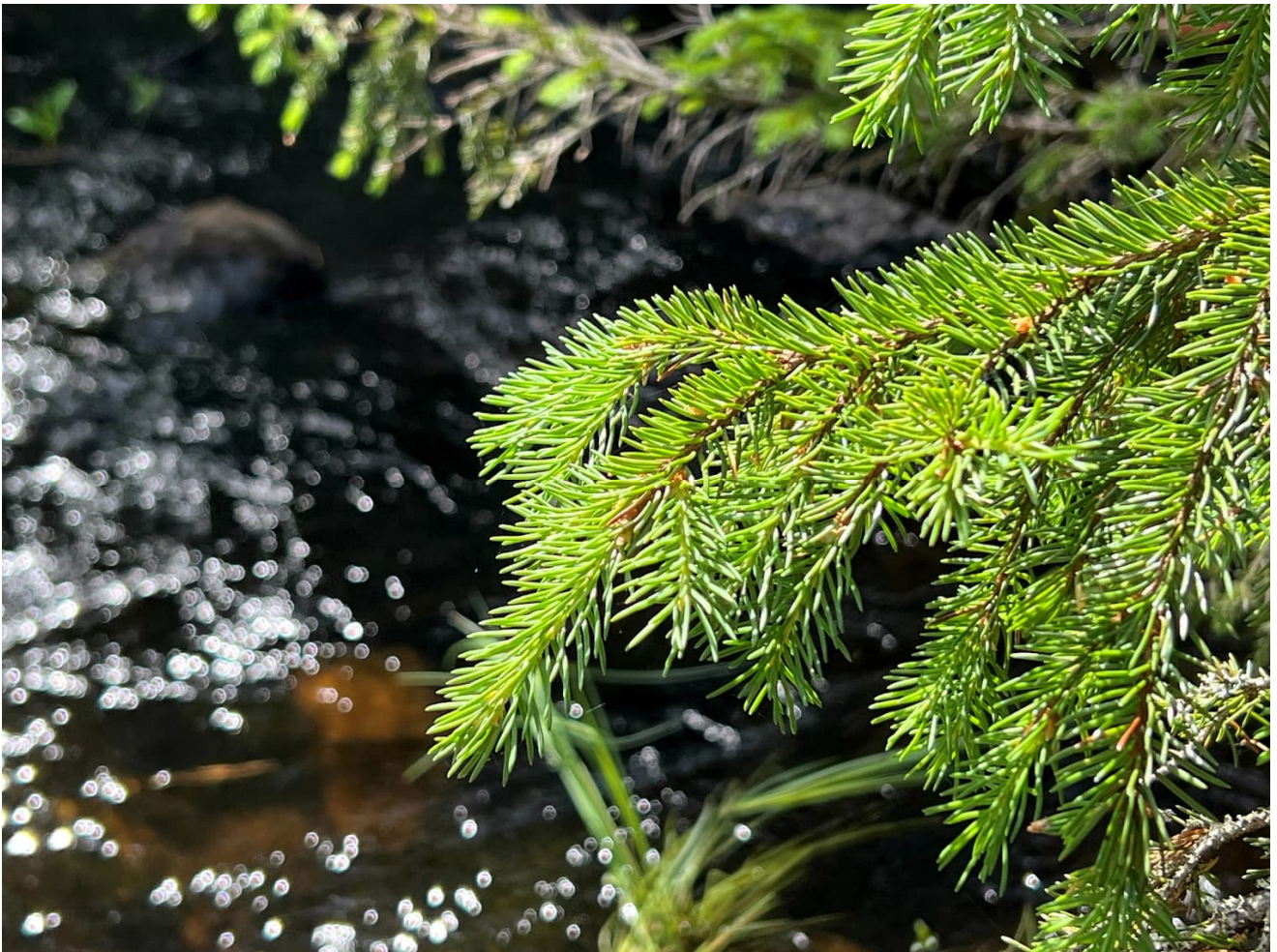


# Tornator Oyj

Financial Period 1 January–31 December 2024



## Tornator's revenue reached a new record of €213 million, and the company's forest assets in Finland exceeded 700,000 hectares

Financial Statements release, 5 February 2025 at 4 pm

### SUMMARY 1 JAN–31 DEC 2024

- Turnover increased to €213.0 million (+9.3%). Strong demand raised the selling price of wood.
- Adjusted operating profit rose to a new record of €154.1 million (€141.8), as did the comparable net profit of €103.2 million (€96.7).
- Operating profit at fair value was €189.9 million (€442.9) and net profit was €132.5 million (€340.6). Equity was €2.2 billion (€2.2) and return on equity at fair value was 6.0%.
- The fair value of the group's forest assets increased to €3.6 billion (€3.5).
- The equity ratio remained strong at 59.8% (60.1%).
- The company acquired nearly 24,000 hectares of new forest assets in Finland, raising its ownership in Finland to over 700,000 hectares.
- The company executed significant debt financing transactions and received an investment grade credit rating (Baa3) for its secured debt from Moody's credit rating agency.
- The company's climate and biodiversity programs progressed with several projects.

### CEO Henrik Nieminen

When Tornator was established in 2002, we promised our owners to increase our Turnover from €50 million to over €100 million by 2025. We did indeed exceed that target. In 2024, Tornator joined the €200 million club. Achieving top results usually requires both exceptional conditions and motivated, skilled personnel. This has been the case for Tornator. The price level of wood exceeded all forecasts, planning work was executed excellently, and in good cooperation with our main customer wood was moved from forests to replace fossil raw materials for the benefit of the climate.

### Foundations for Sustainable Growth are in place

Decades of professional forest management, built on practical experience, have proven their strength. Based on researched knowledge, Tornator updated its long-term sustainable harvesting plan, on which the company's annual wood sales plan is based on. Tornator's forests will continue to play a significant role as a source of renewable raw material and as one of the pillars of Finland's security of supply.

