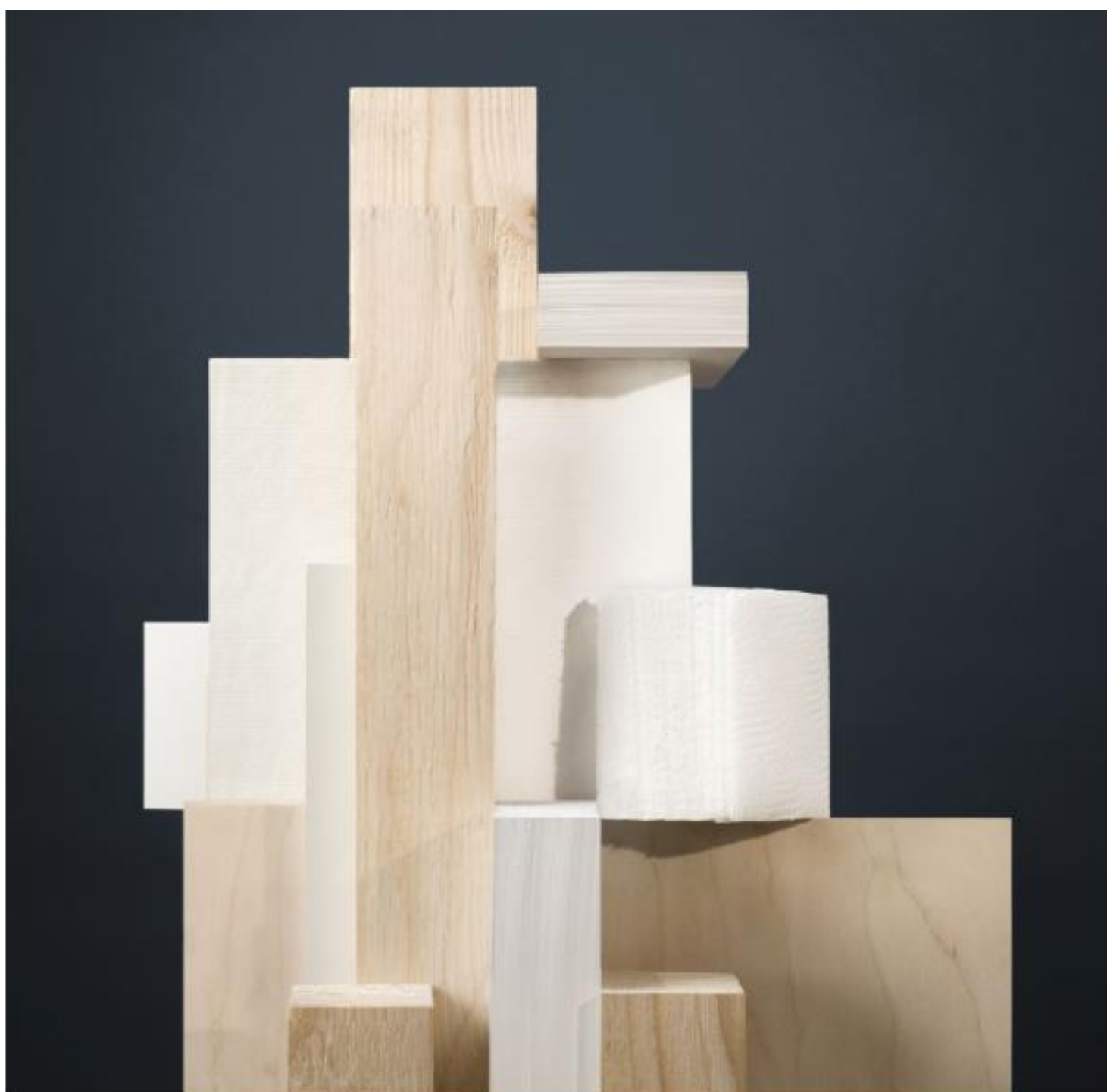


**Metsä Group**  
**Financial Statements Bulletin 1 January – 31 December**  
**2024**



# Metsä Group's comparable operating result for January–December 2024 was EUR 203 million

## January–December 2024 (1–12/2023)

- Sales were EUR 5,747 million (6,110).
- Operating result was EUR 186 million (498). The comparable operating result was EUR 203 million (488).
- Result before taxes was EUR 131 million (488). Comparable result before taxes was EUR 148 million (482).
- Comparable return on capital employed was 2.9% (7.2).
- Net cash flow from operations was EUR 11 million (926).

## October–December 2024 (10–12/2023)

- Sales were EUR 1,474 million (1,486).
- Operating result was EUR 29 million (55). The comparable operating result was EUR 33 million (57).
- Result before taxes was EUR 13 million (50). Comparable result before taxes was EUR 16 million (51).
- Comparable return on capital employed was 2.0% (3.9).
- Net cash flow from operations was EUR 176 million (439).

## Events during the fourth quarter of 2024

- The average sales prices of Metsä Group's softwood market pulp decreased by 5% in Europe and 1% in China compared to the previous quarter.
- The European market situation for long-fibre market pulp remained stable. In China, purchasing activity rose back to normal level.
- Metsä Group's deliveries of paperboards, especially folding boxboard, fell from the previous quarter. The decline was partly explained by seasonality.
- The comparable operating result for October–December includes an insurance compensation of EUR 15.5 million for the gas explosion at the Kemi bioproduct mill.
- Metsäliitto Cooperative signed a EUR 200 million sustainability-linked revolving credit facility agreement in December.
- The Kemi bioproduct mill was inaugurated in October.
- The decision was made to close the Suolahti plywood mills in stages.

## Result guidance for January–March 2025

In January–March 2025, Metsä Group's comparable operating result is expected to be better than in October–December 2024.

## Events after the review period

On 16 January 2025, Metsä Group announced its plan to close the Tako paperboard mill in Tampere, Finland, and improve the efficiency of the Kyrö paperboard mill in Kyröskoski, Finland, due to long-term poor profitability. The company initiated change negotiations at both mills and in related operations. Any decisions on personnel reductions and mill closures will be taken after the change negotiations have ended.

