

An aerial photograph showing a large, calm lake with several small islands and peninsulas. The foreground is dominated by a dense, green forest of coniferous trees. The sky is blue with some light clouds. The text "Metsä Board" is overlaid on the left side of the image.

Metsä Board

Investor presentation

January–September 2023

Disclaimer

This presentation includes forward-looking statements. The words “believe”, “expect”, “anticipate”, “intend”, “may”, “plan”, “estimate”, “will”, “should”, “could”, “aim”, “target”, “might” or in each case, their negative, or any similar expressions identify certain of these forward-looking statements. Others can be identified from the context in which the statements are made. By their nature, forward-looking statements are subject to assumptions, risks and uncertainties. Although we believe that the expectations reflected in these forward-looking statements are reasonable, actual results may differ, even materially, from those expressed or implied by these forward-looking statements. We urge presentation participants not to place undue reliance on such statements.

The information and views contained in this presentation are provided as at the date of this presentation and are subject to change without notice. Metsä Board does not undertake any obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

Viewers should understand that this presentation does not constitute, and should not be construed as, an offer to buy or subscribe for Metsä Board’s securities anywhere in the world or an inducement to enter into any investment activity relating to the same. No part of this presentation should form the basis of, or be relied on in connection with, any contract or commitment or decision to invest in Metsä Board securities whatsoever. Potential investors are instructed to acquaint themselves with Metsä Board’s annual accounts, interim reports and stock exchange releases, as well as other information published by Metsä Board, to form a comprehensive picture of the company and its securities.

Metsä Board publishes inside information according to the Market Abuse Regulation (MAR) and the rules of Nasdaq Helsinki.

Contents

| | |
|------------------------------------------|----|
| <u>This is Metsä Board</u> | 4 |
| <u>Investments</u> | 14 |
| <u>January–September 2023 results</u> | 17 |
| <u>Profit drivers and cost structure</u> | 31 |
| <u>Operating environment</u> | 40 |
| <u>Sustainability</u> | 45 |
| <u>Innovation and R&D</u> | 61 |
| <u>Owners and management</u> | 66 |



Metsä Board: Investment highlights



Premium fresh fibre paperboards

- Recyclable and lightweight paperboards from renewable materials
- Packaging materials providing an alternative to plastics



A leading position in a growing market

- Metsä Board is #1 in folding boxboard and white kraftliners in Europe, and
- #1 in coated white kraftliners globally



Strong focus on sustainability

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



Investing in sustainable and profitable growth

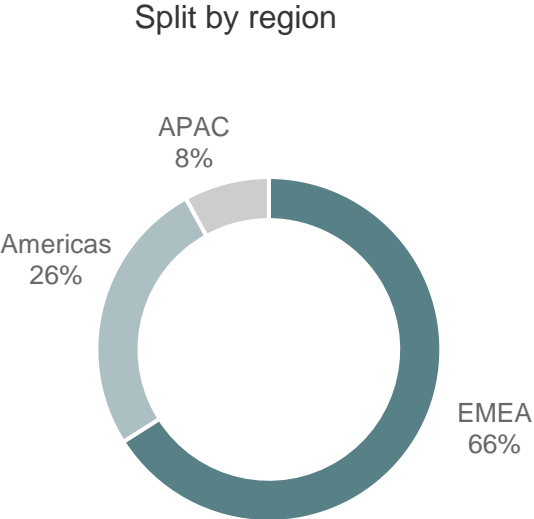
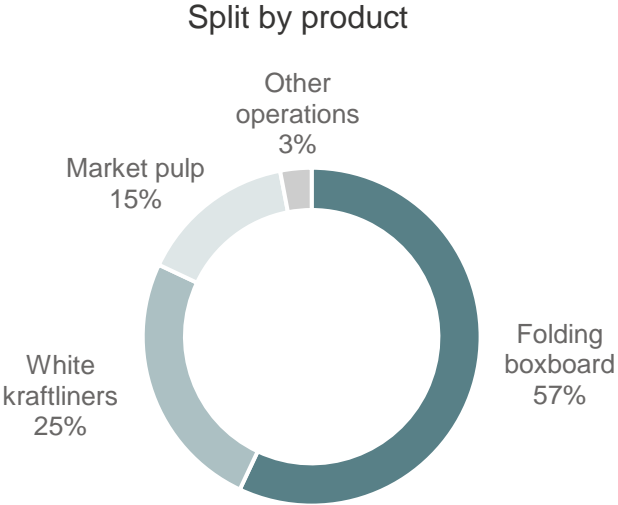
- Significant ongoing and planned investments to meet growing demand for fibre based packaging materials

Metsä Board is part of profitable Metsä Group

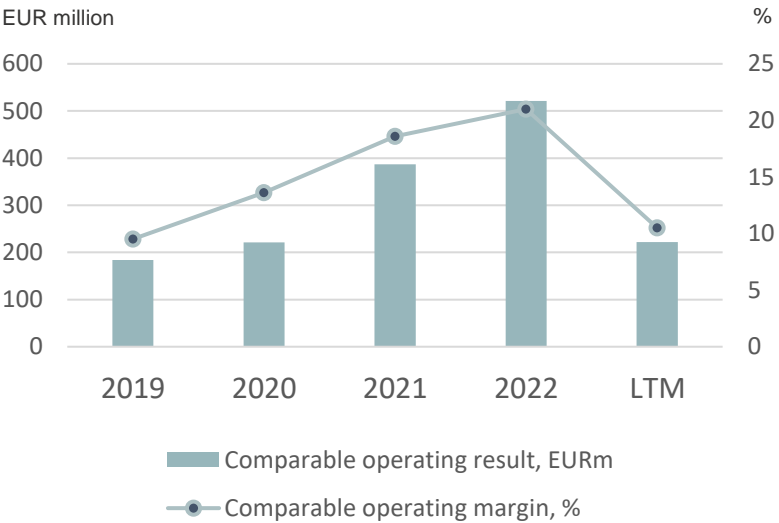
Ensures an uninterrupted production chain from sustainably managed forests to high-quality end products

Company in figures

Sales in 2022
EUR 2,480 million



Comparable operating result, EUR and %
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 paperboards are mainly in consumer products



Demand drivers for fresh fibre paperboards

Population growth,
urbanisation and
rising living
standards drive
packaging

Regulation and
consumer
preferences favour
fossil free packaging
materials

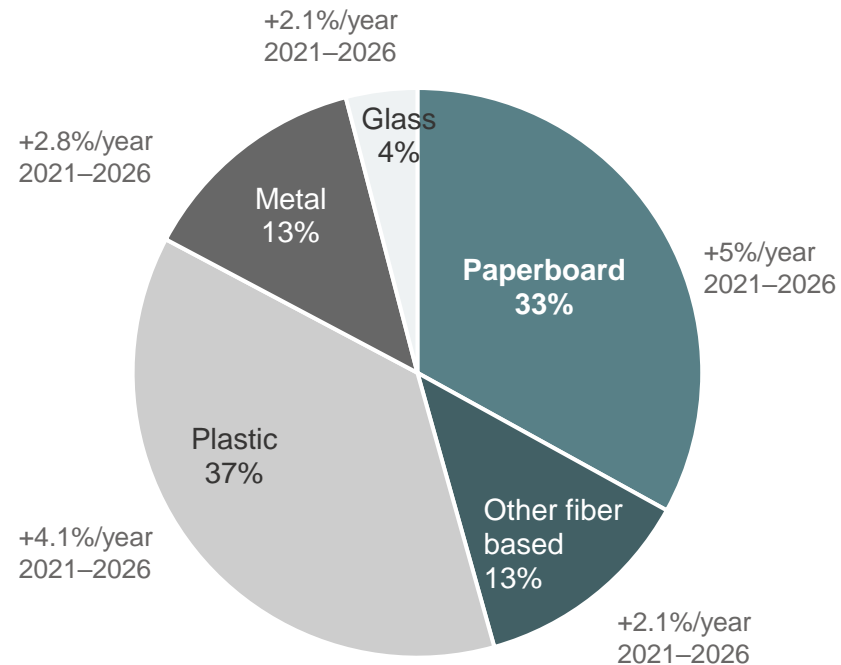
Availability
and quality of
recycled fibre is
declining

Global
e-commerce
continues
to grow

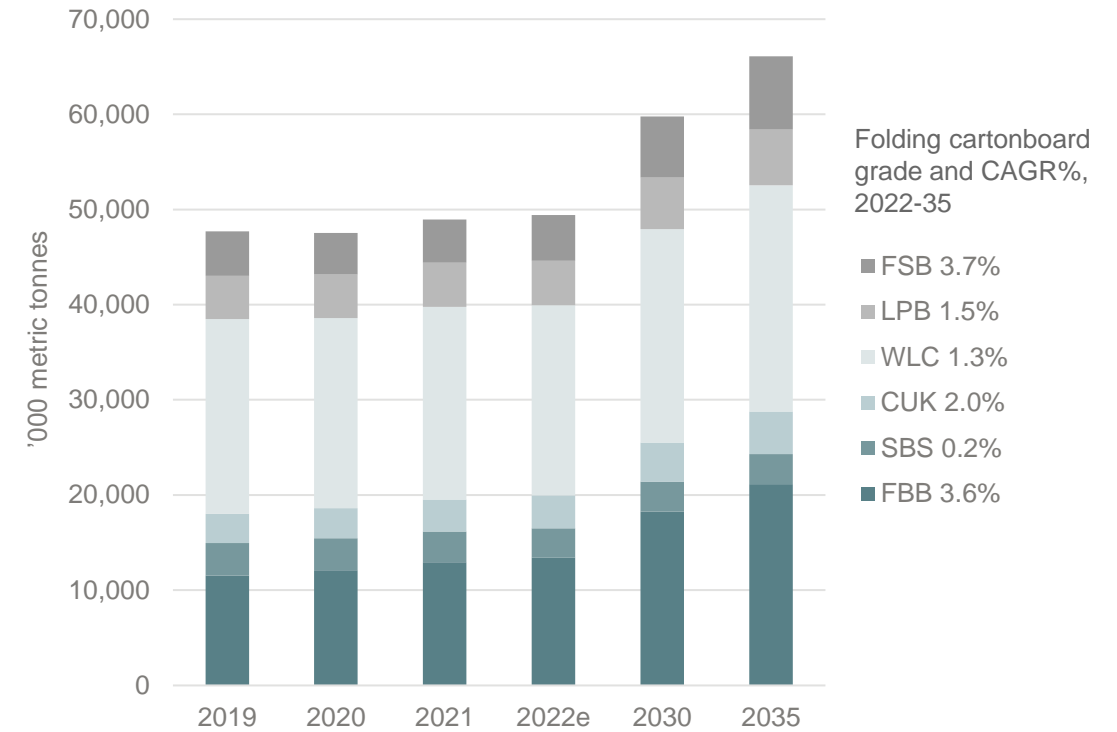
Global need for packaging is growing

Size of global packaging is USD 1,015 billion and it's growing by ~4% per year

Paperboard has the fastest growth in packaging materials ...



... and folding boxboard and food service boards in cartonboards



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**

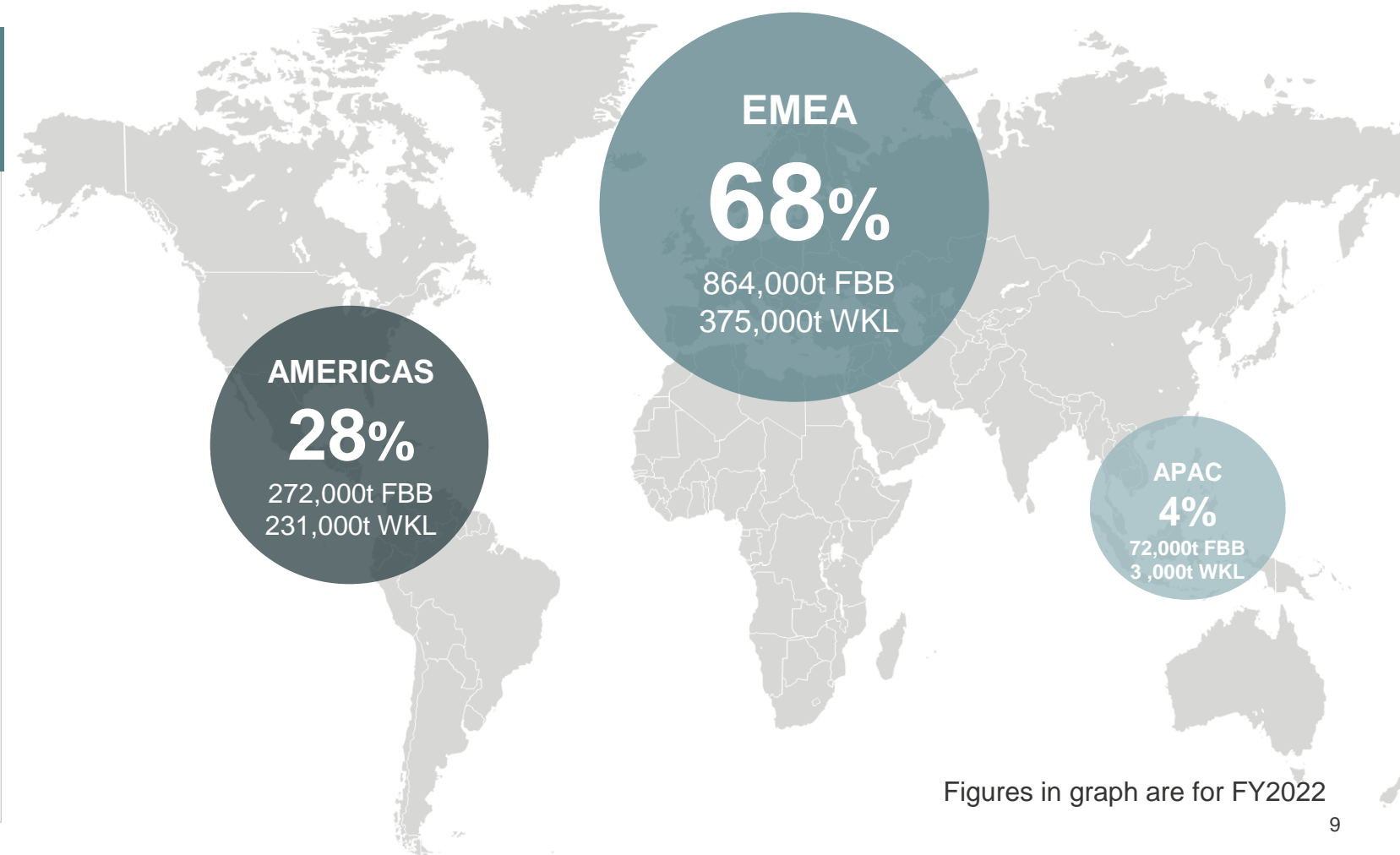
- Environmental awareness and regulatory requirements support demand for recyclable packaging materials
- Food safety requirements favour pure fresh fibre paperboards
- Weakened availability of recycled raw material

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

Metsä Board is part of Metsä Group

Metsä Group’s interest is to **increase the value** of the forest of owner-members by **processing northern wood** into valuable 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% Sales and operating margin EUR 2.1bn / 1.1% | METSÄ WOOD WOOD PRODUCTS Holding Metsäliitto Cooperative 100% Sales and operating margin EUR 0.7bn / 8.3% | METSÄ FIBRE PULP AND SAWN TIMBER Holding Metsäliitto Cooperative 50.1% Metsä Board 24.9% Itochu Corporation 25.0% Sales and operating margin EUR 3.1bn / 29.1% | METSÄ BOARD PAPERBOARD Holding Metsäliitto Cooperative 50.2% Listed in Nasdaq Helsinki Sales and operating margin EUR 2.5bn / 21.0% | METSÄ TISSUE TISSUE AND GREASEPROOF PAPERS Holding Metsäliitto Cooperative 100% Sales and operating margin EUR 1.2bn / -0.3% |
| METSÄ SPRING INNOVATION COMPANY | | | | |



Metsä Spring’s role is to

- 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

Metsä Board's production is close to the main raw material – northern wood

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

● Mill integrated in chemical pulp
○ Mill non-integrated in chemical pulp

○ Wood sourced from Finland, Sweden and Baltics.

