

A photograph of a forest floor covered with large, cut logs. The logs are arranged in a row, leading towards a dense forest of tall, thin trees in the background. The lighting suggests a sunny day, with shadows cast across the logs and the forest floor.

TORNATOR CAPITAL MARKETS DAY

5 MAY 2025



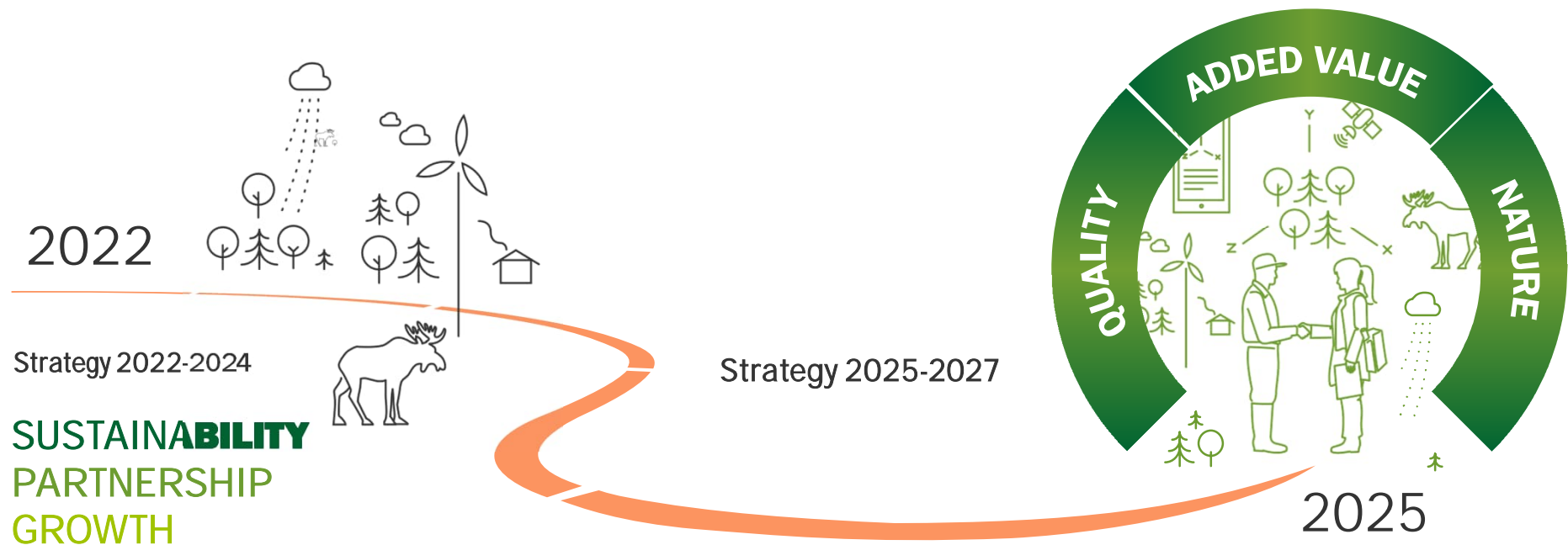
AGENDA

- New strategy
- Financial performance
- Financing needs and plans
- Business environment
- Business outlook



New Strategy

OUR UPDATED STRATEGY BUILDS ON THE PREVIOUS ONE



FORESTS ARE OUR PASSION – WE GROW SUSTAINABLE SOLUTIONS OVER GENERATIONS

We enhance business with digital solutions, and promote the construction of renewable energy on our lands

We develop the quality of our own and our partners' work to strengthen overall sustainable forest management and customer satisfaction



We practice forestry that takes climate and biodiversity into account

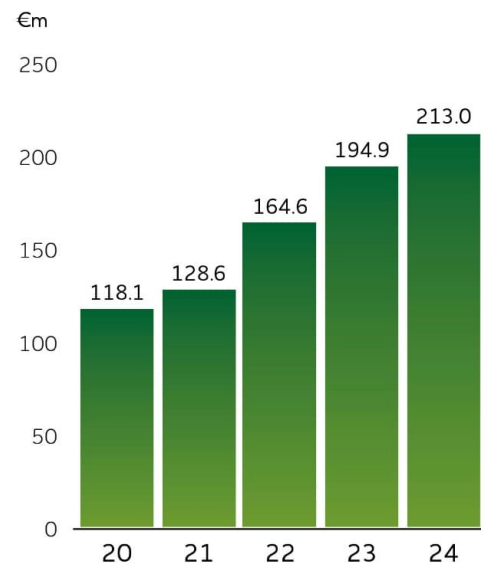
We advance well-being at work with true
Tornator spirit