On 8 January 2025, Metsä Group announced that it would start implementing an investment and capacity adjustment plan at its tissue paper mill in Kreuzau, Germany. Several efficiency measures, investments in renewing production equipment and the closure of one tissue paper machine are planned for the mill. Change negotiations started at the mill in January.

At its meeting on 6 February 2025, the Board of Directors of Metsäliitto Cooperative has appointed Jussi Vanhanen Metsäliitto as CEO of the Cooperative as of 1.7.2025. At the same time, he serves as the President and CEO of Metsä Group.

On 6 February 2025, Metsä Board announced that it will start a pre-engineering in cooperation with Metsä Tissue to investigate potential change of product produced on Husum BM2. The pre-engineering is expected to take 12 months and it would enable new capacity of approximately 80,000 tonnes of foodservice packaging papers and siliconized greaseproof papers. Production of the white kraftliner will continue at full capacity at least until the possible investment shutdown of BM2. The start-up of the rebuilt line would be earliest in Q4/2027.

## The Board of Directors' proposal for the distribution of profit

Metsäliitto Cooperative's Board of Directors has decided to propose that for 2024, interest of 5.5% (6.5 for 2023) be paid on the participation share capital invested by members, and that interest of 5.0% (6.0) be paid on Metsä1 additional shares, 2.0% (3.0) on additional capital A, and 1.0% (1.0) on additional capital B. The Board of Directors also proposes that a surplus reimbursement of EUR 0.30 per cubic metre of industrial roundwood received from a member over the last four concluded financial periods be distributed. The reimbursement of surplus will be primarily paid as Metsä1 additional shares, but in money for the part corresponding to the tax withheld for each member. If the right to the shares has been transferred to another person in accordance with the rules of the cooperative, the

interest will be paid to the person who is registered as the owner on the record date, 31 March 2025. The proposed payment date is 12 May 2025. If a member entitled to a surplus reimbursement terminates their membership in the cooperative before the date of payment, this share of the surplus reimbursement will not be distributed. In total, the proposed profit distribution would be approximately EUR 93 million (101), of which the surplus reimbursement based on wood trade would be approximately 17%.

### **President and CEO Ilkka Härmälä:**

*The year 2024 was exceptionally weak financially, with comparable operating profit falling to EUR 203 million. Demand in our main markets was subdued in all product groups, except for tissue and cooking papers and Kerto® LVL. At the beginning of the year, political strikes caused a loss of EUR 60 million. The effects of higher raw material and logistics costs could not be passed on to product prices, as demand was weak. Major development investments in recent years have significantly increased depreciation. The positive effects of new capacity on profits have not yet materialised in the sawmill, pulp and paperboard industries due to the start-up of production and weak demand.*

*The development investments already made and those still being planned will strengthen Metsä Group's operational competitiveness, which means that our ability to operate in a challenging competitive environment is strong. The Group's equity ratio has remained stable at 56%. The Group's parent company Metsäliitto Cooperative remains free of debt. We are therefore well placed to continue our planned long-term development.*

*In the wood market, trade was normal, and prices remained at a record high all year compared with figures across the last two decades. Metsä Group aims to be a forerunner in forestry that combines the ecological and economic development of forests. A third of the wood trade in 2024 was conducted under the Metsä Group Plus model, which uses enhanced forestry measures to safeguard biodiversity. The objective is to achieve regenerative forestry, where the impact of commercial forest management on forest biodiversity is net positive. Key actions to achieve this goal include the diversification of tree composition, increasing the amount of decaying wood, extending buffer zones and controlled burning of small forest areas to support species that live in burnt forest. The enhanced ecological forest management services have been very well received by our owner-members.*

*The overall situation for the mechanical forest industry has been weak due to the continuing recession in the construction industry and high wood prices. We had to significantly curtail sawn timber production for demand and profitability reasons in 2024. Demand for Kerto LVL*

*has been good, and we have been able to use all our Kerto LVL capacity at a slightly rising price level. This is because of the efficiency advantage of Kerto LVL in industrial construction and stronger demand in the US market than in Europe. In 2024, the construction of the new Kerto LVL mill in Äänekoski progressed, and the installation phase is about to begin. The commissioning of the mill will begin in early 2026.*

*The Chinese pulp market, which is important for Metsä Group, experienced strong fluctuation during 2024. In the first quarter, demand and prices increased, but in the second quarter, demand almost came to a standstill. During the third quarter, the market started to pick up again, and softwood pulp trading resumed at slightly higher prices. In Europe, demand is stable but weak due to a further decline in the consumption of printing papers. The use of pulp in hygiene products and packaging materials is increasing. Metsä Fibre's four mills represent the most efficient quarter in a global comparison of market softwood pulp producers. The bioproduct mills in Kemi and Äänekoski are in a class of their own – the best of the best. A strong pulp industry provides Metsä Group with a solid basis for developing its business to increase the value of the forest industry and forestry.*

*Global demand for packaging materials made from renewable wood raw materials continues to grow. Growth is driven by economic growth, increasing food packaging and the replacement of fossil packaging materials with renewable raw materials. The competitiveness of product quality and the growth of customer demand are good for both our folding boxboards and high-quality linerboards. Our challenge, especially in the EMEA region, is the growing overcapacity in Chinese paperboard. In this situation, Metsä Board's competitive edges are its strong sustainability performance, high and consistent product quality, and comprehensive and competent customer service. In the paperboard industry, we have many development projects underway to improve the efficiency and quality of our mills and products. We are also assessing our potential to produce new packaging materials.*

*Metsä Group is a leading player in the Nordic tissue paper industry. Our consumer brands Serla and Lambi, as well as our Katrin product family for professionals, are known to almost everyone. In addition, we produce high-quality products for private labels. Our two mills in Germany also make Katrin products and private-label products for major Central European retail chains. In Eastern Europe, we operate both under our own brands and those of retailers. A major growth area for our tissue industry is the UK, where we have sold increasing product volumes from our continental European mills, and where we are now considering a potential mill investment. Our investment in Mariestad, Sweden, will start at the end of 2025 and will strengthen our role in Scandinavia. Cooking papers is a small segment with*