Growth in silviculture services was strong, indicating that Finnish forest owners trust Tornator's expertise in managing their forests. Trust is also important in forest acquisitions. Despite changes in interest rate markets, Tornator has continued to purchase forests steadily, and the company's forest assets in Finland grew by nearly 24,000 hectares. Strong growth requires good and functional channels to financial markets. Tornator received an investment grade credit rating for its secured debt, which significantly increased the interest of international debt investors in the company's new green bond issue.

Wind and solar power are key value-adding factors in forestry and are also of great importance to Tornator. The company signed dozens of new land lease agreements, and the implementation of renewable

energy projects will have positive impacts both economically and for the climate program. Tornator also added value through real estate development: the company's cash flow was strengthened by the sale of 340 hectares of forest land, conditional on regulatory approval, for Google's planned new data center in Kajaani.

### **Comprehensive Responsibility Across the Board**

Our work to safeguard biodiversity was visible through several publicly executed projects. Annual report of the company's 10-year biodiversity program has a concrete content. The co-operation agreement negotiated during the year and signed in January 2025 with WWF demonstrates the seriousness with which Tornator is committed to developing the environmental sustainability of forestry. The three-year main partnership with WWF includes a unique project in Finland to improve the water impacts of forestry at the watershed level.

In terms of social responsibility, Tornator's impact was significant. The company was once again among Finland's largest corporate taxpayers, and the employment impact of our forests was over 1,600 person-years. Our support for Ukrainian civilians suffering from Russia's war of aggression continued and will continue as long as necessary.

### **Transition to a New Strategy Period**

We completed an excellently successful strategy period, focusing on sustainability, partnership, and growth. A good strategy should not be changed too much. Listening to the owners' will and involving the staff broadly, Tornator developed its new strategy, deepening previous themes in the spirit of continuous improvement. The cornerstones of Tornator's strategy for 2025-2027 are quality, added value, and nature.

- **Nature:** We practice forestry that takes into account the climate and biodiversity.
- **Quality:** We improve the quality of our own and our partners' work to strengthen sustainable forest management and customer satisfaction.
- **Added Value:** We enhance business operations with digital solutions and promote the construction of renewable energy on our lands.

At the core of the strategy, we placed Tornator employees and their well-being, which is promoted with genuine Tornator spirit. We set high standards in the strategy not only for ourselves but also for our partners. We need ambition, courage, and perseverance in developing comprehensive sustainable forestry.

I want to warmly thank the staff, customers, and partners for their excellent co-operation. I invite you all to join the implementation of Tornator's new strategy and to enjoy the results. With 22 years of experience, I dare to promise that "we deliver top quality."

Henrik Nieminen, CEO

## Turnover and Profit

The group's Turnover was €213.0 million (€194.9), an increase of 9.3%. The volume of wood deliveries was at the level of the comparison period, but the strengthened price level increased Turnover. Changes in market interest rates or inflation, and Russia's war of aggression in Ukraine, did not have significant negative impacts on the company's business. The majority, €192.8 million or 90.5%, of the Turnover came from wood sales (€178.5 million, 91.6%). Turnover from forest services grew by 16.9% to €17.0 million (€14.5). Additionally, sales of land and plots generated €3.2 million (€1.8). Other operating income of €7.6 million (€4.9) includes, among other things, land use fees and lease payments, conservation area compensations, sales of soil resources, and income from realized and anticipated additional sales prices of sold wind power projects. The change in the value of additional sales prices was negative in the comparison period, so the comparison period amount is presented in other operating expenses.

Operating profit at fair value was €189.9 million (€442.9) and net profit for the financial year was €132.5 million (€340.6). The fair value of forest assets increased significantly more in the comparison period than in the current reporting period, which explains the decrease in operating profit. The change in the fair value of biological assets increased operating profit by €35.2 million (€295.7), and the negative fair value change of financial instruments reduced profit by €6.0 million (€5.5) before taxes. In addition to biological assets, the change in the value of forest assets was recorded for land through other comprehensive income in the equity revaluation reserve at €12.1 million (€-57.1 million).

The Tornator Timberland group includes the parent company Tornator Oyj, as well as Tornator Eesti Oü (100.0%) and in Romania SC Tornator SRL (100.0%) and Oituz Private Forest District SRL (100.0%).

## Key figures

The official key figures for the Group and the parent company were calculated according to the International Financial Reporting Standards (IFRS).

		2024	2023	2022
Turnover, € million	The Group	213.0	194.9	164.6
	Parent	195.3	172.7	147.9
Operating profit (IFRS), € million	The Group	189.9	442.9	572.0
	Parent	152.0	389.8	523.5
Operating profit, % of net sales	The Group	89.2	227.2	347.4
	Parent	77.8	225.7	354.1
Profit for the period (IFRS), € million	The Group	132.5	340.6	541.9
	Parent	96.9	299.5	498.0
Return on equity, %	The Group	6.0	16.5	33.8
	Parent	4.8	15.5	32.9
Return on capital employed, %	The Group	6.3	15.3	24.0
Equity ratio, %	The Group	59.8	60.1	60.4
Average personnel	The Group	188	189	188

### Comparable key figures

In addition to the official key figures presented above, the Tornator Group uses alternative performance measures that are comparable between years, thus better describing the success of operations. The comparable key figures have been calculated without fair value changes and apply to the whole Group.