Financial performance

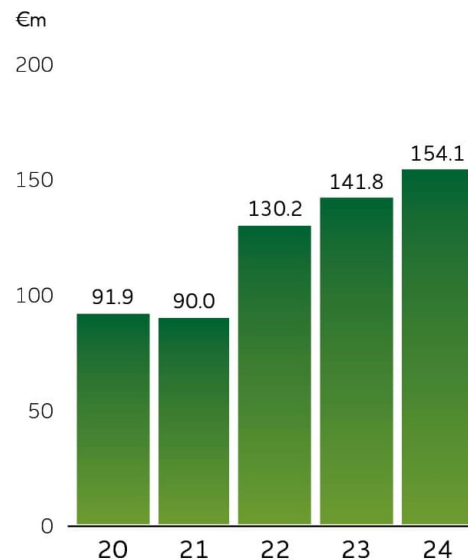
NEW LEVEL IN SALES AND OPERATING PROFIT

NET SALES



OPERATING PROFIT

Without effects of fair value changes



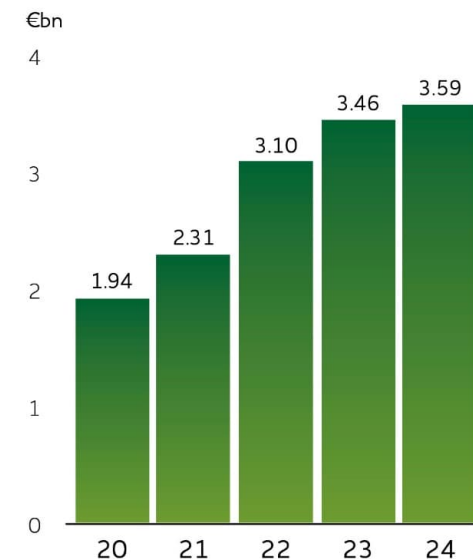
- Considerable growth in both Net sales and Adjusted operating profit
- Main drivers:
 - └ Increase in delivered wood volume
 - └ Increase in wood price
 - └ One-time development fees (other income) from wind power development in 2020 and 2022
- Profitability (EBIT %) has remained excellent
 - └ Between 70-80%

FOREST VALUE INCREASE HAS STABILIZED

- Fair value of forest assets has increased since 2019
 - └ Significant positive changes until 2023
 - └ Stabilization in 2024, increase in value mainly from new acquisitions
 - └ Valuation method change took place in 2022
 - └ Peak of Finnish forest estate prices was reached in 2023
 - └ Using 3-year averages resulted in a considerable value increase in 2023
 - └ 2025 expectation: limited fair value change

VALUATION OF FORESTS

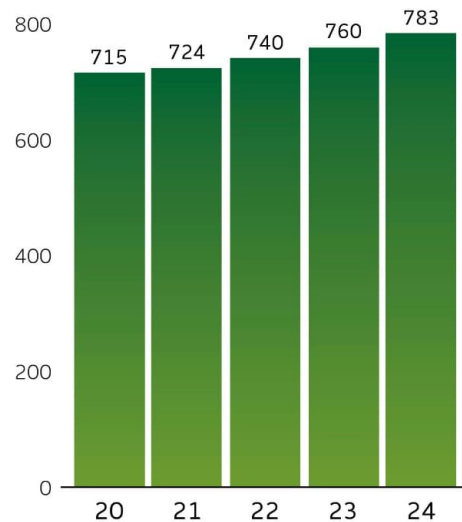
(Fair value)