*sales of around EUR 150 million, but its growth prospects are very interesting thanks to the growing use of food packaging, which boosts this product category.*

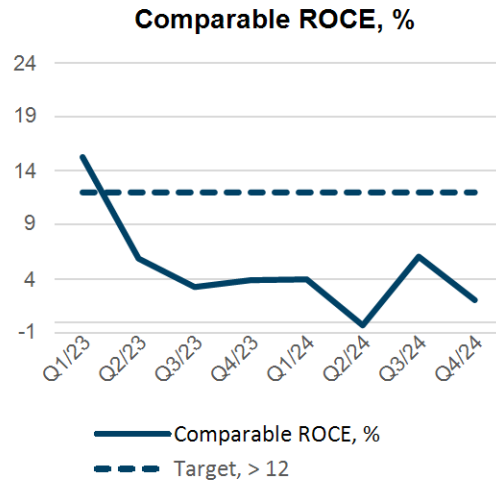
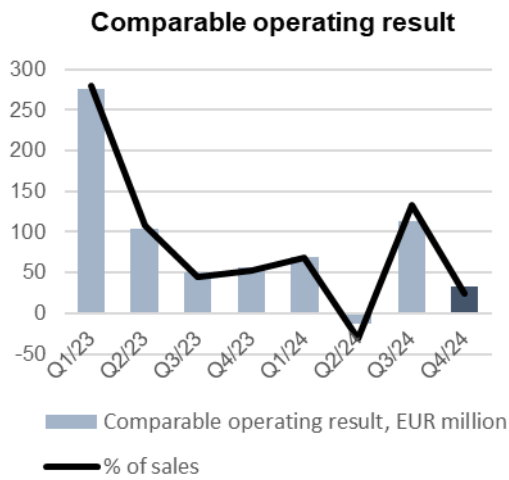
*Metsä Group is determined to build on its success story in forestry and the forest industry. We take external factors into account in our operations. We promote biodiversity and meet the challenges of combating climate change. Resource-efficient products made from renewable wood raw materials are our answer to the needs of people's daily life. Our aim is not to support overconsumption but to create sustainable solutions to meet*

*people's basic needs. Wood construction is a way to create environmentally efficient housing, and fibre-based packaging can reduce food waste and ensure a high level of recyclability of packaging material. Hygiene products made from wood fibre contribute to health and wellbeing.*

*Our operations are founded on Finnish forests. Forest health, biodiversity and resilience to climate change are important to all Finns and are especially close to the hearts of our more than 90,000 owner-members.*

## Key figures

	2024 1–12	2023 1–12	2024 10–12	2023 10–12
Sales, EUR million	5,747.2	6,110.4	1,474.5	1,486.1
EBITDA, EUR million	654.1	845.3	162.0	172.3
Comparable, EUR million	648.8	833.0	151.3	174.3
% of sales	11.3	13.6	10.3	11.7
Operating result, EUR million	186.4	498.1	29.2	55.0
Comparable, EUR million	203.0	487.9	32.7	57.1
% of sales	3.5	8.0	2.2	3.8
Result before income tax, EUR million	131.3	487.8	12.6	49.7
Comparable, EUR million	147.6	481.6	16.2	51.5
Result for the period, EUR million	108.5	383.6	10.5	40.8
Return on capital employed, %	2.7	7.3	1.9	3.8
Comparable, %	2.9	7.2	2.0	3.9
Return on equity, %	1.9	6.8	0.8	2.9
Comparable, %	2.1	6.7	1.0	3.0
Equity ratio, %	56.2	55.9	56.2	55.9
Net gearing ratio, %	22.2	11.7	22.2	11.7
Interest-bearing net liabilities, EUR million	1,235.7	662.9	1,235.7	662.9
Total investments, EUR million	603.3	1,193.2	181.0	328.4
Net cash flow from operations, EUR million	10.9	925.6	175.7	438.7
Personnel at the end of the period	9,581	9,464	9,581	9,464



### Sales and Operating result

1–12/2024, EUR million	Wood Supply and Forest services	Wood Products Industry	Pulp and Sawn timber industry	Paperboard Industry	Tissue and Greaseproof papers
Sales	2,360.1	553.9	2,328.3	1,938.6	1,152.9
Other operating income	6.6	15.5	132.6	77.8	29.6
Operating expenses	-2,329.6	-525.5	-2,208.1	-1,840.4	-1,034.0
Depreciation and impairment losses	-4.6	-36.1	-247.0	-113.6	-47.0
Operating result	32.5	7.8	5.8	62.3	101.6
Items affecting comparability	-4.1	13.0	-3.5	6.7	1.6
Comparable operating result	28.4	20.8	2.2	69.0	103.2
% of sales	1.2	3.8	0.1	3.6	9.0

## Financial Statements Bulletin 1 January – 31 December 2024

### Sales and result

Metsä Group's sales in January–December 2024 were EUR 5,747.2 million (1–12/2023: 6,110.4).

The comparable operating result was EUR 203.0 million (487.9), or 3.5% of sales (8.0). The decrease in the operating result is attributable to the decline in sales prices and increase in wood costs, among other things. The political strikes in Finland are estimated to have had a negative impact of approximately EUR 60 million on the operating result in the review period. The negative impact on the operating result from the gas explosion at the Kemi bioproduct mill is estimated at EUR 100 million. The comparable operating result includes EUR 82.5 million in insurance compensations for the gas explosion.

After hedging, exchange rate fluctuations had a negative effect of approximately EUR 36 million on the operating result of the review period compared to the previous year.

Items affecting the comparability of the operating result in January–December totalled EUR -16.6 million (10.2). Of the most significant items, EUR -5.4 million is related to the closure of the Merikarvia sawmill, EUR -7.6 million to the write-down of the pre-study concerning the Kaskinen folding boxboard mill, EUR 13.8 million to the sale of Russian subsidiaries, EUR -11.8 million to repairs at the Kemi bioproduct mill, EUR -1.6 million to items concerning the Future Mill programme, EUR 2.0 million to the divestment of the wood supply business in Estonia, EUR -21.1 million to the closure of the Suolahti mills, EUR 10 million to insurance compensations for the Kemi mill and EUR 8.1 to the sale of the fixed assets in Widnes, UK.

