenditure	-253	-177
Proceeds from/payment of non-current receivables, net	-24	-5
Net cash used in investing activities	**-593**	**-177**
Cash flow from financing activities		
Proceeds from issue of new long-term debt	210	9
Repayment of long-term debt and lease liabilities	-167	-259
Change in short-term interest-bearing liabilities	78	-39
Dividends paid	-399	-359
Purchase of own shares[1]	-6	-1
Net cash provided by financing activities	**-284**	**-649**
Net change in cash and cash equivalents	**-687**	**-508**
Translation adjustment	7	4
Net cash and cash equivalents at the beginning of period	1,917	1,480
Net cash and cash equivalents at period end	**1,238**	**977**
Cash and cash equivalents at period end	**1,257**	**983**
Bank overdrafts at period end	**-19**	**-6**
Net cash and cash equivalents at period end	**1,238**	**977**

[1] Own shares purchased for the Group's share award programme. The Group did not hold any of its own shares on 31 March 2023.

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 2022	**1,342**	**77**	**633**	**—**	**778**	**-4**	**1,373**	**29**	**-195**	**6,650**	**10,683**	**-16**	**10,666**
Net profit for the period	—	—	—	—	—	—	—	—	—	289	289	-2	287
OCI before tax	—	—	—	—	68	32	—	—	27	77	203	-1	202
Income tax relating to OCI	—	—	—	—	—	-5	—	—	1	-10	-15	—	-15
Total comprehensive income	**—**	**—**	**—**	**—**	**68**	**26**	**—**	**—**	**27**	**356**	**477**	**-3**	**474**
Dividend	—	—	—	—	—	—	—	—	—	-434	-434	—	-434
Acquisitions and disposals	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	-1	—	—	—	—	—	—	-1	—	-1
Share-based payments	—	—	—	1	—	—	—	—	—	—	1	—	1
Balance at 31 March 2022	**1,342**	**77**	**633**	**—**	**846**	**22**	**1,373**	**28**	**-168**	**6,572**	**10,726**	**-19**	**10,706**
Net profit for the period	—	—	—	—	—	—	—	—	—	1,261	1,261	-11	1,250
OCI before tax	—	—	—	—	451	21	259	58	-250	70	609	1	610
Income tax relating to OCI	—	—	—	—	1	-4	-53	—	3	-15	-68	—	-68
Total Comprehensive Income	**—**	**—**	**—**	**—**	**452**	**17**	**206**	**58**	**-247**	**1,316**	**1,802**	**-10**	**1,792**
Dividend	—	—	—	—	—	—	—	—	—	—	—	—	—
Acquisitions and disposals	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	—	—	—	—	—	—	—	—	—	—
Share-based payments	—	—	—	—	—	—	—	—	—	4	4	—	4
Balance at 31 December 2022	**1,342**	**77**	**633**	**—**	**1,298**	**39**	**1,579**	**87**	**-415**	**7,893**	**12,532**	**-30**	**12,502**
Net profit for the period	—	—	—	—	—	—	—	—	—	189	189	-4	185
OCI before tax	—	—	—	—	-469	-9	—	—	-67	3	-543	—	-542
Income tax relating to OCI	—	—	—	—	—	2	—	—	-1	-9	-7	—	-7
Total comprehensive income	**—**	**—**	**—**	**—**	**-468**	**-7**	**—**	**—**	**-68**	**183**	**-360**	-4	**-364**
Dividend	—	—	—	—	—	—	—	—	—	-473	-473	—	-473
Acquisitions and disposals	—	—	—	—	—	—	—	—	—	—	—	2	2
Purchase of treasury shares	—	—	—	-6	—	—	—	—	—	—	-6	—	-6
Share-based payments	—	—	—	6	—	—	—	—	—	-11	-5	—	-5
Balance at 31 March 2023	**1,342**	**77**	**633**	**—**	**830**	**32**	**1,578**	**87**	**-484**	**7,592**	**11,688**	**-31**	**11,656**