THE AMOUNT OF FOREST HECTARES AND WOOD VOLUME IN FORESTS INCREASE

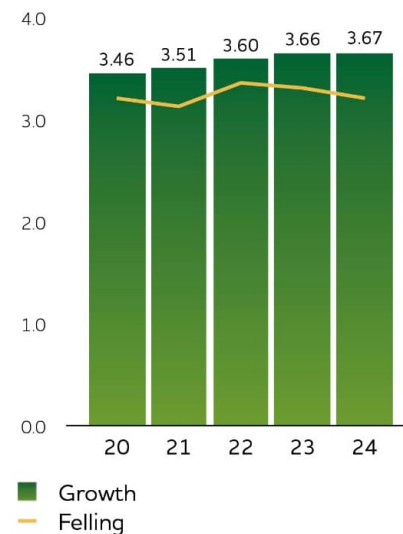
DEVELOPMENT OF TORNATOR'S FORESTLANDS

1,000 ha



GROWTH AND FELLING IN TORNATOR GROUP'S FORESTS

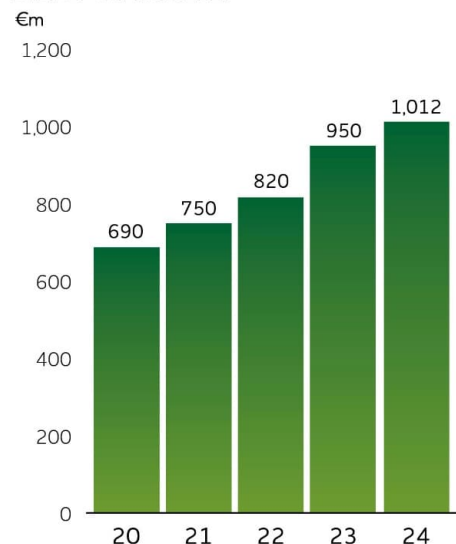
mill. m³



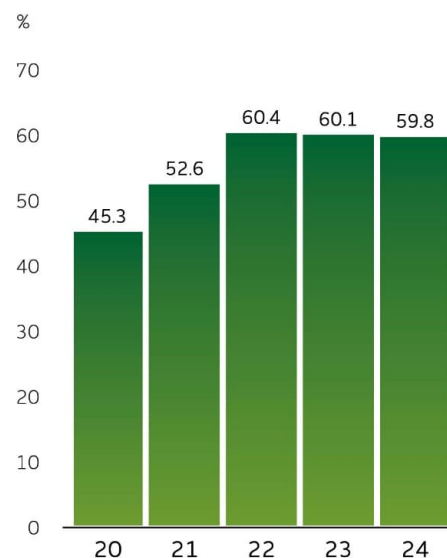
- Forest hectares have increased through stable acquisitions
 - └ In recent years only in Finland
- Increased hectares have allowed us to increase annual felling volume
 - └ Felling volume is based on a long-term (70+ years) sustainable felling plan