Metsä Group's operating result (IFRS) was EUR 186.4 million (498.1). The share of the results of associated companies and joint ventures was EUR -0.6 million (-1.2), financial income was EUR 27.5 million (50.4), exchange rate differences in financing were EUR -2.5 million (-1.1), and financial expenses totalled EUR 79.6 million (58.4).

The result before taxes was EUR 131.3 million (487.8), and taxes including changes in deferred tax liabilities totalled EUR 22.7 million (104.2). The Group's effective tax rate was 17.3% (21.4). The result for the review period was EUR 108.5 million (383.6). The effective tax rate decreased because of the recognition in 2024 of EUR 5.6 million in deferred tax assets from the unused tax depreciation base for MI Demo Oy.

The return on capital employed was 2.7% (7.3), while the return on equity was 1.9% (6.8). The comparable return on capital employed was 2.9% (7.2), and the comparable return on equity was 2.1% (6.7).

### Balance sheet and financing

Metsä Group's liquidity has remained strong. Total liquidity at the end of December was EUR 1,641.6 million (31 December 2023: 2,311.6). This consisted of EUR 991.6 million (1,511.6) in liquid assets and investments, and EUR 650.0 million (800.0) in off-balance sheet committed credit facility agreements.

The Group's liquidity reserve is complemented by uncommitted commercial paper programmes and credit facilities amounting to EUR 330.0 million (31 December 2023: 360.0) and by undrawn pension premium (TyEL) funds amounting to EUR 435.3 million (31 December 2023: 440.4).

Net cash flow from operations was EUR 10.9 million (925.6). A total of EUR 496.3 million in working capital was tied up (released: 240.8). Working capital decreased due to trade and other receivables decreasing by EUR 18.8 million. Working capital increased because inventories increased by EUR 333.4 million, while trade and other payables decreased by EUR 181.8 million.

The Group's equity ratio at the end of December was 56.2%, and its net gearing was 22.2% (31 December 2023: 55.9 and 11.7). Net interest-bearing liabilities were EUR 1,235.7 million (31 December 2023: 662.9).

At the end of June, the equity ratio of the parent company Metsäliitto Cooperative was 86.6%, and net gearing was -16.8% (31 December 2023: 87.4 and -22.8).

In January–December, Metsäliitto Cooperative's members' capital increased by a total of EUR 89.8 million (86.0). The value of participation shares increased by EUR 6.8 million (5.7), and Metsä1 additional shares by EUR 182.0 million (188.7). The value of A additional shares declined by EUR -87.6 million (-60.4), and the value of B additional shares declined by EUR -11.4 million (-48.1).

### Personnel

In January–December, Metsä Group had an average of 9,706 employees (9,751). Personnel expenses totalled EUR 712.1 million (706.5). At the end of December, the group employed 9,581 people (31 December 2023: 9,464) of whom 5,677 (5,538) were based in Finland, and 3,904 (3,926) abroad. The parent company Metsäliitto Cooperative employed 2,404 people at the end of December (31 December 2023: 2,220).

## Members

At the end of December, Metsäliitto Cooperative had 91,367 members (31 December 2023: 91,694). During January–December, 2,740 new members joined the Cooperative, and 3,067 members cancelled their memberships. At the end of December, the forest area owned by the members totalled 5.500 million hectares (31 December 2023: 5.467).

## Investments

Metsä Group's total investments in January–December were EUR 603.3 million (1,193.2), of which investments in owned property, plant and equipment were EUR 566.3 million (1,132.1), and investments in leased property, plant and equipment were EUR 36.4 million (53.8). In January–December 2024, total investments included EUR 0.7 million (7.3) of acquired business operations.

A comprehensive renewal of the ERP system is underway at Metsä Group. The project began with the specification of business processes in 2018. The first industrial deployment of information systems was carried out in Wood Products Industry in January 2025. The central financial system and the wood supply information system have been implemented previously. The deployment plan for the last parts of the system will be specified during the first half of 2025.

In March, Metsä Group initiated a pre-study for the first commercial mill producing the Kuura textile fibre. The textile fibre has been researched and developed at the Äänekoski demo plant. The pre-study is the first planning stage of a potential commercial mill project.

In April, Metsä Group initiated a pre-engineering project for a commercial mill producing Muoto packaging. The company will use the results of the project to assess a potential mill investment in the Rauma mill site. Muoto packaging can be used for takeaway packages, berry containers and trays, for example.

In the second quarter, Metsä Group and Andritz initiated a study into the possibility of constructing a carbon capture facility in connection with a bioproduct mill. The study focuses on the capture of four million tonnes of carbon dioxide from a facility the size of the Kemi bioproduct mill. After the completion of the study, the project will proceed to the pilot stage at the Rauma mill site in 2025.

Metsä Group is building a new Kerto LVL mill in Äänekoski. The value of the investment is EUR 300 million, and the mill is expected to begin production in late 2026. The mill's annual production capacity is approximately 160,000 cubic metres, which represents a 50% increase in the company's total Kerto LVL capacity. The construction of the mill is progressing according to plan, and the installation of the equipment will start in the spring. The new mill's direct employment impact

amounts to approximately 150 new jobs. In addition, around 200 jobs will be created in the mill's direct value chain.

Metsä Group is constructing a demo plant for lignin refining in connection with the Äänekoski bioproduct mill. Construction began in the summer of 2024, and the demo plant will be completed by the end of 2025. The plant's daily capacity will be two tonnes of the new lignin product.

In 2023, two significant investments were completed at the Kemi and Husum paperboard mills, which increased the company's annual paperboard capacity by approximately 240,000 tonnes. The total value of the investments was EUR 340 million, spread across 2022–2024.

Metsä Group is renewing the Simpele folding boxboard machine, which will improve the quality of paperboard, increase production efficiency and enable the replacement of fossil fuels in paperboard production. The renewal will also increase the mill's annual production capacity by around 10,000 tonnes. The value of the investment is approximately EUR 60 million, spanning the 2024–2026 period. It is expected to be completed in the second half of 2025.

