

Metsä Board Investor presentation

January–March 2023



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Investment highlights



Focus on sustainable fresh fibre paperboards

- Premium paperboards from renewable materials
- All paperboards are fully recyclable providing an alternative to plastics



Strong position in a growing market

- #1 in folding boxboard and white kraftliners in Europe
- #1 in coated white kraftliners globally



Leader in sustainability

- World class resource efficiency in production
- Fossil free production and products by the end of 2030



Investing in sustainable and profitable growth

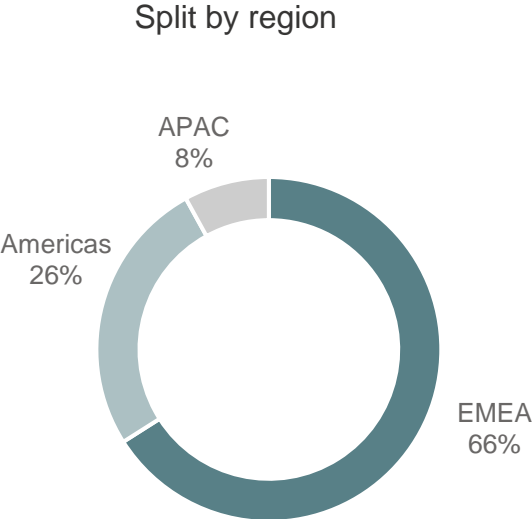
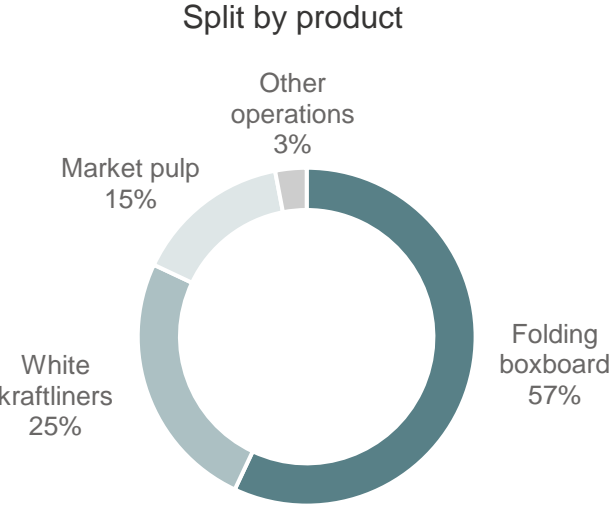
- Significant ongoing and planned investments to meet growing demand for sustainable and premium packaging materials

Metsä Board is part of profitable Metsä Group

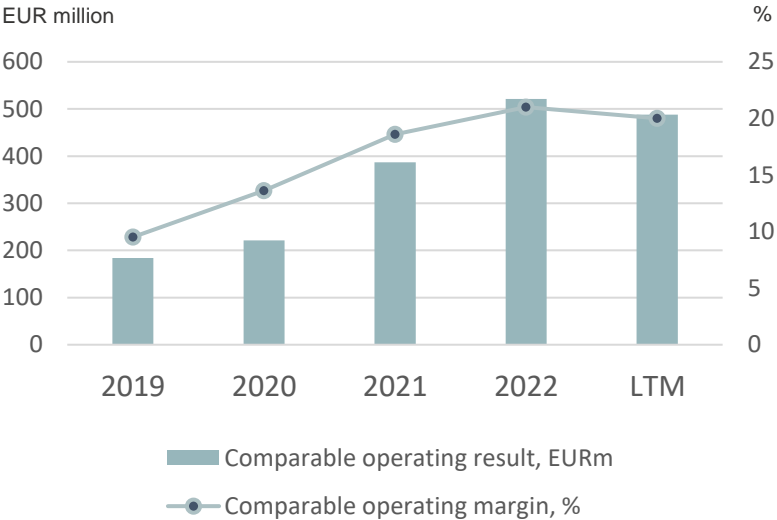
Ensures an uninterrupted production chain from sustainably managed forests to high-quality end products

Metsä Board in figures

Sales
EUR 2,480 million



Comparable operating result
FY2022: EUR 521 million or 21% of sales



Paperboard capacity
2.0million
tonnes/year

Pulp and BCTMP capacity
1.5million
tonnes/year

Ownership in Metsä Fibre*
24.9%
secures self-sufficiency in pulp

Long-term customerships



Diversified customer base in 100 countries including brand owners, converters, manufacturers of corrugated products and merchants



The end-uses of our paperboards are mainly in consumer products that are defensive in nature



Operating environment supports the demand for fresh fibre paperboards

Population growth, urbanisation and rising living standards drive packaging

Regulation and consumer preferences favour fossil free packaging materials

The requirements of the circular economy become more specific and guide the development of the sector

Availability and quality of recycled fibre is declining

Global e-commerce continues to grow

Our main markets are Europe and North America

Total paperboard deliveries in 2022 exceeded 1.8 million tonnes

Regional focuses and key demand drivers

Further strengthening our leading market position in **EUROPE**

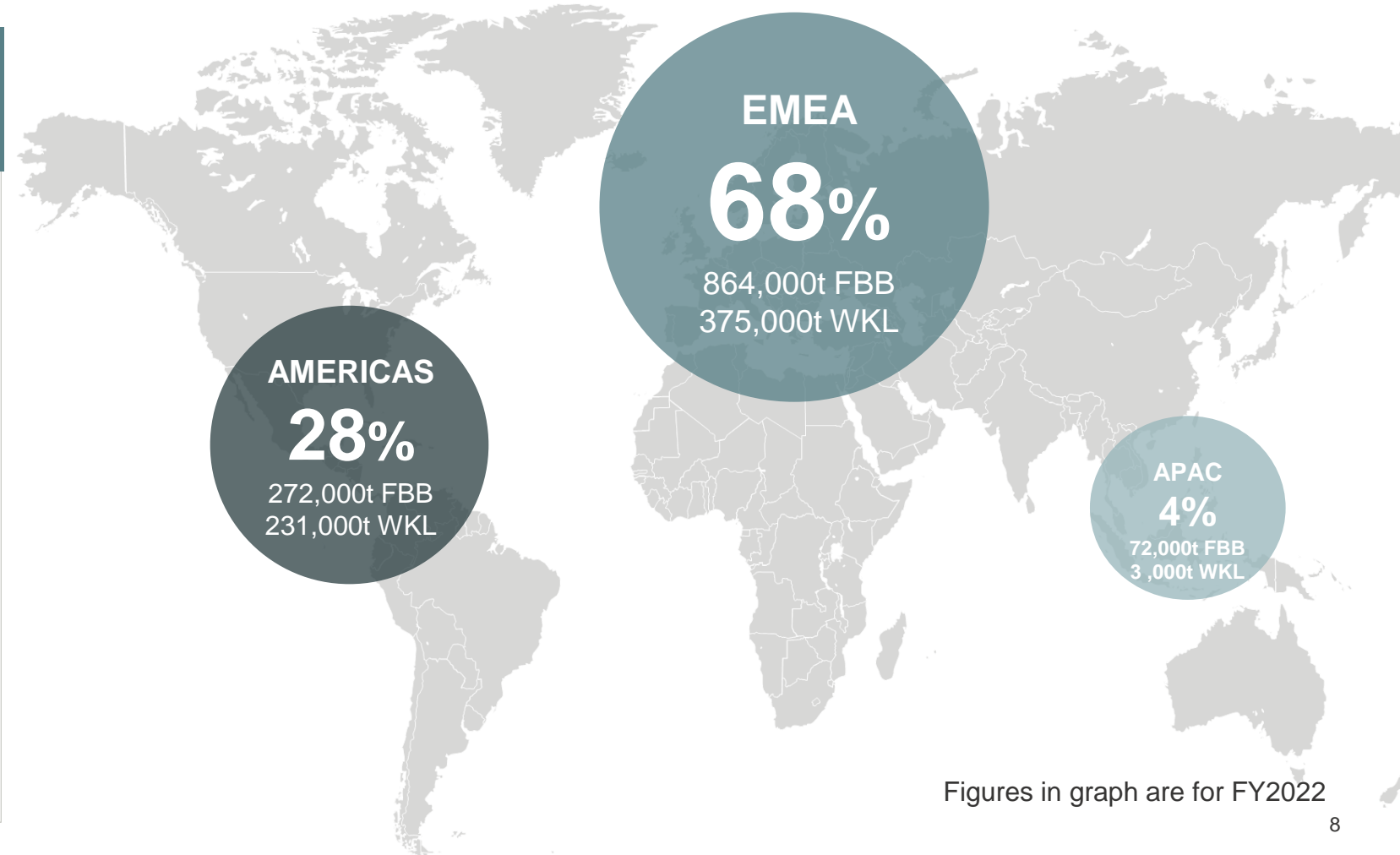
- Environmental awareness and regulatory requirements support demand for recyclable packaging materials
- Food safety requirements favour pure fresh fibre paperboards
- Weakened availability of recycled raw material

Continuing growth in **NORTH AMERICA**

- Limited local availability of high-quality lightweight paperboards
- Growth in ecological packaging for food and food service
- Product brand promotion and differentiation in growing e-commerce

Focus on high-quality packaging in selected end use segments in **APAC**

- Middle class growth increases purchasing power and demand for packaged consumer goods
- Plenty of local paperboard supply



Figures in graph are for FY2022

Group structure provides an unique value chain from forests to high-quality and sustainable end products

METSÄ GROUP

FY2022: Sales EUR 7.0 billion | ROCE 19.5% | Personnel 9,500

Parent company: METSÄLIITTO COOPERATIVE

owned by nearly 90,000 Finnish forest-owners

METSÄ FOREST

WOOD SUPPLY AND
FOREST SERVICES

Holding

Metsäliitto Cooperative 100%

METSÄ WOOD

WOOD PRODUCTS

Holding

Metsäliitto Cooperative 100%

METSÄ FIBRE

PULP AND
SAWN TIMBER

Holding

Metsäliitto Cooperative 50.1%
Metsä Board 24.9%
Itochu Corporation 25.0%

METSÄ BOARD

PAPERBOARD

Holding

Metsäliitto Cooperative 50.2%
Listed in Nasdaq Helsinki

METSÄ TISSUE

TISSUE AND
GREASEPROOF PAPERS

Holding

Metsäliitto Cooperative 100%

METSÄ SPRING INNOVATION COMPANY

Metsä Spring's role is to

- work to develop new businesses related to wood-based value chains
- invest worldwide in start-ups and implement Metsä Group's own selected pilot/demo projects
- lead Metsä Group's R&D with the aim of supporting and activating the development of Group's current businesses



Our production is close to our main raw material

Total paperboard capacity:

Folding boxboard (FBB): 1,360,000 t/a

White kraftliner (WKL): 675,000 t/a

Total pulp/BCTMP capacity:

1,490,000 t/a

** Ownership in Metsä Fibre 24.9%



* Metsä Fibre's mill

** Metsä Fibre's total pulp capacity 3.3 million t/a

● Integrated in chemical pulp
○ Non-integrated mill

○ Wood sourced from
Finland, Sweden and Baltics.

Our self-sufficiency in pulp is secured through our ownership of Metsä Fibre

Metsä Fibre is globally #1 producer in softwood market pulp (NBSK)

- 3.3 million tonnes/year chemical pulp, of which 80% SW and 20% HW
- 2.1 million m³/year, of which 40% spruce and 60% pine sawn timber
- Self-sufficiency in electricity 175%

Metsä Board owns 24.9% of Metsä Fibre

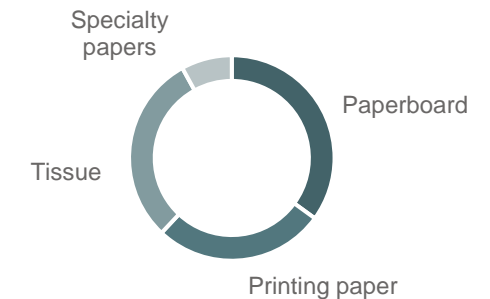
- Other owners Metsäliitto Cooperative 50.1% and Itotchu Corporation 25.0%
- Metsä Board consolidates 24.9% of Metsä Fibre's net result into its EBITDA. The annual dividend by Metsä Fibre is typically paid at the end of Q1
- Taking into account the ownership in Metsä Fibre, +/- 10% change in market pulp price has an +/- EUR 30 million impact on Metsä Board's annual operating result



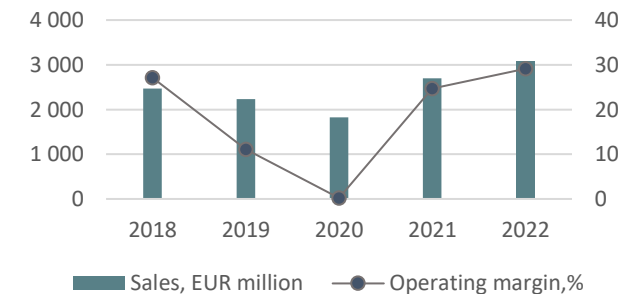
Pulp sales split by region 2022



Pulp sales split by end-use 2022

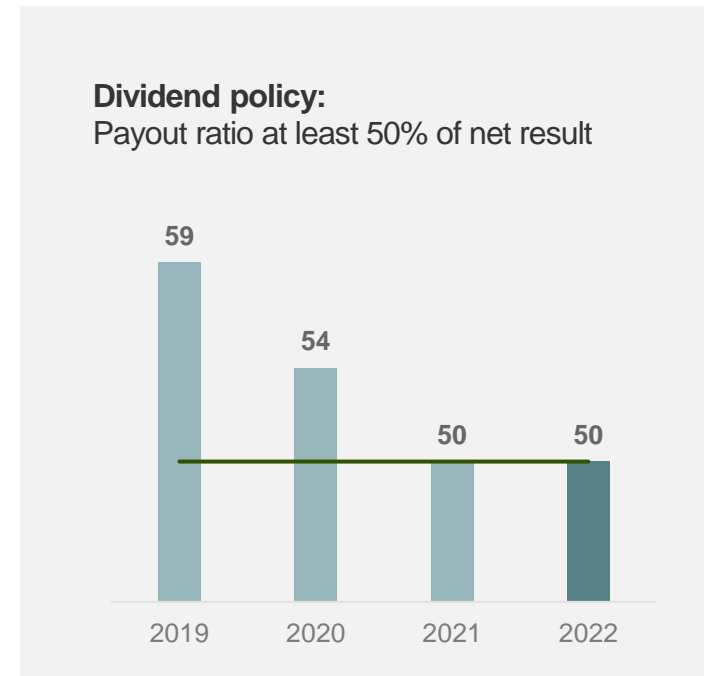
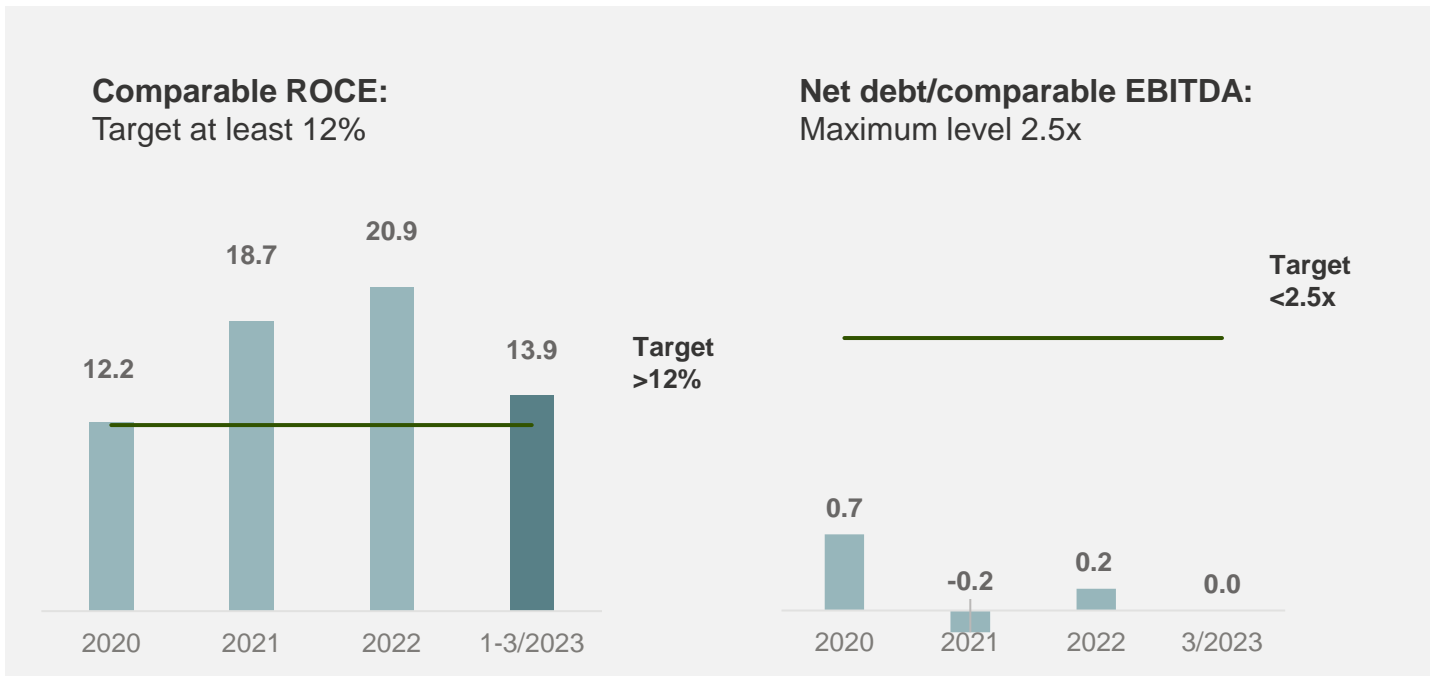