SOLID EQUITY RATIO DESPITE OF INCREASED LEVERAGE

DEVELOPMENT OF TOTAL DEBT AMOUNT



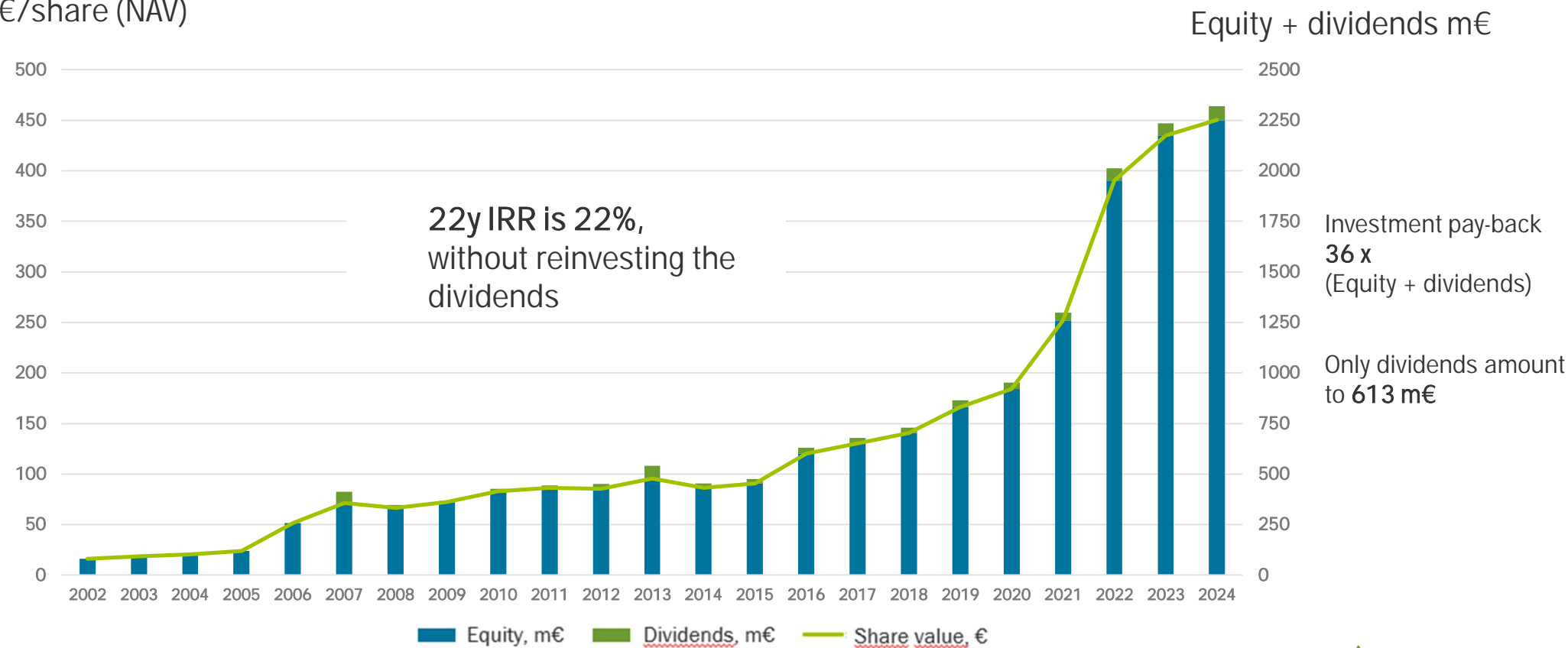
EQUITY RATIO



- New debt has been withdrawn to finance new forest acquisitions
- Equity ratio has remained high thanks to forest value increase
- Forest value has increased also in loan-to-value covenant calculation, where forest value is calculated based on discounted cash-flows
 - └ Main driver for value increase has been wood price
 - └ LTV has remained below 50 %, covenant level is 70%
 - └ At the moment, acquisitions after 2019 are not included in the security pool

VALUE OF THE COMPANY IN 2002-24

€/share (NAV)





Financing needs and plans

FUNDING SITUATION, SPRING 2025

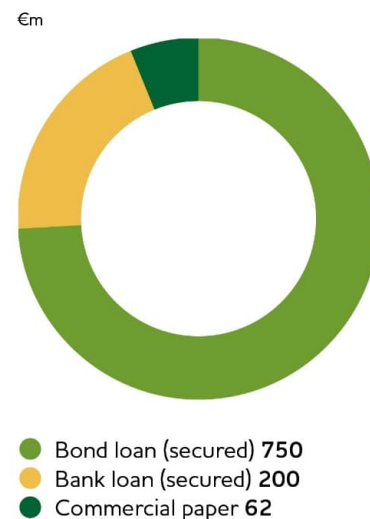
- **Highlights of 2024 include an Investment Grade credit rating and a new €300 million Green Bond**

- └ As part of the 2024 refinancing, an Investment Grade credit rating for secured debt was obtained/acquired from Moody's
 - └ A well-functioning bond market was utilised, which ensured the availability of financing also for the next refinancing round
 - └ The 300 M€ Green Bond in the autumn was used to pay off a maturing € 200 million bank loan
 - └ At the same time, 100 million euros of additional funding for the purchase of new forests
 - └ Outstanding debt at year-end 2024 totals €1,012 million (2023: €950 million)
 - └ Green Bonds, € 750 million (€ 450 million)
 - └ € 650 million public bonds (€ 350 million)
 - └ € 100 million private placements (€ 100 million)
 - └ Green bank loans, € 200 million (€ 400 million)
 - └ Commercial papers, € 62 million (€ 100 million)
 - └ Considerable portion (€ 400 million) of total debt matures after 2030, see next slide
 - └ Immediately available investment capacity remaining approx. € 140 million, in addition to strong cash on 31 Dec 2024: more than € 80 million

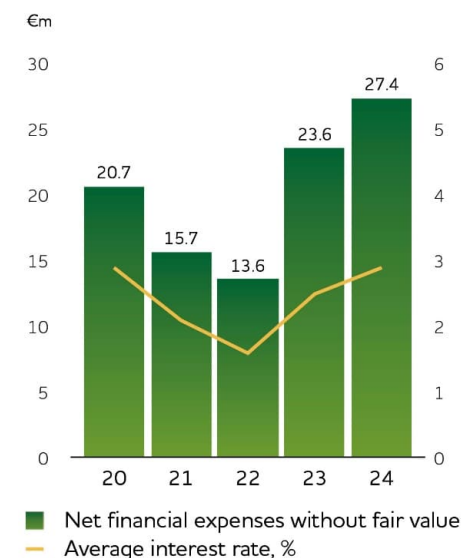
- **Interest expenses and derivatives**

- └ Moderate growth in interest expenses in 2024, mainly due to new debt drawn down in 2023
 - └ However, the average interest rate remained moderate at 2.9%
 - └ The average interest rate will remain close to 3% in 2025 as well, as the share of the fixed interest rate is quite high: 91% (a significant share of fixed-rate bonds increased this key figure at the end of 2024, in addition to interest rate options with which the variable interest rate has been turned from floating to fixed)