Self-sufficiency in pulp is secured through 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
 - In 2024, capacity will increase by 900,000 tonnes/year (800,000 SW and 100,000 HW) with new Kemi bioproduct mill, started up in Q3 2023
- 2.1 million m³/year sawn timber, of which 40% spruce and 60% pine sawn timber
- Self-sufficiency in electricity 175%

Metsä Board owns 24.9% of Metsä Fibre

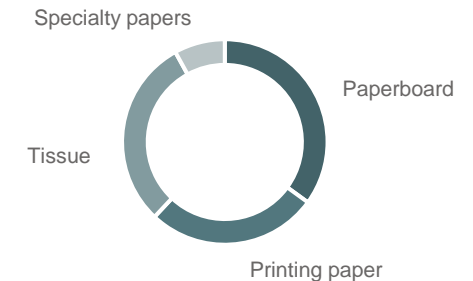
- Other owners Metsäliitto Cooperative 50.1% and Itotchu Corporation 25.0%
- Metsä Board consolidates 24.9% of Metsä Fibre's net result into its EBITDA. The annual dividend by Metsä Fibre is typically paid at the end of Q1
- Taking into account the ownership in Metsä Fibre, +/- 10% change in market pulp price has an +/- EUR 40 million impact on Metsä Board's annual operating result



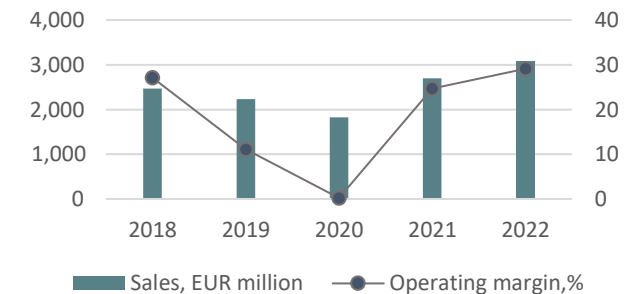
Metsä Fibre's pulp sales split by region 2022



Metsä Fibre's pulp sales split by end-use 2022



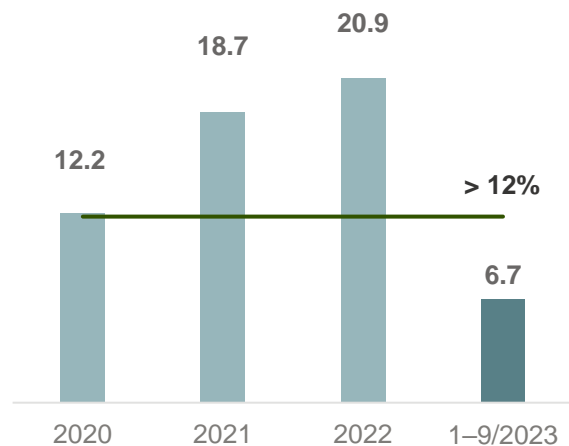
Metsä Fibre's sales (EUR million) and operating margin (%)



Long-term financial targets and dividend payout

Comparable ROCE:

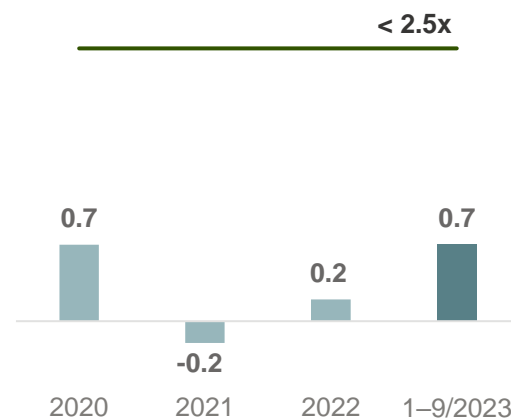
Target at least 12%



Net debt/comparable

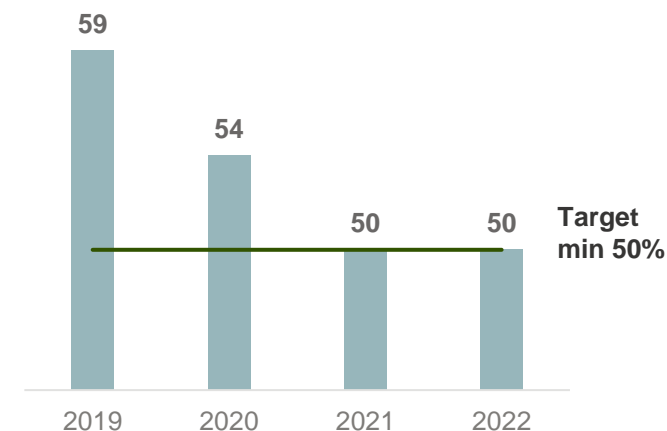
EBITDA:

Maximum level 2.5x



Dividend policy:

Payout ratio at least 50% of net result



Sustainable investments support our growth in fibre-based packaging materials



Kemi mill development programme

- +40,000 t/a white kraftliner, full production capacity during 2024
- Decreased water and energy use
- Included an unbleached pulp production line of 180,000 t/a from Metsä Fibre
- Investment value EUR 110* million
- Started up in Q3/2023



Husum folding boxboard capacity expansion

- +200,000 t/a FBB, full production capacity during 2025
 - Investment value EUR 230 million
 - Investment shutdown ongoing, start-up in Q4/2023
- In addition, port warehouse capacity will be increased, value ~EUR 20–30 million

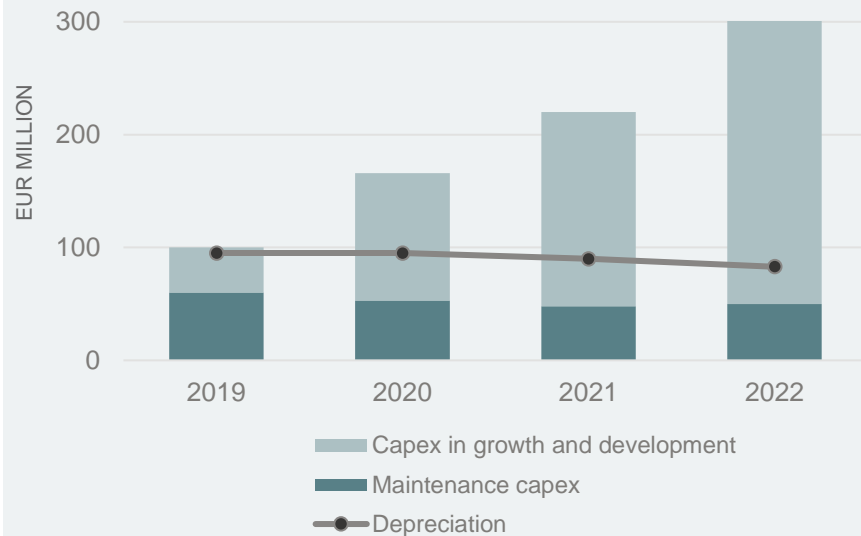


Pre-engineering for new folding boxboard mill in Kaskinen

- 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

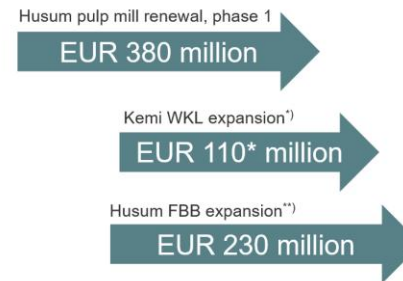
Actual capital expenditure and depreciation



Total investments for 2023 estimated at EUR 250–300 million, depreciation at around EUR 95 million

Indicative timetable for ongoing and planned investments

Ongoing/finalised investments



Planned investments, no decision made



^{*)} Investment value has been revised from initial estimate of EUR 67 million

^{**)} In addition, an investment in increased port warehouse capacity, value ~EUR 20–30 million

*) Metsä Board owns 24.9% of Metsä Fibre

Metsä Fibre's* 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%
- Investment value EUR 2.02* billion
 - Metsä Board has not invested equity to finance the project
- Started up in Q3 2023



*) initial estimate EUR 1.6 bn in 02/2021



Results for January–September 2023



Key financials

| | | Q3/23 | Q3/22 | Change Q3/23 vs Q3/22 | 1–9/23 | 1–9/22 | Change 1–9/23 vs 1–9/22 | FY 2022 |
|---------------------------------------------|--------|-------|-------|-----------------------------|--------|--------|-------------------------------|---------|
| Sales | EUR, m | 479 | 647 | -26% | 1,519 | 1,880 | -19% | 2,480 |
| EBITDA* | EUR, m | 24 | 176 | -87% | 190 | 486 | -61% | 603 |
| Operating result* | EUR, m | 5 | 153 | -96% | 121 | 420 | -71% | 521 |
| % of sales* | % | 1.1 | 23.6 | | 8.0 | 22.3 | | 21.0 |
| Metsä Fibre's share of operating result* | EUR, m | -2 | 56 | | 33 | 133 | | |
| Earnings per share | EUR | 0.01 | 0.33 | -96% | 0.26 | 0.94 | -72% | 1.15 |
| ROCE* | % | 1.3 | 24.7 | | 6.7 | 23.0 | | 20.9 |
| Total investments | EUR, m | 49 | 45 | +9% | 157 | 227 | -31% | 304 |
| Cash flow from operations | EUR, m | 77 | 66 | +15% | 219 | 162 | +35% | 232 |
| IB Net debt at end of period | EUR, m | 220 | 91 | | 220 | 91 | | 94.5 |



Metsä

*comparable

Q3 2023 in brief

- Paperboard demand remained stable but muted; production adjustment measures continued
- Average sales price for paperboards decreased slightly from Q2
- Demand for market pulp better in China than in Europe
- Investment shutdowns at Kemi kraftliner mill (completed) and Husum folding boxboard mill
- Metsä Fibre's new bioproduct mill in Kemi started up



Sales

479
EUR million

(Q3 2022: EUR 647m)



Comparable operating result

5.5
EUR million

(Q3 2022: EUR 153m)

Paperboard deliveries

340,000
tonnes

(Q3 2022: 454,000)

Paperboard production

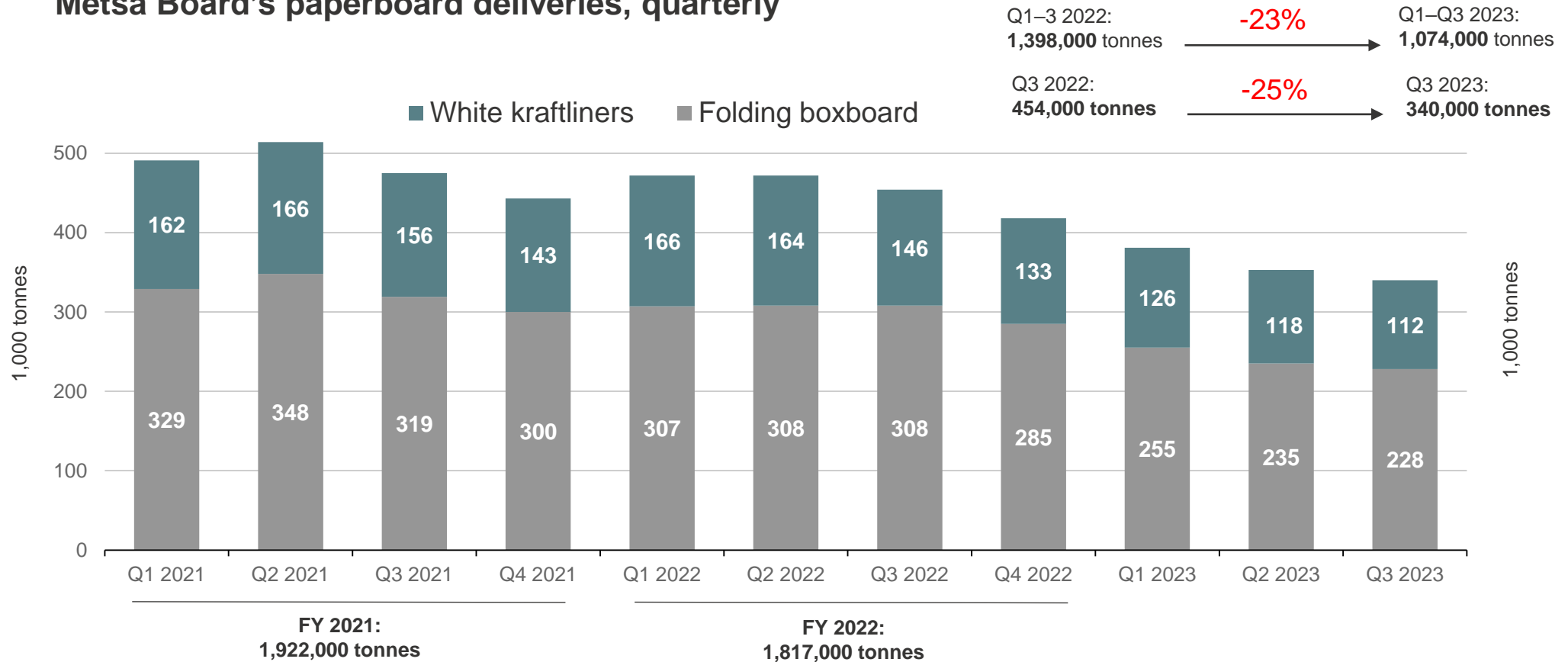
310,000
tonnes

(Q3 2022: 484,000)