	2024	2023	2022
Turnover, € million	213.0	194.9	164.6
Adjusted operating profit, € million	154.1	141.8	130.2
Adjusted operating profit, %	72.4	72.8	79.1
Profit for the period, comparable, € million	103.2	96.7	94.8
Return on equity (comparable), %	4.7	4.7	5.9
Return on capital employed (comparable), %	5.2	5.0	5.5

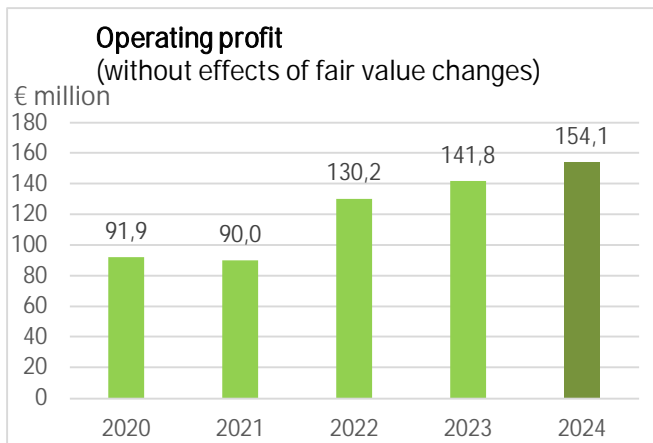
The key figures are calculated as follows:

<b>Operating profit, official</b>	<b>189.9</b>
- Change in fair value of biological assets	-35.2
- Change in the fair value of provisions and receivables from additional wind power sales prices	-0.5
<b>= Adjusted operating profit, comparable</b>	<b>154.1</b>
<b>Profit for the period, official</b>	<b>132.5</b>
- Change in fair value of biological assets	-35.2
- Change in the fair value of provisions and receivables from additional wind power sales prices	-0.5
- Change in fair value of financial instruments	+6.0
- Share of deferred taxes in above items	+0.4
<b>= Profit for the period, comparable</b>	<b>103.2</b>

$$\text{Return on equity, \%} = \frac{\text{Profit for the period}}{\text{Equity on average}} \times 100$$

$$\text{Return on capital employed, \%} = \frac{\text{Operating profit} + \text{interest income}}{\text{Balance sheet total} - \text{Interest-free liabilities on average}} \times 100$$

$$\text{Equity ratio, \%} = \frac{\text{Equity}}{\text{Balance sheet total} - \text{Advances received}} \times 100$$



### Distribution of turnover and non-current assets by country

In addition to the group-level figures, Tornator reports to the Chief operating decision maker the turnover, other operating income, operating expenses, and the net operating profit by country. The country-specific calculation and reconciliation to the official operating profit are presented below. Balance sheet items are not reported to the chief operating decision maker with the same level of detail, so they are presented separately for Finland and combined for Estonia and Romania.

1 Jan - 31 Dec EUR thousand	Finland	Estonia	Romania	Group internal eliminations and adjustments	Group total
Turnover	195,280.1	12,974.4	4,759.8	0.0	213,014.4
Other operative income	5,020.1	1,000.7	341.4	-474.1	5,888.2
Operative costs	-56,622.9	-5,075.9	-3,581.9	506.4	-64,774.3
<b>Operating profit</b>	<b>143,677.4</b>	<b>8,899.3</b>	<b>1,519.4</b>	<b>32.3</b>	<b>154,128.3</b>
Fare value items in operating profit	8,312.8	27,096.0	331.1	0.0	35,739.8
<b>Operating profit (IFRS)</b>	<b>151,990.2</b>	<b>35,995.2</b>	<b>1,850.5</b>	<b>32.3</b>	<b>189,868.2</b>

1 Jan - 31 Dec EUR thousand	Finland	Estonia	Romania	Group internal eliminations and adjustments	Group total
Turnover	172,660.5	15,654.4	6,580.5	0.0	194,895.4
Other operative income	4,321.0	831.3	187.0	-444.4	4,894.9
Operative costs	-49,849.1	-4,899.3	-3,530.1	280.3	-57,998.2
<b>Operating profit</b>	<b>127,132.4</b>	<b>11,586.3</b>	<b>3,237.5</b>	<b>-191.1</b>	<b>141,792.1</b>
Fare value items in operating profit	262 645,8	37 278,6	1 171,9	0,0	301 096,4
<b>Operating profit (IFRS)</b>	<b>389 778,2</b>	<b>48 865,0</b>	<b>4 409,4</b>	<b>-191,1</b>	<b>442 888,4</b>

	31 Dec 2024		31 Dec 2023	
<b>Forest assets:</b>	EUR thousand	%	EUR thousand	%
Finland	3,278,296.5	91.2	3,180,835.2	92.1
Romania and Estonia	316,608.2	8.8	274,707.5	7.9
<b>Total</b>	<b>3,594,904.7</b>	<b>100.0</b>	<b>3,455,542.7</b>	<b>100.0</b>
<b>Non-current Assets:</b>	EUR thousand	%	EUR thousand	%
Finland	3,315,715.2	91.2	3,214,583.4	92.0
Romania and Estonia	320,416.1	8.8	278,910.4	8.0
<b>Total</b>	<b>3,636,131.3</b>	<b>100.0</b>	<b>3,493,493.8</b>	<b>100.0</b>

The non-current assets presented above include all other non-current assets of the group except for financial instruments, deferred tax assets, and assets related to post-employment benefit plans.