The following stages of the renewal investment programme at the Simpele paperboard mill include renewals to mechanical pulp production and paperboard finishing, as well as a new power plant. The Kyrö paperboard mill is planning to improve the performance of barrier paperboards and expand their end uses. The total value of the Simpele and Kyrö paperboard mill investments is expected to be EUR 250 million over the next ten years. Planning will continue for the renewal of the Husum pulp mill's drying machine and fibre line.

Because of the growing logistics volumes of the Husum mills in Sweden, the port concept in Husum has also been renewed. The value of the investments, mainly comprising new warehouse capacity, was around EUR 20 million, and they were completed in 2024.

At the Husum mills, a programme is underway to introduce new products on the current production line for white kraftliner (BM2). The goal is to find innovative solutions for the growing food and food service packaging segment.

Metsä Group decided earlier to increase its fresh fibre tissue paper production at the Mariestad mill in Sweden by renewing and expanding the mill in 2023–2025. The mill's construction and machinery installations were well underway during 2024. The value of the investment is approximately EUR 370 million. The renewed mill will start operations in the second half of 2025.

The company is planning an investment in a tissue paper mill in Goole in the UK. The planned tissue paper production capacity is 240,000 tonnes, and the intention is to construct the mill in phases. Planning continued in



2024, focusing on the environmental impact assessment and submission of a planning application to the local authorities.

In February 2024, the company announced an investment programme of EUR 100 million to develop operations at the Mänttä tissue paper mill, renew the mill and extend its life-cycle. The purpose of the investment programme is to develop the Mänttä mill's production and environmental efficiency by investing in the renewal

of paper machines and converting lines, and in the improvement of energy and water efficiency.

Some Metsä Group companies are party to legal proceedings concerning disputes about the responsibilities and liabilities arising from the supply agreements of the Group's most significant investment projects. These investment projects also involve unresolved disputes that may lead to the commencement of new arbitration or legal proceedings.

## Sustainability

Metsä Group monitors and reports quarterly on its key sustainability issues and related indicators. A more extensive Sustainability statement is published annually as part of the Board of Directors' report. The Sustainability statement has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) referred to in Chapter 7 of the Accounting Act and Article 8 of the Taxonomy Regulation.

### Key sustainability figures

	2024 1–12	2023 1–12	2024 10–12	2023 10–12	2023 1–12
Total recordable incident frequency TRIF <sup>1)</sup>	5.2	6.1	4.3	7.3	6.1
Women in management positions, %	20	20	20	20	20
Share of certified wood, %	93	93	93	94	93
Share of fossil free energy of total energy consumption <sup>2)</sup> , %	91	91	-	-	91
Direct fossil-based CO <sub>2</sub> emissions, tonnes (Scope 1)	445,979	501,115	104,342	104,902	501,115
Indirect fossil-based CO <sub>2</sub> emissions <sup>3)</sup> , tonnes (Scope 2)	335,570	305,811	-	-	305,811
Energy efficiency improvement <sup>4)</sup> , index	104	102	-	-	102
Reduction in process water use, %	-11.0	+0.2	-8.2	-7.4	+0.2

1) Per million hours worked.

2) Reported annually.

3) Market-based, reported annually.

4) Reported every six months.

Some numbers have been corrected from what was previously reported in the annual report.

## Sustainability

### Safety at work and equality

Metsä Group aims to avoid accidents at work completely. All the company's production units comply with the ISO 45001 management system and common occupational health and safety standards. Safety at work is improved through proactive safety work, training and investments, for example. In 2024, the frequency of accidents at work fell significantly from the previous year.

We advance diversity, equity and inclusion with the Metsä For All vision, and measure our progress through the respective targets. One of the targets is to increase

the proportion of women in management positions to at least 30%.

### Share of certified wood fibre

Metsä Group aims to ensure that at least 90% of the wood fibre it uses is certified. All the wood used by the Group comes from northern European forests. All the countries from which wood is sourced have issued legislation requiring forests to be renewed after regeneration felling. Metsä Group's Wood Supply has targets for promoting forest biodiversity and the sustainable use of forests in accordance with the principles of regenerative forestry.

## Greenhouse gas emissions and energy and water consumption

Metsä Group aims to phase out fossil energy by the end of 2030, by which time the Group will have no direct or indirect fossil carbon emissions (Scopes 1 and 2). To achieve this, the Group has a plan that includes mill-specific measures and the necessary investments.

Metsä Group is preparing to set a total emissions reduction target (Scopes 1, 2 and 3) under the Paris Agreement by 2027 at the latest.

In 2024, Scope 1 and 2 CO<sub>2</sub> emissions and process water use decreased.

## Risks and uncertainties

The development and growth of the global economy are marked by uncertainty. Despite economic recovery, economic growth remains slow, especially in the euro area, and is clearly slower than in the United States. Slowing inflation and decreasing interest rates have boosted consumers' purchasing power to some extent, but consumers are still cautious in their purchase decisions, and consumption focuses on services. A prolonged situation may decrease the demand for Metsä Group's products and weaken the company's profitability. Prolonged slower economic growth and consumer demand in China can negatively affect the demand for Metsä Group's products on the Chinese market.

An imbalance in demand and supply could influence the demand for and pricing of Metsä Group's products. Competitors' increased capacity and increased imports or competition for market shares, as well as structural changes in the customers' use of raw materials, could have a negative effect on Metsä Group's profitability.

Business growth and new product launches depend on the success of sales. Increasing sales on a global scale also involves cost and exchange rate risks. In addition, taxation and the acceptability of materials involve regulatory risks.

Negative developments in trade policies or world trade could directly or indirectly affect the demand for Metsä Group's products and the Group's profitability. In particular, the import tariffs planned by the new US administration could weaken the company's relative competitiveness and thus the profitability of its business. The continuation of Russia's attack in Ukraine has maintained global geopolitical tensions and negatively impacted the economy. The ongoing conflict in the Middle East is causing uncertainty in the global business environment, and its prolongation or expansion may have a negative impact on world trade, the supply chain and raw material prices.

