

Metsä Board  
Interim report 1.1.–30.9.2023



## Metsä Board's comparable operating result in 2023 January–September was EUR 121 million

### January–September 2023 (compared to 1–9/2022)

- Sales were EUR 1,519.2 million (1,879.7).
- The comparable operating result was EUR 121.5 million (420.0), or 8.0% of sales (22.3). Operating result was EUR 121.0 million (436.8).
- Comparable earnings per share were EUR 0.26 (0.90), and earnings per share were EUR 0.26 (0.94).
- Comparable return on capital employed was 6.7% (23.0).
- Net cash flow from operations was EUR 218.6 million (161.7).

### July–September 2023 (compared to 7–9/2022)

- Sales were EUR 479.0 million (647.3).
- The comparable operating result was EUR 5.5 million (152.5), or 1.1% (23.6) of sales. Operating result was EUR 3.1 million (153.4).
- Comparable earnings per share were EUR 0.02 (0.33), and earnings per share were EUR 0.01 (0.33).
- Comparable return on capital employed was 1.3% (24.7).
- Net cash flow from operations was EUR 76.6 million (66.4).

### Events in July–September 2023

- Metsä Board's paperboard delivery volumes decreased slightly compared to the previous quarter. Demand for fresh fibre paperboards continues to be affected by a decline in demand for consumer products, adjustment measures by the value chain and increased import volumes of cartonboard from Asia.
- Average sales price of paperboards decreased slightly compared to the previous quarter and remained stable compared to the corresponding quarter last year.
- The company continued to adjust production to meet the low demand, and production volumes remained well below capacity levels. Effective working capital management supported cash flow from operations.

- Since the summer, demand for market pulp in China has been at a good level, and prices have increased. In Europe, demand continues to be constrained due to major production shutdowns by paper and paperboard producers.
- At the end of the review period, the development programme for the Kemi paperboard mill was completed, which will increase the annual production capacity of white kraftliners by 40,000 tonnes and improve the water and energy use of the mill.
- An investment shutdown started at the Husum mill, which will increase the annual production capacity of folding boxboard by 200,000 tonnes.
- Metsä Fibre's new bioproduct mill in Kemi started up.

### Events after the review period

On 26 October, Metsä Board announced to initiate change negotiations on possible temporary layoffs for its paperboard and BCTMP mills in Finland. The negotiations involve a total of approximately 1,100 employees. The possible layoffs would last a maximum of 90 days and could be implemented in several instalments during 2024. The allocation and amount of layoffs will be specified during 2024. With the change negotiations, Metsä Board is preparing for a possible continuation of the adjustment of production to match the low delivery volumes, if the demand situation for paperboards does not improve in 2024.

### Result guidance for October–December 2023

Metsä Board's comparable operating result in October–December 2023 is expected to be at the same level as in July–September 2023.

### Metsä Board's CEO Mika Joukio:

"After the summer, the market situation for paperboard has remained subdued but relatively stable. The reduced purchasing power caused by cost inflation and the rise in interest rates has led to consumers considering their purchase decisions more carefully and has affected the general demand for consumer products. Increased imports of cartonboard from Asia, especially to Turkey, the MEA region and South America, have affected the market balance especially in Europe, and increased competition.

In July–September, our paperboard deliveries amounted to 340,000 tonnes, still clearly below our capacity level. However, despite the subdued market, the average sales prices of our paperboards remained at a good level. Our sales were EUR 479 million, and our operating margin was 1.1 (Q3/2022: 647 and 23.6). Profitability was negatively affected especially by lower pulp prices compared to the corresponding period last year.

Significant investment shutdowns took place in the third quarter. In September, we concluded the Kemi paperboard mill's development programme, which will increase the annual production capacity of white kraftliner by approximately 40,000 tonnes and enhance the paperboard mill's energy and water use. In Husum, we are increasing the annual production capacity of folding boxboard by 200,000 tonnes, and the ramp-up of the new capacity will begin in the fourth quarter. We will be selling both paperboard grades primarily in Europe and North America – areas in which our paperboards already have a strong market position. In September, Metsä Fibre's new bioproduct mill started up in Kemi. The largest investment in the history of the Finnish forest industry, it will produce 1.5 million tonnes of softwood and hardwood pulp annually more cost-effectively and with significantly lower emissions than before.

Our sales in January–September were EUR 1,519 million, and our operating margin was 8.0 (1–9/2022:

1,880 and 22.3). Paperboard delivery volumes decreased by 23%, and those of market pulp by 32% from the comparison period. Due to low demand, we have adjusted our paperboard, BCTMP and pulp production this year. In the second half, we have temporarily laid off some of our staff at nearly all our mills in Finland. Although cost inflation has slowed this year, it still has an impact on profitability.

In a weak demand environment, competitiveness becomes more important. Metsä Board's premium paperboard, reliable deliveries and service concept that helps our customers with various packaging challenges are key factors that strengthen our competitiveness. We will also continue to effectively manage our working capital, and in our main markets, we will focus on customers who profit from sustainably produced premium fresh fibre paperboards.

The long-term trends supporting the growth in demand for paperboards remain unchanged. Consumers who value sustainability favour renewable instead of fossil-based packaging materials, and many brand owners have announced their goals of reducing the use of plastics in their packaging in the next few years. Metsä Board is in strong financial shape, which enables us to invest in fibre-based packaging materials with strong long-term growth prospects."

## Key figures

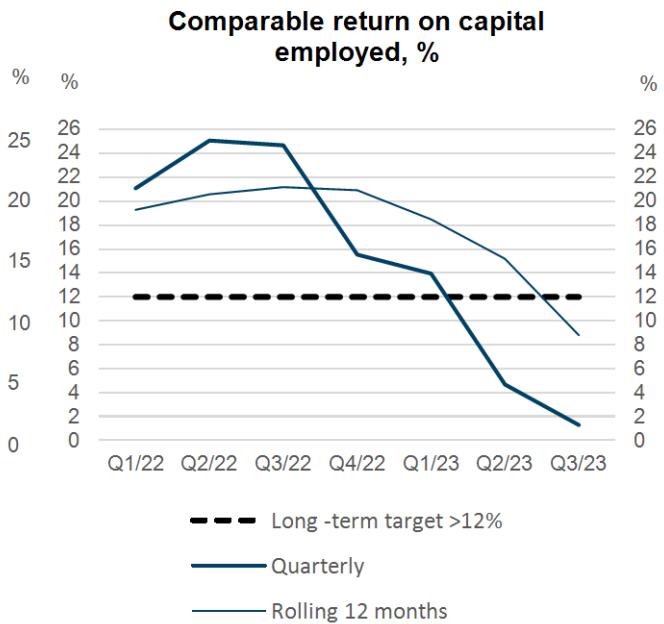
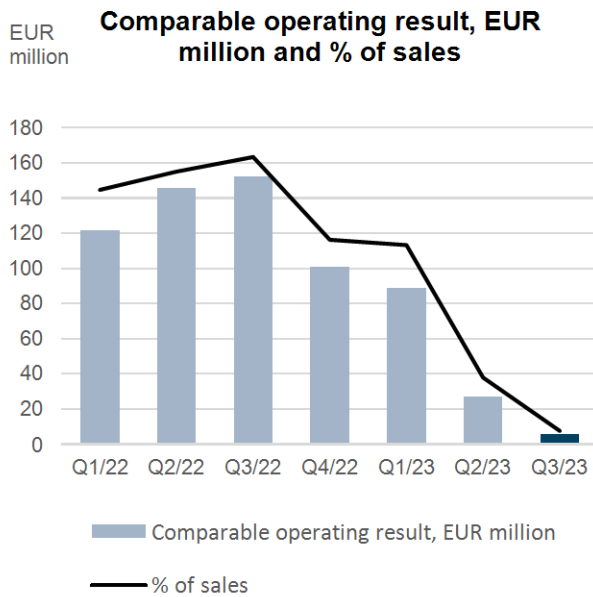
	2023 Q3	2022 Q3	2023 Q1–Q3	2022 Q1–Q3	2022 Q1–Q4
Sales, EUR million	479.0	647.3	1,519.2	1,879.7	2,479.6
EBITDA, EUR million	21.1	177.1	189.5	503.1	614.6
comparable, EUR million	23.5	176.1	189.9	486.1	602.8
EBITDA, % of sales	4.4	27.4	12.5	26.8	24.8
comparable, % of sales	4.9	27.2	12.5	25.9	24.3
Operating result, EUR million	3.1	153.4	121.0	436.8	531.5
comparable, EUR million	5.5	152.5	121.5	420.0	520.7
Operating result, % of sales	0.7	23.7	8.0	23.2	21.4
comparable, % of sales	1.1	23.6	8.0	22.3	21.0
Result before taxes, EUR million	4.3	152.4	119.5	431.5	524.9
comparable, EUR million	6.7	151.6	120.3	414.7	514.6
Result for the period, EUR million	2.8	132.9	100.8	371.7	461.3
comparable, EUR million	5.2	132.1	102.1	356.3	451.4
Earnings per share, EUR	0.01	0.33	0.26	0.94	1.15
comparable, EUR	0.02	0.33	0.26	0.90	1.13
Return on equity, %	0.5	26.4	6.3	24.9	22.5
comparable, %	1.0	26.3	6.4	23.9	22.0
Return on capital employed, %	0.9	24.9	6.7	23.9	21.4
comparable, %	1.3	24.7	6.7	23.0	20.9
Equity ratio <sup>1)</sup> , %	68	64	68	64	66
Net gearing <sup>1)</sup> , %	11	4	11	4	4
Interest-bearing net liabilities/comparable EBITDA, 12 months rolling	0.7	0.2	0.7	0.2	0.2
Shareholders' equity per share <sup>1)</sup> , EUR	5.25	5.53	5.25	5.53	5.86
Interest-bearing net liabilities <sup>1)</sup> , EUR million	219.6	91.2	219.6	91.2	94.5
Total investment, EUR million	49.3	45.2	156.8	227.0	304.1
Net cash flow from operations, EUR million	76.6	66.4	218.6	161.7	232.0
Personnel <sup>1)</sup>	2,310	2,335	2,310	2,335	2,248

<sup>1)</sup> at the end of the period

## Delivery and production volumes

1,000 tonnes	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2023 Q1–Q3	2022 Q1–Q3	2022 Q1–Q4
<b>Delivery volumes</b>								
Folding boxboard	228	235	255	285	308	718	923	1,208
White kraftliner	112	118	126	133	146	356	476	609
Metsä Board's market pulp <sup>1)</sup>	107	83	83	105	124	273	399	503
Metsä Fibre's market pulp <sup>2)</sup>	200	132	161	162	177	493	556	717
<b>Production volumes</b>								
Folding boxboard	209	208	263	264	337	680	1,008	1,272
White kraftliner	101	104	113	133	147	318	472	605
Metsä Board's pulp <sup>1)</sup>	209	254	298	319	360	761	1,091	1,409
Metsä Fibre's pulp <sup>2)</sup>	160	140	184	190	190	484	541	731

<sup>1)</sup> Includes chemical pulp and high-yield pulp (BCTMP).<sup>2)</sup> Equal to Metsä Board's 24.9% holding in Metsä Fibre.