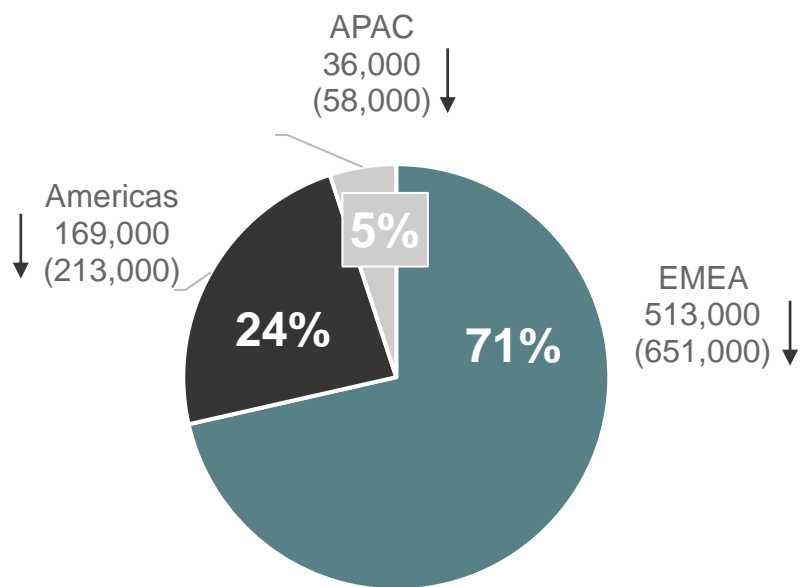
Weak consumer demand keeps activity at a low level

Metsä Board's paperboard deliveries, quarterly

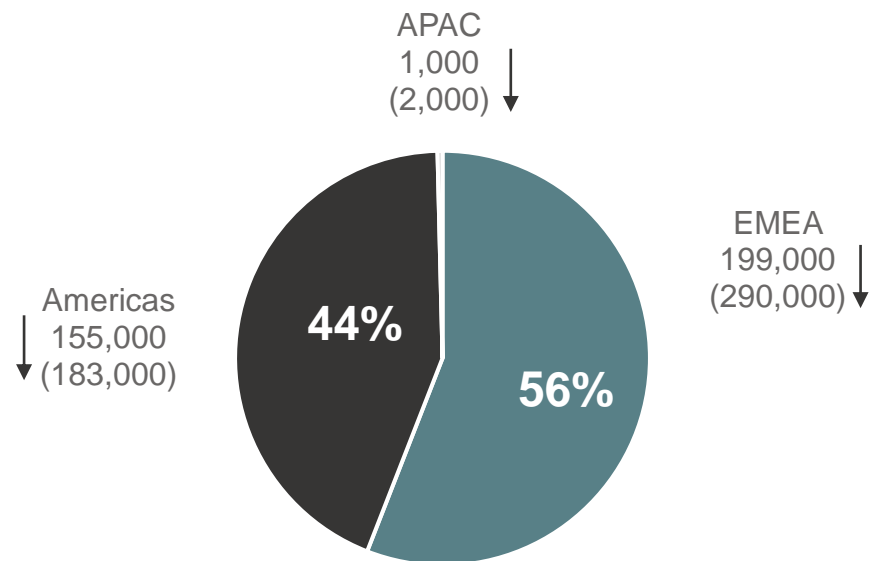


Paperboard deliveries by region

FBF deliveries 1–9 2023 (1–9 2022)
total 718,000 tonnes (923,000)



WKL deliveries 1–9 2023 (1–9 2022)
total 356,000 tonnes (476,000)

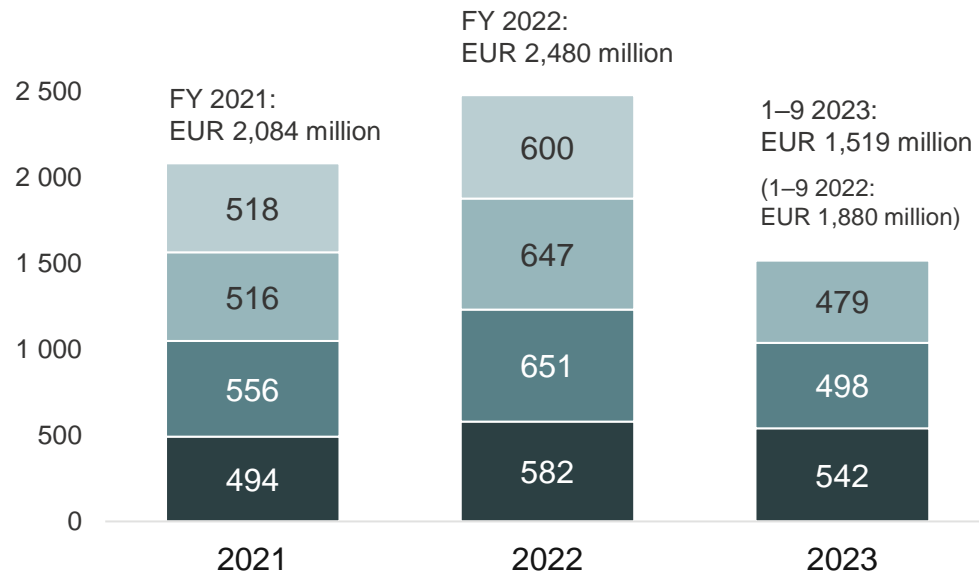


FBF = Folding boxboard

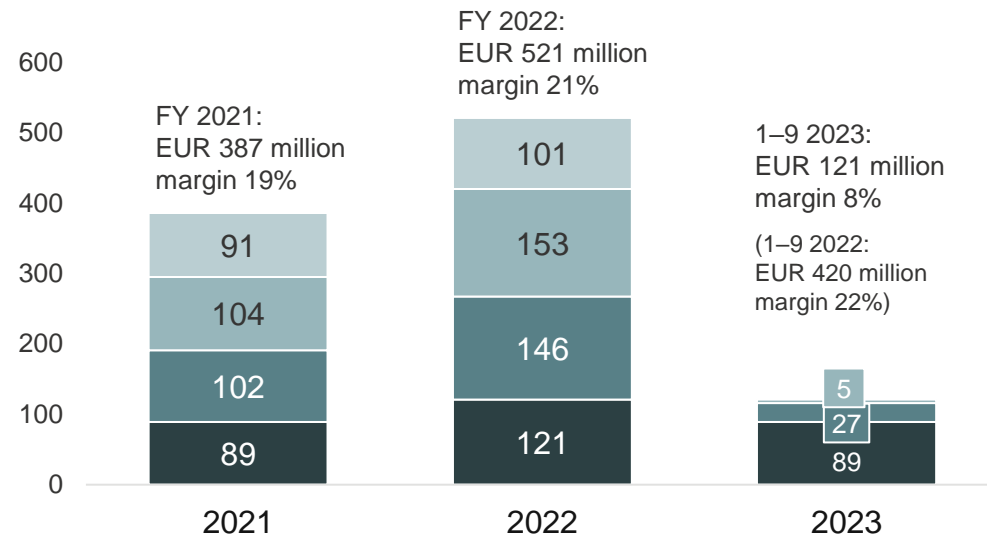
WKL = White kraftliners, coated and uncoated

Sales and profitability significantly behind last year's performance

Sales, quarterly
EUR million



Comparable operating result, quarterly
EUR million and % of sales (margin)



Main items affecting comparable operating result

Q3 2023 vs Q3 2022: -96%

EUR 5 million vs 153 EUR million



Positives:

- Higher sales prices for folding boxboards
- FX after hedges, impact EUR +27m



Negatives:

- Decreased delivery volumes of paperboards
- Production adjustment measures
- Decreased pulp prices
- Result share from Metsä Fibre (EUR -2m vs EUR 56m)
- More maintenance and investment shutdowns

Q1–Q3 2023 vs Q1–Q3 2022: -71%

EUR 121 million vs 420 EUR million



Positives:

- Higher sales prices for paperboards
- FX after hedges, impact EUR +80m
- Sale of unused emission allowances EUR 45m (Q1–Q3 2022: EUR 19m)



Negatives:

- Decreased delivery volumes of paperboards and market pulp
- Production adjustment measures
- Increased fibre and chemicals costs
- Result share from Metsä Fibre (EUR 33m vs EUR 133m)
- More maintenance and investment shutdowns

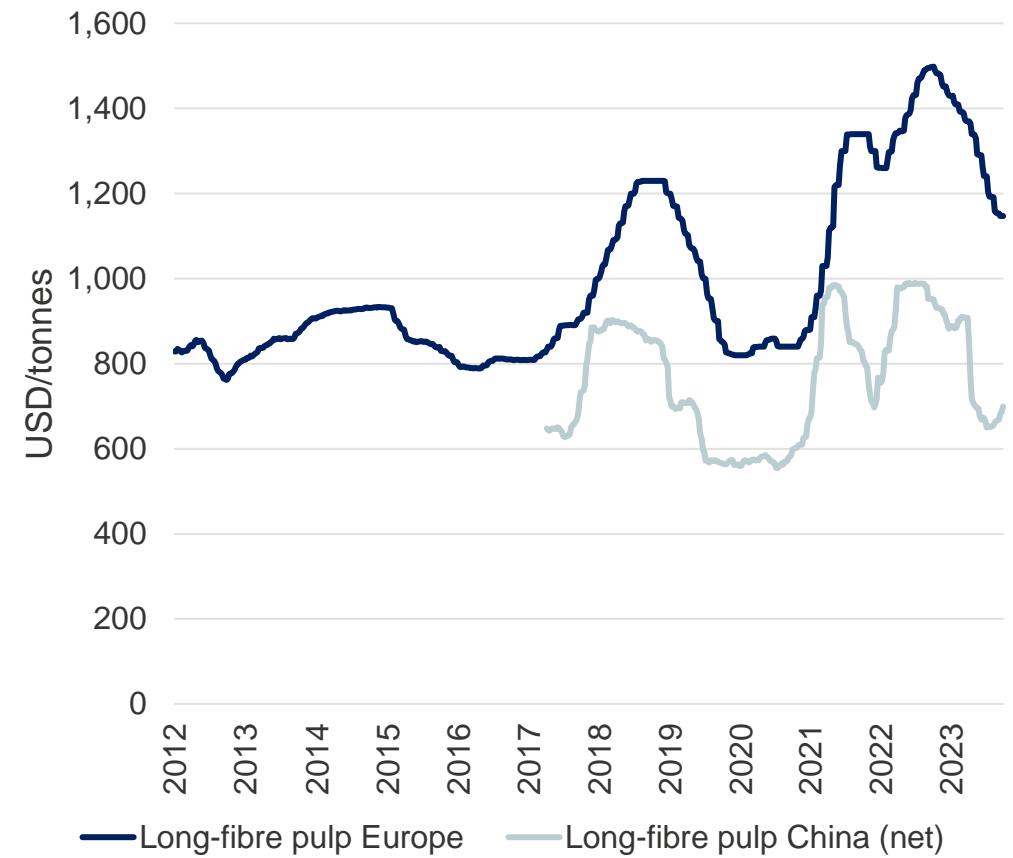
Market pulp

- Market pulp deliveries (1–9/23 vs 1–9/22)
 - Metsä Board -32%: (273,000t vs 399,000t)
 - Metsä Fibre^{*)} -11%: (1,981,000t vs 2,231,000t)
- Gradual improvement in market situation
 - In China, demand has been at a good level since the summer
 - In Europe, demand growth is constrained by production curtailments of paper/paperboard producers
- Decreased supply in **softwood pulp**
- Price (PIX) development in **softwood pulp**
 - 1–9/23 vs 1–9/22: Europe -7%, China -20%
 - Q3/23 vs Q3/22: Europe -21%, China -32%