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	Q1/23	Q1/22	2022
Carrying value at 1 January	**12,489**	**12,654**	**12,654**
Additions in tangible and intangible assets	137	68	656
Additions in right-of-use assets	77	3	45
Additions in biological assets	15	14	77
Depletion of capitalised silviculture costs	-22	-18	-75
Acquisition of subsidiaries	862	0	0
Disposals and classification as held for sale[1]	-6	-1	-312
Depreciation and impairment	-156	-205	-640
Fair valuation of forest assets	21	6	529
Translation difference and other	-136	33	-445
Statement of Financial Position Total	**13,282**	**12,554**	**12,489**

[1] Including company disposals

Borrowings

EUR million	31 Mar 2023	31 Mar 2022	31 Dec 2022
Bond loans	2,446	2,497	2,460
Loans from credit institutions	802	354	623
Lease liabilities	528	385	375
Long-term derivative financial liabilities	1	26	0
Other non-current liabilities	5	3	2
Non-current interest bearing liabilities including current portion	**3,781**	**3,264**	**3,459**
Short-term borrowings	485	426	429
Interest payable	37	34	35
Short-term derivative financial liabilities	37	37	49
Bank overdrafts	19	6	0
Total Interest-bearing Liabilities	**4,359**	**3,767**	**3,972**

EUR million	Q1/23	Q1/22	2022
Carrying value at 1 January[1]	**3,972**	**3,938**	**3,938**
Additions in long-term debt, companies acquired	133	0	0
Proceeds of new long-term debt	210	9	366
Repayment of long-term debt	-156	-268	-351
Additions in lease liabilities, companies acquired	99	0	0
Additions in lease liabilities	77	3	45
Repayment of lease liabilities and interest	-17	-18	-73
Change in short-term borrowings	63	49	75
Change in interest payable	7	4	19
Change in derivative financial liabilities	-12	-6	-19
Disposals and classification as held for sale	1	0	-5
Other	15	7	8
Translation differences	-32	48	-32
Total Interest-bearing Liabilities	**4,359**	**3,767**	**3,972**

[1] The table format has been updated during last quarter of 2022 to better present changes in liabilities arising from cash flow activities and non-cash activities. The comparison figures have been restated for Q1/2022 accordingly.

Commitments and contingencies

EUR million	31 Mar 2023	31 Dec 2022	31 Mar 2022
On Own Behalf			
Guarantees	18	14	15
Other commitments	4	0	0
On Behalf of Equity Accounted Investments			
Guarantees	5	5	5
On Behalf of Others			
Guarantees	6	5	6
Other commitments	36	36	36
Total	**68**	**60**	**61**
Guarantees[1]	28	24	26
Other commitments[1]	40	36	36
Total	**68**	**60**	**61**

[1] The comparative figures as at 31 March 2022 have been restated due to a reclassification from other commitments to guarantees.

The Group announced its intention in December 2022 to divest its consumer board production and forest operations sites in Beihai, China. As previously disclosed, Stora Enso has been granted investment subsidies and has given certain investment commitments in China. There is a risk that the majority owned local Chinese company may be subject to a claim based on alleged costs resulting from certain uncompleted investment commitments. Given the specific mitigating circumstances surrounding the investment case as a whole, Stora Enso does not consider it to be probable that this situation would result in an outflow of economic benefits that would be material to the Group. The Company continues to monitor the situation as the divestment process proceeds.

Capital commitments

EUR million	31 Mar 2023	31 Dec 2022	31 Mar 2022
Total	**751**	**593**	**228**

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	Q1/23	Q1/22	Change % Q1/23–Q1/22	Q4/22	Change % Q1/23–Q4/22	2022
Operational EBITDA	**399**	**662**	**-39.8%**	**515**	**-22.6%**	**2,529**
Depreciation and silviculture costs of EAI	-2	-2	-4.9%	-3	20.7%	-11
Silviculture costs[1]	-27	-23	-17.7%	-27	2.2%	-100
Depreciation and impairment excl. IAC	-136	-135	-1.1%	-130	-4.5%	-527
Operational EBIT	**234**	**503**	**-53.5%**	**355**	**-34.1%**	**1,891**
Fair valuations and non-operational items[2]	11	21	-46.2%	381	-97.0%	363
Items affecting comparability (IAC)[2]	12	-130	109.4%	-31	139.1%	-245
Operating profit (IFRS)	**258**	**394**	**-34.6%**	**705**	**-63.5%**	**2,009**