STRUCTURE OF DEBT, NOMINAL VALUES AT 31 DEC 2024



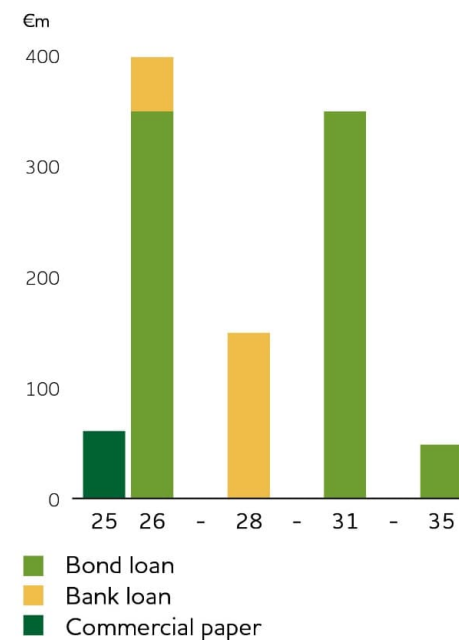
NET FINANCIAL EXPENSES



FUNDING OUTLOOK

- Funding outlook
 - └ No new long-term debt transactions since year-end 2024
 - └ The second phase of the on-going refinancing round is about to start
 - └ Debt maturing in 2026 totals € 400 million
 - └ The intention is to settle 2026 maturities during 2025, execution most likely during H2
 - └ Rating naturally requires timely refinancing
 - └ As the total debt amount has increased to above € 1 billion, the importance of access to financing is emphasised
 - └ Maturity management plays also a major role
- Green finance
 - └ Long-term debt will be issued as "green" also going forward
 - └ The Green Finance Framework was last updated in 2023 → Second opinion valid until 2026
 - └ Annual Green Finance Investor Letter published today, 5 May 2025
- Sustainability and sustainability reporting is on Tornator's agenda
 - └ Some preparation for CSRD report was made, but now it seems that Tornator has no need to prepare a CSRD-aligned sustainability report
 - └ Closely monitoring the timetable and effects of the EU's Omnibus regulation
 - └ We will continue to report on our sustainability efforts in different areas:
 - └ Biodiversity, positive climate effect, contractor co-operation development, etc.

MATURITY OF DEBT



GREEN FINANCE

- Tornator's 2024 Green Finance Investor Letter was published today
 - └ Content is familiar from previous letters
 - └ First matured Green Finance transaction took place in 2024, replaced by a new € 300 million Green Bond
 - └ Use of Green proceeds:
 - └ All of the Green proceeds withdrawn in the end of 2024 were allocated to investments in sustainable forestry, in practice in acquisitions of double certified forests in Finland. EUR 950 million green funds at the end of 2024 cover approximately 86 % of the EUR 1,103 million acquisition cost of Tornator's forests in Finland. Green Bonds cover approximately 69 % and Green bank loans cover approximately 18 %.

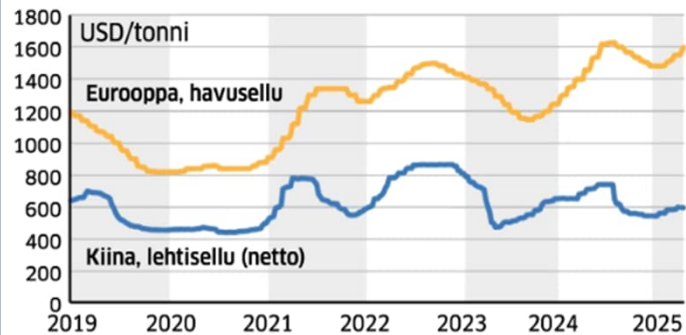
Allocation to transactions	Green Bond, 350 M€	Green Bank loans	Green Bond 50 M€, Manulife	Green Bond 50 M€, November 2023	Green Bond, 300 M€	No Green allocation	Finland, total
Nominal amount, € million	350	200	50	50	300	153	1 103
Portion of Finnish forests' acquisition cost	32 %	18 %	5 %	5 %	27 %	14 %	100 %
Allocated hectares	277 780	158 270	16 987	16 987	156 200	79 775	706 000
Climate Impact allocated to transactions							
Annual forest growth, m3	1 333 000	759 500	67 620	67 620	647 543	330 717	3 206 000
Annual cut, m3	1 178 970	680 175	82 309	82 309	562 801	287 436	2 874 000
Alocated carbon Sequestration, tons of CO2	1 612 500	918 750	90 991	90 991	851 755	435 013	4 000 000