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



Softwood pulp price (PIX) development in Europe and China



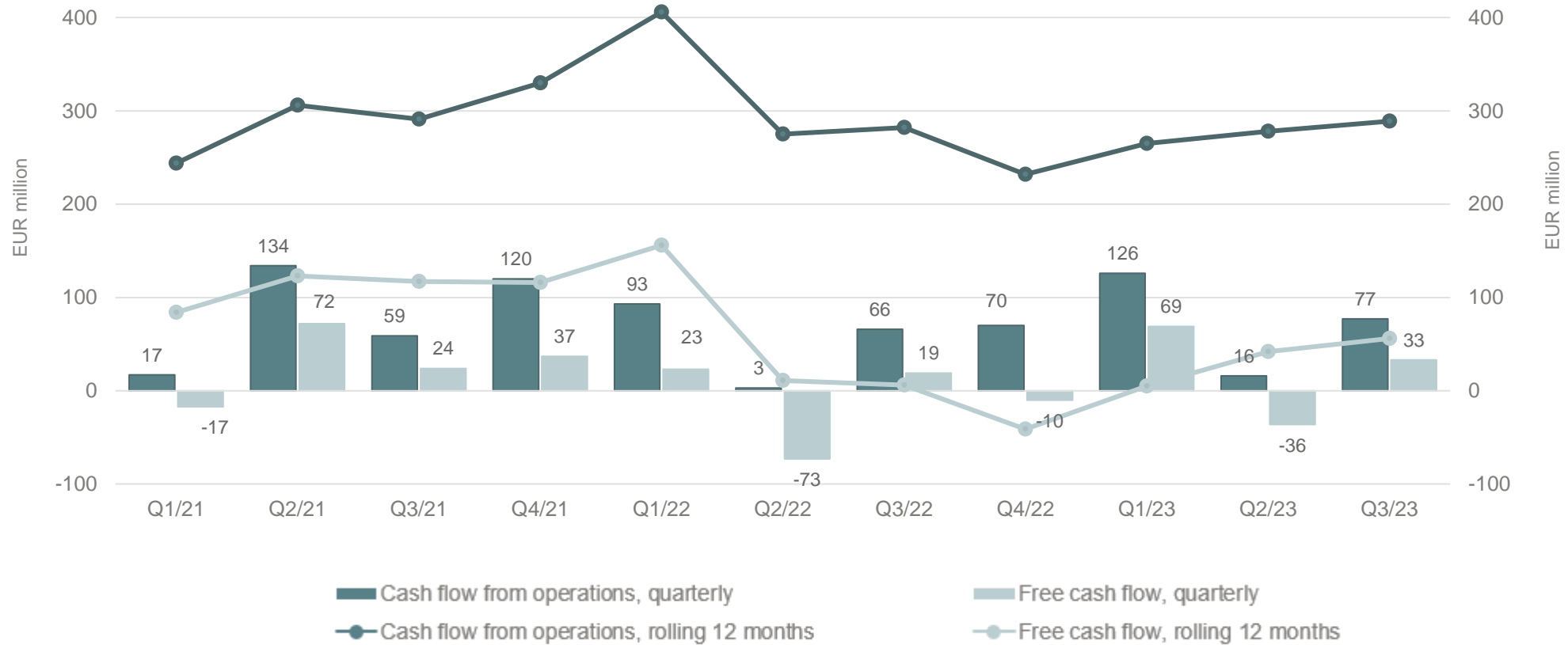
Source: Fastmarkets FOEX

Comparable ROCE, rolling 12 months, at 8.8%

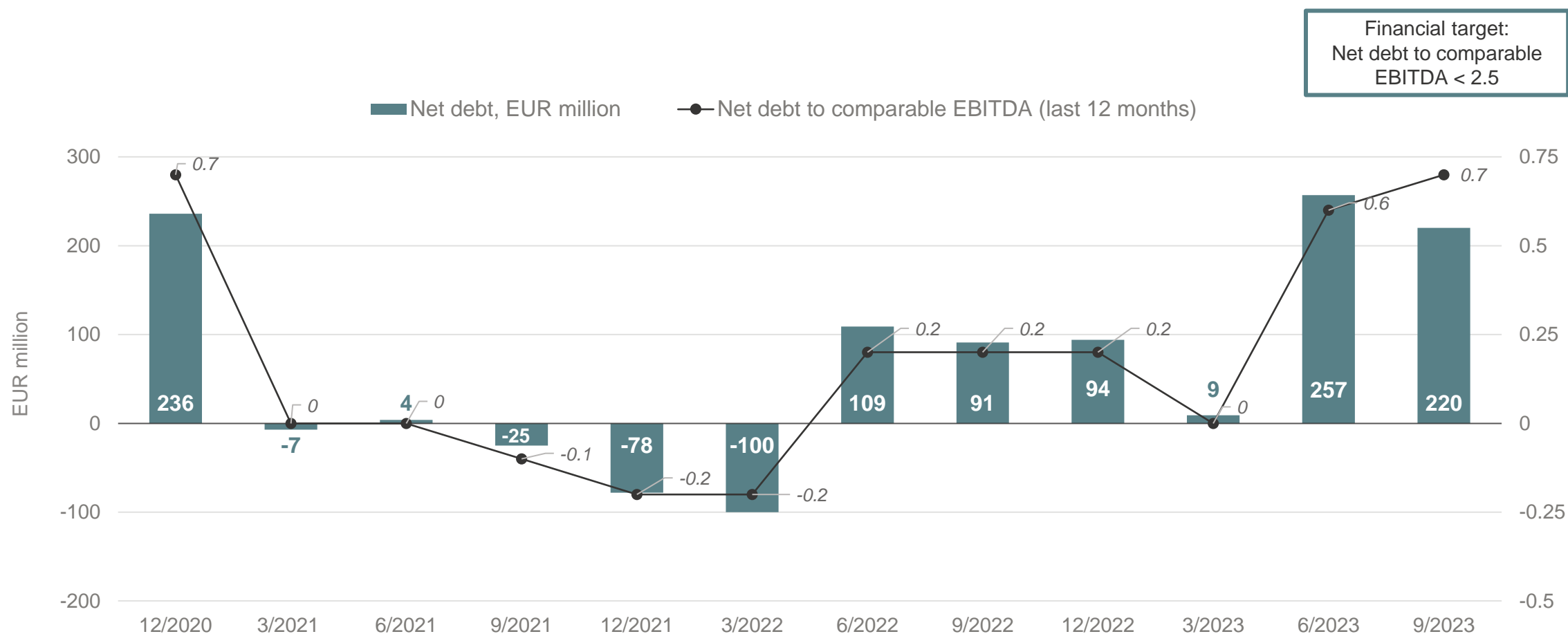
Comparable return on capital employed, %
Quarterly and rolling 12 months



Efficient use of working capital supported cash flows



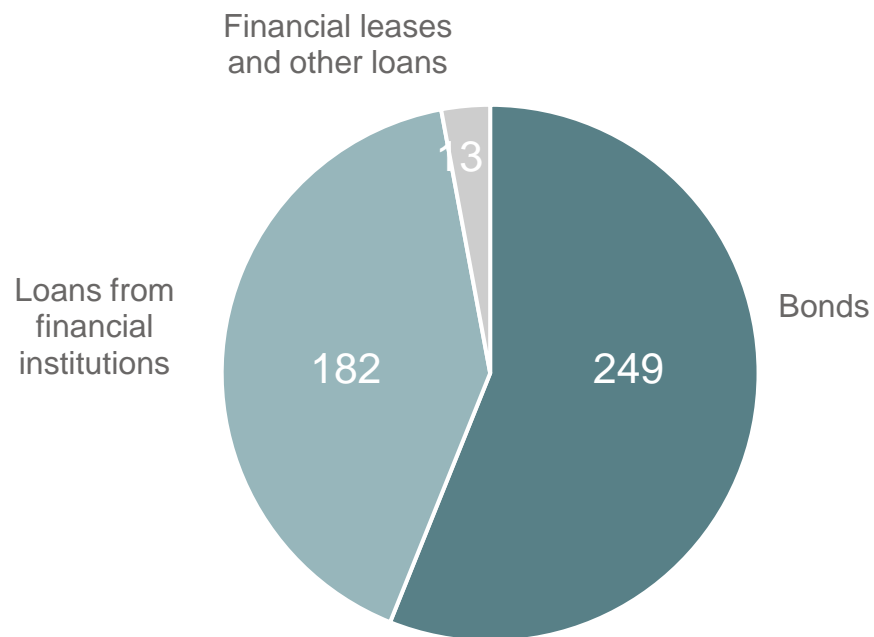
Large dividend payment and investments reflected in net debt



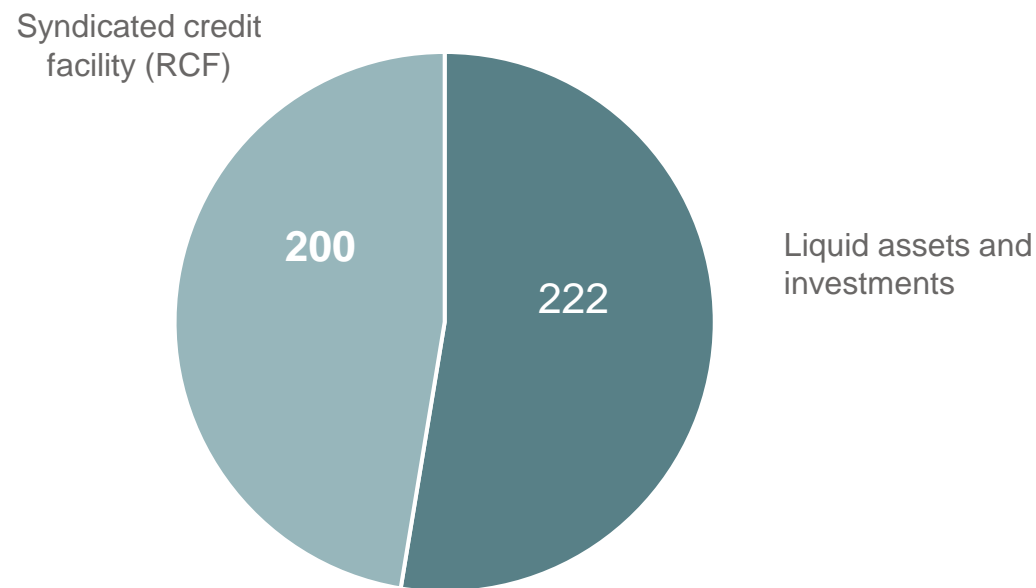
Debt structure and liquidity

30 September 2023

Interest-bearing debt
EUR 444 million



Liquidity
EUR 422 million



Liquidity is complemented by

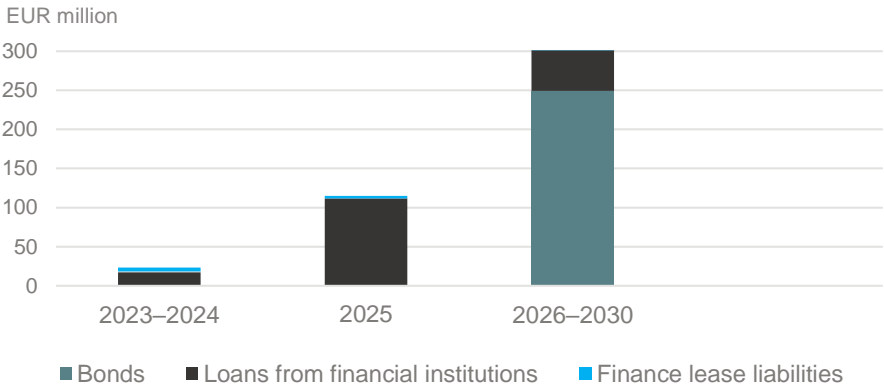
- Metsä Group's internal undrawn short-term credit facility of EUR 150 million and
- Undrawn pension loans of EUR 228 million.

Debt maturity and credit ratings

30 September 2023

- Total interest-bearing debt was EUR 444 million, and net debt was EUR 220 million
- The average interest rate on loans at the end of the review period was 2.6%, and the average maturity of long-term loans was 3.3 years
- Net financial costs, including foreign exchange differences, were:
 - 1–9 2023: EUR 1.5 million
 - FY 2022: EUR 6.6 million

Maturity of interest-bearing debt
Total EUR 444 million



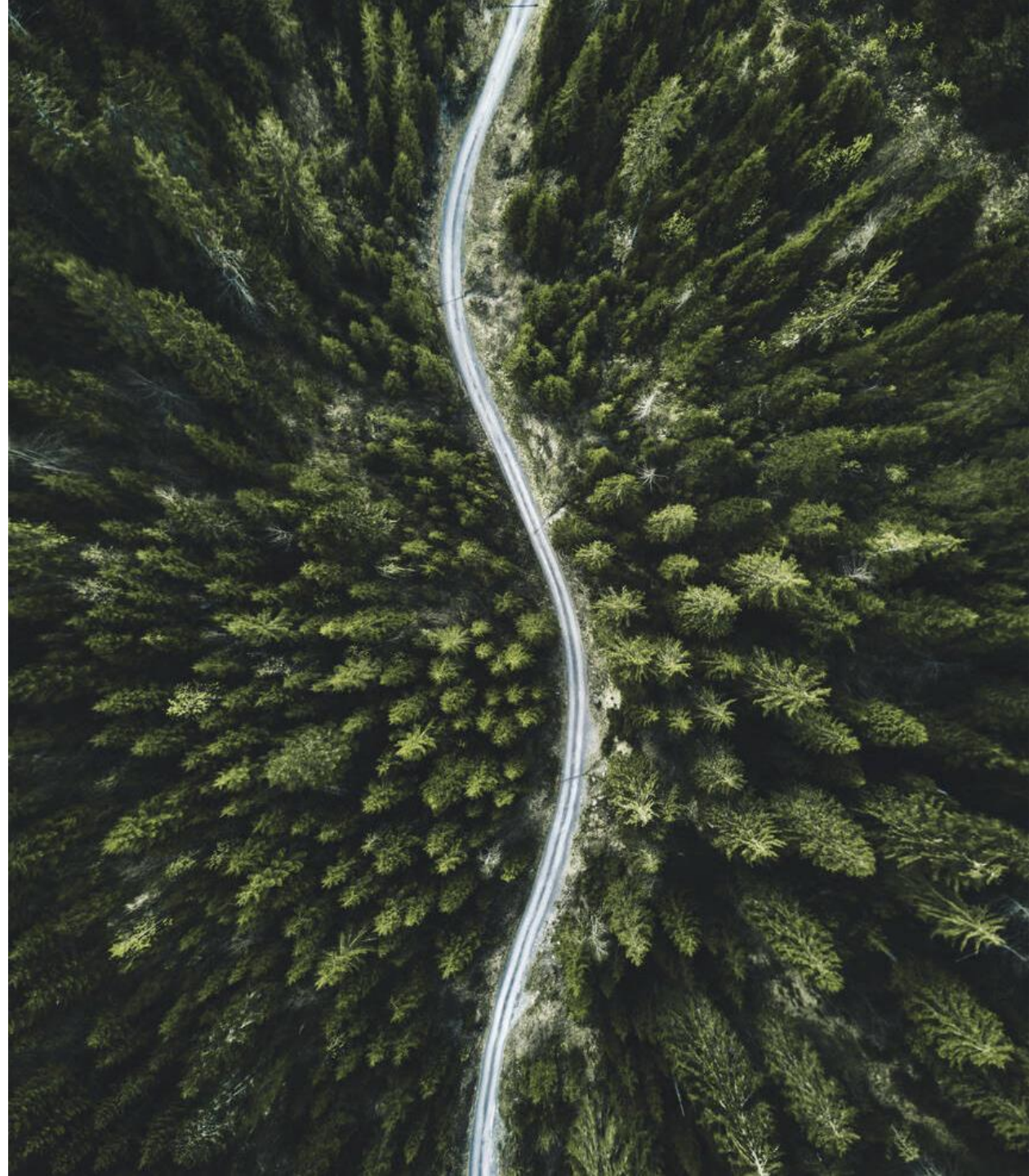
Metsä Board’s credit ratings are *investment* grade

| 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

October–December 2023

- Uncertainty around paperboard market continues
- Paperboard delivery volumes are expected to slightly decrease due to seasonality
- Production adjustment measures continue
- Average sales price of FBB expected to slightly decrease, WKL to remain stable
- Total costs expected to remain stable, less maintenance and investment shutdowns than in Q3
- Demand for market pulp better in China than in Europe, increasing pulp prices (PIX)
- Slightly negative impact from FX compared to Q3