The end of Russian wood imports and the increased use of pulpwood for energy purposes have tightened the situation in the wood market in the Baltic Sea region

and pushed up the price of wood raw material. Regulation may also steer forest use and affect the availability of wood in the future. Difficulties in wood supply and a continuously high price level could have an adverse impact on the continuity of production and Metsä Group's profitability.

Significant or unforeseen price changes and availability issues concerning other important production inputs such as energy and chemicals may reduce profitability, threaten business continuity or jeopardise the implementation of development investments. Disruptions in global transport chains, a decrease in the availability of global transport capacity or an increase in market prices could have a negative impact on the company's profitability.

Most of Metsä Group's production takes place in Finland. In the past, Finland has seen several labour disputes in both the forest industry and the logistics chain of forest industry products. They may have a negative impact on production volumes and customer deliveries and weaken the company's competitiveness and profitability.

The continuity of the mills' production and the Group's other operations could be affected by serious accidents, material damage and consequential loss, cyberattacks and malware, for example. If such interruptions continue for a long time, the resulting financial losses may be substantial and result in the permanent loss of customers. The amount and costs of material damage and consequential losses, as well as the acceptability of related compensation, may involve uncertainty. The availability and pricing of renewable insurance may also involve uncertainty and any additional costs.

Business is also being developed by modernising production technology, running efficiency programmes and conducting product development. 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.

Climate risks mainly concern forests and the use of energy and water. Climate change may increase extreme weather phenomena such as storms, floods and droughts, causing interruptions in the mills' production, or limit the availability of wood raw material.

Customers' weaker cash position or slower payment behaviour could have an impact on Metsä Group's cash flow and lead to credit losses. The impact of Russian sanctions and countersanctions, as well as the risks caused by the crisis, affect areas such as the costs and availability of production inputs, energy infrastructure and cybersecurity.

The estimates and statements in this bulletin are based on current plans and estimates. They involve risks and uncertainties that may cause the results to differ from

those expressed in such statements. In the short term, the results of Metsä Group are affected particularly by the price of and demand for end products, the availability and costs of principal raw materials, energy prices and the exchange rate development of the euro. The risks related to the Group's business are explained in more detail in Metsä Group's Annual Report.

## Events after the review period

On 16 January 2025, Metsä Group announced its plan to close the Tako paperboard mill in Tampere, Finland, and improve the efficiency of the Kyro paperboard mill in Kyröskoski, Finland, due to long-term poor profitability. The company initiated change negotiations at both mills and in related operations. Any decisions on personnel reductions and mill closures will be taken after the change negotiations have ended.

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On 6 February 2025, Metsä Board announced that it will start a pre-engineering in cooperation with Metsä Tissue to investigate potential change of product produced on Husum BM2. The pre-engineering is expected to take 12 months and it would enable new capacity of approximately 80,000 tonnes of foodservice packaging papers and siliconized greaseproof papers. Production of the white kraftliner will continue at full capacity at least until the possible investment shutdown of BM2. The start-up of the rebuilt line would be earliest in Q4/2027.

## Near-term outlook

The demand for wood will particularly concern thinning sites suitable for summer harvesting, as well as wood acquired through delivery sales. We will also buy regeneration felling sites as usual. In energy wood, the demand will focus on crown wood and small trees. Demand for forest management services is projected to increase in 2025 compared to the previous year.

Construction is not expected to recover in the first quarter of the year, which is reflected in the continued weak demand for softwood plywood in particular. However, demand for Kerto LVL products will continue to be good, and new customer relationships will support demand for Kerto LVL.

Overall demand for birch plywood is expected to remain stable despite the recent seasonal cooling of the market. Demand for speciality plywood products among industrial customers is expected to remain low.

In the UK, demand for the upgrading business is expected to remain stable in the DIY segment, but weaker than normal in the wholesale customer segment and new construction in the coming months.

Global demand for market softwood pulp is expected to remain stable at the beginning of the year. Pulp capacity closures announced in 2024 with constraints affecting the availability of wood raw material in North America will further reduce the supply of softwood market pulp. Demand for sawn timber is expected to remain at the current level in the first quarter and to increase slightly in the second quarter.

The general demand for consumer products and fresh fibre paperboards will continue to be influenced by the development of consumers' purchasing power and general purchasing behaviour. The growth of paperboard capacity, which is faster than the growth of demand, may cause imbalances, especially in the European paperboard market. In January–March 2025, paperboard delivery volumes are expected to increase from the first quarter. Sales prices in local currencies are expected to remain stable.

Demand for tissue and greaseproof papers is expected to remain stable.

### Estimate of the most significant annual maintenance and investment shutdowns

Q1/2025	Joutseno pulp mill
Q2/2025	Kemi mills
Q3/2025	Äänekoski bioproduct mill, Husum mills, Simpele paperboard machine
Q4/2025	Rauma pulp mill

## Result guidance for January–March 2025

In January–March 2025, Metsä Group's comparable operating result is expected to be better than in October–December 2024.

## The Board of Directors' proposal for the distribution of profit

Metsäliitto Cooperative's Board of Directors has decided to propose to the Representative Council convening on 29 April 2025 that for 2024, interest of 5.5% (6.5 for 2023) be paid on the participation share capital invested by members, and that interest of 5.0% (6.0) be

paid on Metsä1 additional shares, 2.0% (3.0) on additional capital A, and 1.0% (1.0) on additional capital B. The Board of Directors also proposes that a surplus reimbursement of EUR 0.30 per cubic metre of industrial roundwood received from a member over the last four concluded financial periods be distributed. The reimbursement of surplus will be primarily paid as Metsä1 additional shares, but in money for the part corresponding to the tax withheld for each member. If the right to the shares has been transferred to another person in accordance with the rules of the cooperative, the interest is paid to the person who is registered as the owner

on the record date, 31 March 2025. The proposed payment date is 12 May 2025. If a member entitled to a surplus reimbursement terminates their membership in the cooperative before the date of payment, this share of the surplus reimbursement will not be distributed. In total, the proposed profit distribution would be approximately EUR 93 million (101), of which the surplus reimbursement based on wood trade would be approximately 17%.