Business environment

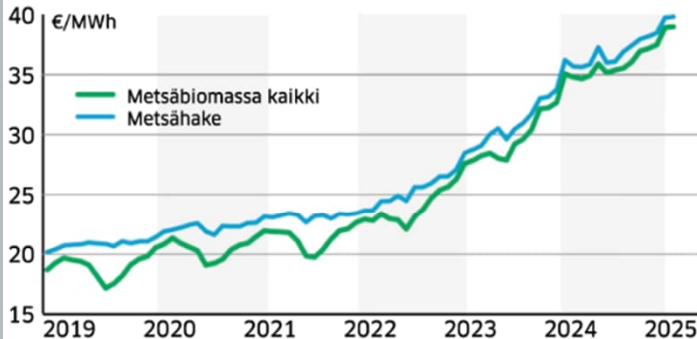
POSITIVE OUTLOOK FOR FOREST PRODUCTS

Markkinasellun hinnat



Lähde: Fastmarkets, PIX Pulp Europe Indices, PIX Pulp China Indices

Metsäbiomassan hinta lämpölaitoksella



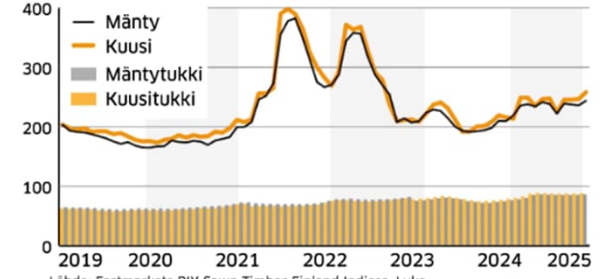
Lähde: Fastmarkets PIX Forest Biomass Finland

Sahatavaran futuurihinnat Yhdysvalloissa



Lähde: CME

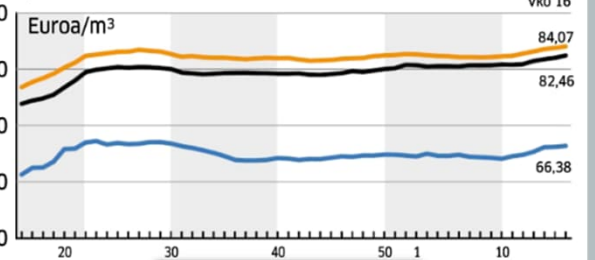
Sahatavaran vientihinnat Suomesta Euroa/m³



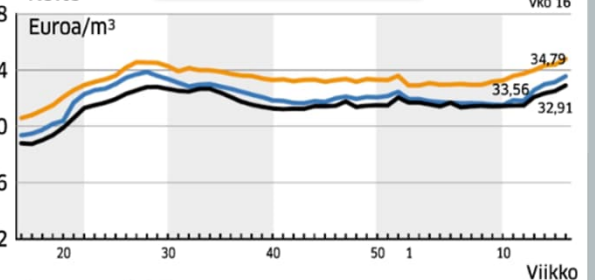
Lähde: Fastmarkets PIX Sawn Timber Finland Indices, Luke

Kantohinta

Tukki

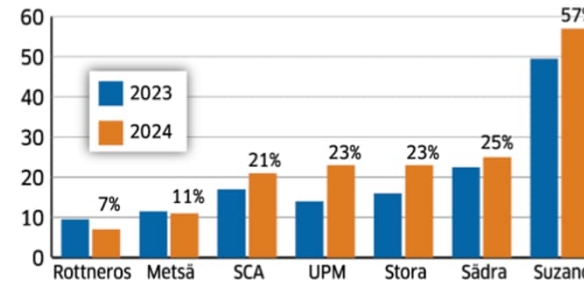


Kuitu



Lähde: Metsäteollisuus ry

Sellutuotannon kannattavuus, käyttökateprosentti



Timo Filpus Lähde: Yhtiöiden tilinpäätökset ja Danske Bank

Source: Maaseudun Tulevaisuus

WIND AND SOLAR ADD VALUE TO FORESTRY



In 2024, wind power generated 19.8 terawatt-hours (TWh) of electricity, making it Finland's second-largest electricity production method after nuclear power. It covered 24 percent of electricity consumption and 25 percent of electricity production. Solar power is also becoming a visible part of Finland's energy system, producing 1.1 TWh in 2024, accounting for 1.4 percent of electricity consumption and production.