[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	Q1/23	2022	Q4/22	Q3/22	Q2/22	Q1/22
Packaging Materials	1,300	5,496	1,335	1,421	1,424	1,317
Packaging Solutions	276	727	177	176	186	189
Biomaterials	488	2,180	649	567	522	442
Wood Products	454	2,195	471	520	631	573
Forest	687	2,519	664	581	649	626
Other	364	2,150	528	575	568	481
Inter-segment sales	-848	-3,589	-959	-876	-925	-828
Total	**2,721**	**11,680**	**2,864**	**2,963**	**3,054**	**2,798**

Comparative figures have been restated as described in our release from 29 March 2023.

Sales by segment – external

EUR million	Q1/23	2022	Q4/22	Q3/22	Q2/22	Q1/22
Packaging Materials	1,242	5,257	1,277	1,362	1,359	1,258
Packaging Solutions	273	704	171	170	179	184
Biomaterials	423	1,798	522	471	435	370
Wood Products	416	2,058	436	487	595	540
Forest	258	848	223	195	219	211
Other	108	1,014	234	279	267	234
Total	**2,721**	**11,680**	**2,864**	**2,963**	**3,054**	**2,798**

Comparative figures have been restated as described in our release from 29 March 2023.

Disaggregation of revenue

EUR million	Q1/23	2022	Q4/22	Q3/22	Q2/22	Q1/22
Product sales	2,707	11,521	2,841	2,927	3,000	2,753
Service sales	15	159	23	37	54	45
Total	**2,721**	**11,680**	**2,864**	**2,963**	**3,054**	**2,798**

Operational EBIT by segment

EUR million	Q1/23	2022	Q4/22	Q3/22	Q2/22	Q1/22
Packaging Materials	41	655	59	188	200	208
Packaging Solutions	8	16	5	4	2	5
Biomaterials	91	687	249	197	123	117
Wood Products	-11	309	-14	70	134	118
Forest	57	204	62	47	47	49
Other	27	63	14	29	14	6
Inter-segment eliminations	21	-42	-20	-7	-15	0
Operational EBIT	**234**	**1,891**	**355**	**527**	**505**	**503**
Fair valuations and non-operational items[1]	11	363	381	6	-45	21
Items affecting comparability[1]	12	-245	-31	-22	-61	-130
Operating Profit (IFRS)	**258**	**2,009**	**705**	**511**	**399**	**394**
Net financial items	-29	-151	-39	-63	-29	-19
Profit before Tax	**228**	**1,858**	**666**	**448**	**370**	**374**
Income tax expense	-43	-322	-82	-81	-71	-88
Net Profit	**185**	**1,536**	**584**	**367**	**299**	**287**

[1] See section Non-IFRS measures for IAC and fair valuations and non-operational items definitions.
Comparative figures have been restated as described in our release from 29 March 2023.

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

EUR million	Q1/23	2022	Q4/22	Q3/22	Q2/22	Q1/22
Impairments and impairment reversals	-19	-124	-9	-2	-2	-111
Restructuring costs excluding impairments	22	-3	11	-5	-3	-6
Acquisitions	-16	0	0	0	0	0
Disposals	20	-104	-31	-17	-56	0
Other	6	-15	-3	1	0	-13
Total IAC on Operating Profit	**12**	**-245**	**-31**	**-22**	**-61**	**-130**
Fair valuations and non-operational items	11	363	381	6	-45	21
Total	**24**	**118**	**350**	**-17**	**-106**	**-109**

Items affecting comparability had a positive impact on the operating profit of EUR 12 (negative -130) million. The IACs relate mainly to the disposals of the Nymölla and Maxau paper sites, De Jong Packaging Group acquisition and paper mill restructurings. Fair valuation and non-operational items had a positive impact on the operating profit of EUR 11 (21) million. The impact came mainly from valuation of emission rights.