Metsä Fibre's sales (EUR million) and operating margin (%)



Strong performance supports our aim to grow in fibre-based packaging materials

Financial targets and dividend policy



Ongoing and future investments support our growth in fibre-based packaging materials



Husum folding boxboard capacity expansion

- Start up in H2/2023
- +200,000 t/a FBB, full production capacity during 2025
- Investment value EUR 210 million

In addition, port warehouse capacity will be increased, value ~ EUR 20–30 million



Kemi white kraftliner development programme

- Start up in H2/2023
- +40,000 t/a white kraftliner, full production capacity during 2024
- Decreased water and energy use
- Investment value EUR 67* million

*) final value will be specified later

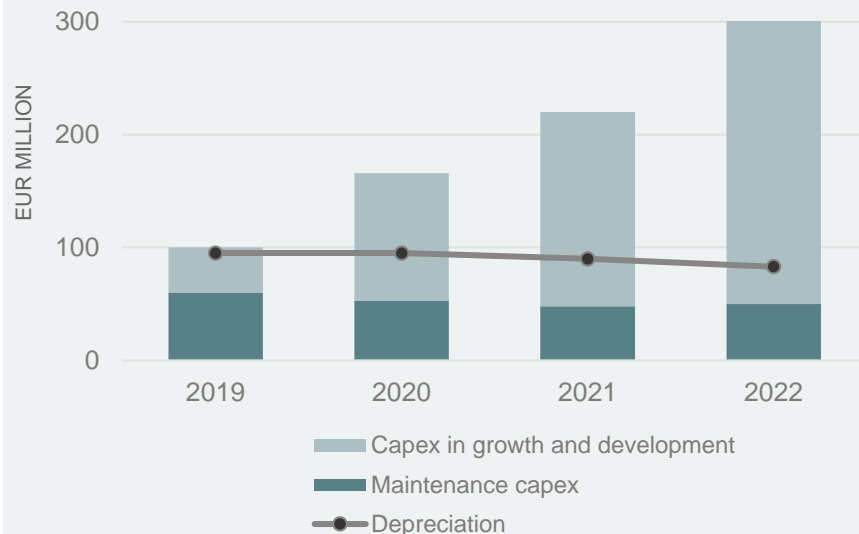


Pre-engineering for new folding boxboard mill in Kaskinen

- Pre-engineering based on world-class resource efficiency and 100% fossil free production
- 800,000 t/a folding boxboard
- Possible investment decision in 2024 at the earliest

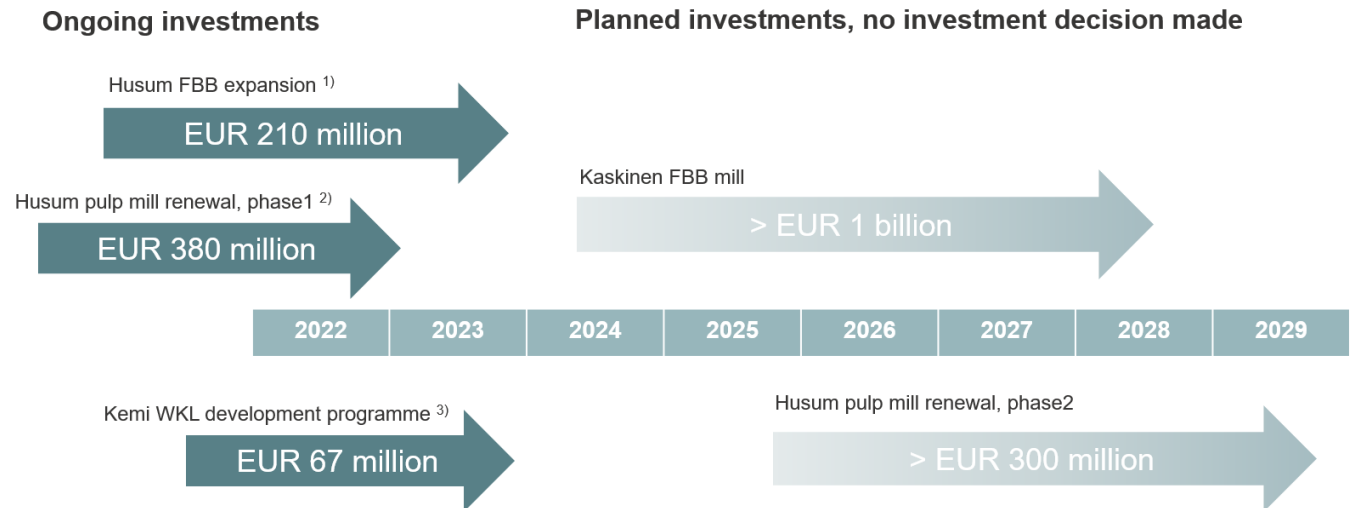
Strong financial situation creates solid platform for planned growth

Actual capital expenditure and depreciation



Total investments for 2023 estimated at EUR 250–300 million, depreciation at EUR 105 million

Indicative timetable for ongoing and planned investments



- 1) In addition, an investment in increased port warehouse capacity, value ~EUR 20–30 million
- 2) New recovery boiler and turbine started up 12/2022
- 3) Investment value will be higher than initial estimate of EUR 67 million

*) Metsä Board owns 24.9% of Metsä Fibre

Metsä Fibre* is building a new bioproduct mill in Kemi, Finland

- The new mill replaces current Kemi pulp mill (610,000 t/a)
- New bioproduct mill
 - Annual pulp capacity 1.5 million tonnes
 - Annual pulpwood consumption 7.6 m³
 - Self-sufficiency in electricity 250%
 - Side-stream utilisation 100%
- Estimated investment value EUR 2.02* billion
 - Metsä Board does not invest equity in Metsä Fibre to finance the project
- Estimated start-up in Q3 2023



*) initial estimate EUR 1.6 bn in 02/2021



Results for January–March 2023



Key financials

		Q1/23	Q1/22	Change Q1/23 vs Q1/22	Q4/22	FY/22
Sales	EUR, m	542	582	-7%	600	2,480
EBITDA*	EUR, m	114	143	-20%	117	603
Operating result*	EUR, m	89	121	-27%	101	521
% of sales*	%	16.4	20.9		16.8	21.0
Metsä Fibre's share of operating result*	EUR, m	29	31		123	175
Earnings per share	EUR	0.19	0.31	-39%	0.21	1.15
ROCE*	%	13.9	21.1		15.5	20.9
Total investments	EUR, m	57	107	-46%	77	304
Cash flow from operations	EUR, m	126	93	36%	70	232
IB Net debt, at end of period	EUR, m	9	-100		94	94

**comparable*

Q1 2023 in brief

- Improved average sales price of paperboards
- Total delivery volumes of paperboards decreased
- Weakened market pulp demand
- Production was adjusted to meet the lower demand
- AGM confirmed the dividend for FY2022: EUR 0.58/share
- Updated sustainability targets for 2030

Sales

542

EUR million

(Q1 2022: EUR 582m)



Comparable operating result

89

EUR million

(Q1 2022: EUR 121m)

Paperboard deliveries

380,000

tonnes

(Q1 2022: 473,000)

Paperboard production

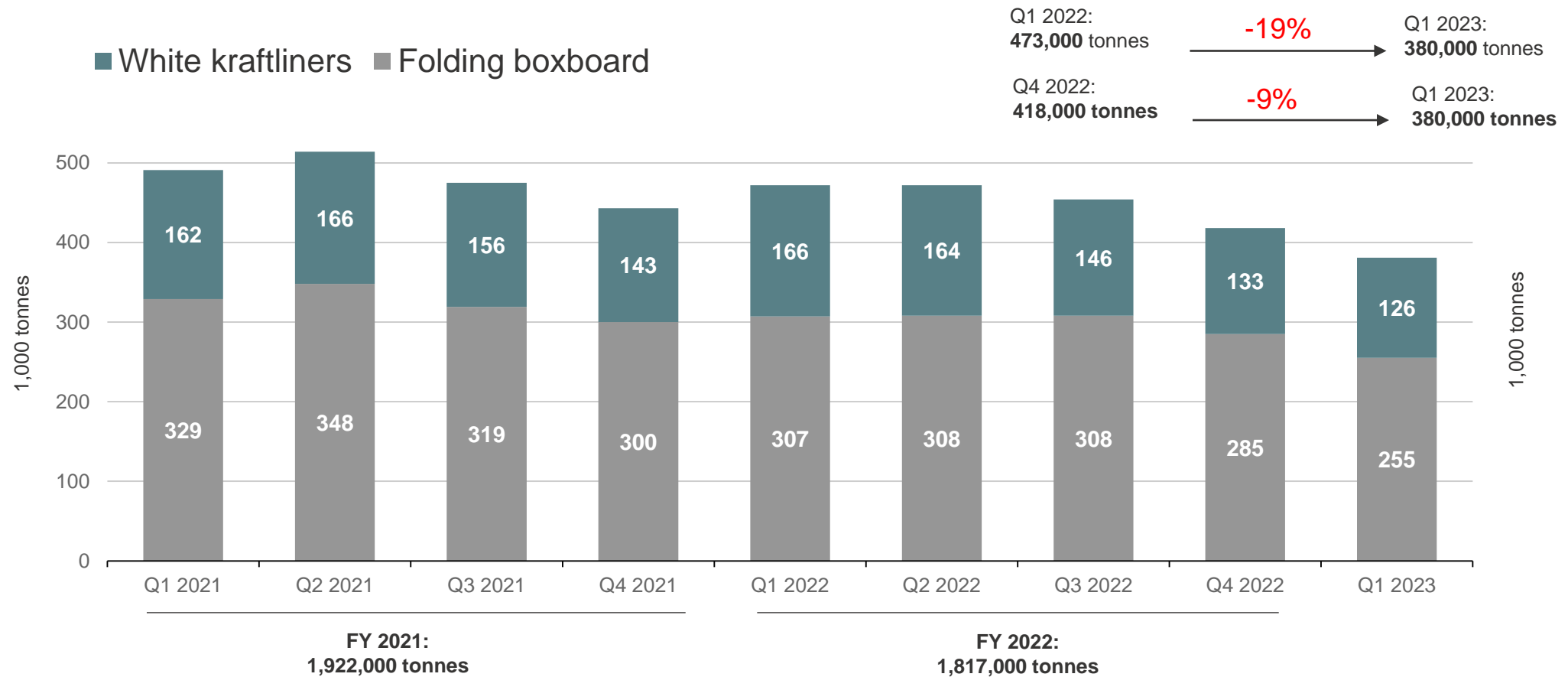
376,000

tonnes

(Q1 2022: 497,000)

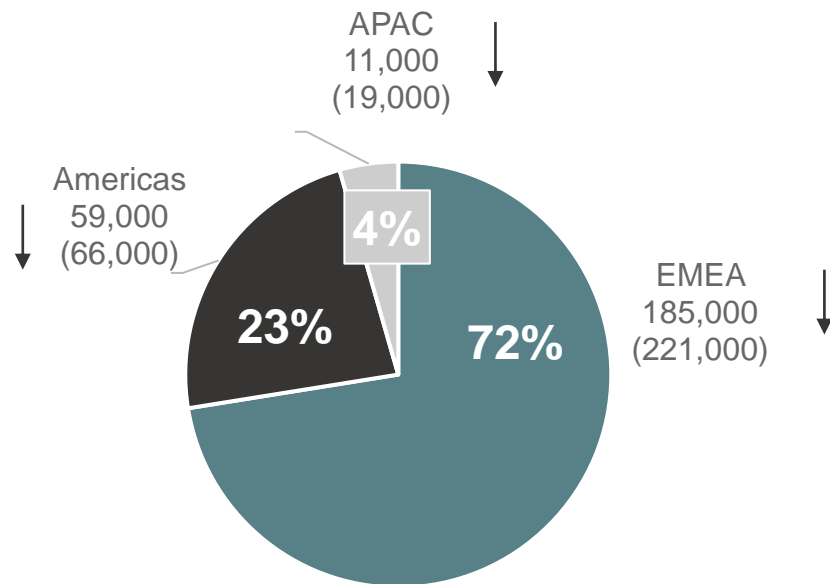


Destocking in the value chain continued and reduced volumes

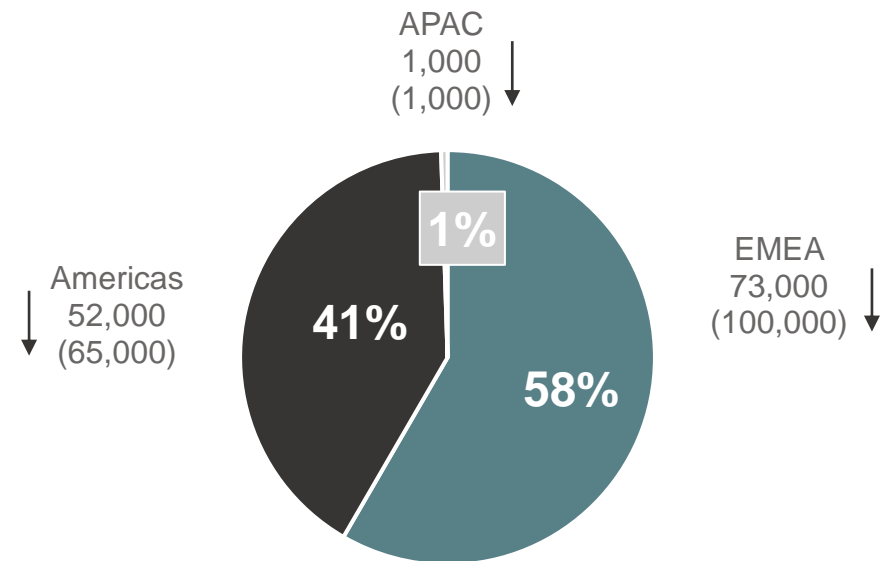


Paperboard deliveries by region

FBB deliveries Q1 2023 (Q1 2022)
total 255,000 tonnes (307,000)