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### Sales and result

#### July–September 2023 (compared to 7–9/2022)

Metsä Board's sales were EUR 479.0 million (647.3). Folding boxboard accounted for 60% (59) of sales, while 23% (24) of sales came from white kraftliner, 13% (15) from market pulp, and 4% (2) from other operations.

The comparable operating result was EUR 5.5 million (152.5), and the operating result was EUR 3.1 million (153.4). Items affecting comparability totalled EUR -2.4 million, comprising a write-down of EUR -2.1 million related to the closure of Metsä Fibre's old Kemi pulp mill, as well as EUR -0.2 million in translation differences from discontinued operations in Russia.

Total deliveries of paperboards were 340,000 (454,000) tonnes, of which 65% was delivered to the EMEA region, 31% to the Americas, and 4% to the APAC region. Metsä Board's deliveries of market pulp were 107,000 (124,000) tonnes, of which 62% was delivered to the EMEA region, and 38% to the APAC region.

The result for July–September was weakened by clearly lower paperboard and market pulp delivery volumes. Due to the weak demand situation, the company strongly adjusted its paperboard, pulp and BCTMP production. The average price of paperboards remained stable compared with the corresponding period last year. Instead, the price level of pulp declined clearly, which had a significant negative impact on the result.

Exchange rate fluctuations, including hedges, had a positive impact of approximately EUR 27 million on the operating result.

More annual maintenance and investment shutdowns took place in July–September having a negative result impact of approximately EUR 10 million.

The associated company Metsä Fibre's share of Metsä Board's comparable operating result in July–September was EUR -1.6 million (56.3). Metsä Fibre's result was weakened by the lower sales prices of end products, especially pulp, and higher wood costs. The profitability of the sawn timber business also decreased.

Financial income and expenses totalled EUR 1.2 million (-1.1), including foreign exchange rate differences from trade receivables, trade payables, financial items and the valuation of currency hedging instruments, totalling EUR 2.1 million (-0.5).

The result before taxes was EUR 4.3 million (152.4). The comparable result before taxes was EUR 6.7 million (151.6). Income taxes amounted to EUR 1.5 million (19.4).

Earnings per share were EUR 0.01 (0.33). The return on equity was 0.5% (26.4), and the comparable return on equity was 1.0% (26.3). The return on capital employed was 0.9% (24.9), and the comparable return on capital employed was 1.3% (24.7).

#### January–September 2023 (compared to 1–9/2022)

Metsä Board's sales were EUR 1,519.2 million (1,879.7). Folding boxboard accounted for 61% (57) of

sales, while 24% (25) of sales came from white kraft-liner, 12% (15) from market pulp, and 4% (3) from other operations.

The comparable operating result was EUR 121.5 million (420.0), and the operating result was EUR 121.0 million (436.8). Items affecting comparability totalled EUR -0.4 million in the review period. They comprised EUR 2.7 million in capital gains from the sale of a land area unrelated to business operations, a write-down of EUR -2.1 million related to the closure of Metsä Fibre's old Kemi pulp mill, and EUR -1.0 million in translation differences from discontinued operations in Russia.

Total deliveries of paperboards were 1,074,000 (1,399,000) tonnes, of which 66% was delivered to the EMEA region, 30% to the Americas, and 4% to the APAC region. Metsä Board's deliveries of market pulp were 273,000 (399,000) tonnes, of which 70% was delivered to the EMEA region and 30% to the APAC region.

The result for the period was weakened by clearly lower delivery volumes. Paperboard deliveries decreased by 23%, and those of market pulp by 32% from the comparison period. Metsä Board adjusted its paperboard, pulp and BCTMP production to match the low demand level. The average prices of paperboard, especially of folding boxboard, increased from the comparison period. The average prices of market pulp decreased. Exchange rate fluctuations, including hedges, had a positive impact of approximately EUR 80 million on the operating result.

Profitability was negatively affected by the cost level, which was significantly higher than in the comparison period. Wood costs have increased due to higher stumpage prices in Finland and Sweden. In chemicals, the biggest price increases were seen in starch, which is used in paperboard production, and in caustic soda, which is used in pulp production. Energy costs were slightly higher than in the comparison period. More annual maintenance and investment shutdowns also took place in the review period compared to the corresponding period.

Unused emissions allowances were sold for approximately EUR 45 million (EUR 19 million).

The associated company Metsä Fibre's share of Metsä Board's comparable result in January–September was EUR 32.8 million (132.7). Metsä Fibre's result was weakened by lower sales prices of end products and lower pulp delivery volumes. Higher wood costs also had a negative impact on the result. The profitability of the sawn timber business also weakened.

Financial income and expenses totalled EUR -1.5 million (-5.3), including foreign exchange rate differences from trade receivables, trade payables, financial items and the valuation of currency hedging instruments, totalling EUR 0.8 million (-3.2).

The result before taxes was EUR 119.5 million (431.5). The comparable result before taxes was EUR 120.3 million (414.7). Income taxes amounted to EUR 18.8 million (59.7).

Earnings per share were EUR 0.26 (0.94), and comparable earnings per share were EUR 0.26 (0.90). The return on equity was 6.3% (24.9), and the comparable return on equity was 6.4% (23.9). The return on capital employed was 6.7% (23.9), and the comparable return on capital employed was 6.7% (23.0).

### **Operating result in July–September 2023 in brief (compared to 4–6/2023)**

The comparable operating result in July–September was EUR 5.5 million (27.3). The result was weakened by the lower sales prices of paperboard and market pulp. Paperboard delivery volumes decreased slightly, and those of market pulp increased slightly. Production costs remained quite stable. Logistics and personnel expenses decreased. Annual maintenance and investment shutdowns took place in the third quarter, and their negative impact on the result was approximately EUR 10 million. Exchange rate fluctuations, including hedges, had a positive impact of around EUR 4 million. Unused emissions allowances were sold for approximately EUR 5 million (20). Depreciation was approximately EUR 7 million lower. The associated company Metsä Fibre's share of Metsä Board's comparable operating result in July–September was EUR -1.6 million (5.7). Metsä Fibre's result was weakened by lower pulp prices, higher wood costs and the weak profitability of the sawn timber business. Pulp delivery volumes increased thanks to the Chinese market picking up.

## Market development

The table below shows the deliveries and market prices of paperboard grades important for Metsä Board in Europe, the market prices of paperboards in United States, and the development of the PIX market prices of pulp in Europe and China. The changes in market prices have been calculated from the average prices of the period under review. Sources: Fastmarkets FOEX, Fastmarkets RISI, CEPI Cartonboard, CEPI Containerboard.

	Q1–Q3/23 vs Q1–Q3/22	Q3/23 vs Q2/23	Q3/23 vs Q3/22
<b>Paperboard deliveries, Cepi members</b>			
Folding boxboard, Europe	decreased clearly	decreased clearly	decreased clearly
White kraftliner, Europe	decreased clearly	increased clearly	decreased clearly
<b>Market prices of paperboards in local currencies</b>			
Folding boxboard, Europe	increased clearly	decreased clearly	decreased clearly
White kraftliner, Europe	decreased clearly	decreased clearly	decreased clearly
Solid bleached board, USA	increased clearly	decreased clearly	decreased
Food service board, USA	increased clearly	stable	increased clearly
-1% < stable < +1%, increased (decreased): +1...+2% (-1%...-2%), increased clearly (decreased clearly): > +2% (< -2%)			
<b>Market prices of pulp, PIX, USD</b>			
Long-fibre pulp, Europe	-7%	-10%	-21%
Short-fibre pulp, Europe	-13%	-24%	-40%
Long-fibre pulp, China	-20%	-6%	-32%
Short-fibre pulp, China	-22%	3%	-38%

## Business operations and development

Metsä Board produces premium and sustainable fresh fibre paperboards, and is Europe's largest producer of folding boxboard and white kraftliners. Metsä Board's folding boxboard is mainly used in consumer product packaging such as food and pharmaceutical packaging. The end uses of white kraftliners are mainly related to the various packaging needs of the retail sector. More than half Metsä Board's white kraftliners are coated. The total annual paperboard capacity is approximately 2 million tonnes, and it is sold to roughly 100 countries. Metsä Board's main market areas are Europe and North America.

In addition, Metsä Board produces chemical pulp and bleached mechanical pulp (BCTMP), which are used in its own paperboard production but also sold as market pulp. The annual capacity for pulp and BCTMP is roughly 1.5 million tonnes. In addition, Metsä Board owns 24.9% of its associated company Metsä Fibre, a global leader in the production of softwood market pulp. Metsä Fibre's annual capacity for pulp is roughly 3.3 million tonnes.

Metsä Board covers its energy consumption with its own production and supplementary purchases from the market. Most of the electricity consumption is covered

by the company's own production and electricity purchased from Pohjolan Voima and Metsä Fibre. Metsä Board has a 2.6% holding in Pohjolan Voima, from which it purchases electricity at cost price.

### Paperboard sales

Metsä Board's paperboard deliveries in January–September totalled 1,074,000 tonnes (1–9/2022: 1,399,000).