Profit drivers and cost structure

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 80 million |
| | SEK/EUR | +/- 10% | EUR -45 million |
| Pulp | PIX price of SW/HW per tonne | +/- 10% | EUR 40 million |
| Wood | Cost, delivered to Finnish mills | +/- 10% | EUR 40 million ¹⁾ |
| | Cost, delivered to Husum | +/- 10% | EUR 20 million |

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

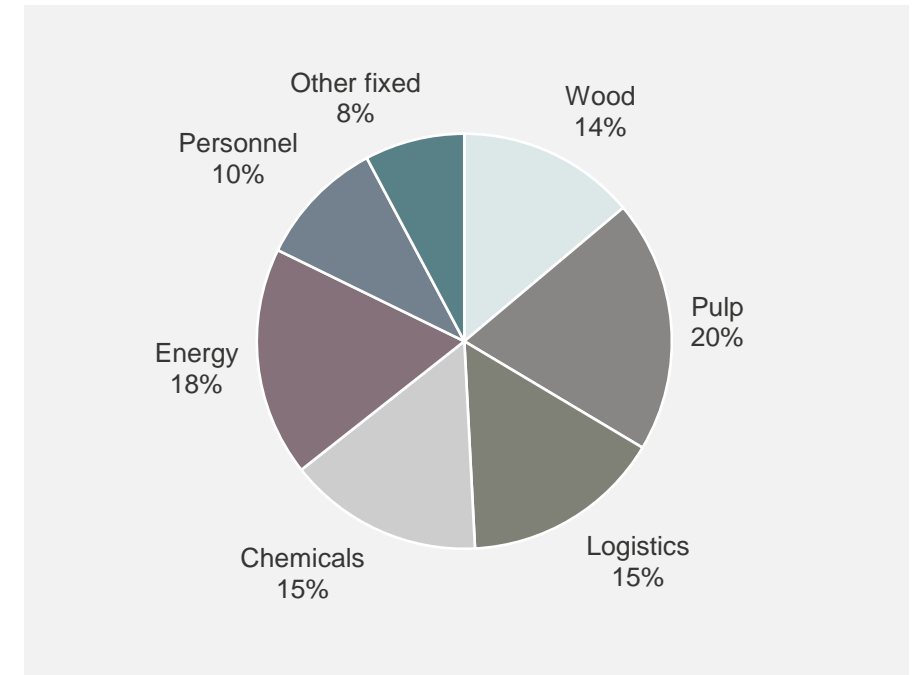
Cost inflation has slowed down, but overall cost level is still high

January–September 2023 (January–September 2022)

- Higher cost level compared to 2022
- Wood costs have risen as a result of increased stumpage prices in Finland and Sweden
- In chemicals, prices increased especially in caustic soda and starch
- Energy costs slightly higher

Metsä Board's cost structure in 2022

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



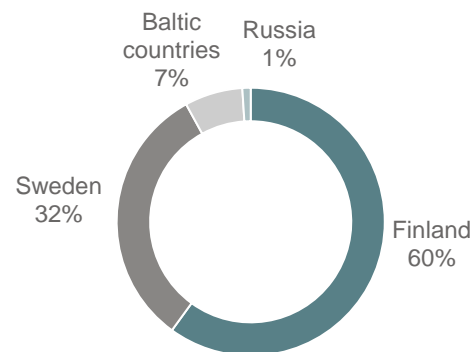
*) **Pulp:** Metsä Board purchases all external pulp from its associated company Metsä Fibre, of which Metsä Board owns 24.9%.

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

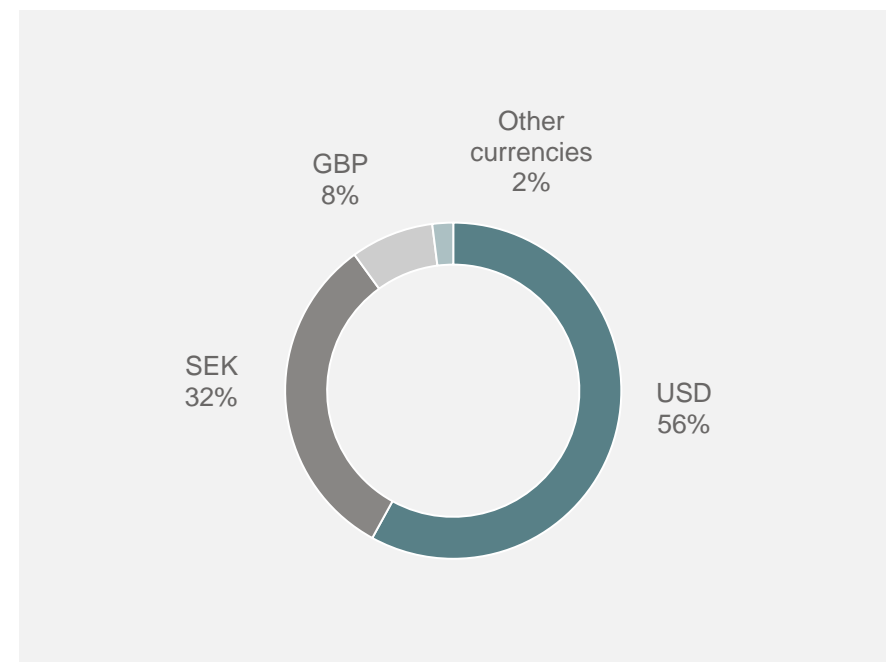
| Currency | Change | Impact on annual EBIT |
|----------|----------------------|-----------------------|
| USD/EUR | Strengthening by 10% | EUR +80 million |
| GBP/EUR | Strengthening by 10% | EUR +10 million |
| SEK/EUR | Weakening by 10% | EUR -45 million |

Outlook

- Estimated impacts including hedges in
 - Q4 2023 vs Q3 2023: slightly negative
 - Q4 2023 vs Q4 2022: positive
- Current hedges are up until November/December 2023

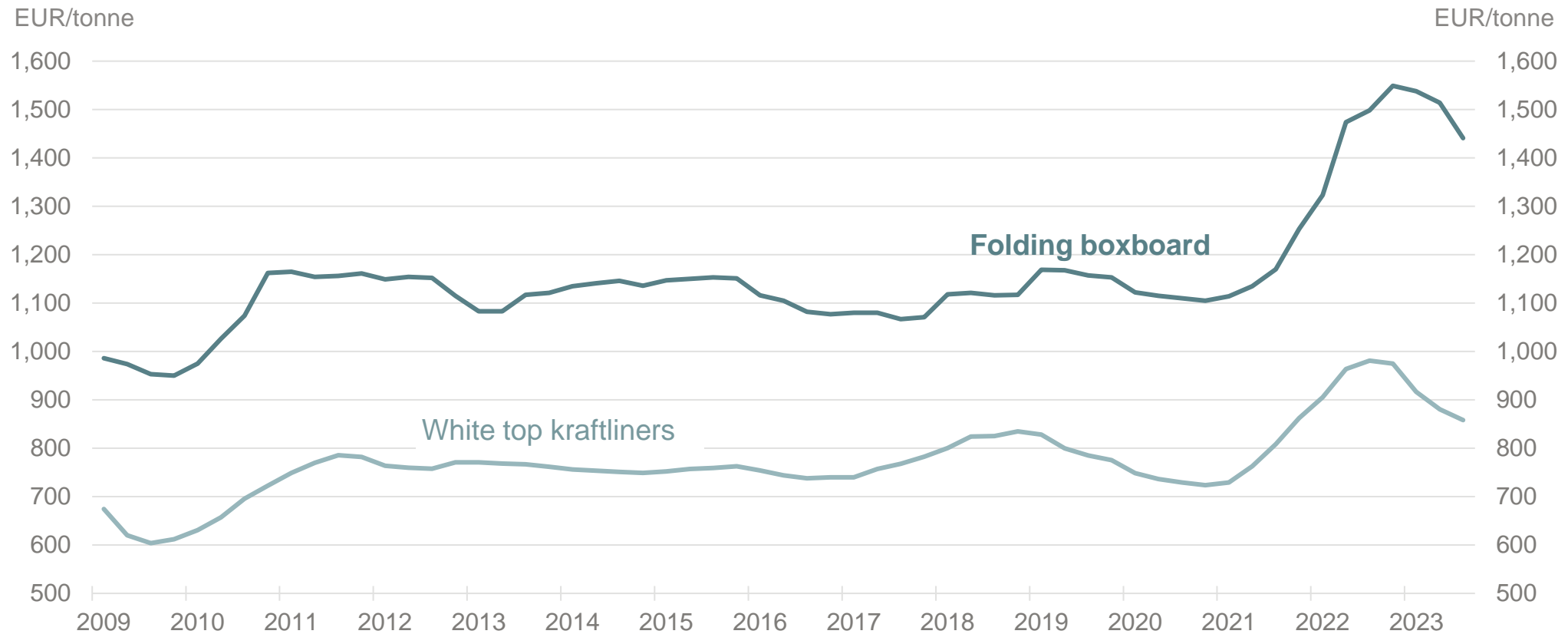
Annual FX transaction exposure

total EUR 1.4 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.

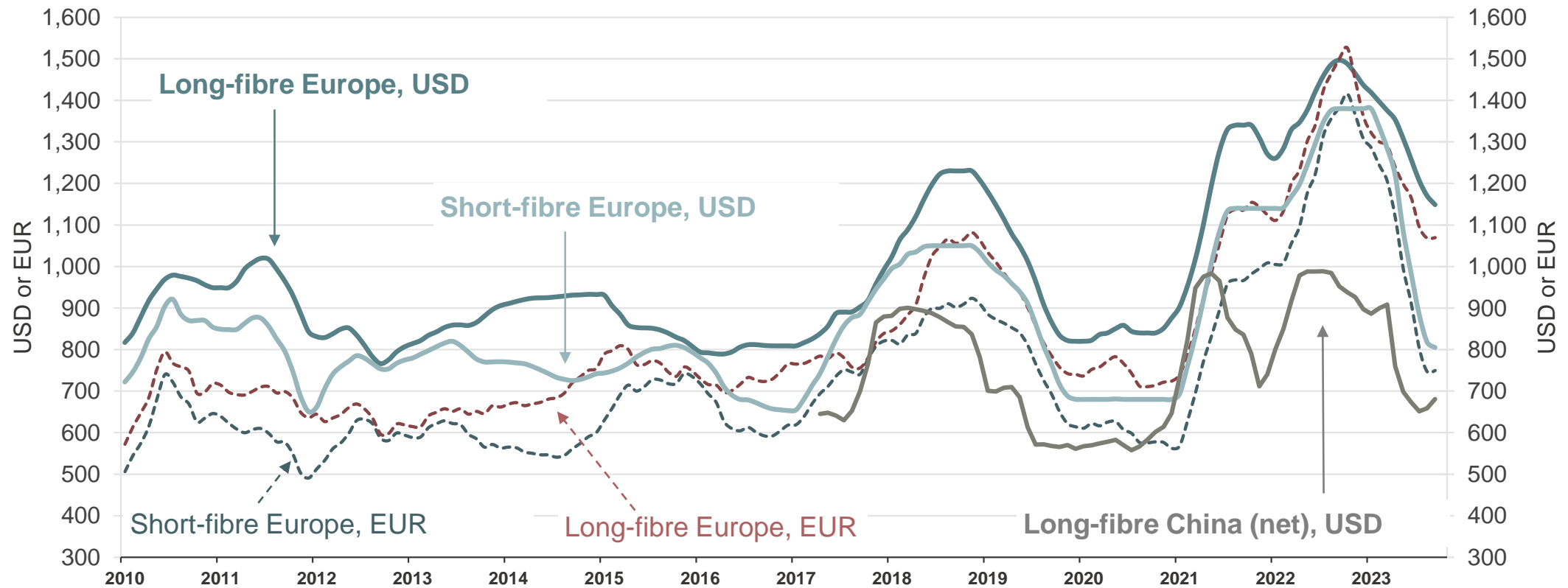
Price development of folding boxboard and white kraftliners in Europe



Sources: Fastmarkets RISI & Fastmarkets FOEX

Price development of pulp (PIX)