Items affecting comparability (IAC) by segment

EUR million	Q1/23	2022	Q4/22	Q3/22	Q2/22	Q1/22
Packaging Materials	-21	-9	-2	-3	2	-6
Packaging Solutions	-20	-98	0	-5	-57	-36
Biomaterials	0	-2	0	0	0	-2
Wood Products	0	-56	-6	-21	-2	-27
Forest	-3	-48	1	-6	0	-43
Other	56	-33	-23	12	-4	-17
IAC on Operating Profit	**12**	**-245**	**-31**	**-22**	**-61**	**-130**
IAC on tax	-3	9	3	1	1	4
IAC on Net Profit	**10**	**-236**	**-29**	**-21**	**-60**	**-126**

Comparative figures have been restated as described in our release from 29 March 2023.

Fair valuations and non-operational items by segment

EUR million	Q1/23	2022	Q4/22	Q3/22	Q2/22	Q1/22
Packaging Materials	0	7	17	1	2	-12
Packaging Solutions	0	0	0	0	0	0
Biomaterials	-1	-17	-9	0	-6	-2
Wood Products	0	0	0	0	0	0
Forest	-9	367	401	2	-47	10
Other	21	6	-27	2	6	25
FV on Operating Profit	**11**	**363**	**381**	**6**	**-45**	**21**
FV on tax	-3	-38	-46	-1	13	-4
FV on Net Profit	**8**	**324**	**335**	**5**	**-32**	**17**

Comparative figures have been restated as described in our release from 29 March 2023.

Operating profit/loss by segment

EUR million	Q1/23	2022	Q4/22	Q3/22	Q2/22	Q1/22
Packaging Materials	21	653	74	185	204	190
Packaging Solutions	-12	-81	5	-1	-54	-31
Biomaterials	90	668	240	198	117	113
Wood Products	-11	253	-20	49	133	91
Forest	44	523	463	43	0	16
Other	104	36	-37	43	16	14
Inter-segment eliminations	21	-42	-20	-7	-15	0
Operating Profit (IFRS)	**258**	**2,009**	**705**	**511**	**399**	**394**
Net financial items	-29	-151	-39	-63	-29	-19
Profit before Tax	**228**	**1,858**	**666**	**448**	**370**	**374**
Income tax expense	-43	-322	-82	-81	-71	-88
Net Profit	**185**	**1,536**	**584**	**367**	**299**	**287**

Comparative figures have been restated as described in our release from 29 March 2023.

Calculation of operational return on capital employed (ROCE) and return on equity (ROE) based on the last 12 months

EUR million	Q1/23	Q1/22	Q4/22
Operational EBIT, LTM	1,622	1,703	1,891
Capital employed, LTM average	14,114	12,560	13,795
Operational return on capital employed (ROCE), LTM	**11.5%**	**13.6%**	**13.7%**
Operational EBIT excl. Forest division, LTM	1,410	1,511	1,687
Capital employed excl. Forest division, LTM average	8,552	7,366	8,276
Operational ROCE excl. Forest division, LTM	**16.5%**	**20.5%**	**20.4%**
Net profit for the period, LTM	1,435	1,409	1,536
Total equity, LTM average	11,730	9,803	11,532
Return on equity (ROE), LTM	**12.2%**	**14.4%**	**13.3%**
Net debt	2,917	2,593	1,853
Operational EBITDA, LTM	2,266	2,358	2,529
Net debt to last 12 months' operational EBITDA ratio	**1.3**	**1.1**	**0.7**

LTM = Last 12 months. The change in the calculation method is explained in the section Non-IFRS measures

Key exchange rates for the euro

One Euro is	Closing Rate		Average Rate (Year-to-date)	
	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
SEK	11.2805	11.1218	11.2017	10.6274
USD	1.0875	1.0666	1.0730	1.0539
GBP	0.8792	0.8869	0.8832	0.8526