Deliveries of folding boxboard were 718,000 tonnes (923,000), of which 71% (71) was delivered to the EMEA region, 24% (23) to the Americas, and 5% (6) to the APAC region. Deliveries of white kraftliners were 356,000 tonnes (476,000), of which 56% (61) was delivered to the EMEA region, 44% (39) to the Americas, and 0% (0) to the APAC region.

This year, the decline in demand for consumer products and the adjustments to inventories in the value chain have considerably reduced the demand for fresh fibre paperboards. In the comparison period, especially in the first half of 2022, demand was very strong due to customers striving to ensure the availability of paperboard. In the review period, Metsä Board's paperboard deliveries decreased by more than a fifth from the comparison period. Paperboard sales were slightly better in North America than in Europe. However, in South America and the APAC region, paperboard sales decreased notably.



In Europe, the paperboard market's balance has been influenced by the rapidly increasing import volumes from Asia, as global logistics challenges have eased since the pandemic. The import volumes have mainly flowed to Turkey and the Middle East, as well as to areas outside Europe such as South America. Moreover, paperboard capacity has increased significantly in Asia in recent years.

In January–September, the average prices of Metsä Board's paperboards increased by 8% from the comparison period. The increase came mainly from the higher prices of folding boxboard. In July–September, the prices of folding boxboard and white kraftliner decreased slightly from the previous quarter.

### Market pulp sales

Metsä Board's market pulp deliveries totalled 273,000 tonnes (399,000) in January–September, with the EMEA region accounting for 70%, and the APAC region for 30%.

The associated company Metsä Fibre's total pulp deliveries amounted to 1,981,000 tonnes (2,231,000). Around 50% of Metsä Fibre's market pulp is sold in the EMEA region and 50% in the APAC region, where China accounts for a significant share. Metsä Board holds 24.9% of Metsä Fibre.

This year, the demand situation for market pulp has weakened considerably in Europe and North America. In Europe, demand has been restricted by the prolonged production shutdowns of paperboard producers and especially paper producers. In China, the demand for long-fibre pulp has been at a good level since the summer. At the end of the review period, market pulp prices began to increase in both Europe and China. The global supply of long-term pulp continues to be restricted by factors such as the limited availability of raw material in North America, global production curtailments and the closing down of production capacity.

### Paperboard, pulp and BCTMP production

The production volume of folding boxboard and white kraftliner totalled 998,000 tonnes (1,480,000), while the combined production volume of pulp and BCTMP amounted to 761,000 tonnes (1,091,000). Metsä Board's paperboard, BCTMP and pulp production has been reduced considerably this year to match the weaker demand situation. In the 2022 comparison period, production volumes were at a record high.

The annual maintenance and investment shutdowns that took place at the Kemi and Husum paperboard mills in the third quarter reduced paperboard production volumes. In Kemi, the ramp-up of new capacity began at the end of September. In Husum, the ramp-up will begin in the fourth quarter.

### Cash flow

Net cash flow from operations in January–September 2023 was EUR 218.6 million (1–9/2022: 161.7). Working capital decreased by EUR 17.0 million (increased by 172.4). Due to the weakened demand situation, the company has adjusted its production during the review period to prevent an increase in inventories. In the corresponding period, working capital was increased by higher inventory levels of paperboard and higher inventory values due to cost inflation.

### Balance sheet and financing

Metsä Board's equity ratio at the end of the review period was 68% (31 December 2022: 66), and the net gearing ratio was 11% (4). The ratio of interest-bearing net liabilities to comparable EBITDA in the previous 12 months was 0.7 (0.2).

At the end of the review period, interest-bearing liabilities totalled EUR 444.0 million (31 December 2022: 453.0). Non-euro-denominated loans accounted for 2.1% of loans, and floating-rate loans for 13.7%, the rest being fixed-rate loans. The average interest rate on liabilities was 2.6% (2.2), and the average maturity of non-current liabilities was 3.3 years (4.0). The interest rate maturity of loans was 35.5 months (36.1).

At the end of the review period, interest-bearing net debt totalled EUR 220.0 million (31 December 2022: 94.5).

Metsä Board's liquidity has remained good. At the end of the review period, the available liquidity was EUR 422.1 million (31 December 2022: 556.2), consisting of the following items: liquid assets and investments of EUR 222.1 million and a syndicated credit facility (revolving credit facility) of EUR 200.0 million. Of the liquid assets, EUR 211.9 million consisted of short-term deposits with Metsä Group Treasury, and EUR 10.2 million were cash funds and investments. Other interest-bearing receivables amounted to EUR 2.2 million. In addition to items reported as liquidity, the liquidity reserve is complemented by Metsä Group's internal undrawn short-term credit facility of EUR 150.0 million and undrawn pension premium (TyEL) funds of EUR 227.6 million.

The fair value of other non-current investments was EUR 277.5 million at the end of the review period (31 December 2022: 345.4). The change in value was related to the change in the fair value of Pohjolan Voima Oyj's shares.

At the end of the review period, an average of 8.9 months of the net foreign currency exposure was hedged, including the hedging of the balance sheet position of trade receivables and trade payables.

Metsä Board has investment grade credit ratings from S&P Global and Moody's Investor Service. Metsä



Board's S&P Global rating is BBB-, with a stable outlook. The company's Moody's rating is Baa2, with a stable outlook.

## Investments

Investments during the review period totalled EUR 156.8 million (1–9/2022: 227.0), with growth and development investments accounting for 80%, and maintenance investments for 20%. Of total investments, the company's own property, plant and equipment amounted to EUR 152.7 million (201.8), and leased property, plant and equipment to EUR 4.2 (25.2). In the latter, the most significant item in the previous year was the machinery and equipment for the boiler plant from the acquisition of Hämeenkyrön Voima Oy, totalling EUR 18.0 million.

### Development programme of Kemi paperboard mill

At the end of the review period, the Kemi paperboard mill completed a development programme launched in 2021 that will increase the mill's annual white kraftliner capacity by around 40,000 tonnes. After the programme, the mill's annual production capacity is around 465,000 tonnes, and it is expected to be fully available on the market in 2025.

The programme also included a series of modernisation and bottleneck investments in the paperboard machine, which will reduce the mill's water use by 40% and energy use by 5% per tonne of paperboard produced. As part of the programme, Metsä Board will buy a modernised unbleached pulp production line used in kraftliner production from Metsä Fibre. The production line's annual capacity is roughly 180,000 tonnes.

The investment cost of the development programme has been revised to around EUR 110 million, compared to the initial estimate of EUR 67 million.

### Capacity expansion of folding boxboard in Husum

Metsä Board will increase its annual production capacity of folding boxboard by 200,000 tonnes at the Husum integrated mill in Sweden. After the investment, the folding boxboard production capacity of the BM1 will be 600,000 tonnes per year, and it is expected to be fully available on the market in 2026. The value of the investment is approximately EUR 230 million.

The investment shutdown started in the third quarter of 2023, and the ramp-up of new capacity is expected to start in the fourth quarter of 2023.

The investment is expected to increase Metsä Board's annual sales by approximately EUR 200 million and improve annual comparable EBITDA by approximately EUR 50 million. The company expects to achieve the growth and improved result in full in 2026.

Due to the growing logistics volumes of the Husum integrated mill, the port concept will also be renewed. The value of the investments still partly being planned is EUR 20–30 million. The investments mainly target new warehouse capacity, expected to be completed in 2024.

### Pre-engineering for folding boxboard mill in Kaskinen

Metsä Board has started pre-engineering for a new folding boxboard mill with an annual capacity of approximately 800,000 tonnes in Kaskinen, Finland. The pre-engineering includes technical design, infrastructure and logistics solutions, and tendering for the main equipment. The environmental impact assessment (EIA) for the project was completed in September. The environmental permit process is ongoing. A potential investment decision can be made in 2024 at the earliest.

### SAP-ERP project

As part of Metsä Group, Metsä Board is modernising its information systems. The SAP ERP project started in 2021 and is expected to last until the end of 2025. The project will gradually improve Metsä Group's operational efficiency and ability to create new data-driven functions, primarily for business management and customer support. Metsä Board's share of the total project value is at least EUR 80 million, most of which will be booked as investments during 2024 and 2025.

### Metsä Fibre's Kemi bioproduct mill

Metsä Board's associated company Metsä Fibre's new bioproduct mill in Kemi, Finland, started up in September. The new mill will produce some 1.5 million tonnes of softwood and hardwood pulp annually, as well as other bioproducts. The pulp production capacity includes the existing unbleached pulp production line for white kraftliner, which will be transferred to Metsä Board, with an annual capacity of roughly 180,000 tonnes. The new bioproduct mill will replace the current pulp mill in Kemi, with an annual capacity of 610,000 tonnes.

The bioproduct mill will not use any fossil fuels, and its electricity self-sufficiency will be 250%.

The investment value of the bioproduct mill is approximately EUR 2.02 billion, comprised of internal financing and debt. Metsä Board has not invested equity in Metsä Fibre to finance the project.

## Personnel

At the end of September 2023, the number of personnel was 2,310 (30/09/2022: 2,335), of whom 1,313 (1,327) were based in Finland. In January–September, Metsä Board employed an average of 2,362 people (1–9/2022: 2,389). Personnel expenses in January–September totalled EUR 151.4 million (164.0).

As a result of production adjustment measures, Metsä Board has implemented temporary layoffs of personnel at the company's paperboard and BCTMP mills in Finland during the second half of the year. The layoffs will last up to 90 days and may be implemented in several instalments by the end of this year. On 17 May 2023, the company announced that it would start negotiations on possible layoffs.

## Shares and trading

Metsä Board has two series of shares. Each series A share entitles its holder to twenty (20) votes at a General Meeting of Shareholders, and each series B share entitles the holder to one (1) vote. All shares carry the same right to receive a dividend. Metsä Board's shares are listed on the Nasdaq Helsinki.

At the end of September 2023, the closing price of Metsä Board's B share on the Nasdaq Helsinki was EUR 7.61. The share's highest and lowest prices were EUR 8.96 and EUR 6.26 respectively. Correspondingly, the closing price of the A share was EUR 8.96; the share's highest and lowest prices were EUR 13.05 and EUR 8.70 respectively.

In January–September, the average daily trading volumes of the B and A shares on the Nasdaq Helsinki were around 484,900 shares and around 2,100 shares respectively. The total trading volume of the B share was EUR 690 million, and the total trading volume of the A share was EUR 4 million.