PRESS RELEASES

Nearly 300 industrial-scale solar power projects are planned in Finland

The role of solar power in Finland's energy production is rapidly expanding. For the first time, a comprehensive list of industrial-scale solar power projects under development in Finland has been compiled.

According to project statistics from Renewables Finland, there are over 100 gigawatts (GW) of wind power at various stages of planning in Finland. Not all planned projects will be realized, but a broad portfolio of wind power projects ensures that even as electrification and major industrial investments significantly increase electricity demand, wind power can meet the need quickly and cost-effectively.

Source: Renewables Finland

NEW INCOME SOURCES FOR LANDOWNERS



Cool, calm and connected: Why companies are placing their data centers in Finland

A cool climate, affordable clean energy, abundant water and excellent digital infrastructure – these are some of the reasons that Google, Microsoft and others have chosen Finland for their data centers.

NEWS 20.1.2025

Data centres want to be in Finland

17.3.2025 HOME » MAIN GRID » DATA CENTRES WANT TO BE IN FINLAND

Our country's location, reliable grid, and abundance of renewable energy attract data centres. In turn, they can produce heat in the local district heating network and provide grid balancing services.

✍ Katariina Krabbe 📷 Shutterstock ja atNorth

Source: Fingrid, Business Finland



THE USE OF FOREIGN LABOUR IS INCREASING – MANY CHALLENGES TO BE SOLVED



Tornator has more than 60,000 “construction sites” annually around Finland

GEOPOLITICS - WHAT'S NEXT...?

...AND WHAT IS THE FUTURE OF WOOD IMPORTS TO FINLAND?



KESKIVIIKKONA 26. MAALISKUUTA 2025 - NRO 35

PERUSTETTU 1916 - 109 VUOTTA KOKO SUOMEN ASIALLA

Metsäyhtiöt eivät enää aio tarttua venäläiseen puuhun

Yhtiöt sopeuttavat toimintansa puun kalleuteen.

Puusta yhä pulaa

➔ Venäjän käynnistämä hyökkäyssota jätti metsäyhtiöiden puuhuoltoon lähes kymmenen miljoonan kuutiometrin aukon. Yhtiöt ovat paikanneet sitä lähialueen tuontipuulla ja kotimaisen oston lisäämisellä.

Venäjälle ei paluuta

➔ Suuret metsäyhtiöt eivät suunnittele käynnistävänsä venäläisen puun hankintaa uudelleen. Pakotteiden päättymisen jälkeen pienet energialaitokset saattavat ostaa Venäjältä haketta.

Puukauppa pysyy vilkkaana

➔ Metsäyhtiöt ovat sopeuttaneet toimintansa siihen, että puu on Suomessa kallista. Esimerkiksi Stora Enso odottaa puun pysyvän kalliina jatkossakin. Toisaalta se pitää puukaupan vilkkaana.

UUTISET | sivu 7

Source: Maaseudun Tulevaisuus

2025: RETHINKING CLIMATE POLICY?

Source: Finnish Forest Industries Federation



The United States will withdraw from the Paris Agreement. Other industrialized countries are also looking for relief. The EU's response is awaited.



**Competitiveness
AND climate
regulation**

Review of the Climate Change Act 2025:

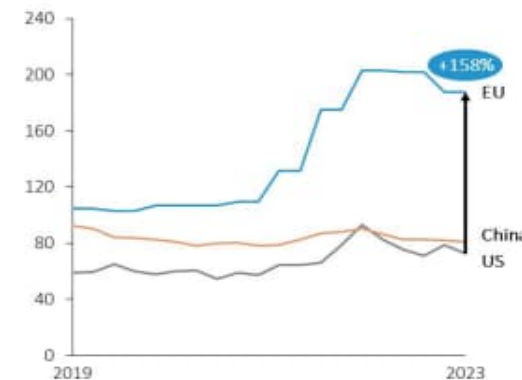
- the latest scientific knowledge
- emission commitments of other countries
- cost effectiveness
- the objectives can be revised to ensure a cost-effective and regionally and socially just transition.



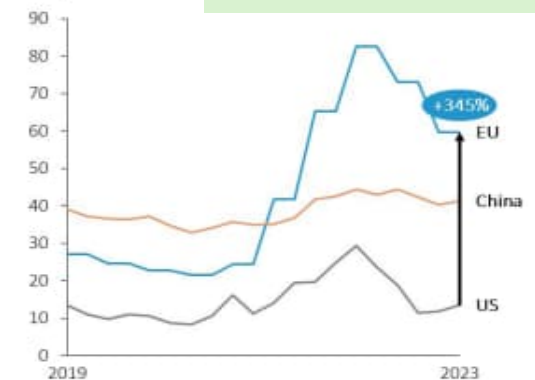
3.3.2025

FIGURE 6
Gas and retail price gap for industry

Industrial retail power prices
EUR/MWh



Industrial gas prices
EUR/MWh



Source: European Commission, 2024. Based on Eurostat (EU), EIA (US) and CEIC (China), 2024.