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: 31 March 2023

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	—	6	—	6	6	6	—	—
Unlisted securities	—	957	15	972	972	—	—	972
Non-current interest-bearing receivables	89	23	—	112	112	—	23	—
Derivative assets	—	23	—	23	23	—	23	—
Loan receivables	89	—	—	89	89	—	—	—
Trade and other operative receivables	1,126	59	—	1,185	1,185	—	59	—
Current interest-bearing receivables	13	39	16	68	68	—	55	—
Derivative assets	—	39	16	55	55	—	55	—
Other short-term receivables	13	—	—	13	13	—	—	—
Cash and cash equivalents	1,257	—	—	1,257	1,257	—	—	—
Total	**2,485**	**1,084**	**31**	**3,599**	**3,599**	**6**	**137**	**972**

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	2,864	1	—	2,864	4,345	—	1	—
Derivative liabilities	—	1	—	1	1	—	1	—
Non-current debt	2,864	—	—	2,864	4,344	—	—	—
Current portion of non-current debt	917	—	—	917	917	—	—	—
Current interest-bearing liabilities	521	24	15	559	559	—	38	—
Derivative liabilities	—	24	15	38	38	—	38	—
Current debt	521	—	—	521	521	—	—	—
Trade and other operative payables	1,939	—	—	1,939	1,939	—	—	—
Bank overdrafts	19	—	—	19	19	—	—	—
Total	**6,260**	**24**	**15**	**6,298**	**7,778**	**—**	**39**	**—**

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 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	—	8	—	8	8	8	—	—
Unlisted securities	—	1,423	14	1,437	1,437	—	—	1,437
Non-current interest-bearing receivables	92	28	—	120	120	—	28	—
Derivative assets	—	28	—	28	28	—	28	—
Loan receivables	92	—	—	92	92	—	—	—
Trade and other operative receivables	1,138	66	—	1,204	1,204	—	66	—
Current interest-bearing receivables	10	50	16	77	77	—	67	—
Derivative assets	—	50	16	67	67	—	67	—
Other short-term receivables	10	—	—	10	10	—	—	—
Cash and cash equivalents	1,917	—	—	1,917	1,917	—	—	—
Total	**3,157**	**1,576**	**30**	**4,763**	**4,763**	**8**	**161**	**1,437**

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	2,792	—	—	2,792	2,749	—	—	—
Derivative liabilities	—	—	—	—	—	—	—	—
Non-current debt	2,792	—	—	2,792	2,748	—	—	—
Current portion of non-current debt	667	—	—	667	667	—	—	—
Current interest-bearing liabilities	462	30	20	513	513	—	50	—
Derivative liabilities	—	30	20	50	50	—	50	—
Current debt	462	—	—	462	462	—	—	—
Trade and other operative payables	2,076	—	—	2,076	2,076	—	—	—
Bank overdrafts	—	—	—	—	—	—	—	—
Total	**5,998**	**30**	**20**	**6,048**	**6,005**	**—**	**51**	**—**

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: 31 March 2023

EUR million	Q1/23	2022	Q1/22
Financial assets			
Opening balance at 1 January	**1,437**	**905**	**905**
Reclassifications	0	-1	-1
Gains/losses recognised in other comprehensive income	-466	523	69
Additions	1	10	0
Closing balance	**972**	**1,437**	**973**

The Group did not have level 3 financial liabilities as at 31 March 2023.

Level 3 Financial Assets

At period end, Level 3 financial assets included EUR 957 million of Pohjolan Voima Oy (PVO) shares for which the valuation method is described in more detail in the Annual Report. The valuation decreased by EUR 466 million versus December 2022, mainly due to lower electricity market prices. The valuation is most sensitive to changes in electricity prices and discount rates. The discount rate of 7.55% 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 +99 million and -99 million, respectively. A +/- percentage point change in the discount rate would change the valuation by EUR -143 million and +182 million, respectively.

Stora Enso shares

During the first quarter of 2023, the conversions of 829 A shares into R shares were recorded in the Finnish trade register.

On 31 March 2023, Stora Enso had 176,237,451 A shares and 612,382,536 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 237,475,704.

On 17 April 2023, the conversion of 2,398 A shares into R shares was recorded in the Finnish trade register.