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

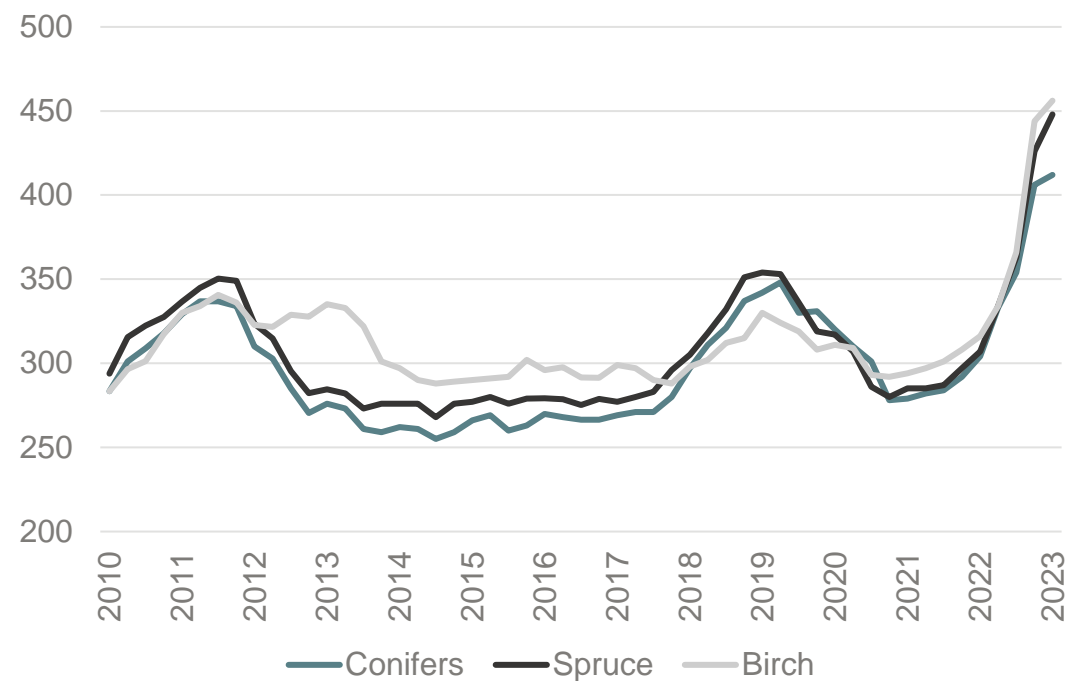


Price development of pulpwood in Finland and Sweden

Price (delivery at roadside, on bark) of pulpwood in Finland, EUR/m³



Price (delivery at roadside, under bark) of pulpwood in Sweden, SEK/m³



FX rates development: EUR/USD and EUR/SEK

EUR/USD



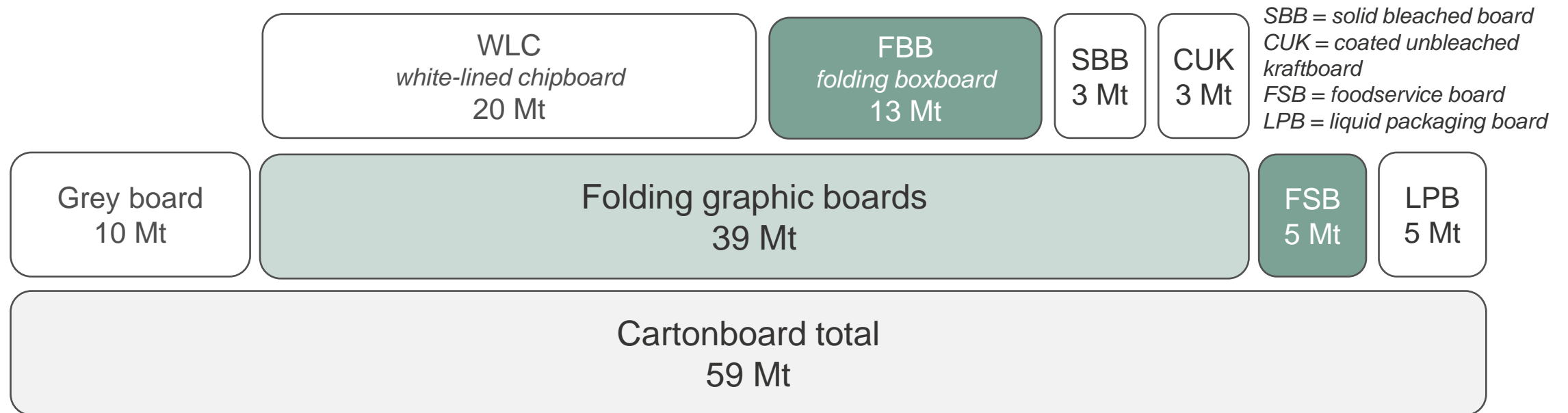
EUR/SEK



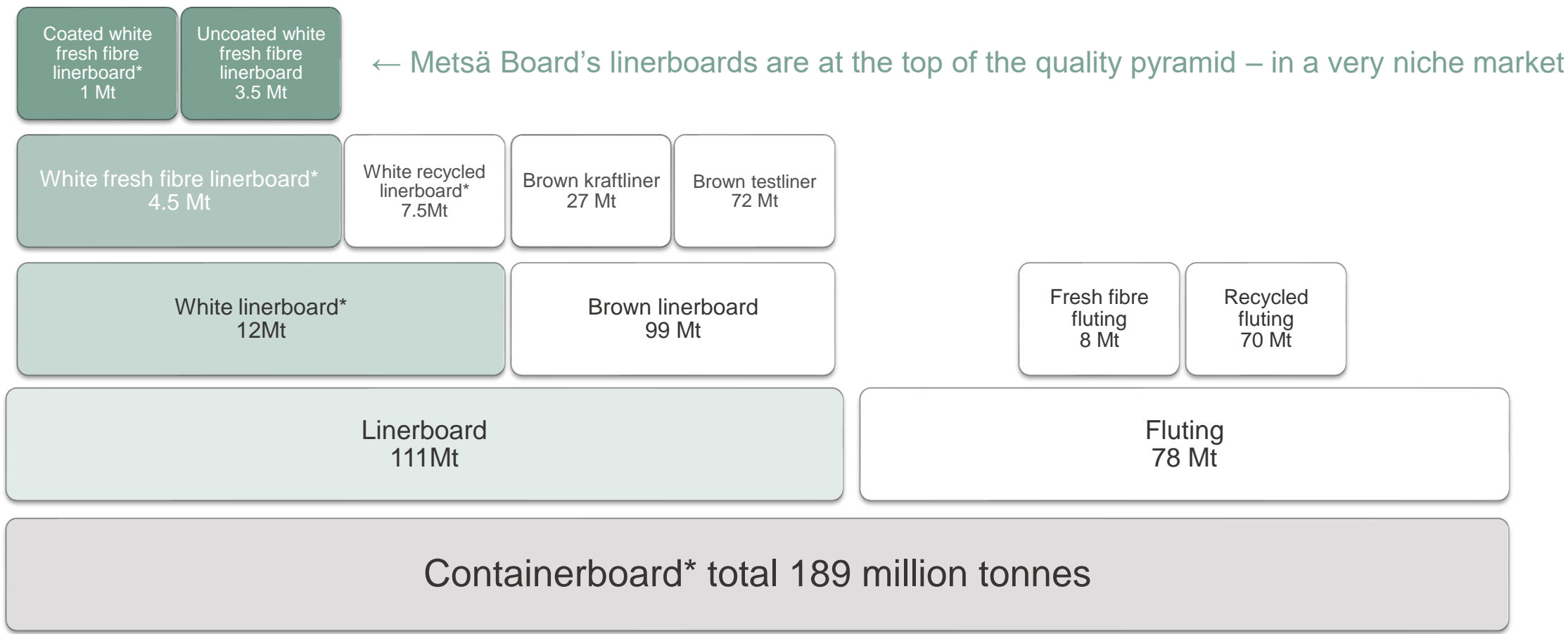


Operating environment

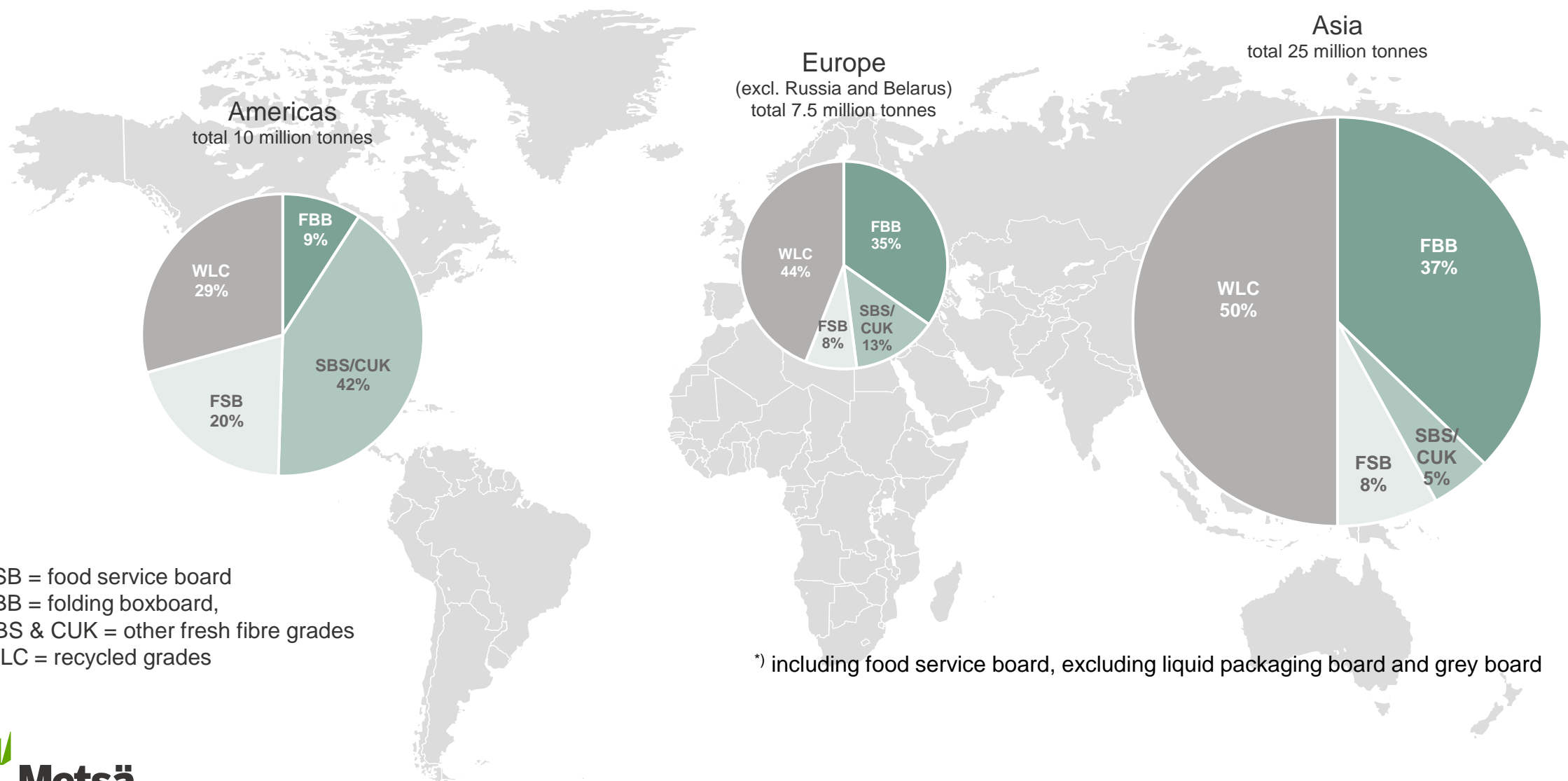
Global annual demand for cartonboards



Global annual demand for containerboards



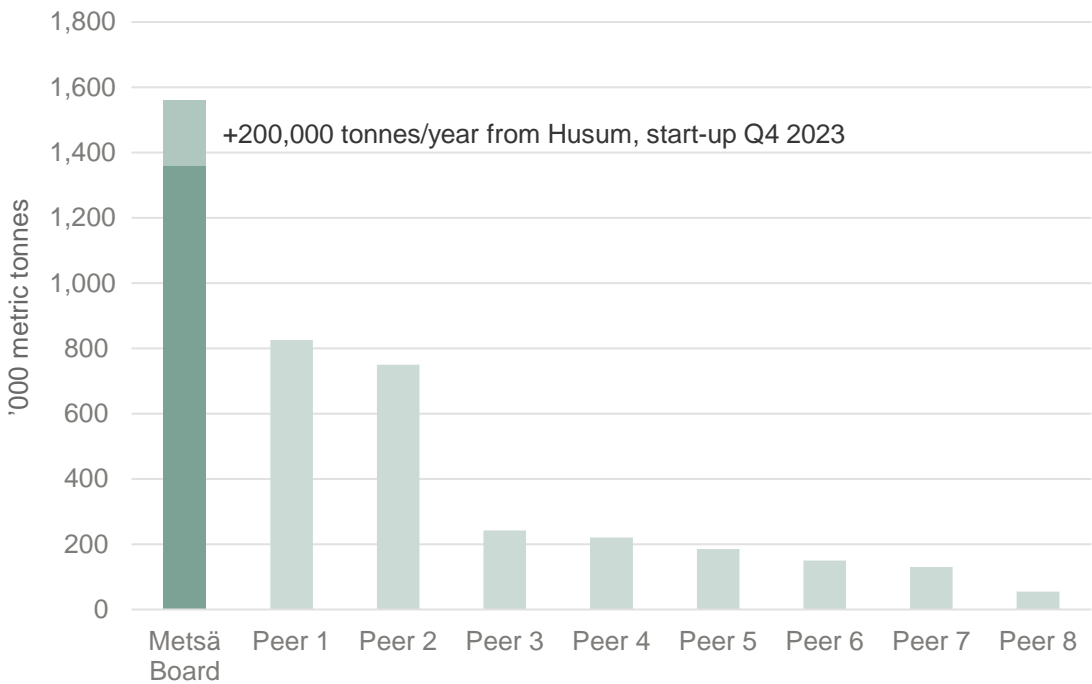
Global demand for folding cartonboard*



Folding boxboard and white kraftliner capacity in Europe (excluding Russian and Belarus producers)

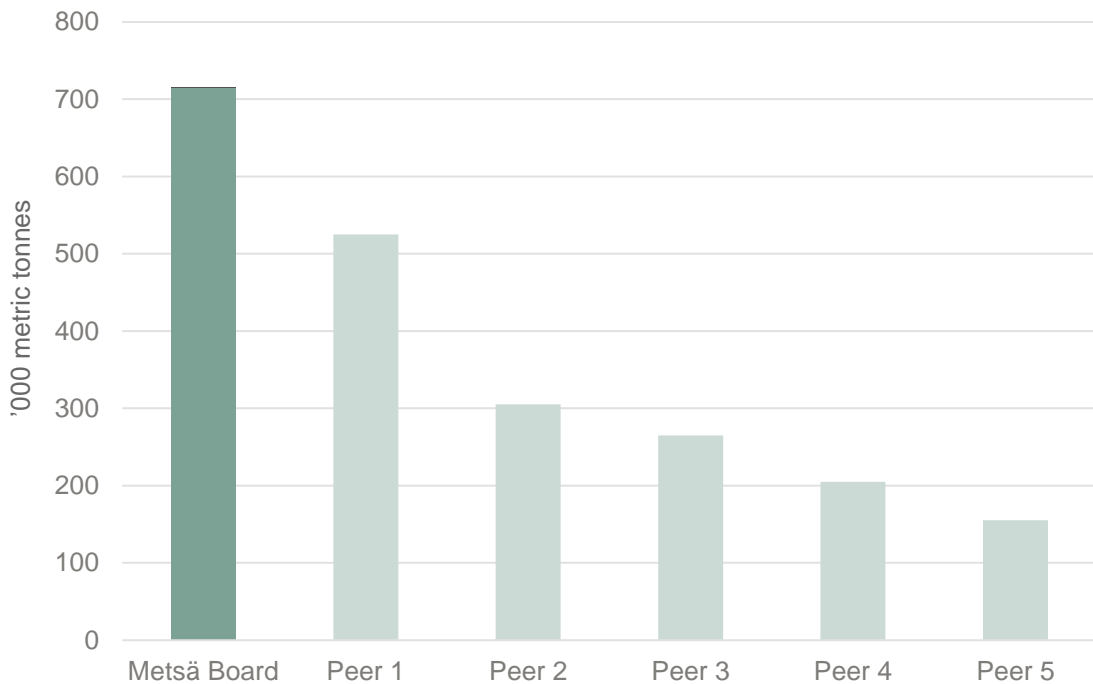
FBF producers in Europe

Total capacity 3.9 million tonnes



WKL producers in Europe

Total capacity 2.2 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



CLIMATE FORESTS WATER

Metsä Board holds an 'A' score in the CDP's Climate, Water and Forest and is placed on the Supplier Engagement Leaderboard.



