

New share issue for SweTree Technologies strengthens the efforts in forest biotechnology

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SweTree Technologies AB issues new shares for a total of 64 million SEK, where Stora Enso AB becomes a new shareholder. A majority of the current shareholders, Sveaskog, Woodheads, Bergvik Skog, the The Kempe Foundations and Holmen are also involved in the share issue. This new funding will strengthen the company for investments in business areas such as plant nutrition, directed tree breeding and fiber modification

-- With this new financing, SweTree can plan with the long-term thinking required for the commercialization of new technologies for forestry and fibre industries, comments SweTree's new Chairman of the Board Björn Hågglund.

-- The cash from the new share issue enables us to strengthen the work within the areas that are most promising in the short as well as long term. In our aspiration to expand our international initiatives, Stora Enso will be an important partner, says SweTree Technologies CEO Mats Johnson.

During the three years since the latest financing, SweTree Technologies has made substantial progress in all business areas. In the plant nutrition area the first product, arGrow®, is used on a larger scale by one customer and tested by two additional customers. Within directed tree breeding, the company has identified a large number of genes that affect tree growth and energy content. In the project focusing on production technology for conifers, which can be compared to cuttings production for hardwood, several technological breakthroughs have been made. Great interest has been shown for our fiber modification technologies and many companies are currently evaluating it for proprietary cellulose applications.

-- We have followed SweTree for some time and see clear opportunities where their technologies and knowledge can enhance our long-term global effort. An investment in the company is natural, given the importance their technologies will have on the future of forestry. We have already started a joint project with SweTree and expect to start additional projects that are relevant for our business, comments Stora Enso's vice president Hannu Ryöppönen.

SweTree Technologies (STT) is a forest biotechnology company which develops new products for forest and fibre industries. STT is focused on developing trees with improved survival, growth and quality for different applications and new technologies for fiber modification. STT is developing its own products as well as products together with partners where STT takes some of the value increase which the company's technologies add to the products. STT was founded in 1999 by a joint initiative of Innovationsbron in Umeå and the company Woodheads AB, which now represents 46 senior researchers.

For further information on SweTree Technologies, visit: www.swetree.com

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