### Effects of the war in Ukraine

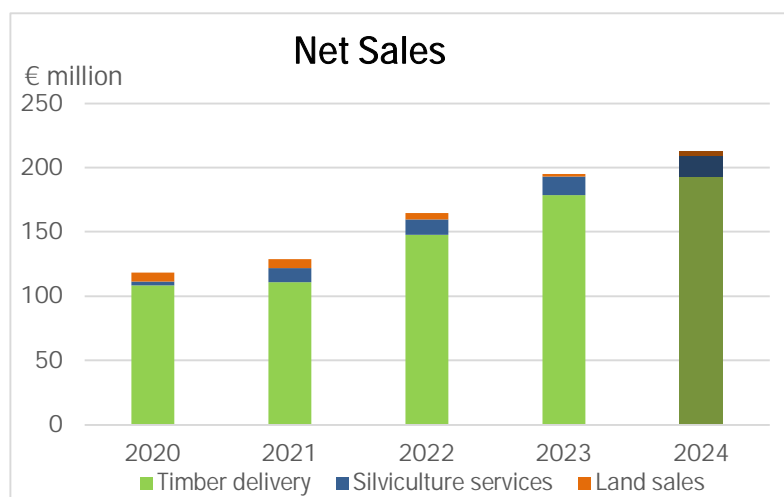
Russia's invasion of Ukraine and the consequent general economic instability did not have any major negative impact on Tornator's performance, balance sheet or cash flows. Tornator's turnover and adjusted operating profit were historically high during the reporting period. The cash flow from operating activities was also strong. The company's credit losses have not increased, and the company does not envisage higher financial risks or a fall in asset value. Tornator's contractors found replacements to Ukrainian seasonal workers, so forest management measures were not affected.

### Notable events during the period under review

Tornator had an excellent year, both in terms of operational activities and the implementation of strategic projects.

In the core business, namely timber sales and deliveries, the results were better than planned. Good demand pushed up the market price of wood. Timber deliveries to Tornator's main customer, Stora Enso, totalled some €169.0 million (€153.0 million), which was around 88% (86%) of the group's timber delivery turnover. Timber sales to the main customer are based on a long-term market-based framework agreement, which was renewed in 2021.

In silviculture services, work was carried out as planned.



The update of the fair value of Tornator's forest assets had positive impacts in 2024. The total value of the group's forest assets increased by approximately €139 million (€354) during the financial year, of which the parent company's share was about €97 million (€312), with the net effect of purchases being around €92 million (€119). The balance sheet value of biological assets also increased in Estonia and Romania, and the annual update of the fair value of biological assets in all countries improved the group's operating profit by a total of €35 million (€296). The impact of changes in the fair value of land was a total of +€12 million (€-61). The forest valuation model is described in more detail in the notes to the financial statements.

The total value of the group's forest assets recorded in the financial statements, including standing stock and land areas, was around €3,595 million (€3,456 million). The figures include the effects of felling, as well as the purchases and sales of forestland. Tornator owns a total of approximately 783,000 hectares of forest in Finland, Estonia and Romania (760,000).

Tornator's equity ratio remained high at 59.8% (60.1%), and liquidity remained good throughout the year. The company fulfilled the terms of its loan to value (LTV) covenant by a safe margin.

The company continued to purchase new forestland. Tornator bought almost 24,000 hectares of forests in Finland.

In Estonia and Romania, the company continued to manage its forests sustainably, and to further develop its sustainable business operations. All the group's forests are double-certified (PEFC™, FSC®).

*Finland FSC-C123368*  
*Estonia FSC-C132610*  
*Romania FSC-C132426*

Tornator continued to implement its climate and biodiversity programmes. The content and objectives of the programs are presented on our website.

In line with our sustainability program, Tornator engaged in mire restoration, prescribed burning and the establishment of conservation areas on approximately 800 hectares of our land. Tornator continued with major conservation projects within the framework of initiatives such as the Metso and Helmi habitat protection programs.

The Annual General Meeting of Tornator Oyj on March 8, 2024, decided, in accordance with the Board's proposal, to pay a dividend of €35 million and to authorize the Board of Directors to decide on an additional dividend of up to €35 million. At its meeting on 29 November, 2024, the Board decided to distribute an additional dividend of €35 million. In total, €70 million were distributed as dividends during the 2024 financial year.

## **Risk management**

Tornator's risk management is aimed at securing profitable business in the long term and to create opportunities for well-managed risk taking using the selected strategy. It is based on the systematic identification and analysis of all significant risks to the company.

Tornator's risks are divided into three main categories: strategic risks, operational risks and financial risks. Examples of each category are described below.



## Strategic risks

Fluctuation in timber demand is naturally a risk for a forestry company. Demand risk has decreased as the use of wood has increased and diversified, and many new innovations are still unknown. With new investments by the forest industry and as the import of timber from Russia came to a halt, wood demand has increased in all countries in which Tornator operates. The company has also secured high demand for wood by certifying all its forests.

The volatility of wood prices is a significant risk factor in terms of Tornator's results. If prices fall, Tornator can temporarily increase the volume of cutting right sales or plot and forestland sales or both. However, the goal is to follow a sustainable felling plan in order to optimise annual cash flows in the long run.

Risks concerning the quantity and quality of wood raw material are controlled through long-term forest resource management planning and focusing operations according to the structure and age-class distribution of the forests. In 2021, for the verification of growing stock growth, the company adopted the MOTTI Finnish forest growth models, developed by the Natural Resources Institute Finland (Luke), based on the latest research results. These models are used in the preparation of the long-term felling plan (longer than 30 years).

The market transaction-based forest valuation method which is applied in Finland can, in sudden market conditions changes, lead to bigger and faster changes in forest value than the future cash flow -based method that is applied in Estonia and Romania.

Changes in current certification criteria may affect opportunities for forest use and cause a loss of income for Tornator, unless there is an agreement on full compensation. The Finnish Forest Stewardship Council (FSC) redefined its national criteria in 2023. Tornator was closely involved in this process and does not foresee that the changes will cause any significant loss of revenue.

Forestland purchasing entails risks, and the success of investment often becomes apparent only later. The forest resources and structure of the estate to be purchased are determined using highly advanced technology, but some decisions must still be based on estimates. The pricing of estates is based on clear criteria, but pricing and the underlying estimates may have an effect on the success of purchases in terms of returns.