Total score 87/100. Metsä Board has achieved the highest rating level every year since 2017.



[Link](#) to ISS website



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Metsä Board's GHG emission reduction targets are approved by the Science Based Targets initiative.



[Link](#) to MSCI website



[Link](#) to Sustainalytics website



[Link](#) to Moody's ESG Solutions website



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.

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.

Copyright 2023 Morningstar Sustainalytics. All rights reserved.

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

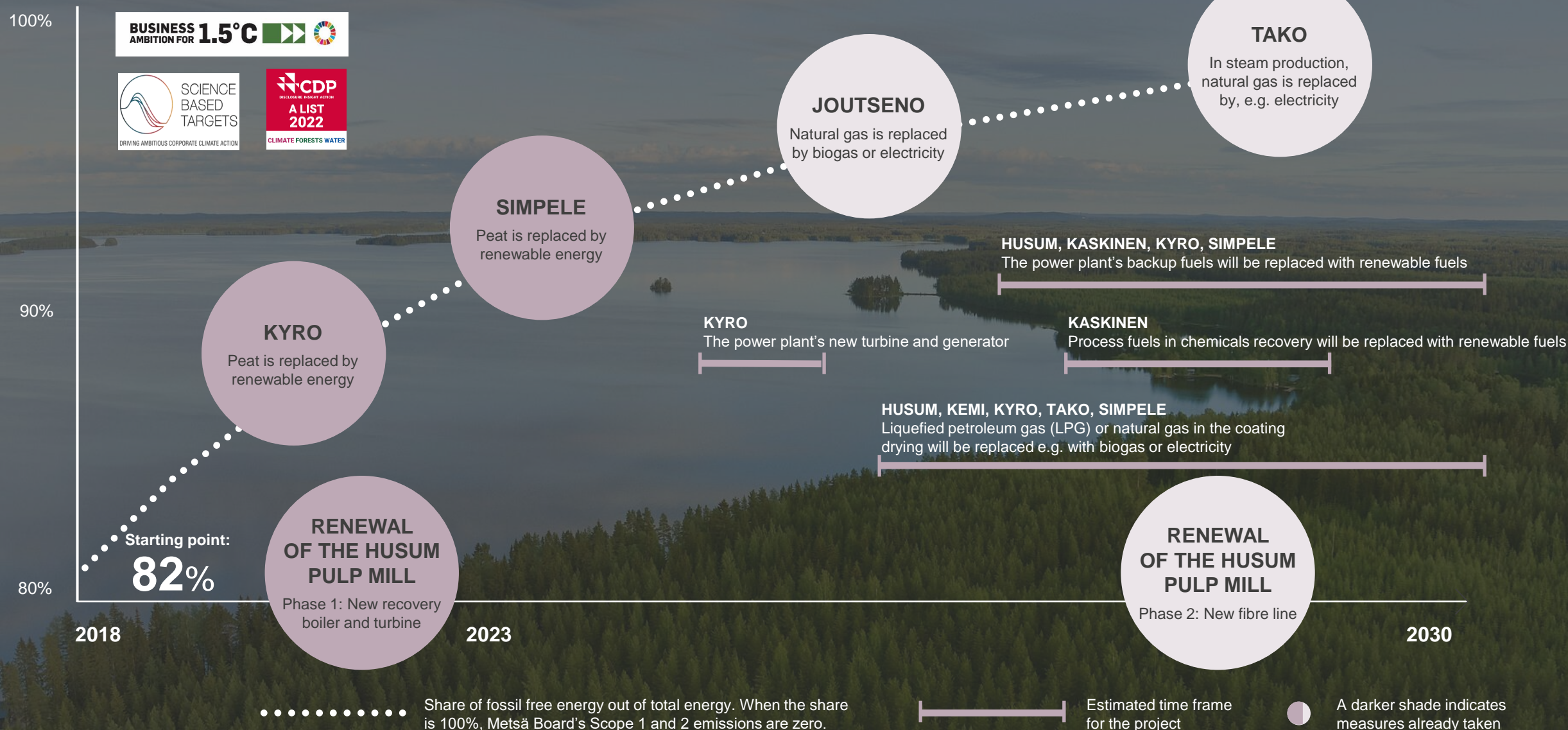
Fossil free production* and products by the end of 2030

*including Scope 1 and Scope 2



Transition plan towards fossil free production

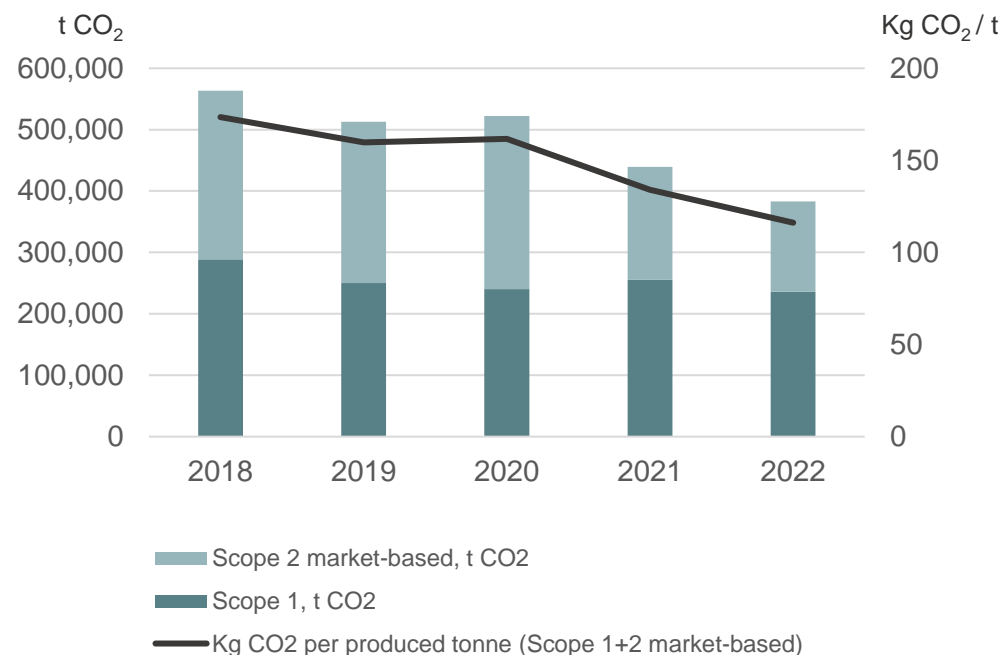
Target:
100%



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

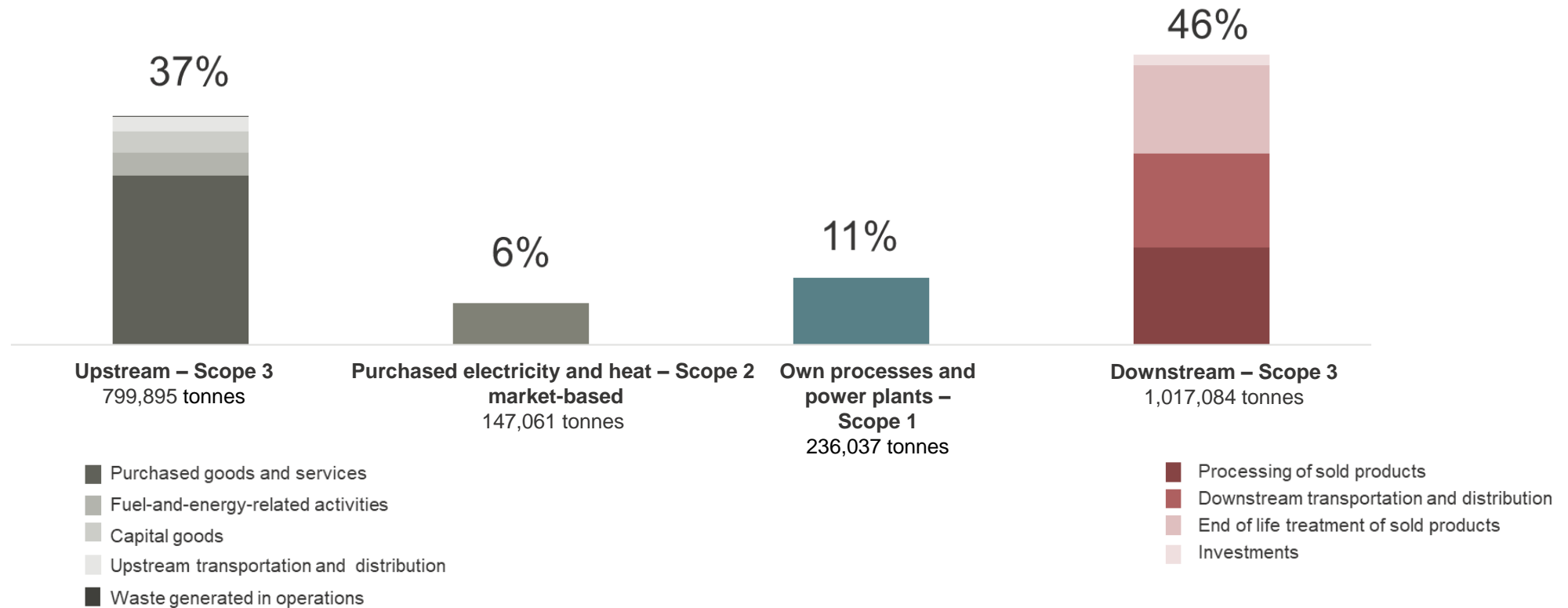


Emission allowances

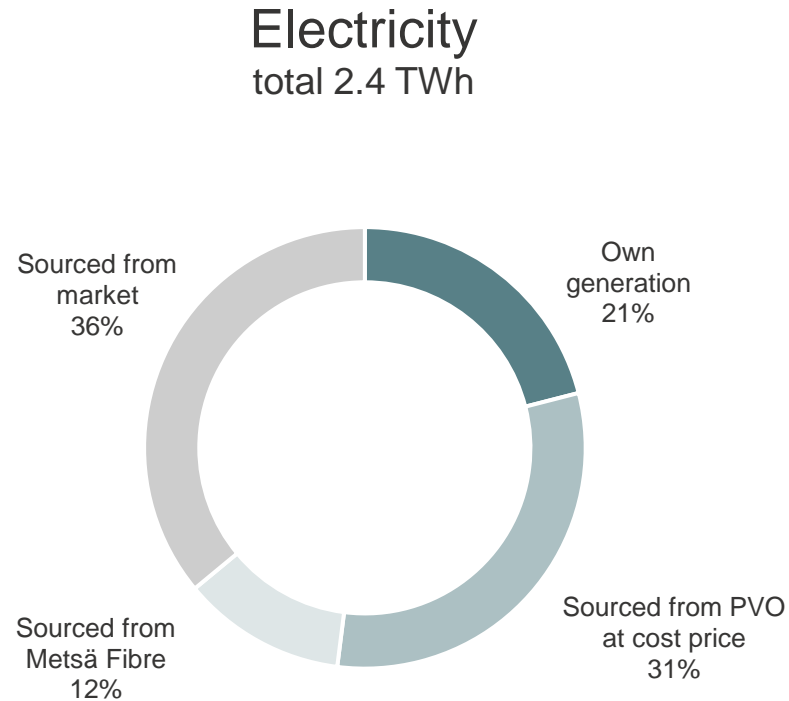
- Metsä Board has received emission allowances in accordance with the European Union Emissions Trading System
- During the past years, the number of free allowances received have exceeded the company's annual fossil-based CO₂ emissions. The surplus have been partly sold to the market
- Unused emission 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

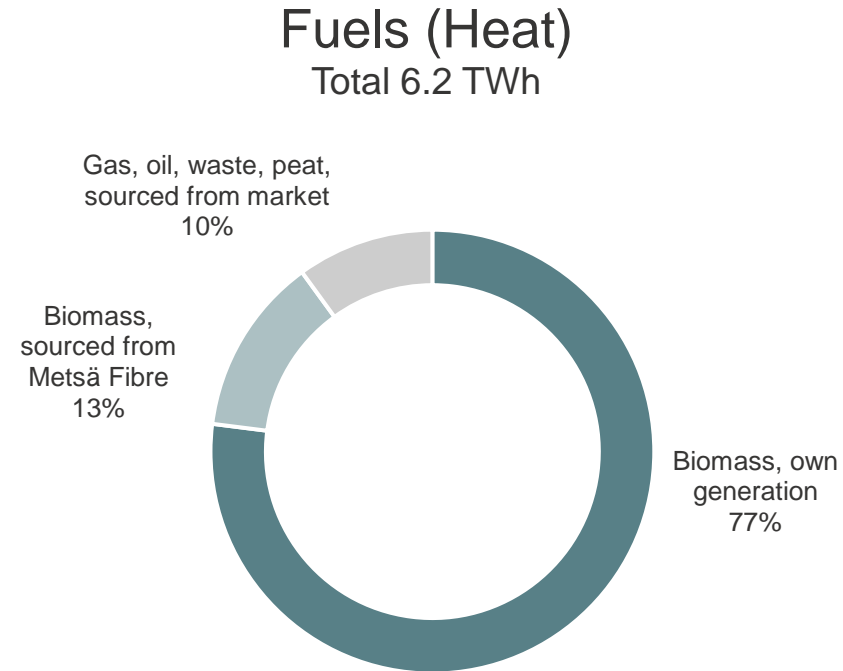
Total greenhouse gas emissions (CO_{2e}) ca. 2.2 million tonnes