Trading volume

	Helsinki		Stockholm	
	A share	**R share**	**A share**	**R share**
January	95,984	29,074,140	124,120	6,444,280
February	65,873	32,846,560	95,522	6,474,417
March	93,477	50,395,431	158,277	7,155,293
Total	**255,334**	**112,316,131**	**377,919**	**20,073,990**

Closing price

	Helsinki, EUR		Stockholm, SEK	
	A share	**R share**	**A share**	**R share**
January	14.35	13.10	162.40	149.10
February	14.85	13.40	163.20	148.10
March	13.45	11.98	152.40	134.70

Number of shares

Million	Q1/23	Q1/22	Q4/22	2022
At period end	788.6	788.6	788.6	788.6
Average	788.6	788.6	788.6	788.6
Average, diluted	789.8	789.5	789.5	789.4

Calculation of key figures

Operational return on capital employed, operational ROCE, LTM[4] (%)	100 x	Operational EBIT[4] / Capital employed[1 2]
Operational return on operating capital, operational ROOC, LTM[4] (%)	100 x	Operational EBIT[4] / Operating capital[2]
Return on equity, ROE, LTM[4] (%)	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
Operating capital		Operating capital is comprised of items marked with “O” in the statement of financial position
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 last five quarter ends [3] Attributable to the owners of the Parent
[4] Last 12 months prior to the end of reporting period

List of non-IFRS measures

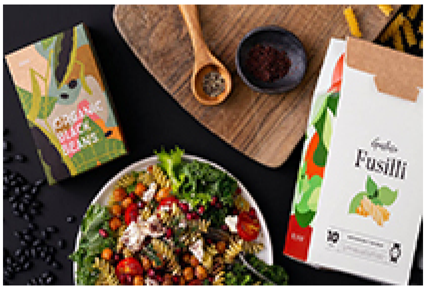
Operational EBITDA	Operating capital
Operational EBITDA margin	Depreciation and impairment charges excl. IAC
Operational EBIT	Operational ROCE
Operational EBIT margin	Earnings per share (EPS), excl. FV
Capital expenditure	Net debt/last 12 months’ operational EBITDA ratio
Capital expenditure excl. investments in biological assets	Operational ROOC
Capital employed	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 of the World Resource Institute (WRI). Historical figures recalculated due to divestments or additional data after the previous annual report.
GHG emissions, scope 3	Fossil CO_2e emissions from other sources along the value chain of all production units are estimated based on the most recent methodology. Joint operations included as suppliers. Currently, material emission categories for scope 3 emissions are updated annually. Accounting based on guidelines provided by the Greenhouse Gas Protocol and the World Business Council for Sustainable Development (WBCSD). Historical figures recalculated due to divestments or additional data after the previous annual report.
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.
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 and in the absence of these, by Stora Enso’s tests that prove recyclability. The reporting scope includes Stora Enso’s packaging, pulp, paper and solid wood products as well as biochemical by-products. Historical figures recalculated due to additional data after the previous annual report.
TRI (Total recordable incidents) rate	Number of incidents per one million hours worked. Including joint operations.
Gender balance: % of female managers among all managers	The share of female managers is accounted for as the headcount of all permanent managers with at least one direct report. The manager must be permanent, but the subordinates can be temporary or permanent. Excluding joint operations.
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 Q1/2023

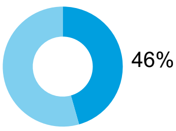
Stora Enso's diversified business portfolio creates resilience to changing market dynamics and fluctuations in demand, while enabling flexibility for evolving transformation.



Packaging Materials

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

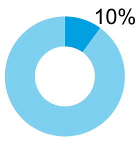
Share of Group external sales



Packaging Solutions

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

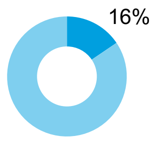
Share of Group external sales



Biomaterials

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

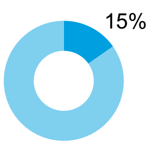
Share of Group external sales



Wood Products

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

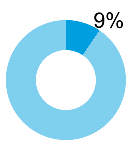
Share of Group external sales



Forest

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

Share of Group external sales



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Stora Enso's January–June 2023 results will be published on
21 July 2023

Part of the global bioeconomy, Stora Enso is a leading provider of renewable products in packaging, biomaterials, and wooden construction, 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 21,000 employees and our sales in 2022 were EUR 11.7 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.