Espoo, 6 February 2025

## **BOARD OF DIRECTORS**

### **Further information:**

Vesa-Pekka Takala, EVP, CFO, Metsä Group, tel. +358 10 465 4260

Katariina Saelan, SVP, Communications, Metsä Group, tel. +358 40 829 9455

### **Metsä Group will publish the following financial reports in 2025:**

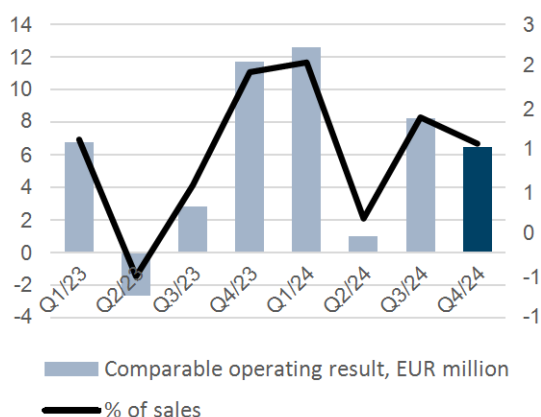
Financial Statements Bulletin for 2024	6.2.2025
Interim Report for January–March 2025	29.4.2025
Half-Year Financial Report for January–June 2025	31.7.2025
Interim Report for January–September 2025	23.10.2025

## Business areas

### Wood Supply and Forest Services

	2024	2023	2024	2023
	1–12	1–12	10–12	10–12
<b>Wood Supply and Forest Services</b>				
Sales, EUR million	2,360.1	2,221.7	602.8	605.3
EBITDA, EUR million	37.0	35.2	8.3	13.7
Comparable EBITDA, EUR million	35.6	24.9	8.3	13.7
Operating result, EUR million	32.5	29.0	6.5	11.7
Comparable operating result, EUR million	28.4	18.7	6.5	11.7
% of sales	1.2	0.8	1.1	1.9
Comparable ROCE, %	13.0	10.9	10.2	21.9
Total investments, EUR million	3.3	9.8	0.2	4.1
Personnel at end of period	671	691	671	691
Wood deliveries, 1,000 m <sup>3</sup>	29,757	30,412	7,246	8,072

#### Comparable operating result



The sales of Wood Supply and Forest Services, i.e. Metsä Forest, in January–December totalled EUR 2,360.1 million (1–12/2023: 2,221.7), and the comparable operating result was EUR 28.4 million (18.7).

Metsä Forest's sales in October–December were EUR 602.8 million (10–12/2023: 605.3), and the comparable operating result was EUR 6.5 million (11.7).

Sales increased from the previous year, mainly because of higher wood prices. Delivery volumes were roughly the same as in 2023 despite the strikes in Finland in the early part of 2024, the production shutdown at the Kemi and the market-based production curtailment in the autumn.

Wood trade from private forests in Finland was good in 2024. Log and pulpwood prices were at a record high in the first half of the year. After the summer, wood prices fell slightly, but remained very high. The weather conditions for harvesting were good in 2024. The pulpwood market in the Baltics was balanced for most of the year, but became characterised by oversupply in early au-

turn, and the roadside price level for overbark pulpwood fell well below Finnish prices. In Sweden, demand for logs and pulpwood was strong throughout the year.

Metsä Group's wood purchases went very well in 2024. Metsä Group bought all grades of wood across Finland through standing and delivery sales. Especially in the summer, demand focused on thinning stands suitable for summer harvesting and on wood from delivery sales. Purchases of energy wood focused on crown wood. The majority of wood in Finland was purchased from owner-members. In terms of cubic metres, around a third of the wood trades agreed in 2024 were covered by the Metsä Group Plus management model, which places emphasis on the nature management of commercial forests.

In 2024, Metsä Group delivered a total of 29.8 million cubic metres (30.4) of wood. Approximately 87% of this went to the industrial sector in Finland. In 2024, sales of forest management services increased to a new record high. Forest owners' customer experience was also at a record high.

Metsä Forest won the 2024 Finnish Quality Award granted by Excellence Finland. The award is based on a thorough evaluation of the organisation's activities using the international EFQM model.

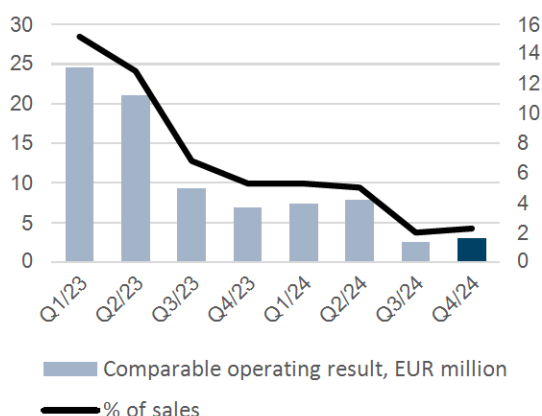
The benefits for contract customers are improved by making the price guarantee method for wood trade more rewarding and transparent. In the new model, contract customers can monitor the monthly price development related to their trade in Metsäverkko in the form of an index.

Metsä Group will introduce voluntary nature compensation for any deviation from environmental regulations. The company compensates any harm to nature resulting from violations of the law. The compensation is based on an evaluation by a team of experts.

## Wood Products Industry

	2024	2023	2024	2023
Wood Products Industry	1–12	1–12	10–12	10–12
Sales, EUR million	553.9	591.6	132.0	129.5
EBITDA, EUR million	43.8	86.6	9.4	15.6
Comparable EBITDA, EUR million	42.8	83.6	8.5	12.5
Operating result, EUR million	7.8	64.9	-10.2	9.9
Comparable operating result, EUR million	20.8	61.8	3.0	6.9
% of sales	3.8	10.4	2.3	5.3
Comparable ROCE, %	5.4	16.9	3.2	7.9
Total investments, EUR million	147.2	62.9	55.9	32.6
Personnel at end of period	1,650	1,550	1,650	1,550
Engineered wood product deliveries, 1,000 m <sup>3</sup>	407	418	103	97

### Comparable operating result



The sales of the Wood Products Industry, i.e. Metsä Wood, in January–December were EUR 553.9 million (1–12/2023: 591.6), and the comparable operating result was EUR 20.8 million (61.8).