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

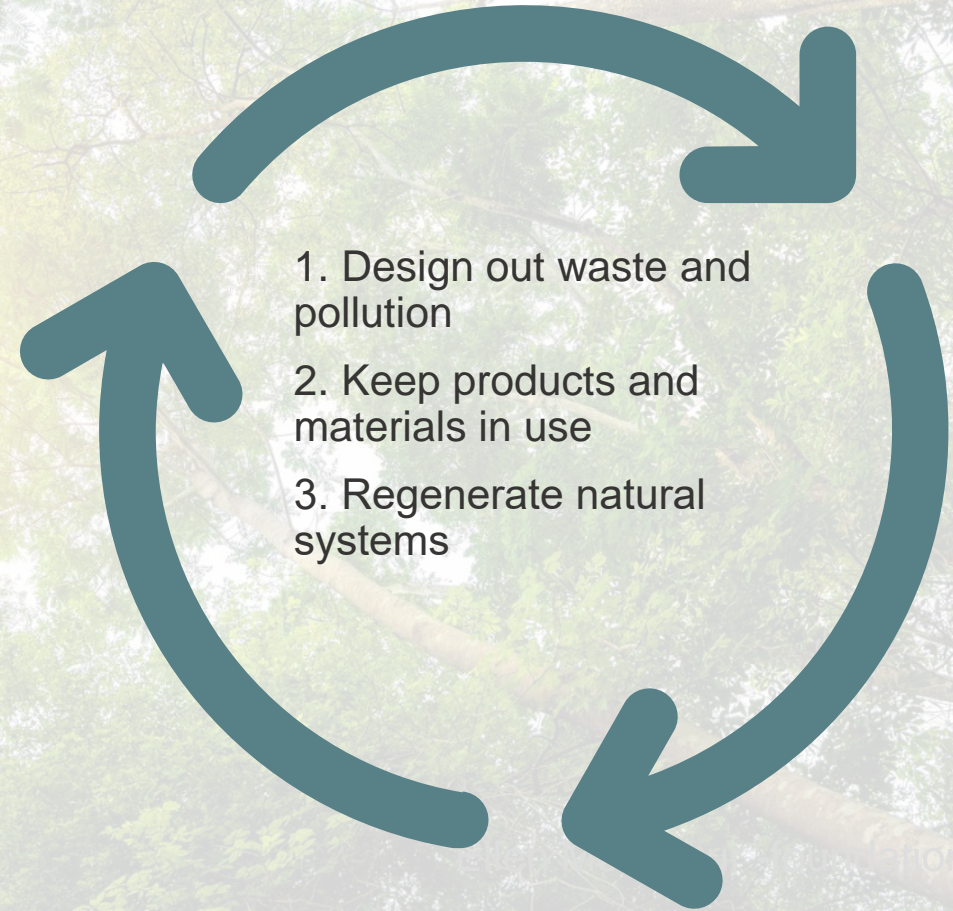
- Herb-rich forests
- Esker sunny slopes
- Fire habitats

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
- Metsä Board has achieved A- rating in Ellen MacArthur Foundation's Circulytics circular economy assessment



Three principles of the Circular Economy, source Ellen MacArthur Foundation

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

82%

of paper and board
packaging
is recycled

100%

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

Two major factors influencing CO₂ of packaging

1

Fossil or non-fossil-based energy

Nordic fresh fibre paperboard producers uses mainly **fossil free energy** in production

2

Efficient material use, light-weighting

Using **less wood, energy and water** to produce a required type of packaging

Less weight in the supply chain, **less waste** after the product use

Brand owners and retailers are making strong commitments to improving their sustainability

Several brand owner and retailer commitments to

100%

reusable, recyclable or compostable packaging by 2025

Increase the use of **renewable materials**

Reduce overall material use

Commit to **sustainable sourcing**

Ensure recyclability of the materials used

Reduce the **carbon footprint** of products

Paperboard provides an alternative to plastics

PET

- Made of fossil oil-based materials with fossil-based energy
- Recycling rate of PET is low
- In the EU, recycling rate is 38% for plastic packaging and 82% for paper packaging
(Eurostat, 2020)



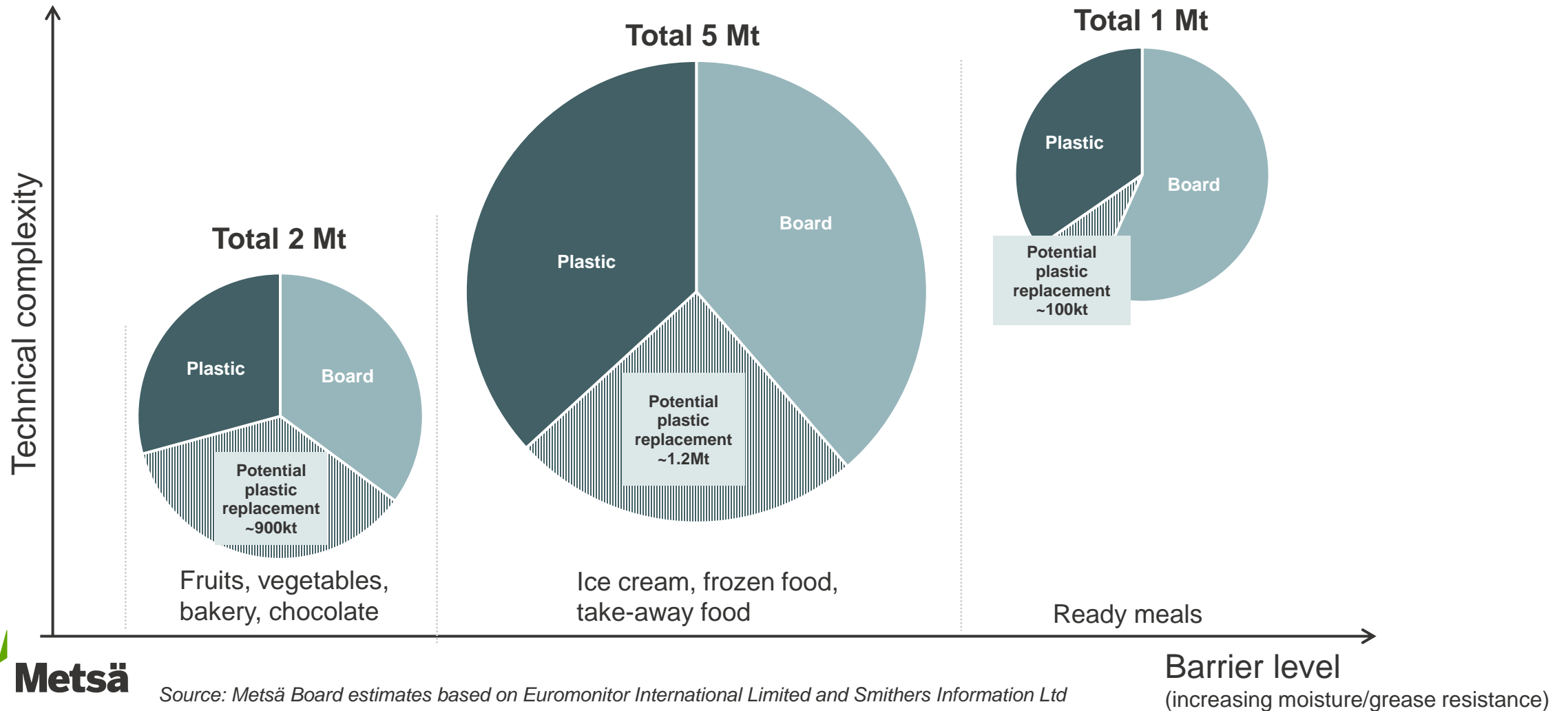
MetsäBoard Prime FBB EB

- Made from renewable fresh wood fibre with a high share of fossil free energy
- Easy to recycle, biodegradable and compostable
- The climate impact of a paperboard box for cherry tomatoes is ca. 80% smaller than that of a box made from recycled PET
(Natural Resources Institute Finland, 2019)



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

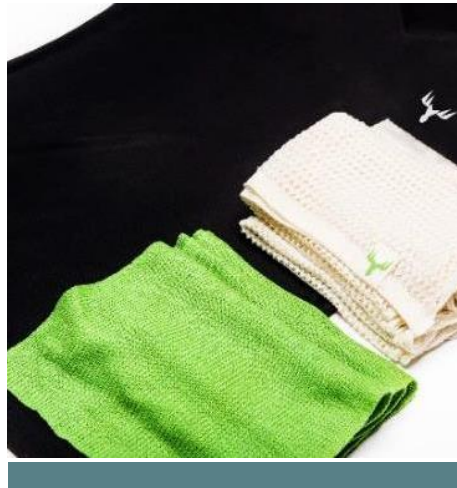


As part of Metsä Group, we are looking for new growth opportunities

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

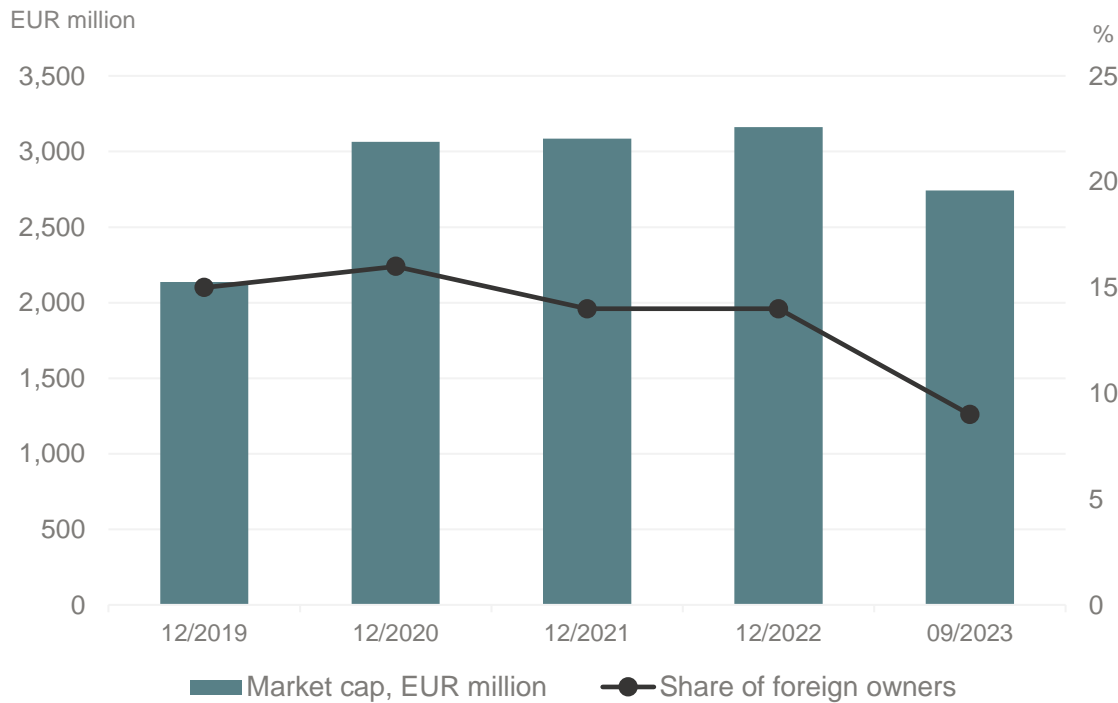
Owners and management



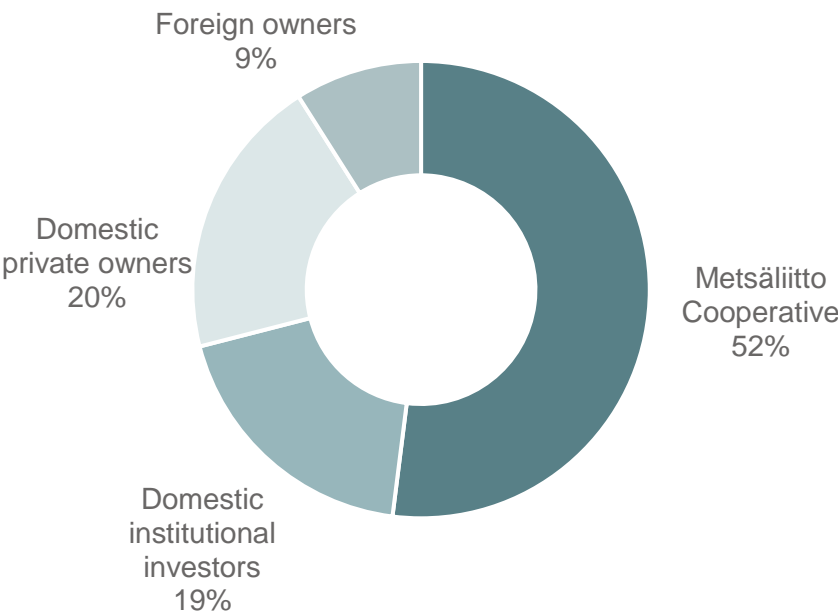
Market cap and ownership distribution

Metsä Board has two share series, A and B shares

Market cap and foreign owners



Ownership distribution
30 September 2023



Metsä Board Corporate Management Team



Mika Joukio

CEO
Chair of CMT since 2014
At Metsä Group since 1990
Shares: 315,173



Henri Sederholm

CFO
Member of CMT since 5/2021
At Metsä Group since 2003
Shares 50,000



Markku Leskelä

SVP, Development
Member of CMT since
October 2021
At Metsä Group since 1993
Shares: 23,175



Jussi Noponen

SVP, Sales
and Supply Chain
Member of CMT since 2016
At Metsä Group since 2000
Shares: 90,000



Harri Pihlajaniemi

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



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