Behind the scenes, there is a lot of wrangling going on about the future of the EU's climate policy.

DEBATE ON THE CARBON SINKS CONTINUES



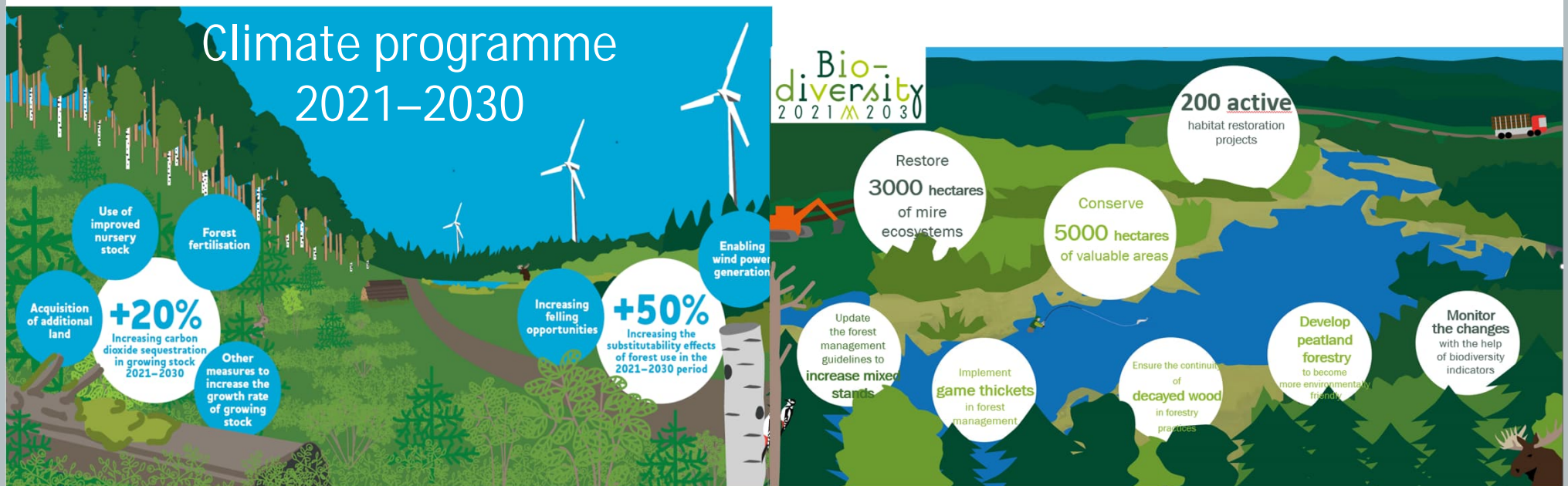
Source: Metsälehti

According to the official greenhouse gas inventory published by Statistics Finland and produced by the Natural Resources Institute Finland (Luke), Finland was a source of emissions of more than 20 million tonnes in the early 2020s. The amount describes the part of the emissions that Finland's carbon sinks, such as forests, were not able to absorb in calculations.

The exact opposite picture of the situation is given by measurements of atmospheric carbon dioxide concentrations carried out by NASA's OCO2 satellite. According to them, Finland's annual greenhouse gas balance was about 50 million tonnes on the sink side.

According to Jouni Pulliainen, Research Professor at the Finnish Meteorological Institute, satellite measurements of forest carbon sequestration are consistent with the field measurements of the University of Helsinki and the Finnish Meteorological Institute.

TORNATOR CONTINUES FIRMLY ITS OWN NATURE PROGRAMMES BASED ON DATA, SCIENCE AND OVER 20 YEARS OF EXPERIENCE





Business outlook

- Main business, i.e. timber sales is expected to perform well; growth is expected in the silviculture services
- Forestland acquisitions continue with a good pace
- Actively looking for strategic disposals (= small non-core assets with a substantial added value)
- More wind and solar related land lease agreements will be signed
- Sustainability development of our contractor resources, eg. auditing the use of a foreign labour
- Strong focus on HR and leadership development (employee well-being)
- Digital development and AI will bring further efficiencies and improve the quality of our work



Thank you!

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