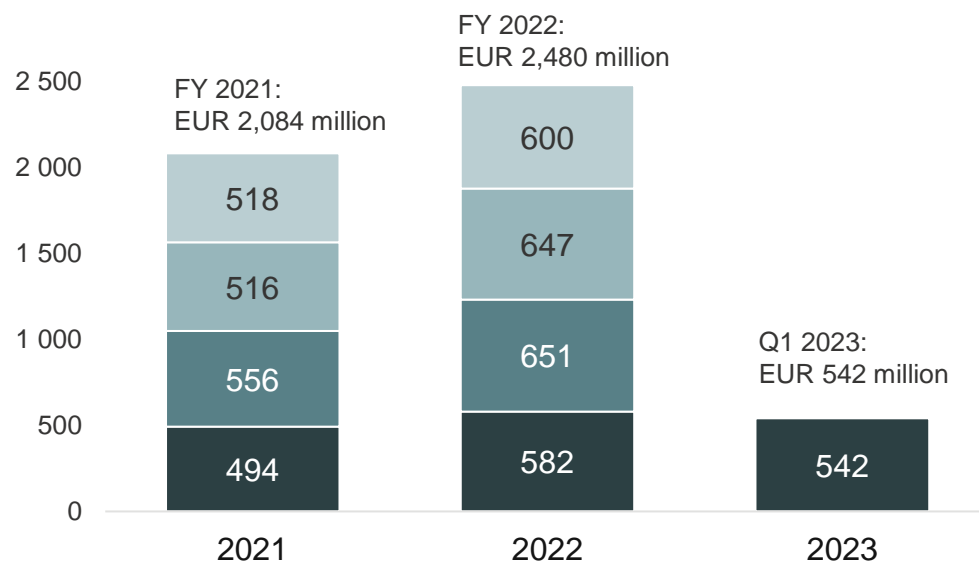


WKL deliveries Q1 2023 (Q1 2022)
126,000 tonnes (166,000)

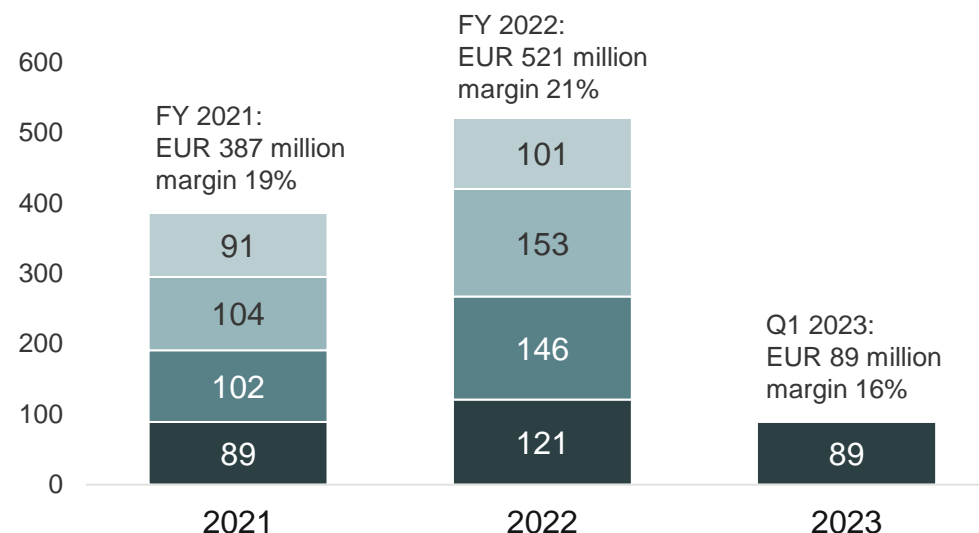


Reduced volumes reflected in sales, improved prices offset negative result impact

Sales, quarterly
EUR million



Comparable operating result, quarterly
EUR million and % of sales



Main items affecting comparable operating result

Q1 2023 vs Q1 2022: -27%
EUR 89 million vs 121 EUR million



Positives:

- Higher sales prices for paperboards and market pulp
- FX after hedges, impact EUR +24m
- Sale of unused emission allowances EUR 20 million (Q1 2022: EUR 7m)



Negatives:

- Increased costs of chemicals, energy, pulp wood and logistics
- Decreased delivery volumes of paperboards and market pulp
- Result share from Metsä Fibre (EUR 29m vs EUR 31m)



Q1 2023 vs Q4 2022: -12%
EUR 89 million vs 101 EUR million



Positives:

- Higher sales prices for folding boxboards
- FX after hedges, impact EUR +7m
- Sale of unused emission allowances EUR 20 million (Q1 2022: EUR 10m)
- No maintenance



Negatives:

- Decreased delivery volumes of paperboards
- Weakened price and lower delivery volumes of market pulp
- Increased pulp wood costs
- Result share from Metsä Fibre (EUR 29m vs EUR 42m)
- Higher depreciation EUR -10 million

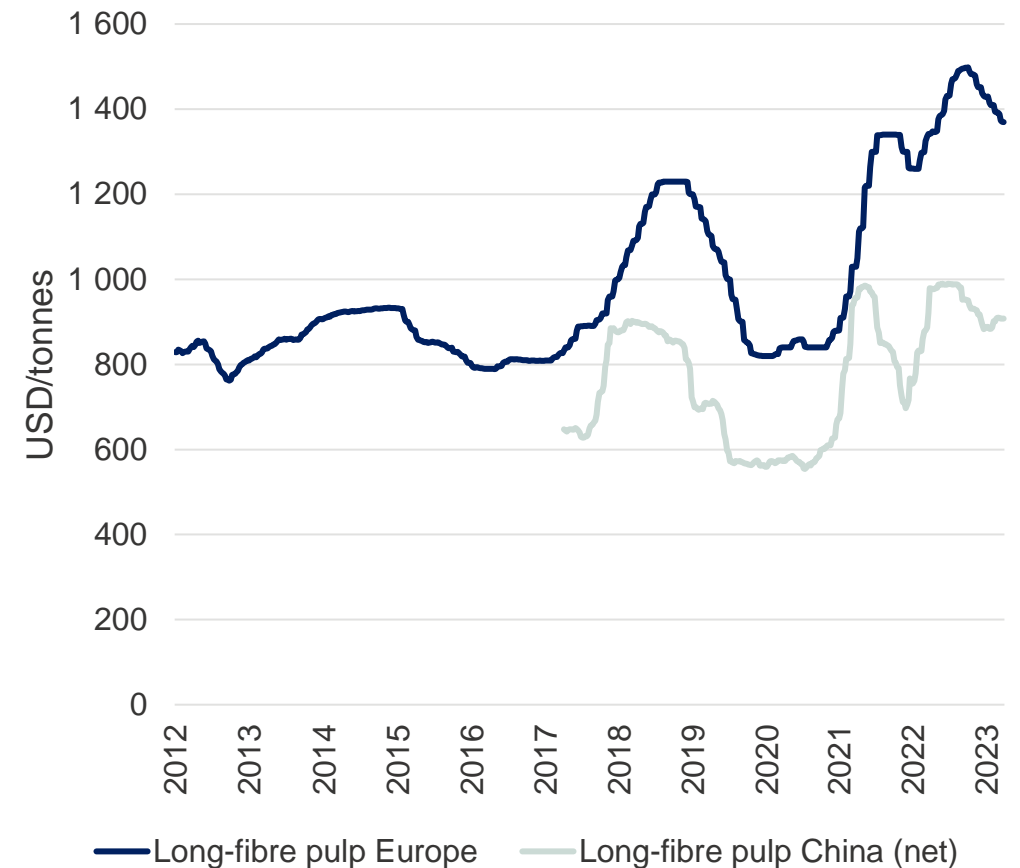
Market pulp

- Market pulp deliveries (Q1 2023 vs Q1 2022)
 - Metsä Board -32%: (83,000 vs 122,000 tonnes)
 - Metsä Fibre^{*)} -14%: (647,000 vs 751,000 tonnes)
- Weakened demand in softwood market pulp
 - In Europe, prolonged production shutdowns by paper/paperboard producers
 - In China, the economic recovery has been slower than expected
- Price (PIX) development in softwood pulp
 - Q1 2023 vs Q4 2022: Europe -4%, China -2%
 - Q1 2023 vs Q1 2022: Europe +8%, China +5%



^{*)} Metsä Fibre's total pulp delivery volumes

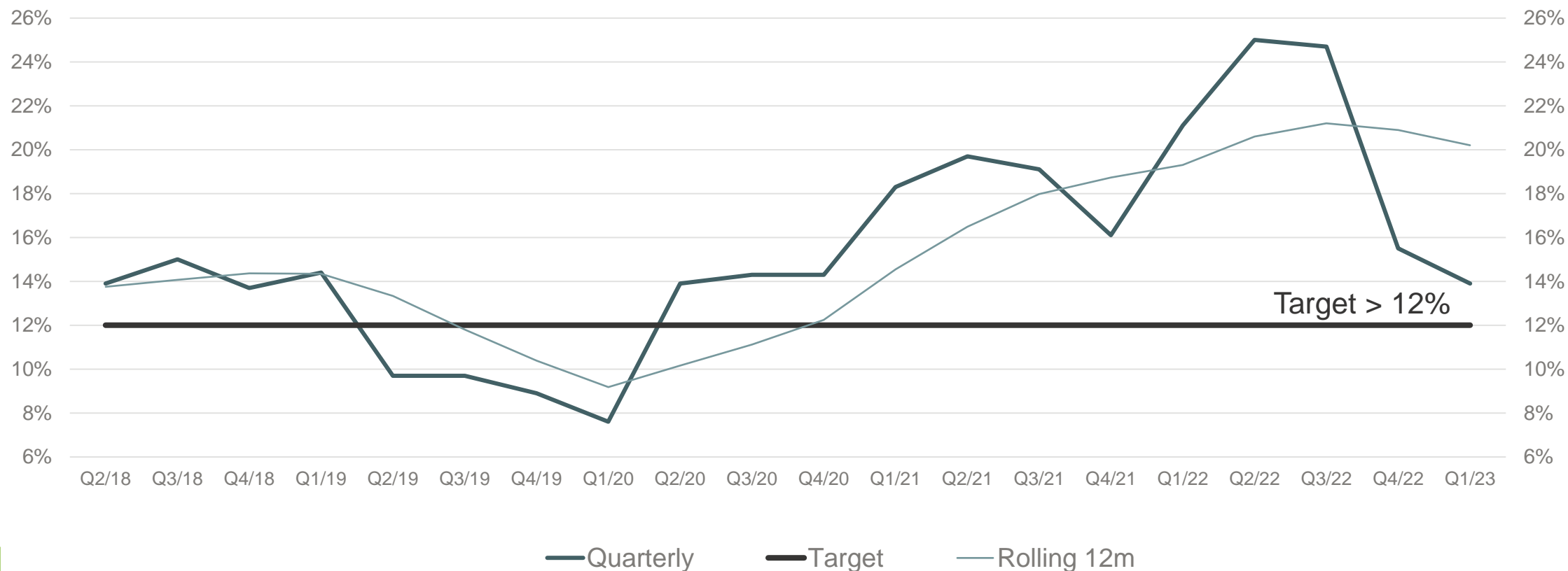
Softwood pulp price (PIX) development in Europe and China



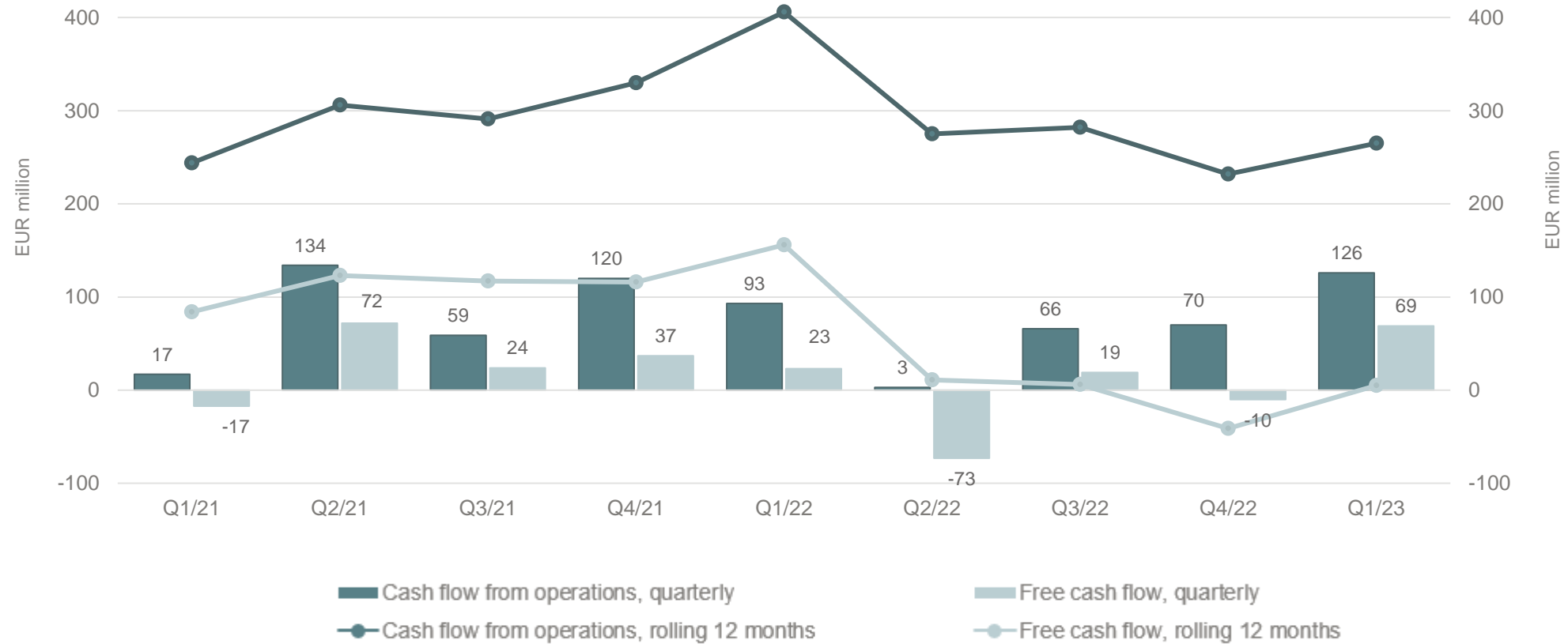
Source: Fastmarkets Foex

Q1 2023 comparable ROCE at 13.9%

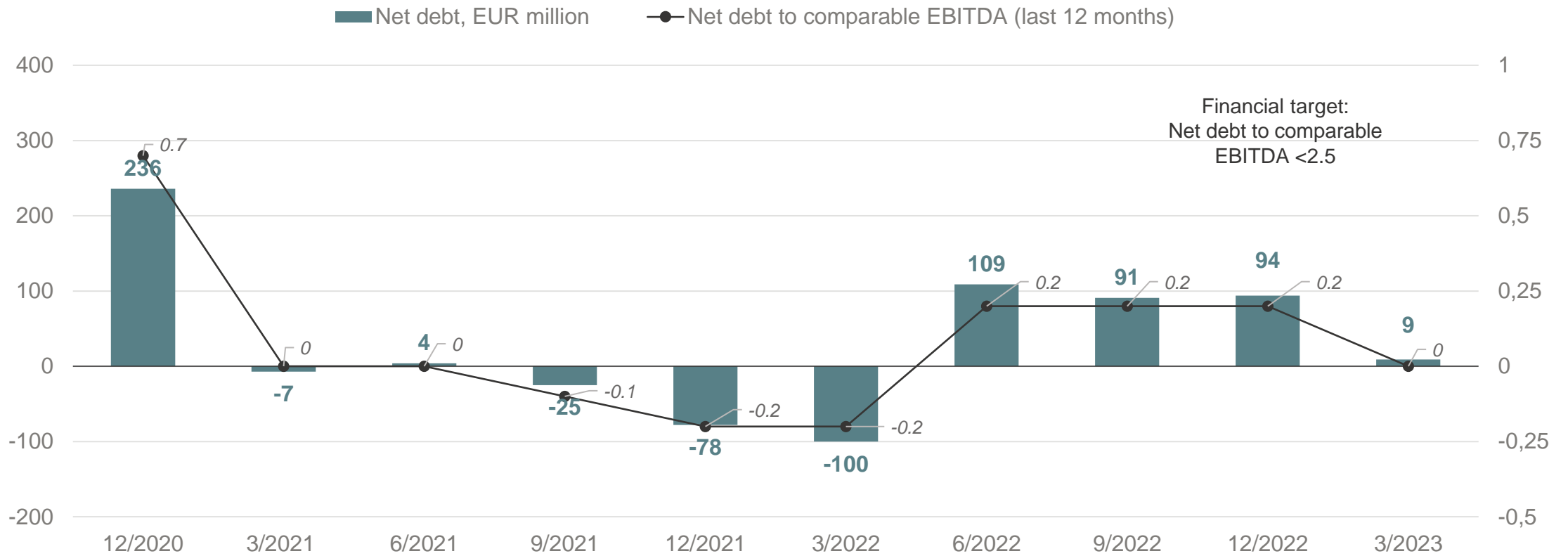
Comparable return on capital employed, %
Quarterly and rolling 12 months