Tornator monitors the prevailing economic conditions when planning land sales. A downturn in the economy may reduce the demand for holiday home plots and cause a temporary decline in revenues. The risks associated with investments in wind power project development are managed by conducting sufficiently detailed preliminary studies before starting projects, selecting well-known industry players as partners, diversifying projects regionally across different parts of Finland, and carefully carrying out project planning. Tornator does not participate in the construction or ownership of wind power production but sells its shares in projects before construction and remains a lessor as the owner of the land.

When utilising forest resources, Tornator manages risks to the environment by complying with environmental legislation and certification criteria. Risks are discussed in employee training and introduction and minimised through careful planning of operations and a high standard of implementation.

Significant new statutes or other factors impeding operations can be regarded as political risks. An example of this is the debate in Finland on the acceptability of forest use, or discussions on regulation at EU level that would restrict forestry. The role of forests in halting biodiversity loss, among other things, has been in the headlines. Acquiring forest assets as a foreign company may also subject the company to political risks in the target countries in question. In managing risks, it is important to cooperate with authorities, educational institutions and various NGOs as well as participate in societal

debate. Proactive risk management also involves participation in research in the field and the preparation of various carbon calculations. Tornator pursues open communication with an emphasis on the positive overall responsibility of the company's forestry activities and corporate values.

Tornator also aims to continue expanding its operations outside Finland, in countries where the related growth potential is considered profitable. Geographic expansion is both a way to manage risks and a risk in itself. With regard to Tornator's operations, Romania and Estonia score relatively poorly in corruption statistics. Tornator makes economic, social and environmental sustainability an integral part of its business, guided by a Code of Conduct that is common to all countries of operation. Furthermore, the risks associated with expansion are managed by selecting competent partners and reliable customers, and by balancing out long and short-term timber sales agreements. The company performs internal control in all countries, and the group has a whistleblower channel in place.

Attracting and retaining skilled employees is a risk in forestry as well. Tornator has prepared for rising numbers of retirements among forest workers by signing on new contractors and increasing machine work. With regard to salaried employees, the company collaborates with educational institutions and recruits proactively. The risk is also managed with active HR management and development. Because of the war, workers from Ukraine have not been available for forest management work. Future reconstruction could cause a shortage of forestry workers in Tornator's countries of operation, should forestry labour move from these countries to Ukraine.

### **Operational risks**

To manage internal business risks, Tornator has operational processes that are approved by the board of directors and senior management. Operational work is increasingly carried out with entrepreneurs' resources, which poses challenges in terms of control of environmental damage and occupational safety, among other things. The expansion of silviculture services business throughout Finland has increased the risks posed to Tornator through factors such as an increase in the number of contractors used. This control is being improved by means of training and the use of information technology.

Greater frequency of natural disasters due to climate change pose an ever-greater risk to forest assets. For Tornator, the size and geographic extent of its holdings, the good health and growth of its forests, and the measures required by the Act on Prevention of Forest Damage form an intrinsic risk management tool. In addition, Tornator has a Finnish forest insurance policy that covers damage in the case of a major disaster. However, the company regards insuring its forest holdings abroad as unprofitable, because the target countries lack an operational forest insurance market. The threat of a cyber attack on corporate information systems may also be considered a risk. Tornator is prepared for this by utilising advanced security technology and by providing instructions and training to users

### **Financial risks**

A substantial proportion of debt in the company's balance sheet constitutes a risk which Tornator manages with special attention. Ready access to the capital markets will enable the successful refinancing of debt. The company adjusts its debt portfolio depending on the financial market situation, so that debt maturities are spread over several years and as far into the future as possible. The company has spread the risks related to funding by issuing both bonds and bank loans maturing in different years. The company has prepared for market rate changes with derivative contracts. Hedging is applied to mitigate the interest rate risk on the loans. Liquidity management is based on advance payments and up-to-date cash management. The company also has a commercial paper programme in place to optimise the need for cash. Cash reserves are invested in bank deposits and short-term, liquid and highly rated funds.

Tornator manages customer risks by advance payments based on sales agreements.

### Notable events after the end of the period

No notable events after the end of the period.

### Estimate of future development

The global megatrends, such as climate change and population growth, are further expected to increase demand for sustainably produced renewable wood raw material in the long term. Temporary pressure may, however, be placed on timber demand and felling if, for example, the tension in international politics escalates. If the global economy slows down more than expected, forest industry production may contract, with potential negative impacts on timber delivery volumes and the company's turnover.

In the company's own forests, silviculture operations will be continued according to the normal annual cycle and the fertilisation program will be carried out as planned. In addition to this, Tornator will perform silviculture works for Stora Enso's silviculture services customers throughout Finland. The situation in the forestland market is expected to remain similar to the previous year. Wind and solar power projects will be advanced where possible.

The company estimates that its financial performance and debt service capacity will remain stable.

### Research and development

The company has put a lot of emphasis on improving the availability and quality of growing stock data. In addition, the development of harvesting and nature management quality as well as information systems was continued. A special focus was on the development of information systems for silviculture services and wood sales, as well as on improving the quality of the contracting process.

### Personnel, wages and salaries

The average number of personnel was at the same level as the year before. In addition to normal pay, the company uses a reward system based on performance targets. In 2024, an average of 7.0% of normal pay was given as performance-based bonuses for 2023 (in 2023, 7.8% was paid for 2022).

The group has about 190 employees. Its forests provide directly various types of forestry work for people, mainly in sparsely populated areas, with an estimated equivalent of some 1,600 FTE.