At the end of September 2023, the market value of all Metsä Board shares was EUR 2.7 billion, of which the market value of the B shares and the A shares accounted for EUR 2.5 billion and EUR 0.3 billion respectively.

Metsä Board's major shareholder Metsäliitto Cooperative holds approximately 52% of Metsä Board's shares and approximately 69% of votes. As Metsä Board is an entity controlled by Metsäliitto Cooperative, Metsäliitto Cooperative's ownership also includes Metsä Board's own 701,215 shares.

International and nominee-registered investors held approximately 9% (15) of all shares. (Source: Euroland)

## Sustainability

Metsä Board is a forerunner in sustainability and advances the bio- and circular economy. Climate change mitigation and adapting the business to a low-carbon future are at the core of Metsä Board's strategy and operational business. The company aims for entirely fossil

free production and products by the end of 2030. In accordance with the principles of the circular economy, the company focuses on the sustainable use of forests and the resource efficiency of processes, generating as little waste and emissions as possible, and keeping materials in circulation for extended periods. Resource efficiently produced lightweight, recyclable and/or compostable products also provide alternatives to plastic.

## Key sustainability figures

	2023 Q3	2022 Q3	2023 Q1–Q3	2022 Q1–Q3	2022 Q1–Q4	Target 2030
Total recordable incident frequency TRIF <sup>1)</sup>	8.1	6.7	6.7	7.7	6.7	0
Lost-time accidents frequency LTA1F <sup>1)</sup>	5.8	4.5	4.6	6.3	5.4	0
Share of certified wood fibre, %	91	82	90	82	83	>90
Share of fossil free energy of total energy consumption <sup>2)</sup> , %	-	-	-	-	87	100
Direct fossil-based CO <sub>2</sub> emissions, tonnes (Scope 1)	37,701	58,956	138,723	169,092	236,037	0
Indirect fossil-based CO <sub>2</sub> emissions <sup>3)</sup> , tonnes (Scope 2)	-	-	-	-	147,061	0
Energy efficiency improvement <sup>4)</sup> , %	-6.5	+5.2	-	-	+2.7	+10
Reduction in process water use <sup>4)</sup> , %	+0.7	-13.5	-	-	-12.2	-35.0

1) Per million hours worked. The former subsidiary Hangö Stevedoring is included in the figures until February 2022.

2) Reported annually.

3) Market-based, reported annually.

4) Change from the base year of 2018, per tonne produced, rolling 12 months.

Some figures have been revised from those previously reported.

## Safety at work

Metsä Board aims for zero accidents at work. All Metsä Board production units comply with the ISO 45001 management system, and the goal of the company's safety-at-work standards is to prevent accidents. Safety at work is developed through proactive safety work, training and investments, for example. The focus areas are personal risk assessment, improving hand safety and implementing common safety standards.

## Share of certified wood fibre

All the wood used by Metsä Board comes from northern European forests, which are regenerated after felling, and where biodiversity is respected. The target is for at least 90% of the wood fibre used by Metsä Board to be certified by the end of 2030.

## Energy and water use, and greenhouse gas emissions

Metsä Board aims to continuously improve the efficiency of energy and water use and reduce greenhouse gas emissions. The vast majority of the company's greenhouse gas emissions come from the energy generation required to produce pulp, BCTMP and paperboard. The use of process water and wastewater treatment also consume energy and thus cause greenhouse gas emissions. By the end of 2030, the company aims to improve energy efficiency by 10% and reduce process water use by 35% per tonne produced compared to 2018. During the review period, production adjustments have reduced energy and water efficiency.

Metsä Board's goal is to entirely phase out the use of fossil-based energy by the end of 2030, at which point the company's direct and indirect fossil-based carbon dioxide emissions (Scopes 1 and 2) will drop to zero. To achieve this, the company has a transition plan, which includes mill-specific measures and the necessary investments. In the review period, production adjustments and the discontinued use of peat at the Simpele power plant reduced direct fossil-based carbon dioxide emissions compared to the corresponding period in 2022.

Metsä Board's reduction targets for greenhouse gas emissions have been approved by the Science Based Targets initiative, and they meet the strictest requirements of the Paris Agreement, which aim to limit global warming to 1.5 °C degrees. For the value chain (Scope 3), Metsä Board is committed to 70% of its non-fibre suppliers and of the logistics operators related to its customer deliveries, measured as a share of the total purchase costs, setting themselves targets in accordance with the SBTi by 2024. In 2022, 15% of the company's suppliers belonging to the target group had done so.

## Other main events

Metsä Board achieved an A- rating in Ellen MacArthur Foundation's Circulytics® circular economy assessment on a scale from E to A.

The sustainability targets and other sustainability topics are discussed in more detail on the company's website at <https://www.metsagroup.com/metsaboard/sustainability/>

## R&D and innovation

Key themes in Metsä Board's development work include further reducing the weight of paperboards without compromising on other properties, as well as developing barrier solutions.

Lightweighting plays a key role in the pre-engineering of the new folding boxboard mill in Kaskinen, with the aim of achieving world-class resource efficiency and a product that enables a lower carbon footprint. The mill will be based on fossil free production and significantly lower consumption of wood, energy and water per tonne of folding boxboard produced compared to existing production facilities.

Metsä Board is also running a biobarrier programme, which aims to ensure that the solutions and polymers developed for paperboards are based on fossil free raw materials by the end of 2030. The development of barrier solutions is part of the ExpandFibre programme, Fortum and Metsä Group's EUR 50 million programme promoting the circular bioeconomy.

## Changes in Corporate Management Team

Ari Kiviranta, SVP, Technology and a member of the Corporate Management Team, has decided to leave his position at Metsä Board and retire. Kiviranta will continue in his position until 31 October 2023. Kiviranta's responsibilities will be transferred to Harri Pihlajaniemi, currently SVP, Production and a member of the Corporate Management Team. After the changes, Metsä Board's Corporate Management Team consists of Mika Joukio, CEO; Henri Sederholm, CFO; Markku Leskelä, SVP, Development; Jussi Noponen, SVP, Sales and Supply Chain; Harri Pihlajaniemi, SVP, Production and Technology and Camilla Wikström, SVP, HR.

## Near-term risks and uncertainties

The uncertainty surrounding global development and growth continues. The higher cost level and the resulting rise in interest rates have slowed down economic growth worldwide and especially in Europe. Consumers' low confidence in the economy and weaker purchasing power have reduced the demand for consumer products. If prolonged, the situation may further reduce

the demand for fresh fibre paperboards and market pulp and negatively affect Metsä Board's profitability.

Metsä Board's main raw material, wood, accounts for more than a quarter of the company's overall costs. A sudden price increase in wood raw material or individual chemicals would have a negative impact on Metsä Board's profitability. If realised, the electricity or gas market price risk may have a negative impact on Metsä Board's profitability or production continuity. Reduced availability of global freight capacity may result in additional costs or restrict paperboard and pulp deliveries, thereby negatively affecting the company's profitability.

The discontinuation of wood imports from Russia has made for a tighter pulpwood market situation in Metsä Group's procurement areas. The limited availability of wood could have a negative impact on the continuity of Metsä Board's production. Reduced availability of energy sources replacing natural gas from Russia could affect the continuity of production.

The international sanctions imposed due to the current crises may have a direct or indirect impact on the demand for end products. Some countries have imposed import duties and other trade restrictions on each other's products. Negative developments in world trade could, if continued, weaken Metsä Board's profitability. In particular, deteriorating relations between China and the EU could have a negative impact on the demand for Metsä Board's and its associated company Metsä Fibre's products in China, thus weakening the companies' profitability.

There are also other considerable uncertainties in the global economy. If realised, they may result in weakened demand and reduced prices for paperboard and pulp products. An imbalance in supply and demand on the paperboard or pulp market may impact the prices of end products and Metsä Board's profitability. Paperboard imports from Asia have increased, especially to Turkey, the Middle East and South America, and if they increase faster than demand, they may cause an imbalance in the market situation in Metsä Board's other market areas. In addition, customers' weaker cash position or slower payment behaviour may have an impact on the company's cash flow and lead to credit losses.

The growth of the paperboard business and the introduction of new products to the markets depend on the success of sales. Increasing sales on a global scale also involves cost and exchange rate risks. In addition, the acceptability and taxation of various packaging materials involve regulatory risks. The business is also developed by modernising the production technology, efficiency programmes, product development and harmonising business processes. If the costs of development projects and investments are significantly exceeded, their completion is delayed, or their productive or commercial objectives are not met, this could negatively affect the company's profitability.

A majority of Metsä Board's production is located in Finland. Finland has a history of labour disputes in both the forest industry and the distribution chain of forest industry products. These may have a negative impact on production volumes and customer deliveries and weaken the company's competitiveness and profitability.

Metsä Board's climate risks mainly concern forests and the use of energy and water. Regulation may steer the future use of forests. Moreover, increased regulation aimed at mitigating climate change and reducing greenhouse gas emissions may increase costs and result in substantial change requirements in production technology. The supply and demand of products in a low-carbon economy may differ from the current situation. Climate change may cause an increasing number of extreme weather phenomena, such as storms, floods and drought, and weaken the availability of the process water and electricity required by mills and result in breaks in production. Extreme weather conditions may also limit the availability of the wood raw material.

Changes in the market price of pulp have a significant impact on Metsä Board's profitability. A 10% decline (increase) in the price of market pulp would have an approximately EUR 40 million negative (positive) impact on the company's annual operating result.

The US dollar strengthening by 10% against the euro would have a positive impact of approximately EUR 80 million on Metsä Board's annual operating result. Correspondingly, the Swedish krona strengthening by 10% would have a negative impact of approximately EUR 45 million. The British pound strengthening by 10% would have a positive impact of approximately EUR 10 million. The impact of weakened exchange rates would be the opposite. The sensitivities do not include the impact of hedging.

The forward-looking estimates and statements in this interim report are based on current plans and estimates. For this reason, they contain risks and other uncertainties that may cause the results to differ from the statements concerning them.

Further information about long-term risks and risk management is available on pages 85–88 of Metsä Board's 2022 Annual Report.