Strong cash flow in Q1 2023, supported by dividend from Metsä Fibre

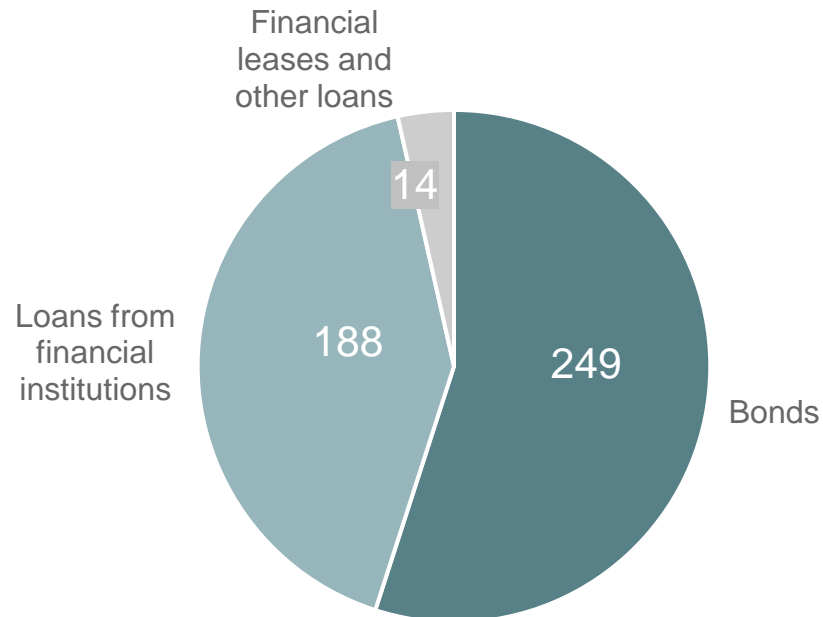


Balance sheet remained strong

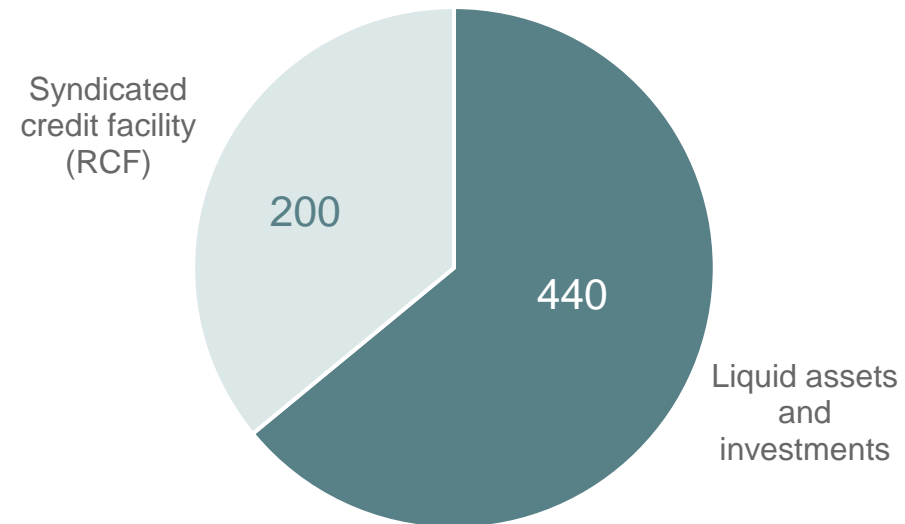


Debt structure and liquidity on 31 March 2023

Interest-bearing debt
EUR 451 million



Liquidity
EUR 640 million



Liquidity is complemented by

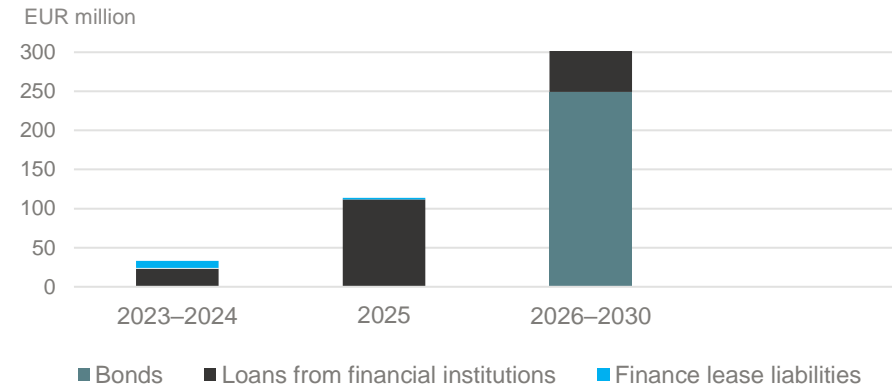
- Metsä Group's internal undrawn short-term credit facility of EUR 150 million and
- Undrawn pension loans of EUR 228 million.

Debt maturity and credit ratings

31 March 2023

- Total interest-bearing debt was EUR 451 million, and net debt was EUR 9 million
- The average interest rate on loans at the end of the review period was 2.5%, and the average maturity of long-term loans was 3.7 years
- Net financial costs including foreign exchange differences were:
 - Q1 2023: EUR 0.7 million
 - FY 2022: EUR 6.6 million

Maturity of interest-bearing debt Total EUR 451 million



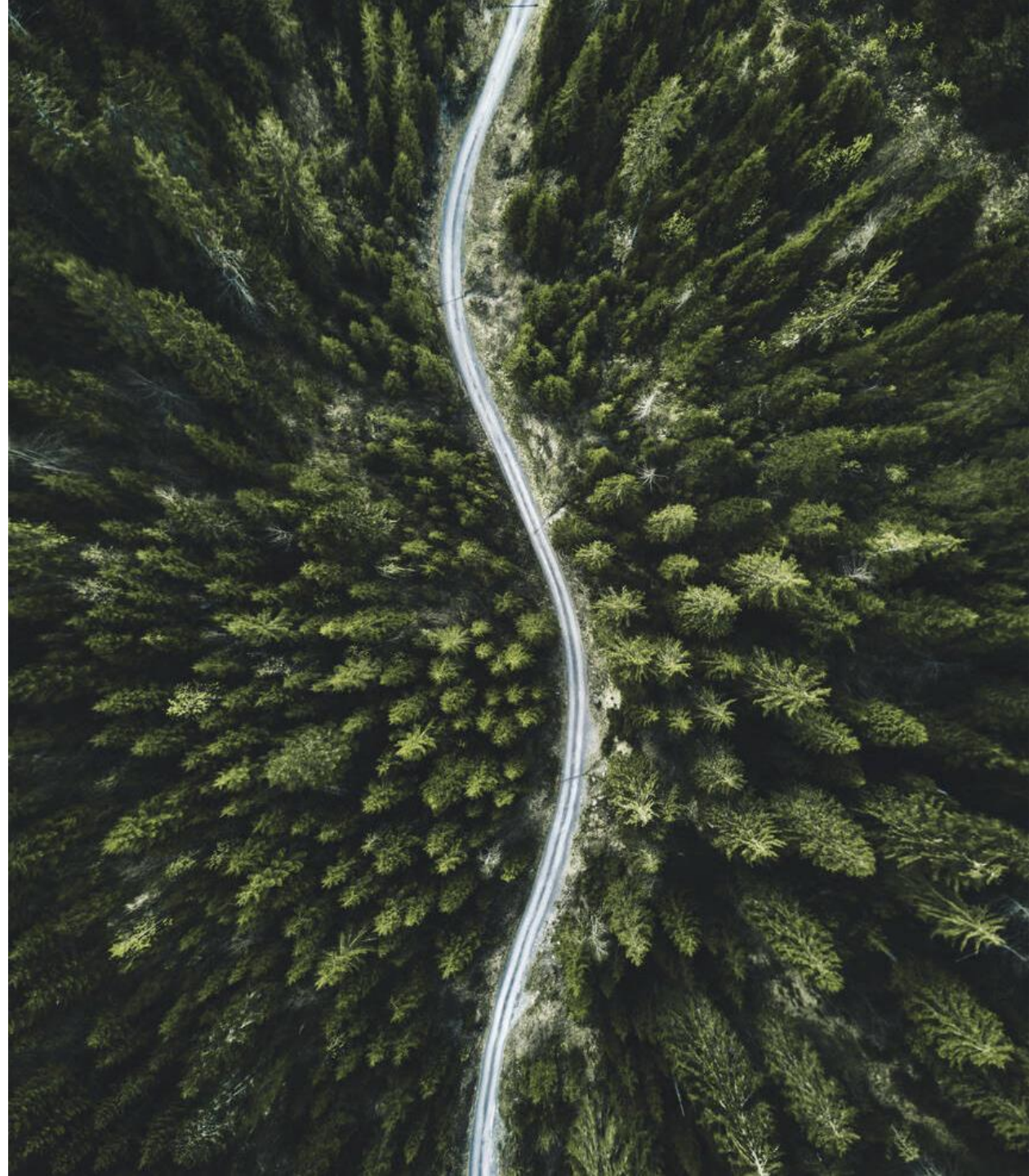
Metsä Board's credit ratings are *investment* grade

Rating agency	Rating and outlook	Last update on rating
S&P Global	BBB-/stable	02/2018
Moody's Investor Services	Baa2/stable	12/2022

Near-term outlook

April–June 2023

- Outlook for sales development remains weak
- Paperboard delivery volumes and average sales prices expected to remain stable compared to Q1
- Muted demand with weakening prices for market pulp
- Total costs expected to remain stable
- Several annual maintenance shutdowns at Finnish mills
- Positive impact from FX compared to Q1





Main profit drivers and sensitivities

Component	Unit	Change	Impact on EBIT, approximately
Folding boxboard	Price / tonne	+/- 10%	>EUR 150 million
White kraftliners	Price / tonne	+/- 10%	>EUR 50 million
FX	USD/EUR	+/- 10%	EUR 100 million
	SEK/EUR	+/- 10%	EUR -50 million
Pulp	PIX price of SW/HW per tonne	+/- 10%	EUR 40 million
Wood	Cost, delivered to Finnish mills	+/- 10%	EUR 45 million ¹⁾
	Cost, delivered to Husum	+/- 10%	EUR 20 million

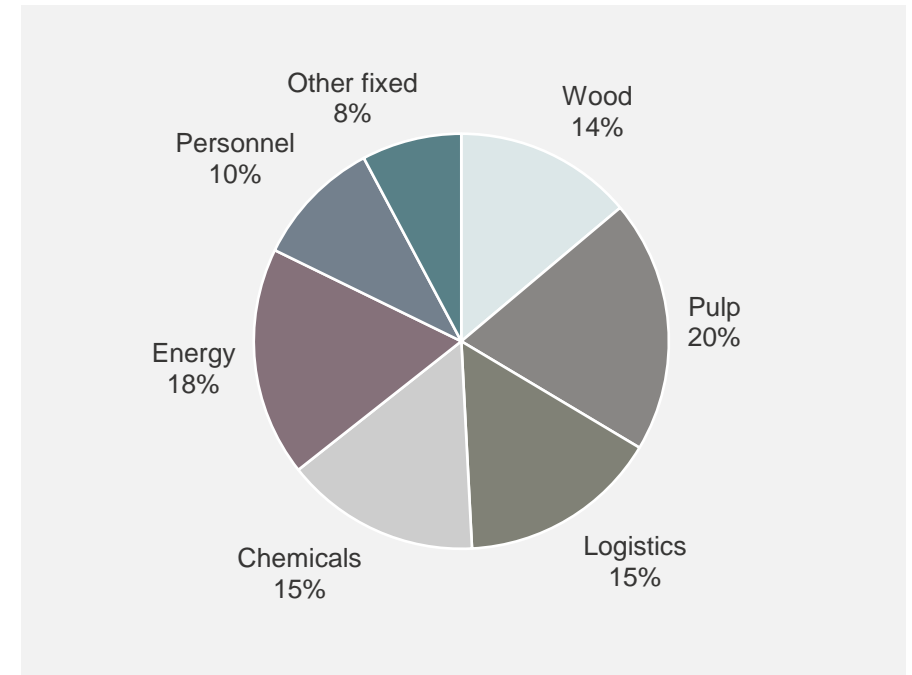
¹⁾ sensitivity takes into account Metsä Board's 24.9% stake in Metsä Fibre

Cost inflation +15%

- In Q1 2023, total costs, excluding pulp, were roughly 15% higher compared to Q1 2022
- In chemicals, prices increased especially in caustic soda, peroxides, starch and latex
- Wood costs have risen as a result of increased stumpage prices and supply chain cost inflation
- Logistics costs increased due to higher warehousing and handling costs and higher fuel prices
- Compared to Q4 2022 costs were levelling off in energy, chemicals and logistics. Wood costs continued to increase

Metsä Board's cost structure in 2022

Total costs EUR 2,122 million (1,747)



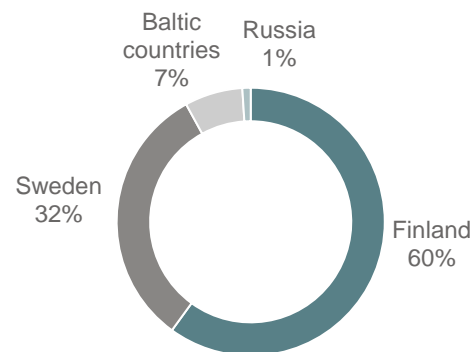
*) **Pulp:** Metsä Board purchases all external pulp from its associated company Metsä Fibre, of which Metsä Board owns 24.9%.

Metsä Fibre's pulp cost structure in 2022: Wood 51%, Chemicals 15%, Logistics 12%, Personnel 5%, Other 17%.

