

## **Revaluation of forest land**

BillerudKorsnäs has made a valuation of approximately 36 000 hectares of forest assets, of which approximately 18,000 hectares are productive forests, in which the biological assets are valued according to IAS41. At the same time, the company has chosen to change the accounting method for valuing forest land assets from the acquisition value to the revaluation model based on the fair value, mainly based on transaction prices for forest properties in comparable areas.

Most of the forests are located in mountain areas in Jämtland and Dalarna, where the share of productive forests is relatively low. About 2,000 hectares, of which 1,000 are productive, are located near the Group's production facilities in Sweden. According to current market statistics, the average price for the forest assets are estimated to around SEK 10 900 per hectare. Based on this, the forest assets are valued at SEK 393 million.

This fair value significantly exceeds the previously recognized book value, by SEK 280 million. The value change related to biological assets of SEK 132 million will be recognized in the income statement and as an item affecting comparability in the 2020 second quarter results. The value change related to the forest land of SEK 148 million will be recognized in Other Comprehensive Income.

BillerudKorsnäs expects to own another 15 400 hectares of forest assets as a result of the transactions with Bergvik Skog Öst AB during 2019, of which approximately 5 500 hectares are productive forest land, when the cadastral processes for these properties are finalized. These forest assets will be revalued according to the Group's accounting principles, at that time.

### **For further information, please contact:**

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