## Near-term outlook

The global market environment will remain uncertain, and the outlook for the near-term development of paperboard sales continues to be weak. Higher costs of living affect consumers' purchasing behaviour and reduce the general demand for consumer products. The value chain is expected to follow the market situation in its inventory adjustment efforts. In Europe, competition will be increased by the higher import volumes from Asia.

Due to seasonality, Metsä Board's paperboard delivery volumes are expected to decrease slightly in October–December 2023 compared with July–September 2023 (340,000 tonnes). The sales prices of folding boxboard in local currencies are expected to decrease slightly, and the sales prices of white kraftliners to remain stable, compared with the previous quarter.

Metsä Board will continue its production adjustment measures and temporary layoffs at its Finnish mills in the fourth quarter.

In China, the demand for market pulp has been better than in Europe, and it is expected to remain stable in the last quarter. In Europe, demand is expected to remain below normal, as paper and paperboard producers continue to curtail production. The limited availability of raw material and the closing down of production capacity will continue to restrict the supply of long-fibre pulp. The market prices for pulp (PIX) are expected to increase in the last quarter. No significant changes are expected in the demand for sawn timber.

Total production costs are expected to remain fairly stable. Fewer annual maintenance and investment shutdowns will take place at mills in October–December than in the previous quarter.

In October–December 2023, exchange rate fluctuations, including the impact of hedges, will have a slightly negative impact on the result compared with July–September 2023 and a positive impact compared with October–December 2022.

## Annual maintenance and investment shutdowns in 2023

The main annual maintenance and investment shutdowns expected in 2023. Changes to plans are possible.

### The main annual maintenance and investment shutdowns

Q1/2023	-
Q2/2023	Metsä Fibre's Äänekoski bioproduct mill and Rauma pulp mill
Q3/2023	Maintenance and investment shutdown in Husum integrate, maintenance and investment shutdown in Kemi integrate, start-up of Metsä Fibre's new bioproduct mill in Kemi  Metsä Fibre's Joutseno pulp mill
Q4/2023	Investment shutdown for folding boxboard in Husum

## Events after the review period

On 26 October, Metsä Board announced to initiate change negotiations on possible temporary layoffs for its paperboard and BCTMP mills in Finland. The negotiations involve a total of approximately 1,100 employees. The possible layoffs would last a maximum of 90 days and could be implemented in several instalments during 2024. The allocation and amount of layoffs will be specified during 2024. With the change negotiations, Metsä Board is preparing for a possible continuation of the adjustment of production to match the low delivery volumes, if the demand situation for paperboards does not improve in 2024.

## Result guidance for October–December 2023

Metsä Board's comparable operating result in October–December 2023 is expected to be at the same level as in July–September 2023.

## METSÄ BOARD CORPORATION

Espoo, 26 October 2023

BOARD OF DIRECTORS

### Further information:

Henri Sederholm, CFO, tel. +358 10 465 4913  
Katri Sundström, VP, Investor Relations, tel. +358 10 462 0101

CEO Mika Joukio and CFO Henri Sederholm will present the interim report in a conference call and webcast held in English on 26 October 2023 at 3:00 p.m. EEST.

The presentation material will be available at [www.metsagroup.com/metsaboard/investors/](http://www.metsagroup.com/metsaboard/investors/) and at <https://metsaboard.videosync.fi/2023-q3> before the start of the conference call.

To ask questions, join the conference call by registering on the following link: <https://call.vsy.io/access-8150>

## Financial reporting in 2024

Financial Statements Bulletin for 2023: 8 February 2024  
Interim Report for January–March 2024: 25 April 2024  
Half-year financial report for January–July 2024: 1 August 2024  
Interim Report for January–September 2024: 24 October 2024

Metsä Board Corporation's 2024 AGM is planned to be held on 26 March 2024.

## Calculation of key ratios

Operating result	=	Result before income tax, financial income and expenses, exchange gains and losses, and share of results from associated companies and joint ventures
EBITDA	=	Operating result before depreciation, amortisation and impairment losses
Return on equity (%)	=	(Result before income tax – income taxes) per (Shareholder's equity (average))
Return on capital employed (%)	=	(Result before income taxes + net exchange differences and other financial expenses) per (Balance total + non-interest bearing liabilities (average))
Equity ratio (%)	=	(Shareholder's equity) per (Balance total – advance payments received)
Net gearing ratio (%)	=	(Interest-bearing net liabilities) per (Shareholder's equity)
Interest-bearing net liabilities	=	Interest-bearing liabilities – cash and cash equivalents and interest-bearing receivables
Total investments	=	Investments in owned and leased fixed assets and investments in business combinations
Earnings per share	=	(Profit attributable to shareholders of parent company) per (Adjusted number of shares (average))
Shareholders' equity per share	=	(Equity attributable to shareholders of parent company) per (Adjusted number of shares at the end of the period)
Adjusted average share price	=	(Total traded volume per share (EUR)) per (Average adjusted number of shares traded during the financial year)
Market capitalisation	=	(Number of shares) x (market price at the end of period)

## Comparable key ratios

According to the guidelines of the European Securities and Markets Authority (ESMA), alternative performance measures are key figures concerning historical or future financial performance, financial standing, or cash flows that are not determined by the financial reporting framework applied by the company. Metsä Board's financial reporting framework consists of the IFRS standards in the form in which they were adopted by the EU in line with Regulation (EC) No. 1606/2002. With the exception of earnings per share, which have been defined in standard IAS 33 (Earnings per Share), the key figures presented in this financial report meet the ESMA's criteria for alternative performance measures.

Metsä Board believes that the presentation of alternative performance measures provides users of financial statements with a better understanding of the company's financial performance and standing, including its use of equity, operational profitability and ability to service debt.

The reconciliation of the comparable key figures is presented in this financial report. Metsä Board considers

that the key figures derived in this manner improve the comparability of reporting periods.

None of these key figures with items affecting comparability eliminated are key figures used in IFRS reporting, and they cannot be compared with other companies' key figures identified by the same names. Items affecting comparability include material gains and losses on disposals of assets, impairment and impairment reversals in accordance with IAS 36 "Impairment of Assets", corporate divestments and acquisitions, adjustment measures and other restructuring measures and their adjustments, costs arising from extensive and unforeseeable interruptions in production and the compensation received for them, as well as items arising from legal proceedings.

Metsä Board considers comparable key figures to better reflect its operational performance, as they eliminate the effect on the result of items and business transactions arising from outside normal business operations.



**Unaudited condensed consolidated statement of comprehensive income**

EUR million	Note	2023 Q3	2022 Q3	2023 Q1–Q3	2022 Q1–Q3	2022 Q1–Q4
<b>Sales</b>	2, 6	<b>479.0</b>	<b>647.3</b>	<b>1,519.2</b>	<b>1,879.7</b>	<b>2,479.6</b>
Change in stocks of finished goods and work in progress		-50.8	24.7	-70.3	71.1	70.1
Other operating income	2, 6	7.7	8.1	59.7	57.6	79.6
Material and services	6	-333.3	-481.0	-1,093.1	-1,363.7	-1,824.3
Employee costs		-43.3	-51.9	-151.4	-164.0	-217.4
Share of result of associated company	6	-4.0	57.3	29.6	121.8	163.1
Depreciation, amortisation and impairment losses		-18.0	-23.6	-68.5	-66.4	-83.1
Other operating expenses		-34.1	-27.4	-104.2	-99.5	-136.1
<b>Operating result</b>	2	<b>3.1</b>	<b>153.4</b>	<b>121.0</b>	<b>436.8</b>	<b>531.5</b>
Share of results of associated companies and joint ventures				0.0	0.0	0.0
Net exchange gains and losses		2.1	-0.5	0.8	-3.2	-5.0
Other net financial items	2, 6	-1.0	-0.6	-2.3	-2.2	-1.7
<b>Result before income tax</b>		<b>4.3</b>	<b>152.4</b>	<b>119.5</b>	<b>431.5</b>	<b>524.9</b>
Income taxes	3	-1.5	-19.4	-18.8	-59.7	-63.5
<b>Result for the period</b>		<b>2.8</b>	<b>132.9</b>	<b>100.8</b>	<b>371.7</b>	<b>461.3</b>

EUR million	Note	2023 Q3	2022 Q3	2023 Q1–Q3	2022 Q1–Q3	2022 Q1–Q4
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified as profit or loss</b>						
Actuarial gains/losses on defined pension plans		-0.4	-0.6	-0.1	-6.3	-4.7
Financial assets valued at fair value through other comprehensive income	8	-69.1	135.6	-68.0	135.6	178.5
Share of other comprehensive income of associated company		-1.5	2.2	-2.1	2.0	3.0
Income tax related to items that will not be reclassified		14.0	-25.7	13.6	-24.8	-33.9
<b>Total</b>		<b>-57.0</b>	<b>111.5</b>	<b>-56.6</b>	<b>106.5</b>	<b>142.9</b>
<b>Items that may be reclassified as profit or loss</b>						
Cash flow hedges		-3.0	-4.4	-21.1	-17.7	-3.1
Translation differences		21.0	-8.4	-29.9	-31.2	-56.3
Share of other comprehensive income of associated company		-6.8	-2.1	-8.6	7.2	28.1
Income tax related to components of other comprehensive income		0.6	0.9	4.2	3.6	0.6
<b>Total</b>		<b>11.9</b>	<b>-14.0</b>	<b>-55.4</b>	<b>-38.1</b>	<b>-30.6</b>
<b>Other comprehensive income, net of tax</b>		<b>-45.1</b>	<b>97.5</b>	<b>-112.0</b>	<b>68.4</b>	<b>112.2</b>
<b>Total comprehensive income for the period</b>		<b>-42.4</b>	<b>230.4</b>	<b>-11.2</b>	<b>440.1</b>	<b>573.6</b>
<b>Result for the period attributable to</b>						
Shareholders of parent company		4.7	117.5	92.4	334.6	409.9
Non-controlling interests		-2.0	15.5	8.4	37.1	51.4
<b>Total</b>		<b>2.8</b>	<b>132.9</b>	<b>100.8</b>	<b>371.7</b>	<b>461.3</b>
<b>Total comprehensive income for the period attributable to</b>						
Shareholders of parent company		-43.2	217.8	-12.3	412.9	535.7
Non-controlling interests		0.8	12.6	1.0	27.3	37.8
<b>Total</b>		<b>-42.4</b>	<b>230.4</b>	<b>-11.2</b>	<b>440.1</b>	<b>573.6</b>
<b>Earnings per share for result attributable to shareholders of parent company (EUR/share)</b>		<b>0.01</b>	<b>0.33</b>	<b>0.26</b>	<b>0.94</b>	<b>1.15</b>

The notes are an integral part of the financial report.