Wood is Metsä Board's main raw material

- Wood represents 25% of Metsä Board's total costs¹⁾
- In 2022, Metsä Board used 8.3 million m³ wood¹⁾ of which 83% of was certified
- Metsä Group is responsible of Metsä Board's wood sourcing
 - Metsä Group's annual wood sourcing is ~35 million m³
- Majority of wood sourced in Finland comes from the members of Metsäliitto Cooperative. In Sweden Metsä Board has a long-term wood supply agreement with Norra Skog
- All wood sourcing from Russia was discontinued in March 2022 and focused mainly on Finland and Sweden

Wood sourcing areas in 2022



¹⁾ includes the wood used in pulp that Metsä Board buys from Metsä Fibre



FX sensitivity and exposure

Result sensitivity to FX fluctuations

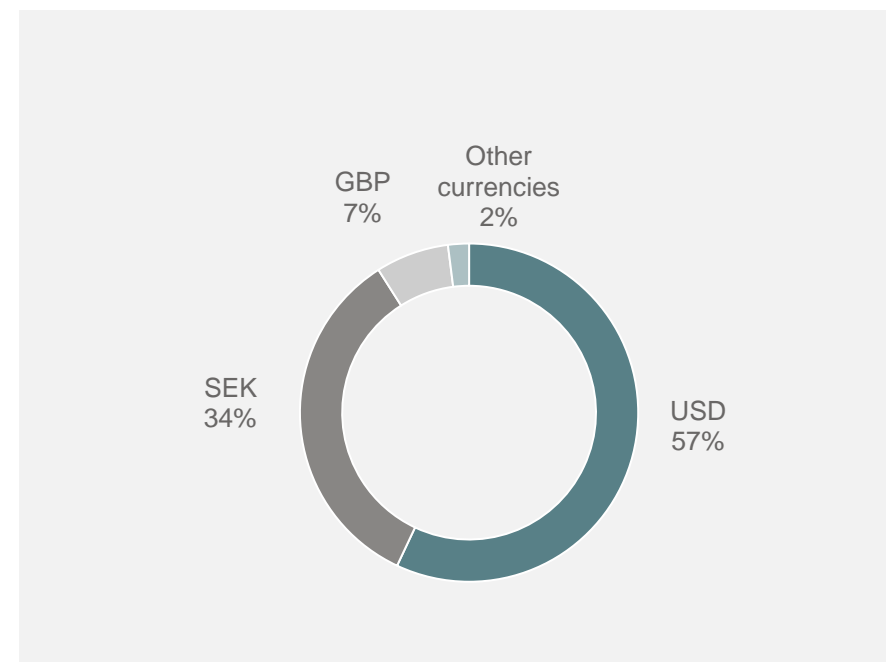
Currency	Change	Impact on annual EBIT
USD/EUR	Strengthening by 10%	EUR +100 million
GBP/EUR	Strengthening by 10%	EUR +10 million
SEK/EUR	Weakening by 10%	EUR -50 million

Outlook

- Estimated impacts including hedges in
 - Q2 2023 vs Q1 2023: positive
 - Q2 2023 vs Q2 2022: clearly positive
- Current hedges are up until November/December 2023

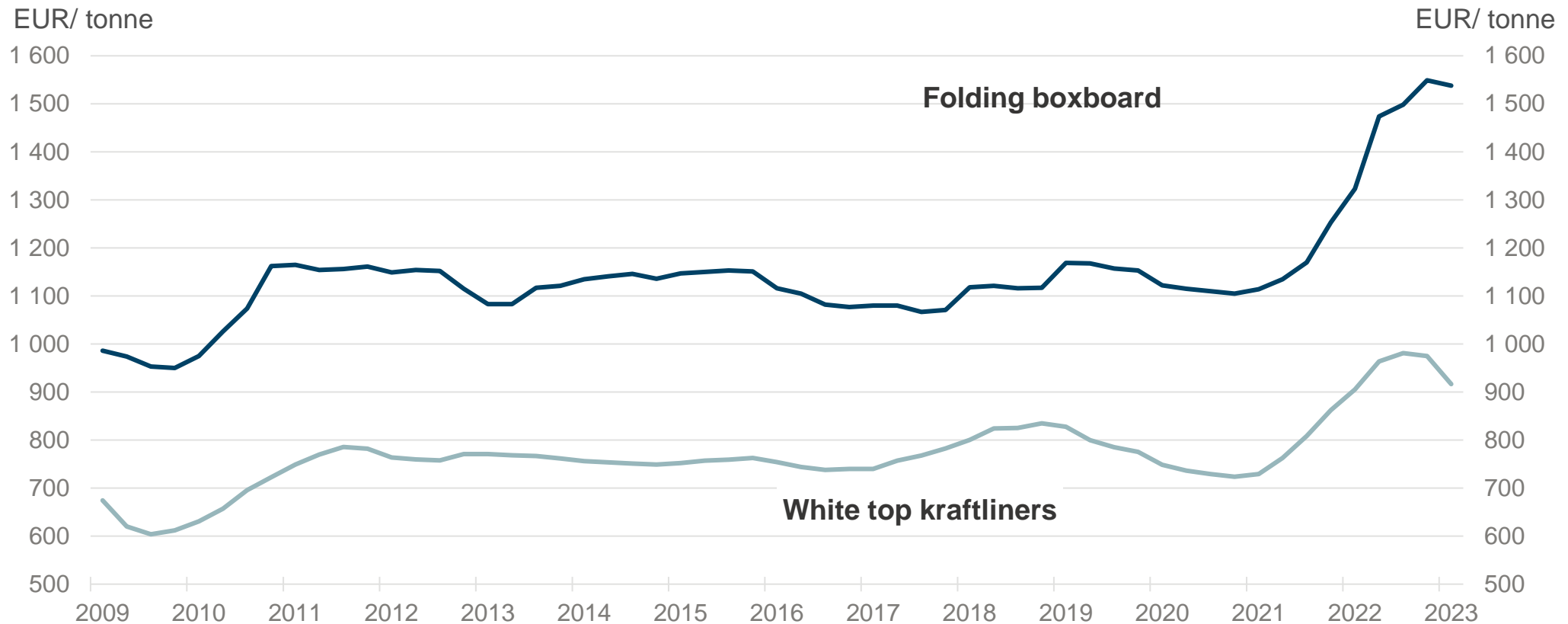
Annual FX transaction exposure

total EUR 1.5 billion



The foreign currency transaction exposure consists of foreign currency denominated sales and costs. The exposure includes foreign currency denominated balance sheet exposure consisting of accounts receivable and accounts payable, and 50% share of the annual contracted or estimated net currency cash flow.

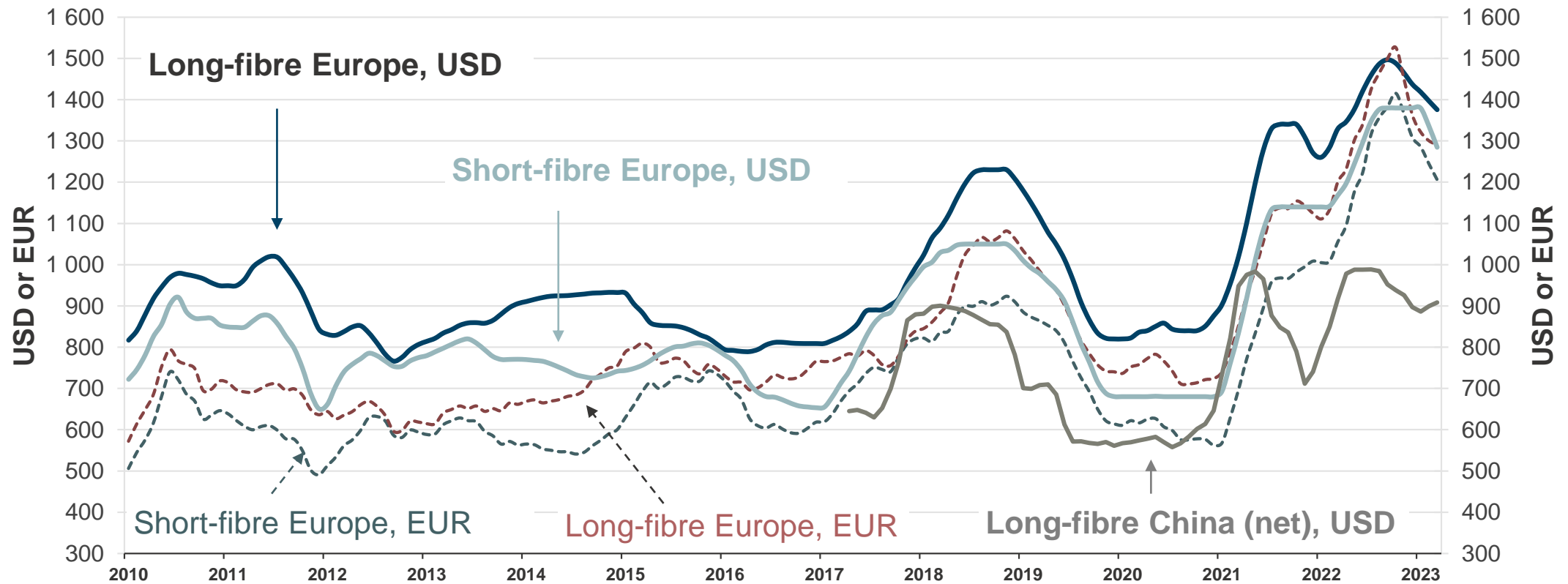
Price development of folding boxboard and white kraftliners in Europe



Sources: Fastmarkets RISI & Fastmarkets FOEX

Price development of pulp (PIX)

Long-fibre (SW) and short-fibre (HW) pulp



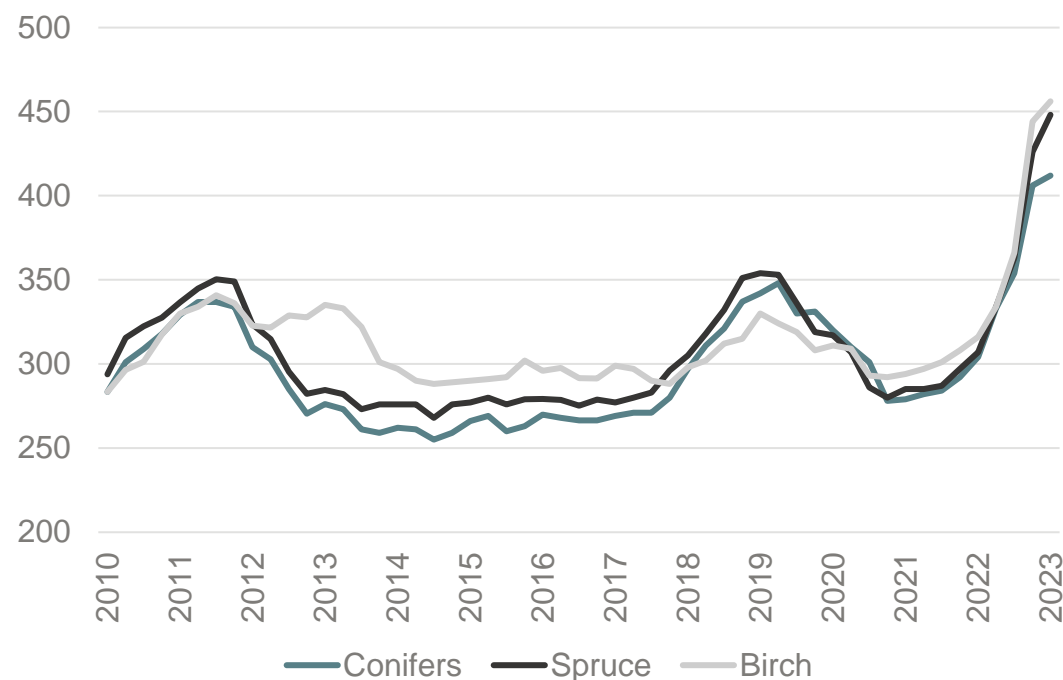
Price development of pulpwood in Finland and Sweden

Delivery at roadside

Price (on bark) of pulpwood in Finland
EUR/m³



Price (under bark) of pulpwood in Sweden
SEK/m³



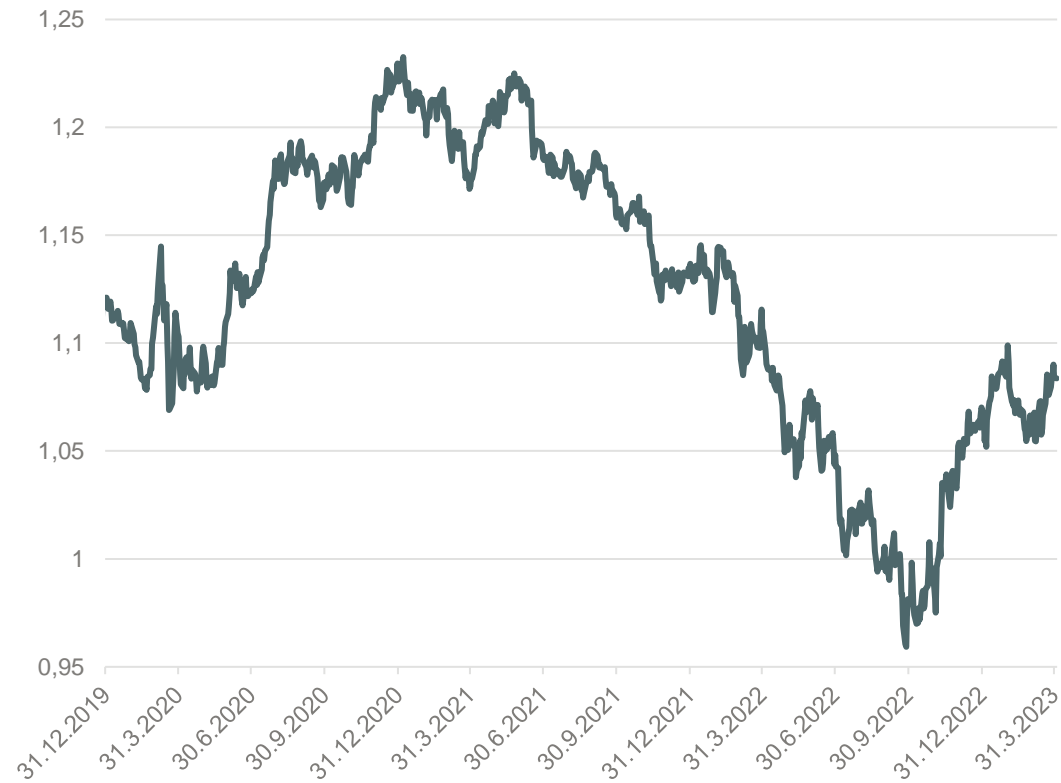
Sources:

[Finland](#) - Luke (Natural Resources Institute Finland): Average delivery prices at roadside (EUR per solid cubic metre with bark, excl. VAT)

[Sweden](#) - Skogsstyrelsen (The Swedish Forest Agency): Average delivery prices at roadside (SEK per cubic meter under bark)