	2024	2023	2022
Average number of personnel during the period	188	189	188
Remuneration for the period, € million	11.3	11.0	10.3

### Environment

Tornator has an environmental programme whose objectives and outcomes are reviewed annually. The framework for the company's environmental management is set by forest and environmental legislation as well as the PEFC and FSC certification systems. Compliance with the certification criteria is audited annually by an external evaluator. In 2024, a five-year re-audit was conducted for Tornator's FSC certificate for Finnish forests, and audit resulted in no major non-conformances. In its forestry operations, the company complies with the Best Practices for Sustainable Forest Management published by the Forestry Development Centre Tapio.

Tornator has an ambitious biodiversity programme for 2021–2030. Measures under the Biodiversity Program not only improve the status of endangered forest species and habitats, but also promote ecosystem services, water protection, game management and mitigation of climate change

### **Sustainability Reporting and EU Taxonomy**

Tornator will prepare sustainability reporting in accordance with the European Commission's Corporate Sustainability Reporting Directive (CSRD) starting from the financial year 2025. Tornator is a small group in terms of the number of employees, so it does not need to prepare CSRD-compliant sustainability report for the financial year ending December 31, 2024.

Tornator has already started CSRD preparations. A double materiality analysis has been conducted, providing a clear overall picture of the reporting requirements. In addition to the materiality analysis, Tornator has in previous years assessed the taxonomy eligibility of its business and found it to be quite high. The assessment of taxonomy alignment will be completed during 2025 as part of the sustainability report preparation.

Companies subject to the European Union (EU) Sustainable Finance Taxonomy Regulation (852/2020) are required to disclose the proportion of their revenue, capital expenditures, and operating expenses that are associated with activities identified in the EU taxonomy as potentially environmentally sustainable economic activities or that meet its technical screening criteria. The EU taxonomy is a classification system designed to direct financing towards activities that significantly contribute to the achievement of the following environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

For the financial year 2024, Tornator will continue to report the proportion of its activities that are taxonomy-eligible for the first two environmental objectives, climate change mitigation and climate change adaptation.

Tornator's main business area is sustainable forestry, whose core is based on dual-certified (FSC® and PEFC) forests. Wood obtained from responsibly managed forests has a significant impact as a substitute for fossil raw materials. Of the taxonomy's environmental objectives, Tornator can promote both climate change mitigation and adaptation. Additionally, Tornator continuously undertakes measures aimed at preserving biodiversity and promoting the protection and restoration of ecosystems. No significant harm to other taxonomy environmental objectives has been identified from Tornator's activities.

Forestry is one of the sectors for which technical screening criteria have been defined in the taxonomy. The relevant criteria for Tornator can be found in Chapter 1 Forestry, activity 1.3 Forest Management, and the corresponding NACE classification A2 Forestry. Based on the company's preliminary analysis, Tornator's forestry business is taxonomy-eligible economic activity, and a more detailed analysis of taxonomy alignment will continue during 2024.

The accompanying table presents the taxonomy eligibility of Tornator's activities by key figures for the years 2023 and 2024:

- Turnover: IFRS-compliant turnover, which consists of sales of logging rights, forest service sales, and land sales. Of these, the sale of logging rights and silviculture service sales have been identified as taxonomy-eligible items.

- Capital Expenditures (CapEx): Additions to intangible, tangible, and biological assets as presented in the IFRS financial statements. The majority of capital expenditures are for the purchase of forest land, which is interpreted as a prerequisite for sustainable forestry business and the climate impacts it generates. Additionally, investments directly related to forestry business, such as forest road networks and ICT systems needed for forest planning and management, are also interpreted as taxonomy-eligible.
- Operating Expenses (OpEx): Costs directly related to the maintenance and management of assets have been considered. At Tornator, a large portion of such expenses are related to various forest management activities and forest treatment: contracting fees, material purchases, and personnel costs. General administrative expenses, depreciation, and the book value of sold land areas have been excluded from the IFRS income statement expenses.

Based on these criteria, Tornator has arrived at the following key figures for taxonomy eligibility for the years 2023 and 2024. The high taxonomy eligibility reflects well the nature of Tornator's core operations - forestry and wood as a renewable raw material play a significant role in the fight against climate change:

**2024:**

Key performance indicator (KPI)	Total, million €	Taxonomy eligible, %	Taxonomy non-eligible, %
Turnover	213,0	98 %	2 %
Capital expenditure (CapEx)	98,6	100 %	0 %
Operational expenditure (OpEx)	50,0	98 %	2 %

**2023:**

Key performance indicator (KPI)	Total, million €	Taxonomy eligible, %	Taxonomy non-eligible, %
Turnover	194,9	99 %	1 %
Capital expenditure (CapEx)	123,5	100 %	0 %
Operational expenditure (OpEx)	44,2	98 %	2 %

**Company organisation, management and auditor**

Until 8 March 2024, Tornator's Board of Directors included Chair Mikko Koivusalo, Deputy Chair Mikko Mursula and members Seppo Toikka and Tuomas Virtala.

At the Annual General Meeting of 8 March 2024, the following were elected as ordinary members of the Board of Directors and their personal deputies until the next Annual General Meeting:

Ordinary member	Deputy member
Hanna Kaskela	Sampsa Ratia
Tuomas Virtala	Erkko Rynänen
Seppo Toikka	Jari Suvanto
Esko Torsti	Ilja Ripatti

In its organising meeting of 8 March 2024, the company's Board of Directors elected Esko Torsti as Chair of the Board and Hanna Kaskela as Deputy Chair. On the Oversight Committee that oversees significant agreements between the company and the shareholders, the board elected Hanna Kaskela as Chair,

Esko Torsti and Tuomas Virtala as members and Seppo Toikka as a deputy member. Esko Torsti, Hanna Kaskela and Tuomas Virtala were elected as members of the Remuneration Committee.

Henrik Nieminen has acted as Chief Executive Officer. His deputy is EVP, Forestry Ari Karhapää.