**Unaudited condensed balance sheet**

EUR million	Note	30 Sep 2023	30 Sep 2022	31 Dec 2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill		12.2	12.2	12.2
Other intangible assets		14.2	5.5	5.9
Tangible assets	4	1,161.5	1,059.7	1,107.9
Investments in associated companies and joint ventures		550.4	551.0	614.2
Other investments	8	277.5	307.5	345.4
Other non-current financial assets	6, 8	8.8	18.7	8.9
Deferred tax receivables	2	9.8	12.5	9.4
		2,034.4	1,967.1	2,103.9
<b>Current assets</b>				
Inventories		420.2	494.5	506.7
Accounts receivables and other receivables	6, 8	294.0	497.6	436.4
Cash and cash equivalents	6, 8	221.1	370.5	356.2
		935.3	1,362.6	1,299.3
<b>Total assets</b>		<b>2,969.7</b>	<b>3,329.7</b>	<b>3,403.2</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>				
Equity attributable to shareholders of parent company		1,863.6	1,966.3	2,082.0
Non-controlling interests		151.3	162.4	173.2
Total equity		2,014.9	2,128.6	2,255.2
<b>Non-current liabilities</b>				
Deferred tax liabilities		129.6	112.5	149.5
Post-employment benefit obligations	2	10.0	11.1	10.4
Provisions	5	2.0	2.0	2.0
Borrowings	8	427.0	441.2	434.4
Other liabilities	8	3.9	2.1	3.9
		572.6	569.0	600.2
<b>Current liabilities</b>				
Provisions	5	2.2	0.5	4.9
Current borrowings	6, 8	17.0	23.1	18.6
Accounts payable and other liabilities	6, 8	363.1	608.5	524.4
		382.3	632.1	547.9
<b>Total liabilities</b>		<b>954.9</b>	<b>1,201.1</b>	<b>1,148.1</b>
<b>Total shareholders' equity and liabilities</b>		<b>2,969.7</b>	<b>3,329.7</b>	<b>3,403.2</b>

The notes are an integral part of the condensed financial report.

## Unaudited consolidated statement of changes in shareholders' equity

EUR million	Share capital	Translation differences	Fair value and other reserves	Reserve for invested unrestricted equity	Own shares	Retained earnings	Total	Non-controlling interests	Equity total
Shareholders' equity 1 January 2022	557.9	-27.2	118.3	208.9		841.5	1,699.4	146.2	1,845.6
<b>Comprehensive income for the period</b>									
Result for the period						334.6	334.6	37.1	371.7
Other comprehensive income net of tax total		-15.5	97.7			-4.0	78.2	-9.8	68.4
<b>Comprehensive income total</b>		<b>-15.5</b>	<b>97.7</b>			<b>330.6</b>	<b>412.9</b>	<b>27.3</b>	<b>440.1</b>
<b>Related party transactions</b>									
Dividend						-145.8	-145.8	-11.1	-156.8
Share based payments						-0.2	-0.2		-0.2
<b>Shareholders' equity 30 September 2022</b>	<b>557.9</b>	<b>-42.6</b>	<b>215.9</b>	<b>208.9</b>		<b>1,026.2</b>	<b>1,966.3</b>	<b>162.4</b>	<b>2,128.6</b>

EUR million	Share capital	Translation differences	Fair value and other reserves	Reserve for invested unrestricted equity	Own shares	Retained earnings	Total	Non-controlling interests	Equity total
Shareholders' equity 1 January 2023	557.9	-64.0	283.9	208.9	-7.8	1,103.2	2,082.0	173.2	2,255.2
<b>Comprehensive income for the period</b>									
Result for the period						92.4	92.4	8.4	100.8
Other comprehensive income net of tax total		-23.1	-81.4			-0.1	-104.7	-7.3	-112.0
<b>Comprehensive income total</b>		<b>-23.1</b>	<b>-81.4</b>			<b>92.3</b>	<b>-12.3</b>	<b>1.0</b>	<b>-11.2</b>
<b>Related party transactions</b>									
Dividend						-205.8	-205.8	-22.9	-228.7
Disposal of own shares					2.3	-2.3			
Share based payments						-0.3	-0.3		-0.3
<b>Shareholders' equity 30 September 2023</b>	<b>557.9</b>	<b>-87.2</b>	<b>202.5</b>	<b>208.9</b>	<b>-5.5</b>	<b>987.0</b>	<b>1,863.6</b>	<b>151.3</b>	<b>2,014.9</b>

The notes are an integral part of the financial report.

**Unaudited condensed consolidated cash flow statement**

EUR million	Note	2023 Q1–Q3	2022 Q1–Q3	2022 Q1–Q4	2023 Q3
Result for the period		100.8	371.7	461.3	2.8
Total adjustments	7	8.6	-38.0	-63.0	16.1
Change in working capital		17.0	-172.4	-151.4	60.0
Net financial items	7	83.2	54.4	51.6	-4.2
Income taxes paid		9.0	-54.0	-66.5	1.9
<b>Net cash flow from operations</b>		<b>218.6</b>	<b>161.7</b>	<b>232.0</b>	<b>76.6</b>
Acquisitions	7		-13.6	-13.6	
Investments in intangible and tangible assets		-153.1	-194.2	-274.2	-43.5
Disposals and other items	6, 7	49.0	65.0	82.4	4.9
<b>Net cash flow from investing</b>		<b>-104.2</b>	<b>-142.7</b>	<b>-205.3</b>	<b>-38.6</b>
Changes in non-current loans and in other financial items	6	-12.0	-8.7	-18.1	-11.5
Acquisition of treasury shares				-7.8	
Paid dividend	7	-229.7	-157.2	-157.1	
<b>Net cash flow from financing</b>		<b>-241.6</b>	<b>-165.9</b>	<b>-183.1</b>	<b>-11.5</b>
<b>Changes in cash and cash equivalents</b>		<b>-127.2</b>	<b>-147.0</b>	<b>-156.5</b>	<b>26.5</b>
Cash and cash equivalents at beginning of period	6	356.2	524.2	524.2	193.9
Translation difference in cash and cash equivalents		-7.8	-6.7	-11.6	0.7
Changes in cash and cash equivalents		-127.2	-147.0	-156.5	26.5
<b>Cash and cash equivalents at end of period</b>	6	<b>221.1</b>	<b>370.5</b>	<b>356.2</b>	<b>221.1</b>

The notes are an integral part of the condensed financial report.

## Appendices to unaudited report

### Note 1 – Background and basis of preparation

Metsä Board Corporation and its subsidiaries comprise a forest industry group whose main product areas are fresh fibre cartonboards and linerboards. Metsä Board Corporation, the parent company, is domiciled in Helsinki, and the registered address of the company is Revontulenpuisto 2, 02100 Espoo, Finland. Metsä Board's ultimate parent company is Metsäliitto Cooperative.

This financial report has been prepared in accordance with IAS 34, Interim Financial Reporting, and it should be read in conjunction with the 2022 IFRS financial statements. The effects of foreign exchange changes on the review period operating result vis-à-vis the comparison period result have been calculated based on estimated review period net cash flows in relevant currencies and taking into account the realised effects of foreign exchange hedges.

The same accounting policies have been applied as in the 2022 IFRS financial statements, with the following exception:

Depreciation of machinery and equipment during the financial year has been adjusted between the quarters

when applicable to correspond with the distribution of the economic benefit of the asset between quarters. The Refinitiv FX closing rate has been used as the EUR/RUB valuation rate representing the market rate at the time.

Amendments to standards applied during the 2023 financial period:

Amendments to IAS 12 Income taxes – Deferred tax related to assets and liabilities arising from a single transaction. The amendments narrow the scope of the initial recognition exemption and specify that the exemption does not apply to individual transactions such as leases and decommissioning obligations that give rise to equal and opposite temporary differences. The amendments have an impact on the notes presented.

Other amendments to the standards do not have a material effect on the Group's financial report.

All amounts in the financial report are presented in millions of euros unless otherwise stated.

This financial report was authorised for issue by the Board of Directors of Metsä Board on 26 October 2023.

### Note 2 – Segment information

The Corporate Management Team is the chief operational decision-maker monitoring business operations performance based on the operating segments. Metsä

Board's business operations consist solely of folding boxboard, fresh fibre linerboard and market pulp businesses. Metsä Board reports on its financial performance in one reporting segment.