FX rates development: EUR/USD and EUR/SEK

EUR/USD



EUR/SEK

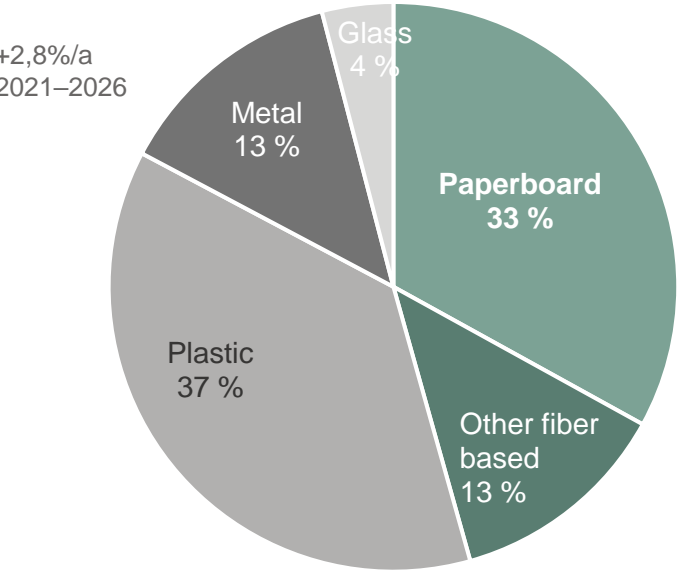


Operating environment

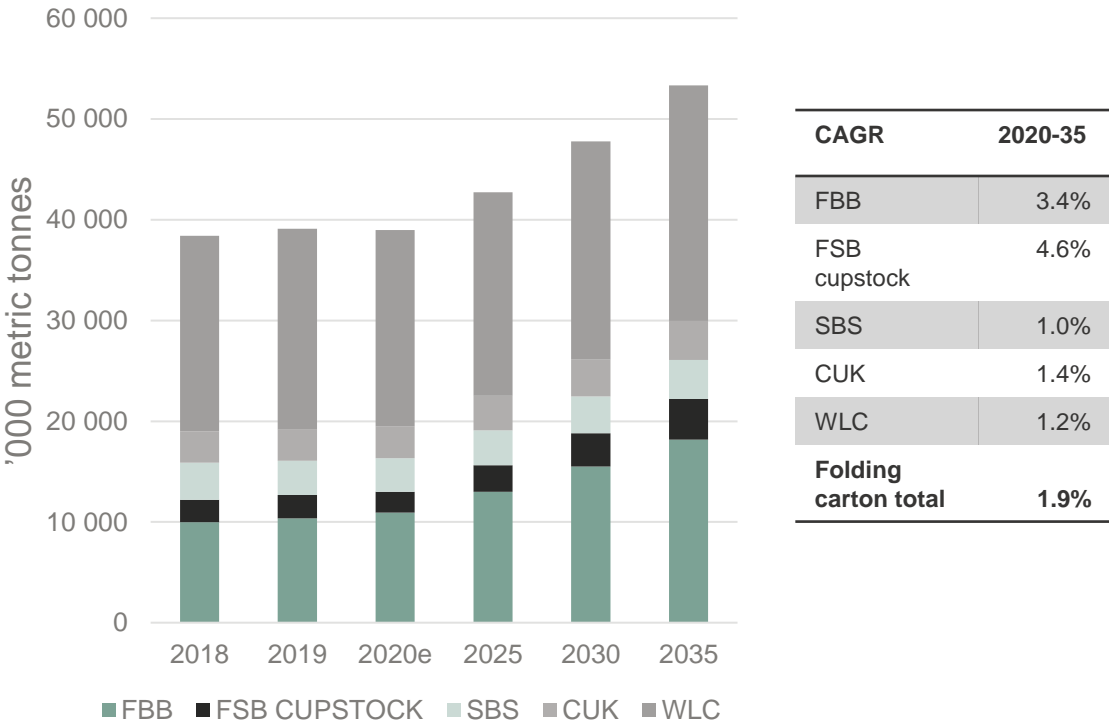


Paperboard is the fastest growing packaging material

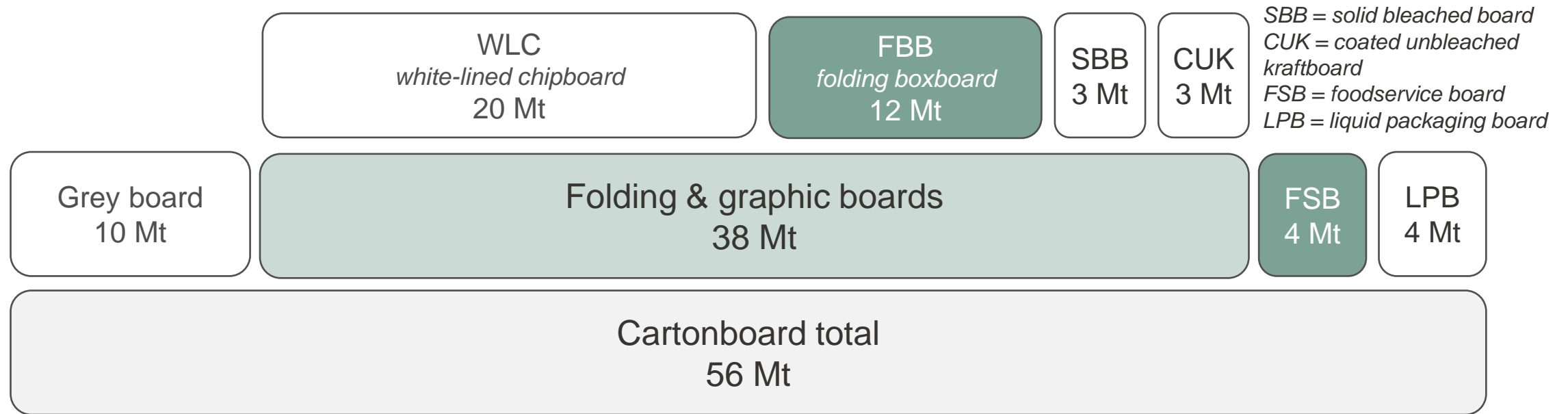
The size of the global packaging market, measured by end value, is USD 1,015 billion and it's growing by ~4% per year



FBB and FSB have fastest growth rates of all cartonboards

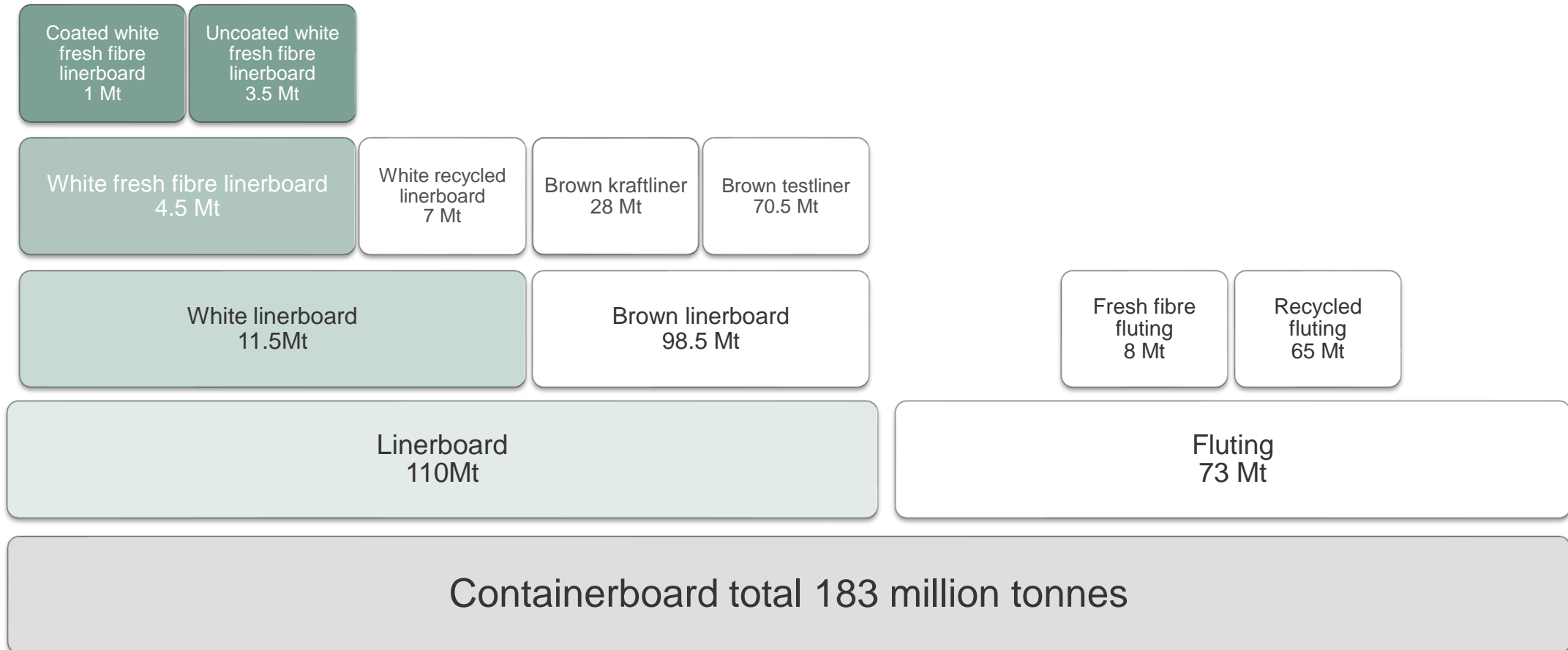


Global annual demand for cartonboards

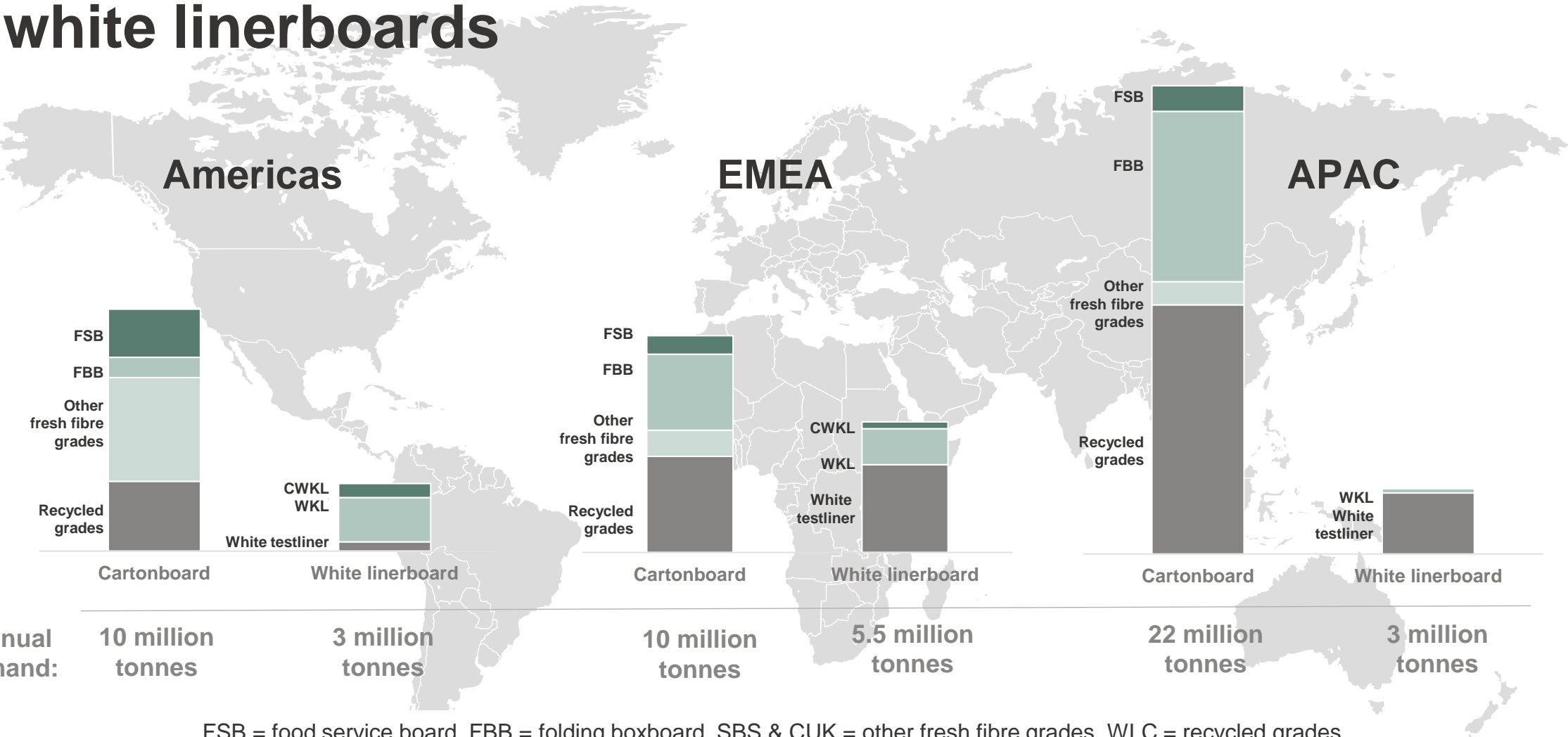


Global annual demand for containerboards

Metsä Board's linerboards are at the top of the quality pyramid – in a very niche market



Global annual demand for folding cartonboards and white linerboards



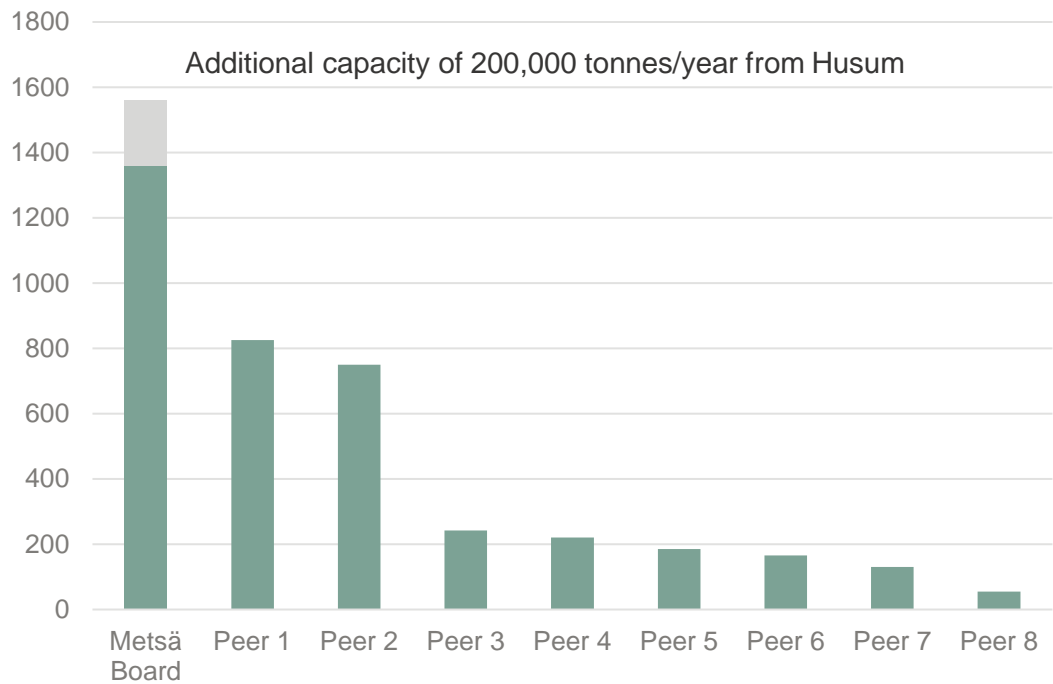
FSB = food service board, FBB = folding boxboard, SBS & CUK = other fresh fibre grades, WLC = recycled grades
WKL = uncoated white kraftliner, CWKL=coated white kraftliner

Source: Metsä Board research based on several sources, e.g. CEPI Cartonboard and Containerboard, RISI

Metsä Board's share of European capacity in both grades accounts for about one third

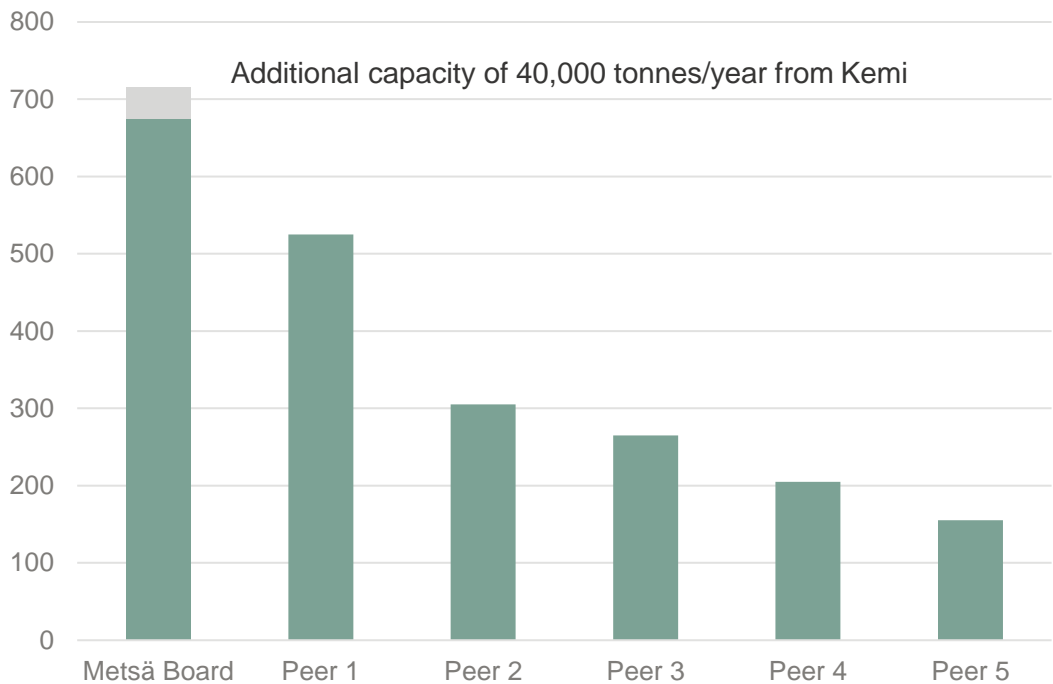
FBB producers in Europe

Total capacity 3.9 million tonnes



WKL producers in Europe

Total capacity 2.1 million tonnes





Sustainability

Our 2030 sustainability targets



Environment



We safeguard biodiversity

We mitigate climate change and reduce emissions

We use natural resources efficiently and reduce waste



Social










We do the right thing.
And promote safety and wellbeing at work.