The Management Group was made up by CEO Henrik Nieminen, CFO Antti Siirtola, EVP, Forestry Ari Karhapää, EVP, Real Estate Juha Mäki, EVP, ICT, Development and Operations Heikki Penttinen and EVP, People, Communications and Sustainability Outi Nevalainen.

At the Annual General Meeting of 8 March 2024, PricewaterhouseCoopers were elected auditors with APA Panu Vänskä as principal auditor.

### Number of shares

The parent company's share capital of €51,836,213.00 is divided into 5,000,000 shares, and all shares carry equal rights. The parent company shares are subject to a redemption clause specified in the Articles of Association, according to which other shareholders have a redemption right if company shares change hands.

### Handling of profit

The parent company's distributable profit amounted to €1,843,873,070.60, of which the profit for the period was €96,901,553.53.

The Board of Directors of Tornator Oyj proposes to the Annual General Meeting that a dividend of €14.00 per share, or €70,000,000.00, to be paid. The remaining part will be carried over in the shareholders' equity. The provisional dividend payment date is 26 March 2025; record date 20 March 2025.

### Major shareholders on 31 December 2024

Stora Enso Oyj	41.00%
Ilmarinen Mutual Pension Insurance Company	23.13%
Varma Mutual Pension Insurance Company	16.41%
OP Life Assurance Company Ltd	6.25%
OP-Forest Owner Fund	5.00%
Veritas Pension Insurance	2.50%
OP-Eläkesäätiö pension insurance	2.08%
Pohjola Insurance Ltd	1.04%
Finnair Pension Foundation	0.99%
Riffu Oy	0.75%
Danilostock Oy	0.75%
Finnair Plc	0,10%
<b>Total</b>	<b>100.00%</b>

### Votes carried by shares

According to Tornator Oyj's Articles of Association, the votes of a shareholder at the Shareholders' General Meeting may not exceed 20 per cent of the total number of votes carried by all shares in the company, including the voting rights of all companies and their pension funds and foundations belonging to the same group as the shareholder.

As required by the Finnish Financial Supervisory Authority, a Corporate Governance Statement is presented as a separate report on the company's website at [www.tornator.fi/en/investors-2/](http://www.tornator.fi/en/investors-2/)

The key calculations of the consolidated financial statements are presented below. The official financial statements will be available on the company's website latest on 6 March 2025 [www.tornator.fi/en/investors-2/](http://www.tornator.fi/en/investors-2/)

**Further information:**

Chief Executive Officer (CEO) Henrik Nieminen, tel. +358 40 869 7613

Chief Financial Officer (CFO) Antti Siirtola, tel. +358 40 773 0975

[www.tornator.fi/en/](http://www.tornator.fi/en/)

Tornator is a leader in sustainable forestry in Europe. It owns forests in Finland, Estonia and Romania. In 2024, the group's turnover was approximately €213 million, and the balance sheet value was about €3.8 billion. The group has around 190 employees. Tornator's own employees, and other companies and their employees working on its forestland, add up to around 1,600 FTE. The owners of the parent company are Finnish, mainly institutional investors. Tornator's mission is to generate sustainable well-being from forests.

## Consolidated Income Statement

EUR thousand	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
<b>Net sales</b>	<b>213,014.4</b>	<b>194,895.4</b>
Other operating income	7,576.3	4,894.9
Change in fair value of biological assets	35,190.5	295,747.0
Change in inventories of finished goods and work in progress	-1,087.1	-543.5
Materials and services	-41,098.7	-35,356.7
Personnel expenses	-11,341.2	-11,036.0
Depreciation and amortisation	-3,419.2	8,447.4
Other operating expenses	-8,966.8	-14,160.0
<b>Operating profit</b>	<b>189,868.2</b>	<b>442,888.4</b>
Financial income	12,104.4	6,392.0
Financial expenses	-39,502.2	-30,038.9
Change in fair value of financial instruments	-5,982.0	-5,534.1
<b>Net financial items</b>	<b>-33,379.8</b>	<b>-29,180.9</b>
<b>Profit before tax</b>	<b>156,488.4</b>	<b>413,707.5</b>
Income taxes	-23,865.0	-19,163.1
Change in deferred taxes	-133.4	-53,900.2
<b>Profit for the period</b>	<b>132,490.0</b>	<b>340,644.2</b>
Distribution:		
To shareholders of the parent company	132,490.0	340,644.2
<b>Consolidated statement of comprehensive income</b>		
<b>Profit for the period</b>	<b>132,490.0</b>	<b>340,644.2</b>
<b>Other comprehensive income for the period after taxes:</b>		
<i>Items not recognised later through profit and loss</i>		
Revaluation of forest land	12,110.5	-57,087.8
Items derived from the redefinition of net defined benefit costs (or asset items)	36.8	-2.4
<i>Items that may later be recognised through profit and loss</i>		
Translation difference	9.6	-135.4
<b>Comprehensive income for the period total</b>	<b>144,646.9</b>	<b>283,418.6</b>
Distribution:		
To shareholders of the parent company	144,646.9	283,418.6