### Geographical distribution of sales

EUR million	2023 Q3	2022 Q3	2023 Q1–Q3	2022 Q1–Q3	2022 Q1–Q4
EMEA	307.2	426.1	1,009.4	1,218.1	1,634.5
Americas	132.0	174.0	411.9	498.9	646.4
APAC	39.7	47.2	97.9	162.7	198.7
<b>Total</b>	<b>479.0</b>	<b>647.3</b>	<b>1,519.2</b>	<b>1,879.7</b>	<b>2,479.6</b>

## Reconciliation of comparable figures

EUR million	2023 Q3	2022 Q3	2023 Q1–Q3	2022 Q1–Q3	2022 Q1–Q4
<b>Operating result</b>	<b>3.1</b>	<b>153.4</b>	<b>121.0</b>	<b>436.8</b>	<b>531.5</b>
Depreciation, amortisation and impairment losses	18.0	23.6	68.5	66.4	83.1
<b>EBITDA</b>	<b>21.1</b>	<b>177.1</b>	<b>189.5</b>	<b>503.1</b>	<b>614.6</b>
Items affecting comparability:					
Other operating income		0.0	-2.7	-28.6	-28.6
Write down of Inventory		0.0		0.0	0.0
Employee benefits					4.6
Share of results of associated companies	2.4	-1.0	3.1	10.9	11.6
Other operating expense		0.0		0.7	0.6
Total	2.4	-0.9	0.4	-17.1	-11.7
<b>EBITDA, comparable</b>	<b>23.5</b>	<b>176.1</b>	<b>189.9</b>	<b>486.1</b>	<b>602.8</b>
Depreciation, amortisation and impairment losses	-18.0	-23.6	-68.5	-66.4	-83.1
Items affecting comparability:					
Impairment charges and reversals of impairments		0.0		0.3	0.9
<b>Operating result, comparable</b>	<b>5.5</b>	<b>152.5</b>	<b>121.5</b>	<b>420.0</b>	<b>520.7</b>
Share of results of associated companies and joint ventures			0.0	0.0	0.0
Net financial items	1.2	-1.1	-1.5	-5.3	-6.6
Items affecting comparability:					
Financial items	0.1	0.1	0.3	0.1	0.5
<b>Result before income tax, comparable</b>	<b>6.7</b>	<b>151.6</b>	<b>120.3</b>	<b>414.7</b>	<b>514.6</b>
Income taxes	-1.5	-19.4	-18.8	-59.7	-63.5
Income taxes related to items affecting comparability		0.0	0.5	1.3	0.3
<b>Result for the period, comparable</b>	<b>5.2</b>	<b>132.1</b>	<b>102.1</b>	<b>356.3</b>	<b>451.4</b>

## Additional information about the reconciliation

“+” sign items = expense affecting comparability

“-” sign items = income affecting comparability

Items affecting operating result comparability in 2023 totalled EUR -0.4 million. They comprised EUR 2.7 million in capital gains from the sale of a land area unrelated to business operations, a write-down of EUR -2.1 million related to the closure of Metsä Fibre's old Kemi pulp mill, and EUR -1.0 million in translation differences from discontinued operations in Russia.

Items affecting operating result comparability in 2022 totalled EUR 10.8 million. They comprised EUR 19.2 million from the sale of the share capital in Hangö Stevedoring Ab; a EUR 6.5 million capital gain from the sale of a land area unrelated to business operations; a EUR -5.5 million restructuring of customer service and supply chain management; a EUR 2.8 million valuation gain related to the divestment of shares; a EUR -1.0 million impairment recognised for the Russian operations; a EUR -10.5 million impairment recognised for the Russian operations of the associated company Metsä Fibre; a EUR -1.2 million impairment recognised in the assets of Metsä Fibre's Kyrö sawmill; and other items EUR 0.3 million.



**Note 3 – Income taxes**

	2023	2022	2022
EUR million	Q1–Q3	Q1–Q3	Q1–Q4
Taxes for the current period	-17.6	-65.3	-36.4
Taxes for the prior periods	-0.4	0.1	-0.5
Change in deferred taxes	-0.8	5.5	-26.7
Total income taxes	<b>-18.8</b>	<b>-59.7</b>	<b>-63.5</b>

Taxes for the previous year include the 7.1 million euros of tax support to be applied for in the 2022 taxation of the investments of the Swedish subsidiary.

**Note 4 – Changes in property, plant and equipment**

	2023	2022	2022
EUR million	Q1–Q3	Q1–Q3	Q1–Q4
Carrying value at beginning of period	1,107.9	935.0	935.0
Acquired businesses		29.6	29.6
Investments in owned property, plant and equipment	143.4	188.6	264.1
Investments in leased property, plant and equipment	4.2	7.2	8.1
Decreases	-2.7	-3.1	-5.0
Depreciation, amortisation and impairment losses	-67.5	-65.7	-82.1
Translation difference	-23.7	-31.8	-41.8
Carrying value at end of the period	<b>1,161.5</b>	<b>1,059.7</b>	<b>1,107.9</b>

Acquired businesses in January–September 2022 include the tangible assets of Hämeenkyrön Voima Oy.

In 2022, an impairment loss of EUR -0.9 million was recognised for the Russian operations.

**Note 5 – Provisions**

EUR million	Restructuring	Environmental obligations	Other provisions	Total
1 January 2023	4.9	2.0	0.0	6.9
Translation differences			0.0	0.0
Utilised during the year	-2.7			-2.7
<b>30 Sep 2023</b>	<b>2.2</b>	<b>2.0</b>	<b>0.0</b>	<b>4.2</b>
Non-Current		2.0	0.0	2.0
Current	2.2			2.2
<b>Total</b>	<b>2.2</b>	<b>2.0</b>	<b>0.0</b>	<b>4.2</b>

Half the non-current provisions are expected to be utilised by the end of 2025 and the rest in 2030s.

## Note 6 – Related party transactions

Related parties include Metsä Board's ultimate parent company Finnish Metsäliitto Cooperative, other subsidiaries of Metsäliitto, associated companies and joint ventures. The members of The Board of Directors and Metsä Group's Executive Management Team and Metsä Board's Corporate Management Team, as well as their close family members, are also included in related parties.

Metsä Board enters into a significant number of transactions with related parties for the purchases of inventories, sale of goods, corporate services, as well as financial transactions. Arm's length pricing has been followed in product and service transactions undertaken and interest rates set between Metsä Board and the related parties.

### Transactions with parent and sister companies

EUR million	2023 Q1–Q3	2022 Q1–Q3	2022 Q1–Q4
Sales	85.0	139.4	197.7
Other operating income	0.9	4.7	6.6
Purchases	353.4	640.1	860.8
Share of result from associated company	30.8	121.8	163.1
Dividend income	0.0	0.0	0.0
Interest income	7.7	0.6	2.3
Interest expenses	0.4	0.7	0.9
Accounts receivable and other receivables	34.8	107.4	84.6
Cash and cash equivalents	210.9	348.6	338.6
Accounts payable and other liabilities	52.1	153.2	86.3

Metsä Fibre's net result is included in the operating result line item "Share of result from associated company", and transactions with Metsä Fibre are included in transactions with sister companies.

Metsä Fibre paid a dividend of EUR 82.8 million to Metsä Board in the review period (58.8).

Cash and cash equivalents include interest-bearing receivables comparable to cash funds and available from Metsä Group's internal bank Metsä Group Treasury Oy.

### Transactions with associated companies and joint ventures

EUR million	2023 Q1–Q3	2022 Q1–Q3	2022 Q1–Q4
Sales	0.3	0.4	0.7
Purchases	0.1	1.2	1.7
Accounts receivable and other receivables	0.1	0.0	0.1
Accounts payable and other liabilities		0.5	

**Note 7 – Notes to the consolidated cash flow statement****Adjustments**

EUR million	2023 Q1–Q3	2022 Q1–Q3	2022 Q1–Q4	2023 Q2
Taxes	18.8	59.7	63.5	1.6
Depreciation, amortisation and impairment charges	68.5	66.4	83.1	18.0
Share of result from associated companies and joint ventures	-29.6	-121.9	-163.1	4.0
Gains and losses on sale of fixed assets	-49.6	-48.7	-59.5	-5.7
Finance costs, net	1.5	5.3	6.6	-1.2
Pension liabilities and provisions	-2.8	-1.0	3.6	-1.1
Other adjustments	1.8	2.2	2.8	0.5
<b>Total</b>	<b>8.6</b>	<b>-38.0</b>	<b>-63.0</b>	<b>16.1</b>

**Income taxes paid**

Income taxes paid in 2023 include Metsä Board Oyj's advance tax refund of 34.7 million euros for the 2022 financial year.

The figure for the comparison period and the entire year 2022 includes -11.6 million euros in tax payment regarding the year 2021.

**Net financial items**

Net financial items in the consolidated cash flow statement include a dividend of EUR 82.8 million paid by Metsä Fibre (58.8).

**Acquisitions**

Acquisitions include EUR -13.6 million for the shares of Hämeenkyrön Voima Oy, acquired in January–March 2022.

**Disposals and other items**

Disposals and other items reported in 2023 were EUR 49.0 million in total. They consisted of proceeds amounting to EUR 45.0 million from emission right sales; EUR 3.7 million from the sale of a non-business-related land area and other items amounting to EUR 0.3 million.

Disposals and other items reported in 2022 were EUR 82.4 million in total. They consisted of proceeds

amounting to EUR 29.0 million from emission right sales, EUR 24.5 million from the sale of Oy Hangö Stevedoring Ab shares, EUR 12.0 million from the sale of G10 shares to Pohjolan Voima Oyj, EUR 9.2 million from the sale of a non-business-related land area, EUR 4.9 million related to the divestment of shares, EUR 1.9 million from the sale of property ownership and other items amounting to EUR 1.0 million.

**Paid dividend**

Paid dividend in 2023 included dividends paid by the parent company EUR -205.8 million and dividends paid to non-controlling owners from the Husum pulp company of EUR -22.9 million.

Paid dividend in 2022 included dividends paid by the parent company EUR -145.8 million and dividends paid to non-controlling owners from the Husum pulp company of EUR -11.3 million.