Governance

We know the origin of our raw materials.
We favour responsible suppliers in our procurement.

Strong evidence of sustainability leadership

<div data-bbox="180 254 573 462">  </div> <div data-bbox="168 532 591 749"> <p>Metsä Board is among the top companies to have received an ‘A’ score in the CDP’s Climate, Water and Forest assessments for the 2nd year. Metsä Board is also placed on the Supplier Engagement Leaderboard.</p> </div>	<div data-bbox="840 254 1049 456">  </div> <div data-bbox="726 532 1169 749"> <p>Metsä Board again scored ‘Platinum’ in the EcoVadis sustainability rating in 2022 and is included in the top 1% of companies assessed in the manufacture of corrugated paper and paperboard, and of containers of paper and paperboard.</p> </div>	<div data-bbox="1327 294 1638 462">  </div> <div data-bbox="1296 532 1737 624"> <p>Metsä Board's GHG emission reduction targets are approved by the Science Based Targets initiative.</p> </div> <div data-bbox="1261 671 1758 725">  </div>	<div data-bbox="2053 269 2211 465">  </div> <div data-bbox="1857 521 2463 706"> <p>Metsä Board, as part of Metsä Group, is committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption. Metsä Board also supports the UN’s Sustainable Development Goals, the SDGs.</p> </div>
<div data-bbox="180 828 565 996">  </div> <div data-bbox="203 1083 379 1103"> Link to MSCI website </div> <div data-bbox="180 1168 606 1243"> <p><small>THE USE BY METSÄ BOARD OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF METSÄ BOARD BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.</small></p> </div>	<div data-bbox="749 849 1159 965">  </div> <div data-bbox="817 1083 1059 1103"> Link to Sustainalytics website </div>	<div data-bbox="1429 862 1579 959">  </div> <div data-bbox="1335 1083 1658 1103"> Link to Moody's ESG Solutions website </div>	<div data-bbox="1995 826 2318 1018">  </div> <div data-bbox="2023 1086 2181 1106"> Link to ISS website </div>

Material topics are reported in line with common frameworks

SASB

- Metsä Board reports in accordance with the SASB Standard for Pulp and Paper Products within SASB's Renewable Resources and Alternative Energy section
- In this standard, the financially material accounting metrics concern GHG emissions, air quality, energy management, water management and supply chain management
- The SASB reporting is included in our [Annual and Sustainability Report 2022](#)

TCFD

- Metsä Board's reporting on climate-related risks and opportunities complies with the TCFD's recommendations
- The disclosure describes governance, strategy, risk management as well as metrics and targets on climate-related topics
- The [TCFD table](#) includes references to relevant pages of the Annual and Sustainability Report, such as the table regarding [transition / physical risks and opportunities](#)

Metsä Board's 1.5°C aligned Science Based target

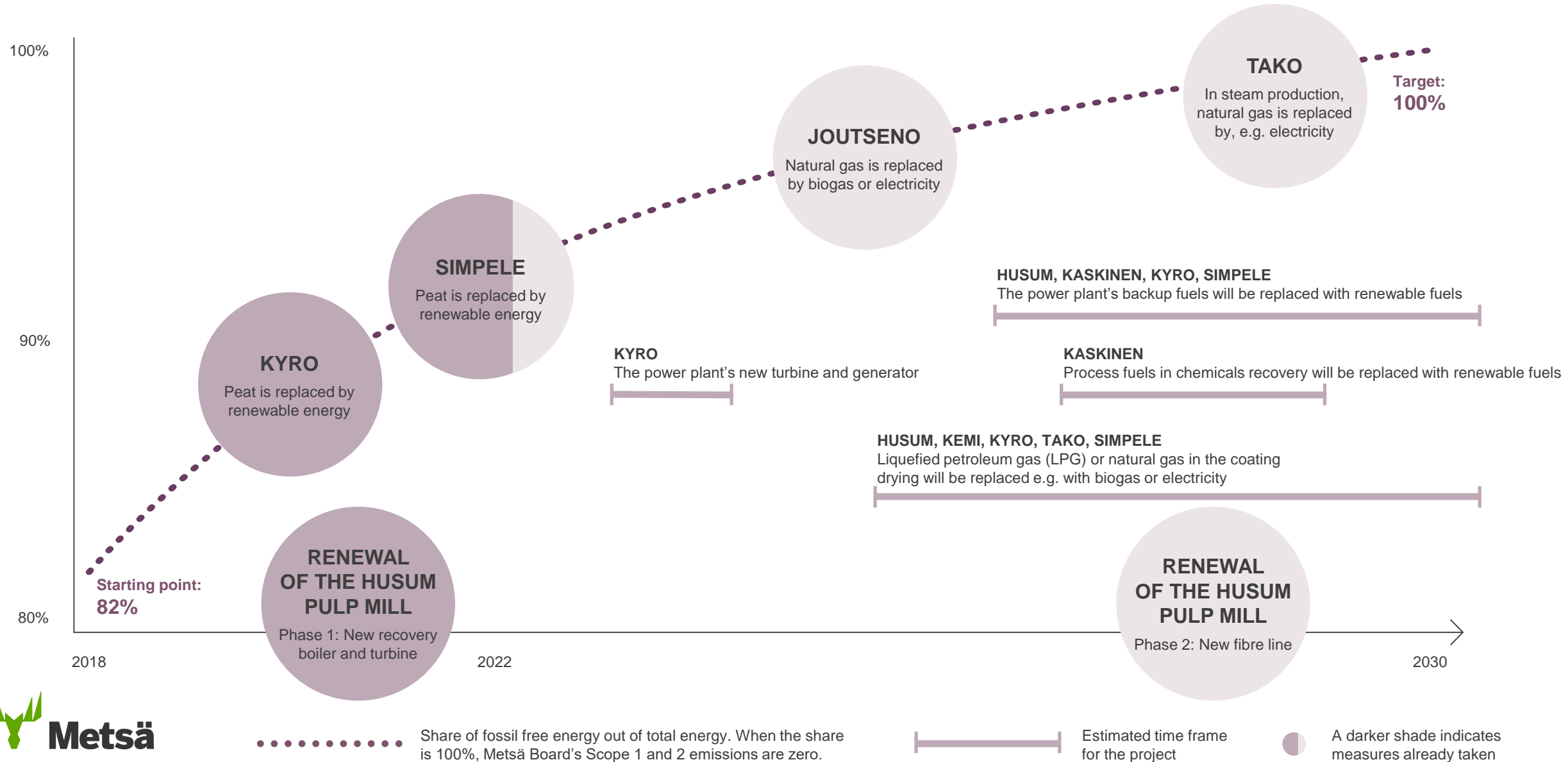
ZERO FOSSIL CO₂ EMISSIONS

Fossil free production* and products by the end of 2030

*including Scope 1 and Scope 2



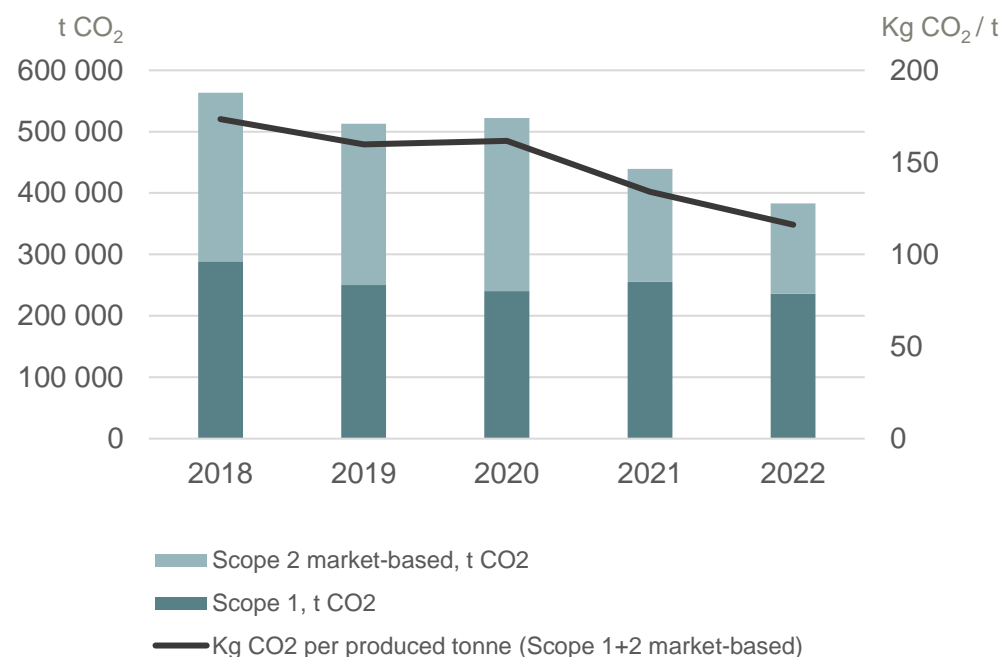
Transition plan towards fossil free production



Metsä Board has reduced its fossil-based CO₂ emissions per tonne by 33% since 2018

Target is to reduce fossil-based CO₂ emissions by 100% by the end of 2030

Fossil-based CO₂ emissions, Scope 1+2

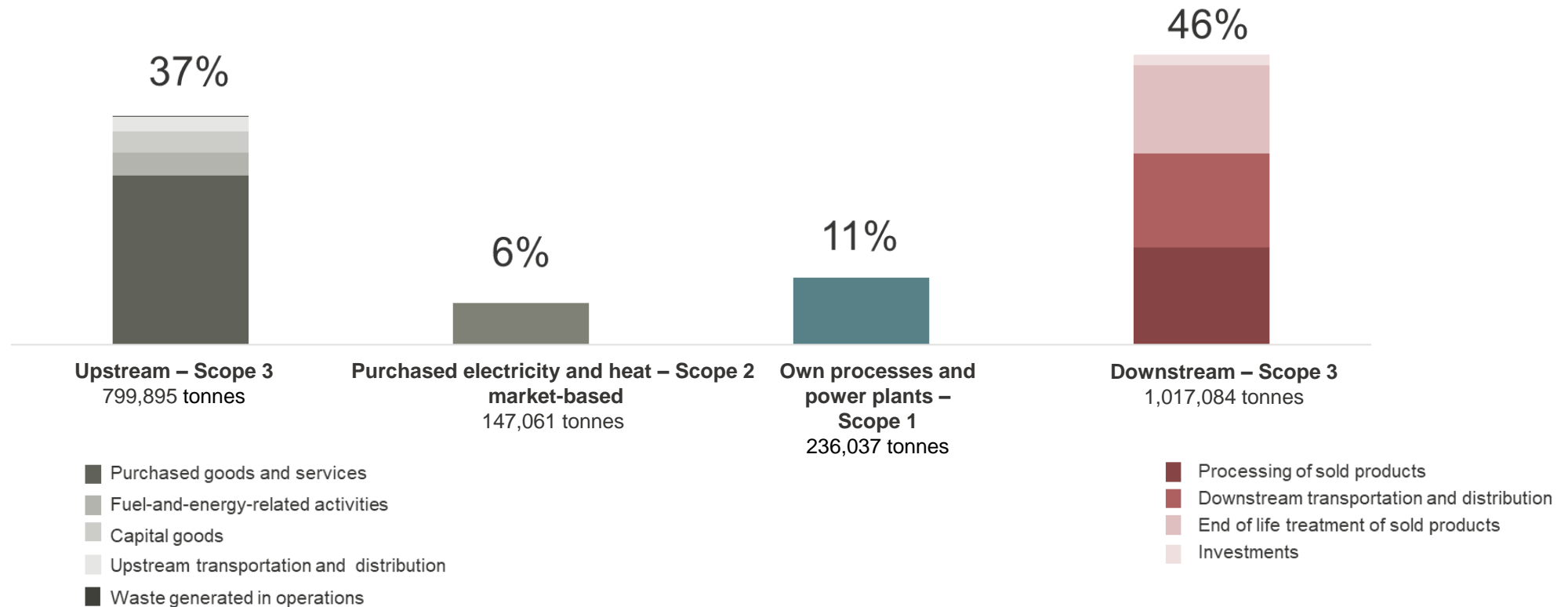


Emission allowances

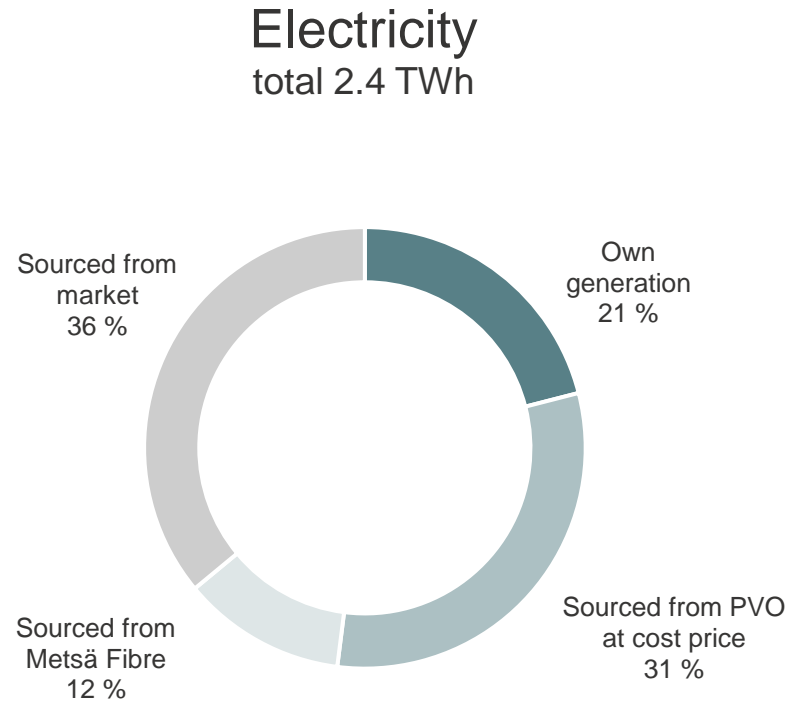
- Metsä Board has received emission allowances in accordance with the European Union Emissions Trading System
- During the past years, the number of free allowances received have exceeded the company's annual fossil-based CO₂ emissions. The surplus have been partly sold to the market
- Unused emission allowances do not have an impact on income statement or balance sheet. Metsä Board discloses the possible sales of emission allowances in its interim reports. More information in [Annual and Sustainability Report 2022](#).

Indirect emissions from value chain are included in our Science Based Targets to reduce GHG emissions

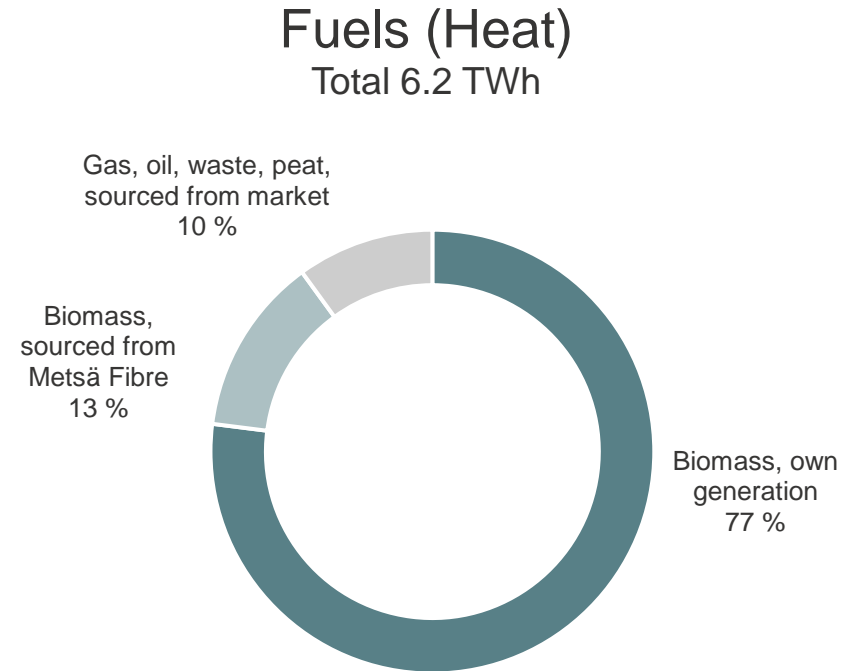
Total greenhouse gas emissions (CO_{2e}) ca. 2.2 million tonnes



Energy consumption by sourcing method



Based on GRI calculation



Based on primary energy calculation

Forest management plan as a part of Metsä Group's regenerative forestry

AT TYPICAL FOREST STAND

1

More diverse tree species composition

- Increasing the proportion of broadleaved trees
- Mixed forests
- 80 % of tree species outside purchase

2

Increased dead wood volumes

- Retention trees and tree groups
- Buffer zones
- Biodiversity stumps

3

More diverse forest structure

- Continuous cover harvesting
- Retention tree groups
- Valuable habitats
- Protective thickets

Management plan for typical forest stands

AT BIODIVERSITY HOT SPOT

4

Protected valuable habitats e.g.

