

Stora Enso Danmark A/S

Herlev Hovedgade 195C, 2730 Herlev

Company reg. no. 51 51 72 10

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 7 August 2023.

Karsten Heiselberg
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	5
Management's review	6
Financial statements 1 January - 31 December 2022	
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11
Accounting policies	13

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Stora Enso Danmark A/S for the financial year 1 January - 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Herlev, 7 August 2023

Managing Director

Jesper Harck

Board of directors

Howard Mark Sidney-Wilmot
Chairman

Karsten Heiselberg

Anna Bergquist

Independent auditor's report

To the Shareholder of Stora Enso Danmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Stora Enso Danmark A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent auditor's report

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 7 August 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
Company reg. no. 33 77 12 31

Gösta Gauffin

State Authorised Public Accountant
mne45821

Company information

The company

Stora Enso Danmark A/S
Herlev Hovedgade 195C
2730 Herlev

Company reg. no. 51 51 72 10
Established: 8 April 1949
Domicile: Herlev
Financial year: 1 January - 31 December

Board of directors

Howard Mark Sidney-Wilmot, Chairman
Karsten Heiselberg
Anna Bergquist

Managing Director

Jesper Harck

Auditors

PricewaterhouseCoopers

Management's review

Description of key activities of the company

The Company's main activity is the provision of Stora Enso's products: cartonboard, publication paper (magazine paper, newsprint), fine paper, packaging and wood products in Denmark.

The Danish company is part of a Nordic sales team divided into paper, cartonboard, packaging and wood products.

Development in activities and financial matters

The gross profit for the year totals DKK 9.717.361 against DKK 9.137.615 last year. Income from ordinary activities after tax totals DKK 1.037.039 against DKK 961.757 last year. Management considers the net profit or loss for the year satisfactory.

Events occurring after the end of the financial year

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	9.717.361	9.137.615
1 Staff costs	-8.430.657	-7.890.558
Operating profit	1.286.704	1.247.057
2 Other financial income from group enterprises	51.630	7.381
Other financial income	6.697	19
3 Other financial expenses	-10.288	-12.882
Pre-tax net profit or loss	1.334.743	1.241.575
4 Tax on net profit or loss for the year	-297.704	-279.818
Net profit or loss for the year	1.037.039	961.757
Proposed distribution of net profit:		
Transferred to retained earnings	1.037.039	961.757
Total allocations and transfers	1.037.039	961.757

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Assets		
Current assets		
Receivables from group enterprises	13.271.679	11.709.396
Income tax receivables	0	93.182
Other receivables	206.033	50.393
Total receivables	<u>13.477.712</u>	<u>11.852.971</u>
Cash and cash equivalents	<u>0</u>	<u>14.547</u>
Total current assets	<u>13.477.712</u>	<u>11.867.518</u>
Total assets	<u>13.477.712</u>	<u>11.867.518</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2022</u>	<u>2021</u>
Equity			
5	Contributed capital	4.050.000	4.050.000
	Retained earnings	5.879.975	4.842.936
	Total equity	9.929.975	8.892.936
Liabilities other than provisions			
6	Other payables	233.544	233.544
	Total long term liabilities other than provisions	233.544	233.544
	Bank loans	5	10
	Trade payables	153.871	83.714
	Payables to group enterprises	19.015	69.726
	Income tax payable	185.704	0
	Other payables	2.955.598	2.587.588
	Total short term liabilities other than provisions	3.314.193	2.741.038
	Total liabilities other than provisions	3.547.737	2.974.582
	Total equity and liabilities	13.477.712	11.867.518
7	Contingencies		
8	Related parties		

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2021	4.050.000	3.881.179	7.931.179
Profit or loss for the year brought forward	0	961.757	961.757
Equity 1 January 2022	4.050.000	4.842.936	8.892.936
Profit or loss for the year brought forward	0	1.037.039	1.037.039
	4.050.000	5.879.975	9.929.975

Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
1. Staff costs		
Salaries and wages	7.591.342	7.074.247
Pension costs	764.516	753.498
Other costs for social security	<u>74.799</u>	<u>62.813</u>
	<u>8.430.657</u>	<u>7.890.558</u>
Average number of employees	<u>4</u>	<u>4</u>
2. Other financial income from group enterprises		
Interest from group enterprise	<u>51.630</u>	<u>7.381</u>
	<u>51.630</u>	<u>7.381</u>
3. Other financial expenses		
Other financial costs	<u>10.288</u>	<u>12.882</u>
	<u>10.288</u>	<u>12.882</u>
4. Tax on net profit or loss for the year		
Tax of the results for the year	297.704	278.458
Adjustment of tax for previous years	<u>0</u>	<u>1.360</u>
	<u>297.704</u>	<u>279.818</u>

5. Contributed capital

The share capital consists of 4.050 shares, each with a nominal value of DKK 1.000,00. There have not been changes in share capital in the past 5 years.

Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
6. Other payables		
Total other payables	233.544	233.544
Share of amount due within 1 year	<u>0</u>	<u>0</u>
Total other payables	<u>233.544</u>	<u>233.544</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>

7. Contingencies

Contingent liabilities

	<u>DKK in thousands</u>
Lease liabilities	<u>282</u>
Total contingent liabilities	<u>282</u>

Joint taxation

The Company is party to a national Danish joint taxation scheme with Danfiber A/S and Stora Enso Paper Denmark, filial af Stora Enso Paper Aktiebolag, Sverige. For this reason the Company is liable to pay any income taxes etc. for the jointly taxes companies pursuant to applicable Danish tax legislation, and from 1 July 2012, the Company has secondary liability for any liabilities as well as for tax at source regarding interest, royalties and dividend for the jointly taxes companies. The liability cannot account for more than an amount equal to the share capital in the Company which is directly or indirectly owned by the ultimate Parent.

8. Related parties

Controlling interest

According to the company's list of shareholders, the following shareholders own a minimum of 5 % of the voting rights or a minimum of 5 % of the share capital:

Stora Enso AB, Klarabergsviadukten 70, P. O. Box 70395, SE-107 24 Stockholm, Sweden.

Consolidated financial statements

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Stora Enso Oyj, Finland.

Accounting policies

The annual report for Stora Enso Danmark A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Accounting policies

Income statement

Gross profit

With reference to the financial statement act section 32, the Company has made an aggregation of revenue, cost of sales and other external expenses into one line Gross profit or loss.

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Accounting policies

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

As administration company, Stora Enso Danmark A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Accounting policies

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Karsten Heiselberg

Board member

On behalf of: Stora Enso Danmark A/S

Serial number: 9d0e7d28-937c-4fe5-9841-ec8df14ebd99

IP: 83.90.xxx.xxx

2023-08-07 15:25:03 UTC



Jesper Harck

CEO

On behalf of: Stora Enso Danmark A/S

Serial number: 5343da5a-7924-4c17-8725-4bed95659f25

IP: 80.62.xxx.xxx

2023-08-07 15:29:25 UTC



Anna Bergquist

Board member

On behalf of: Stora Enso Danmark A/S

Serial number: 19800127xxxx

IP: 81.232.xxx.xxx

2023-08-07 16:13:53 UTC



Howard Mark Sidney-Wilmot

Chairman

On behalf of: Stora Enso Danmark A/S

Serial number: howard.sidney-wilmot@storaenso.com

IP: 94.3.xxx.xxx

2023-08-07 16:26:17 UTC

Gösta Luis Gauffin

PRICEWATERHOUSECOOPERS STATS AUTORISERET

REVISIONSPARTNERSELSKAB CVR: 33771231

State Authorised Public Accountant

On behalf of: PRICEWATERHOUSECOOPERS STATS AUTORISERET...

Serial number: ec9a78f7-56ae-44c1-848d-55ac565b2fd6

IP: 83.136.xxx.xxx

2023-08-07 16:27:54 UTC



Karsten Heiselberg

Chairman of the General Meeting

On behalf of: Stora Enso Danmark A/S

Serial number: 9d0e7d28-937c-4fe5-9841-ec8df14ebd99

IP: 83.90.xxx.xxx

2023-08-07 16:34:42 UTC



Penneo document key: Y3U5V-W4IH-Q3S3B-N3DB2-A6XTC-AFGTN

This document is digitally signed using Penneo.com. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service** <penneo@penneo.com>. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validator>