**Note 8 – Financial instruments**

Classification of financial assets and liabilities and their fair values

**Financial assets 30 September 2023**

<b>EUR million</b>	<b>Fair value through profit and loss</b>	<b>Fair value through other comprehen- sive income</b>	<b>Amortised cost</b>	<b>Total carrying amount</b>
Other non-current investments	1.4	276.1		277.5
Other non-current financial assets			6.0	6.0
Accounts receivable and other receivables			269.8	269.8
Cash and cash equivalent			221.1	221.1
Derivative financial instruments	1.3	17.6		18.9
<b>Total carrying amount</b>	<b>2.7</b>	<b>293.8</b>	<b>496.9</b>	<b>793.3</b>
<b>Total fair value</b>	<b>2.7</b>	<b>293.8</b>	<b>496.9</b>	<b>793.3</b>

**Financial liabilities 30 September 2023**

<b>EUR million</b>	<b>Fair value through profit and loss</b>	<b>Fair value through other comprehen- sive income</b>	<b>Amortised cost</b>	<b>Total carrying amount</b>
Non-current interest-bearing financial liabilities			427.0	427.0
Other non-current financial liabilities			0.5	0.5
Current interest-bearing financial liabilities			17.0	17.0
Accounts payable and other financial liabilities			295.2	295.2
Derivative financial instruments	1.0	27.0		28.0
<b>Total carrying amount</b>	<b>1.0</b>	<b>27.0</b>	<b>739.6</b>	<b>767.6</b>
<b>Total fair value</b>	<b>1.0</b>	<b>27.0</b>	<b>726.2</b>	<b>754.2</b>

## Classification of financial assets and liabilities and their fair values

**Financial assets 30 September 2022**

<b>EUR million</b>	<b>Fair value through profit and loss</b>	<b>Fair value through other comprehensive income</b>	<b>Amortised cost</b>	<b>Total carrying amount</b>
Other non-current investments	6.3	301.2		307.5
Other non-current financial assets			6.6	6.6
Accounts receivable and other receivables			410.3	410.3
Cash and cash equivalent			370.5	370.5
Derivative financial instruments	1.8	72.9		74.7
<b>Total carrying amount</b>	<b>8.1</b>	<b>374.1</b>	<b>787.4</b>	<b>1,169.6</b>
<b>Total fair value</b>	<b>8.1</b>	<b>374.1</b>	<b>787.4</b>	<b>1,169.6</b>

**Financial liabilities 30 September 2022**

<b>EUR million</b>	<b>Fair value through profit and loss</b>	<b>Fair value through other comprehensive income</b>	<b>Amortised cost</b>	<b>Total carrying amount</b>
Non-current interest-bearing financial liabilities			441.2	441.2
Other non-current financial liabilities			0.4	0.4
Current interest-bearing financial liabilities			23.1	23.1
Accounts payable and other financial liabilities			435.5	435.5
Derivative financial instruments	2.3	77.5		79.7
<b>Total carrying amount</b>	<b>2.3</b>	<b>77.5</b>	<b>900.3</b>	<b>980.0</b>
<b>Total fair value</b>	<b>2.3</b>	<b>77.5</b>	<b>875.2</b>	<b>954.9</b>

Accounts receivable and other receivables do not include advance payments, accrued tax receivables and periodisations of employee costs.

Accounts payable and other financial liabilities do not include advance payments, accrued tax liabilities and periodisations of employee costs.

In Metsä Board, all interest-bearing liabilities are valued in the balance sheet at amortised cost based on the effective interest method.

Fair values in the table are based on the present value of the cash flow of each liability or assets calculated by market rate. The discount rates applied are between 1.0 and 4.2% (0.3 and 4.9). The fair values of accounts and other receivables and accounts payable and other liabilities do not materially deviate from their carrying amounts in the balance sheet.

**Other non-current investments at fair value based on Level 3**

	2023	2022	2022
EUR million	Q1–Q3	Q1–Q3	Q1–Q4
Carrying value at beginning of period	345.4	181.0	181.0
Total gains and losses in profit or loss		2.9	2.8
Total gains and losses in other comprehensive income	-68.0	135.6	178.5
Purchases	0.0	0.0	0.0
Disposals		-12.0	-16.9
<b>Carrying value at end of the period</b>	<b>277.5</b>	<b>307.5</b>	<b>345.4</b>

Financial assets and liabilities measured at fair value have been categorised according to IFRS 7 Financial Instruments: Disclosures.

**Level 1**

Fair value is based on quoted prices in active markets.

**Level 2**

Fair value is determined using valuation techniques that use market information.

**Level 3**

Fair value is not based on observable market data but the company's own assumptions.

The fair values of natural gas and fuel oil derivatives are determined using public price quotations in an active market (Level 1).

The fair values of currency forwards and options are determined using the market prices of the closing date of the reporting period. The fair values of interest rate swaps are determined using the present value of expected payments, discounted using a risk adjusted discount rate, supported by market interest rates and other market data of the closing date of the reporting period (Level 2).

For financial instruments not traded on an active market, the fair value is determined by valuation techniques. Judgement is used when choosing the different techniques and making assumptions, which are mainly based on the circumstances prevailing in the markets on each closing date of the reporting period (Level 3).

The valuation and measurement principles are described in more detail in the Annual Report.

The most significant asset at fair value not traded on an active market is the investment in Pohjolan Voima Oyj shares classified as a financial asset at fair value through other comprehensive income. The value of investment is determined based on the present value of discounted cash flows.

On 1 January 2022, Metsä Board acquired the entire share capital of Hämeenkyrön Voima Oy from Pohjolan Voima Oyj (84%) and from DL Power Oy, part of Leppäkoski group (16%). In this connection, Metsä Board sold its series G10 shares, which corresponded to an 84% holding in Hämeenkyrön Voima Oy, to Pohjolan Voima Oyj for EUR 12.0 million.

The WACC used in Pohjolan Voima Oyj share valuation on 30 September 2023 was 5.97% (31 December 2022: 5.42). The acquisition cost of shares in Pohjolan Voima Oyj on 30 September 2023 is EUR 28.3 million (28.3) and fair value EUR 276.1 million (344.1).

The carrying value of other investments as of 30 September 2023 is expected to change by EUR -10.1 million and EUR 10.6 million should the rate used for discounting the cash flows change by 0.5 percentage points from the rate estimated by the management. The carrying value of other investments is expected to change by EUR 62.5 million should the energy prices used in calculating the fair value differ by 10% from the prices estimated by the management.

**Fair value hierarchy of financial assets and liabilities as of 30 September 2023**

EUR million	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value</b>				
Other non-current investments			277.5	277.5
Derivative financial assets	3.6	15.4		18.9
<b>Financial liabilities measured at fair value</b>				
Derivative financial liabilities	4.3	23.6		28.0
<b>Financial assets not measured at fair value</b>				
Cash and cash equivalent		222.1		222.1
<b>Financial liabilities not measured at fair value</b>				
Non-current interest-bearing financial liabilities		413.6		413.6
Current interest-bearing financial liabilities		17.0		17.0

**Fair value hierarchy of financial assets and liabilities as of 30 September 2022**

EUR million	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value</b>				
Other non-current investments			307.5	307.5
Derivative financial assets	5.5	69.2		74.7
<b>Financial liabilities measured at fair value</b>				
Derivative financial liabilities	2.3	77.5		79.7
<b>Financial assets not measured at fair value</b>				
Cash and cash equivalent		370.5		370.5
<b>Financial liabilities not measured at fair value</b>				
Non-current interest-bearing financial liabilities		416.2		416.2
Current interest-bearing financial liabilities		23.1		23.1



## Derivatives 30 September 2023

EUR million	Nominal value	Fair value			Fair value	
		Derivative assets	Derivative liabilities	Fair value net	Fair value through profit and loss	Fair value through other com- prehen- sive income
Interest rate swaps	50.0	2.4		2.4		2.4
<b>Interest rate derivatives</b>	<b>50.0</b>	<b>2.4</b>		<b>2.4</b>		<b>2.4</b>
Currency forward contracts	1,478.6	12.5	22.1	-9.6	-0.2	-9.4
Currency option contracts	500.4	0.5	1.5	-1.0		-1.0
<b>Currency derivatives</b>	<b>1,979.1</b>	<b>13.0</b>	<b>23.6</b>	<b>-10.6</b>	<b>-0.2</b>	<b>-10.4</b>
Oil derivatives	18.4	2.6	0.2	2.4		2.4
Natural gas derivatives	14.3	0.9	4.1	-3.2	0.5	-3.7
<b>Commodity derivatives</b>	<b>32.7</b>	<b>3.6</b>	<b>4.3</b>	<b>-0.8</b>	<b>0.5</b>	<b>-1.3</b>
<b>Derivatives total</b>	<b>2,061.7</b>	<b>18.9</b>	<b>28.0</b>	<b>-9.0</b>	<b>0.3</b>	<b>-9.3</b>

## Derivatives 30 September 2022

EUR million	Nominal value	Fair value			Fair value	
		Derivative assets	Derivative liabilities	Fair value net	Fair value through profit and loss	Fair value through other com- prehen- sive income
Interest rate swaps	100.0	3.0		3.0		3.0
<b>Interest rate derivatives</b>	<b>100.0</b>	<b>3.0</b>		<b>3.0</b>		<b>3.0</b>
Currency forward contracts	1,707.5	9.8	73.2	-63.4	-0.5	-63.0
Currency option contracts	246.2	0.4	4.2	-3.8		-3.8
<b>Currency derivatives</b>	<b>1,953.7</b>	<b>10.2</b>	<b>77.5</b>	<b>-67.3</b>	<b>-0.5</b>	<b>-66.8</b>
Electricity derivatives	0.2	2.2		2.2		2.2
Oil derivatives	30.9	3.0	2.3	0.7		0.7
Natural gas and propane derivatives	30.8	56.3		56.3		56.3
<b>Commodity derivatives</b>	<b>62.0</b>	<b>61.5</b>	<b>2.3</b>	<b>59.2</b>		<b>59.2</b>
<b>Derivatives total</b>	<b>2,115.7</b>	<b>74.7</b>	<b>79.7</b>	<b>-5.1</b>	<b>-0.5</b>	<b>-4.6</b>

**Note 9 – Commitments and guarantees**

EUR million	30 Sep 2023	30 Sep 2022	31 Dec 2022
Guarantees and counter-indemnities	1.6	1.5	1.5
Other commitments	3.8	3.8	3.8
<b>Total</b>	<b>5.4</b>	<b>5.3</b>	<b>5.3</b>

**Commitments related to property, plant and equipment**

EUR million	30 Sep 2023	30 Sep 2022	31 Dec 2022
Payments due in following 12 months	85.4	63.4	132.0
Payments due later	1.0	1.4	1.6
<b>Total</b>	<b>86.4</b>	<b>64.8</b>	<b>133.5</b>

Commitments related to property, plant and equipment mainly concern the first phase completion of the mod-

ernisation of the Husum pulp mill, an investment to increase Husum's folding boxboard capacity and the development programme of the Kemi mill.

**Note 10 – Events after the review period**

On 26 October, Metsä Board announced to initiate change negotiations on possible temporary layoffs for its paperboard and BCTMP mills in Finland. The negotiations involve a total of approximately 1,100 employees. The possible layoffs would last a maximum of 90 days and could be implemented in several instalments during 2024. The allocation and amount of layoffs will

be specified during 2024. With the change negotiations, Metsä Board is preparing for a possible continuation of the adjustment of production to match the low delivery volumes, if the demand situation for paperboards does not improve in 2024.