- Brooks
- Springs
- Fertile bogs
- Cliffs
- Flood habitats

5

Habitat restoration at threatened species hot spots

- Herb-rich forests
- Esker sunny slopes
- Fire habitats

Separate management plan at threatened species hot spots

Biodiversity hotspots are ecologically unique regions that are exceptionally rich in species, and are thus priority targets for nature conservation

Our paperboards contribute to circular bioeconomy

- Packaging is needed to protect the product and to reduce wastage
- Packaging accounts for only few percent of the total environmental impact of a food product's entire life cycle
- Paperboard is widely collected for recycling and thus returned to the recycling loop
- Fresh fibres are needed to keep the recycling loop ongoing



Three principles of the Circular Economy, source Ellen MacArthur Foundation

Fresh and recycled fibres are equally good in terms of the circular economy

82%

of paper and board
packaging
is collected
for recycling

100%

recovery of wood fibres
is not possible because
part of the fibre is lost
during a cycle, or is
contaminated

Fresh fibre is needed in the recycling loop to maintain quality and strength,
and to keep the loop ongoing

Switching from WLC to FBB reduces the carbon footprint by 53%

Carbon Footprint *
kg CO₂ eq./200 000 cartons

WLC

MetsäBoard
Pro FBB Bright

53%

Lower
carbon footprint



Thanks to
the strength and
bulk of fresh fibre
boards, lighter
basis weights can
be used.



GaBi is a Life Cycle Assessment (LCA) modelling and reporting software. It contains databases of various industrial processes such as material and energy production and transports. GaBi LCA follows the standard ISO 14040 and ISO14044.



Brand owners' commitments and consumers' preferences favor fiber-based packaging

- Several **brand owners** have committed to get rid of unnecessary plastic and to have 100% reusable, recyclable and compostable (plastic) packaging by 2025
- Paper/cardboard is the preferred packaging material by **consumers**

Reduce



Recycle



Compost



Paperboard provides an alternative to plastics

PET

- Made of fossil oil-based materials with fossil-based energy
- Recycling rate of PET is low

(Eurostat: In the EU, recycling rate is 38% for plastic packaging and 82% for paper packaging)



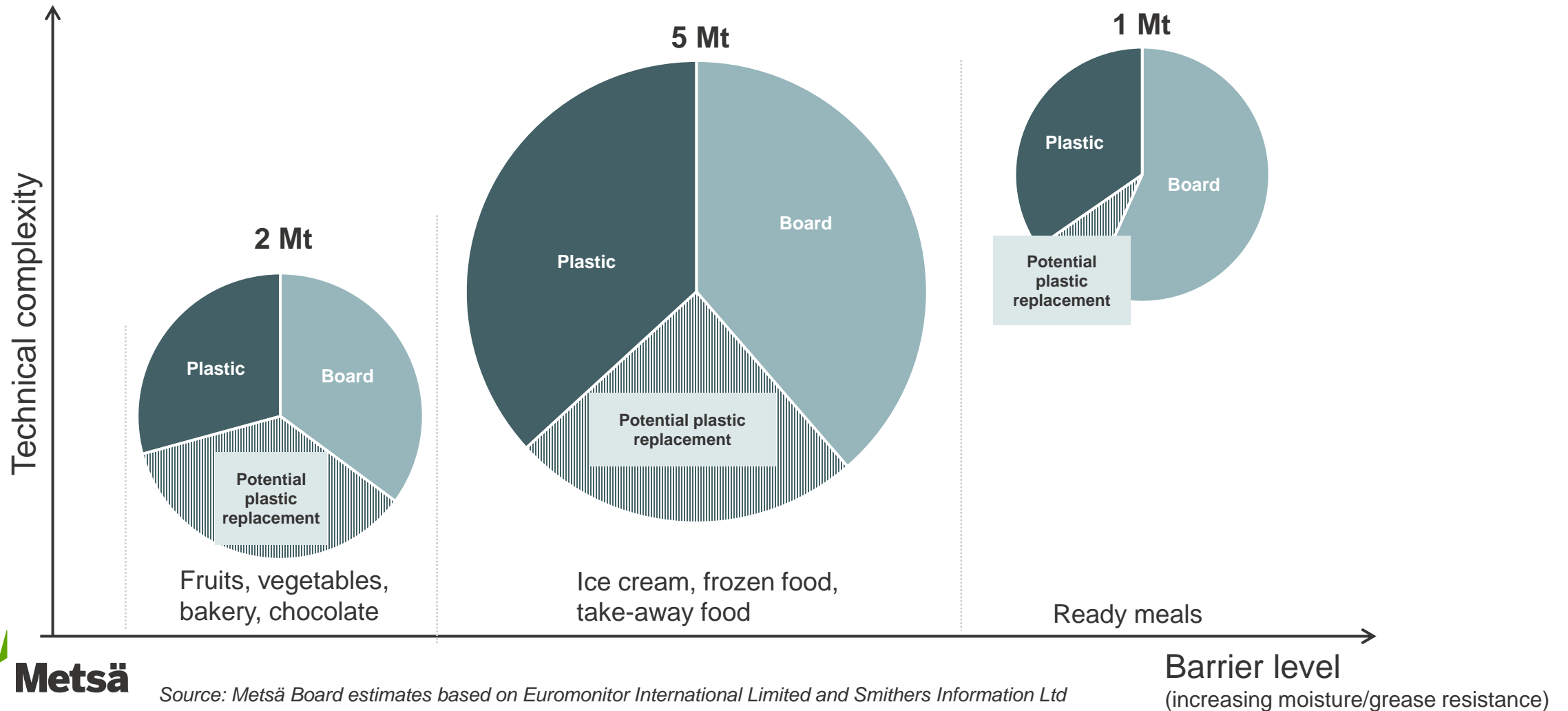
MetsäBoard Prime FBB EB

- Made from renewable fresh wood fibre with a high share of fossil free energy
- Easy to recycle
- Biodegradable and compostable



Plastic replacement potential roughly 2 million tonnes

Cartonboard and rigid plastic packaging market size in selected food categories, excluding cupstock and liquid packaging



Innovation and R&D



The goal of our R&D work is world class resource efficiency and reducing the carbon footprint



High-yield pulp makes the difference between **folding boxboard** and other grades



Lightweight yet strong and stiff

=

paperboard for cost-efficient,
sustainable and sturdy packaging



Improved yield

=

more cartons per tonne



Improved sustainability

=

less natural resources used,
lower carbon footprint

Key elements for world-class resource efficiency

Wood consumption depends on right fibre-mix.
Less wood needed in the production of mechanical pulp



Reduced water use through a closed water circulation and reduction of process water

New technology, development of energy recovery and AI **improve energy efficiency**



Resource and operational efficiency in production results into lightweight paperboards with less waste



Metsä Board's dispersion barrier coated paperboard has been a success providing an alternative to plastics



Launched in 2019
to answer the market need for
plastic-reducing solutions



Produced at
Kyro mill in Finland,
targeted volume 50% of mill's
production in 2023



Strong interest from customers,
annual **sales growing** at
a rate of ~100%

Our R&D work results in a smaller carbon footprint

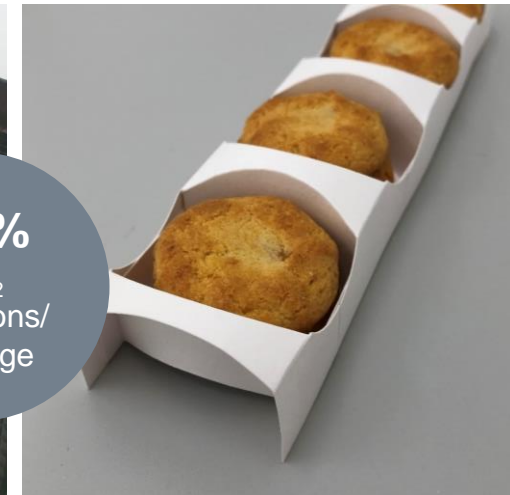
-80%
CO₂
emissions/
package



-40%
CO₂
emissions/
package



-80%
CO₂
emissions/
package

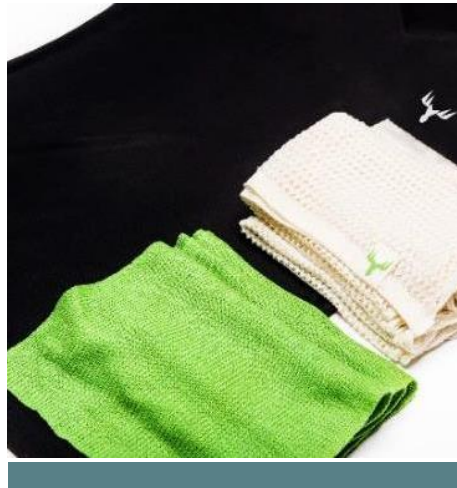


As part of Metsä Group, we are looking for new growth opportunities

Metsä Spring* invests expertise and financial resources into initiatives with the ambition to reshape the forest-based bioeconomy



Wood-based 3D products



Wood-based textile fibres



Wood composite products



Bioactive products from birch bark

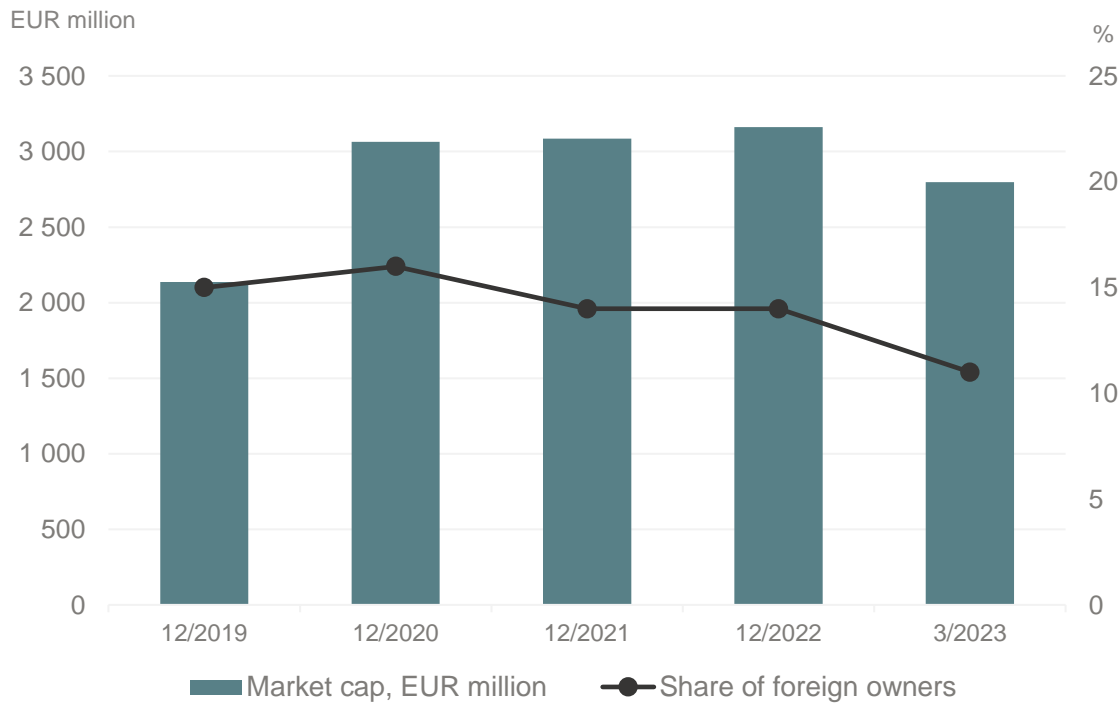
Owners and management



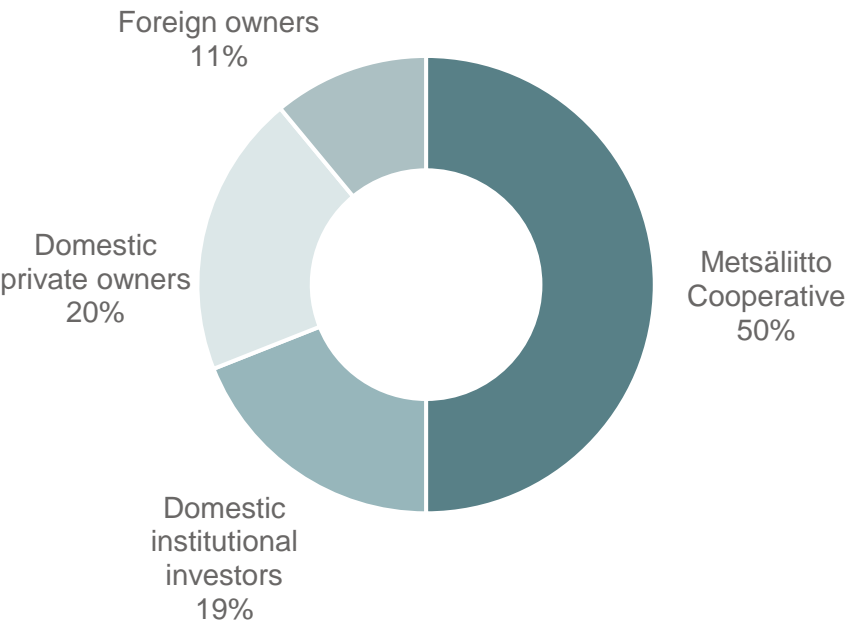
Market cap and ownership distribution

Metsä Board has two share series, A and B shares

Market cap and foreign owners



Ownership distribution
31 March 2023



Metsä Board Corporate Management Team



Mika Joukio, CEO
Chair of CMT since 2014
At Metsä Group since 1990
Shares: 437,076



Henri Sederholm, CFO
Member of CMT since 5/2021
At Metsä Group since 2003
Shares 52,342



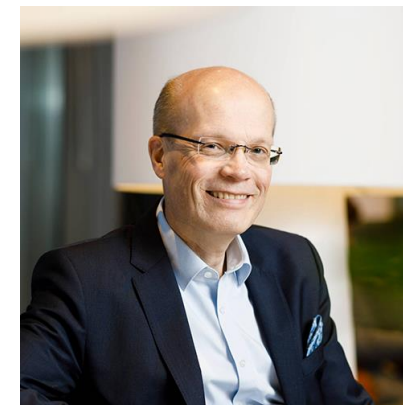
Jussi Noponen
SVP, Sales and Supply Chain
Member of CMT since 2016
At Metsä Group since 2000
Shares: 97,778



Ari Kiviranta, SVP, Technology
Member of CMT since 2014
At Metsä Group since 1993
Shares: 40,859



Harri Pihlajaniemi, SVP, Production
Member of CMT since 2017
At Metsä Group in 2001–2004 and
since 2017
Shares: 60,081



Markku Leskelä, SVP, Development
Member of CMT since October 2021
At Metsä Group since 1993
Shares: 26,355



Camilla Wikström, SVP, HR
Member of CMT since 2019
At Metsä Group since 2001
Shares: 25,015



**Together we make
the perfect package**

Katri Sundström
Vice President, Investor relations
+358 10 462 0101
katri.sundstrom@metsagroup.com