## Consolidated Balance Sheet

EUR thousand	31 Dec 2024	31 Dec 2023
<b>ASSETS</b>		
<b>Non-current assets</b>		
Forest assets	3,594,904.7	3,455,542.7
Biological assets	3,256,747.3	3,139,184.4
Bare land	338,157.4	316,358.3
Other property, plant and equipment	17,966.8	16,306.0
Intangible assets	2,617.8	2,331.1
Right-of-use assets	1,570.5	1,818.0
Derivatives	29,475.4	35,516.3
Other investments	111.2	111.2
Non-current receivables	18,960.3	17,384.8
<b>Non-current assets total</b>	<b>3,665,606.7</b>	<b>3,529,010.1</b>
<b>Current assets</b>		
Inventories	64.1	55.0
Accounts receivable	43,464.5	29,990.6
Other receivables	1,945.9	581.3
Investments		30,567.3
Cash and cash equivalents	86,566.3	40,500.2
<b>Current assets total</b>	<b>132,040.7</b>	<b>101,694.5</b>
<b>Total assets</b>	<b>3,797,647.4</b>	<b>3,630,704.6</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to shareholders of the parent company</b>		
Share capital	50,000.0	50,000.0
Other equity	2,199,912.4	2,125,265.5
<b>Total equity</b>	<b>2,249,912.4</b>	<b>2,175,265.5</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	458,191.0	458,540.7
Financial liabilities	946,750.0	848,958.9
Derivatives		
Lease liabilities	1,408.9	1,564.8
Other non-current liabilities	77.0	148.0
<b>Non-current liabilities total</b>	<b>1,406,426.9</b>	<b>1,309,212.4</b>
<b>Current liabilities</b>		
Financial liabilities	61,596.7	98,770.9
Accounts payable and other payables	61,430.7	33,459.7
Income tax liabilities	5,052.2	1,829.0
Lease liabilities	279.7	357.0
Provisions	12,948.9	11,810.1
<b>Current liabilities total</b>	<b>141,308.1</b>	<b>146,226.7</b>
<b>Total liabilities</b>	<b>1,547,735.0</b>	<b>1,455,439.1</b>
<b>Total equity and liabilities</b>	<b>3,797,647.4</b>	<b>3,630,704.6</b>

**Statement of changes in equity**

EUR thousand	Share capital	Share premium	Translation difference	Revaluation reserve	Retained earnings	Total equity
<b>Equity on 1 Jan 2023</b>	50,000.0	29,995.2	-10,876.8	211,424.2	1,671,304.3	1,951,846.9
<b>Comprehensive income</b>						
Profit for the period					340,644.2	340,644.2
Other items of comprehensive income (after taxes)						
Revaluation of forest land				-57,087.8		-57,087.8
Items derived from the redesignation of net defined benefit liability (or asset items)					-2.4	-2.4
Translation difference			-135.4			-135.4
<b>Comprehensive income for the period</b>			-135.4	-57,087.8	340,641.8	283,418.6
<b>Transactions with shareholders</b>						
Dividends paid					-60,000.0	-60,000.0
<b>Total transactions with shareholders</b>					-60,000.0	-60,000.0
<b>Equity on 31 Dec 2023</b>	50,000.0	29,995.2	-11,012.2	154,336.4	1,951,946.1	2,175,265.5

EUR thousand	Share capital	Share premium	Translation difference	Revaluation reserve	Retained earnings	Total equity
<b>Equity on 1 Jan 2024</b>	50,000.0	29,995.2	-11,012.2	154,336.4	1,951,946.1	2,175,265.5
<b>Comprehensive income</b>						
Profit for the period					132,490.0	132,490.0
Other items of comprehensive income (after taxes)						
Revaluation of forest land				12,110.5		12,110.5
Items derived from the redesignation of net defined benefit liability (or asset items)					36.8	36.8
Translation difference			9.6			9.6
<b>Comprehensive income for the period</b>			9.6	12,110.5	132,526.8	144,646.9
<b>Transactions with shareholders</b>						
Dividends paid					-70,000.0	-70,000.0
<b>Total transactions with shareholders</b>					-70,000.0	-70,000.0
<b>Equity on 31 Dec 2024</b>	50,000.0	29,995.2	-11,002.7	166,447.0	2,014,472.9	2,249,912.4

## Consolidated cash flow statement

EUR thousand	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
<b>Cash flow from operating activities</b>		
Cash receipts from transactions in forestry	210,598.3	199,773.0
Cash receipts from transactions in land sales	11,743.0	1,828.0
Cash receipts from other operating income	6,457.6	6,095.5
Cash paid to suppliers and employees	-58,473.6	-49,792.3
<b>Cash flow from operating activities before financial items and taxes</b>	<b>170,325.3</b>	<b>157,904.1</b>
Interest paid, interest-bearing debt	-32,565.0	-24,990.2
Interest paid, derivatives	0,0	-264.2
Other financial expenses	-7,087.7	-2,916.3
Interest received	5,286.4	2,728.3
Interest received, derivatives	6,332.6	3,225.6
Income taxes	-20,641.9	-30,102.0
<b>Cash flow from operating activities</b>	<b>121,649.8</b>	<b>105,585.3</b>
<b>Cash flow from investing activities</b>		
Investments in biological assets	-83,311.6	-106,785.7
Investments in tangible assets, forestland	-10,296.9	-13,198.2
Investments in other tangible and intangible assets	-5,010.0	-3,508.1
Investments in money market instruments	0.0	-30,211.6
Proceeds from sale of money market instruments	30,566.8	0.0
<b>Cash flow from investing activities</b>	<b>-68,051.7</b>	<b>-153,703.7</b>
<b>Cash flow from financing activities</b>		
Withdrawal of long-term loans	300,000.0	100,001.1
Repayment of long-term loans	-200,000.2	0.0
Withdrawal of short-term loans	0.0	29,753.8
Repayment of short-term loans	-37,174.0	0.0
Repayment of leasing liabilities	-358.9	-352.7
Dividends paid	-70,000.0	-60,000.0
<b>Cash flow from financing activities</b>	<b>-7,533.1</b>	<b>69,402.3</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>46,064.9</b>	<b>21,283.8</b>
Cash and cash equivalents at beginning of period	40,500.2	19,244.0
Effect of exchange rate changes on cash and cash equivalents	1.2	-27.6
<b>Cash and cash equivalents at end of period</b>	<b>86,566.3</b>	<b>40,500.2</b>