Metsä Wood's sales in October–December were EUR 132.0 million (10–12/2023: 129.5), and the comparable operating result was EUR 3.0 million (6.9).

In 2024, the company's sales declined by 6% year-over-year. Sales of engineered wood products decreased by 8%, and the sales in euros of the UK

business decreased by 7%. The delivery volumes of Kerto LVL and spruce plywood and of the UK business decreased. Deliveries of birch plywood increased slightly. Sales prices of engineered wood products decreased significantly from the comparison period across all product categories.

Profitability decreased year-over-year due to the production shutdowns and delivery issues caused by the political strikes at the beginning of the year. In addition, the higher raw material and energy costs, and limited availability of birch logs had a negative impact on profitability. Because of the poor availability of birch logs, the production of birch plywood had to be curtailed. Construction remained at a low level in Europe, which continued to be reflected especially in the weak demand for spruce plywood.

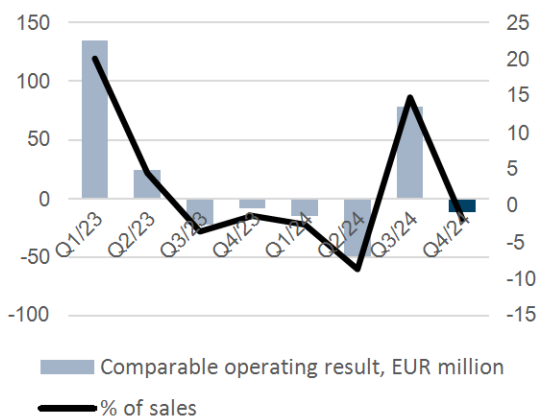
The operating result for the UK upgrading business increased from the comparison period thanks to production efficiency and adjustment measures.

The change negotiations at the Suolahti mills, which started in October, have finished. After the change negotiations, the company decided that the Suolahti birch plywood mill would cease operations by the end of the first quarter of 2025, and the spruce plywood mill would cease production by the end of 2026 at the latest.

## Pulp and Sawn Timber Industry

	2024	2023	2024	2023
Pulp and Sawn Timber Industry	1–12	1–12	10–12	10–12
Sales, EUR million	2,328.3	2,498.6	642.5	649.1
EBITDA, EUR million	252.8	274.4	65.2	52.4
Comparable EBITDA, EUR million	248.6	286.5	55.5	57.6
Operating result, EUR million	5.8	114.6	-2.0	-13.9
Comparable operating result, EUR million	2.2	127.9	-11.6	-8.6
% of sales	0.1	5.1	-1.8	-1.3
Comparable ROCE, %	0.2	4.2	-1.3	-2.0
Total investments, EUR million	111.7	714.9	30.3	145.1
Personnel at end of period	1,490	1,577	1,490	1,577
Pulp deliveries, 1,000 t	2,484	2,747	726	766
Sawn timber deliveries, 1,000 m <sup>3</sup>	1,194	1,445	257	358

### Comparable operating result



The sales of the Pulp and Sawn Timber Industry, i.e. Metsä Fibre, in January–December totalled EUR 2,328.3 million (1–12/2023: 2,498.6), and the comparable operating result was EUR 2.2 million (127.9).

Metsä Fibre's sales in October–December were EUR 642.5 million (10–12/2023: 649.1), and the comparable operating result was EUR -11.6 million (-8.6).

The operating result decreased compared to January–December 2023 due to lower production and delivery volumes of pulp and sawn timber, higher raw material and maintenance costs, and higher depreciation.

In 2024, sales and the operating result were affected by political strikes in Finland, the gas explosion at the Kemi bioproduct mill's evaporation plant and the resulting long production shutdown, and the production shutdown at the Joutseno pulp mill due to the market situation. The gas explosion at the Kemi bioproduct mill had a negative impact of approximately EUR 70 million, and

the political strikes in Finland a negative impact of around EUR 35 million on Metsä Fibre's comparable operating result.

The sales volume of pulp in 2024 was 2,484,000 tonnes (2,747,000). In 2024, the average sales prices of Metsä Group's market softwood pulps increased by 18% in Europe and by 14% in the United States compared to the previous quarter. Net sales prices in China rose by 2%.

In 2024, the delivery volumes of market softwood pulp to China decreased, while those to Europe and North America increased from the previous year. Demand in China weakened significantly in the second quarter due to lower than normal utilisation rates of paper and paperboard machines, and decreasing customer inventories, but returned to normal in the fourth quarter. In Europe, demand for softwood pulp was supported by good utilisation rates in paper and paperboard production in the first half of the year, but demand fell towards the end of the year as paper and paperboard production declined. In North America, demand for market softwood pulps remained at a normal level, especially because demand in the tissue segment was strong.

In 2024, sawn timber sales volume was 1,194,000 m<sup>3</sup> (1,445,000). During 2024, the average market prices of Metsä Group's sawn timber were 11% higher than in the previous year.

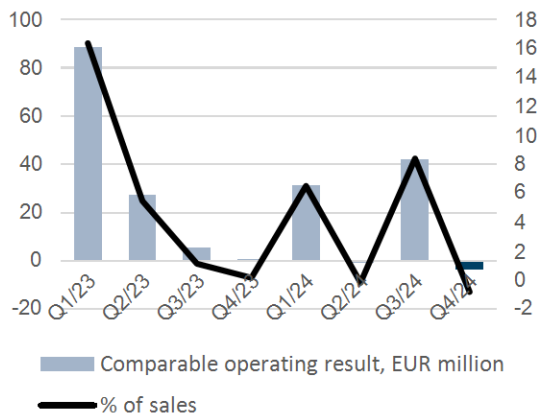
Throughout the year, the demand for sawn timber has been at a lower level than usual in all the main markets. In Europe, demand for industrial end-uses of sawn timber was decreased by the weak construction cycle. In China, demand has been low in both the wood products industry and the export-driven furniture industry. Sawing operations in Merikarvia ended in early April 2024.



## Paperboard Industry

	2024	2023	2024	2023
Paperboard Industry	1–12	1–12	10–12	10–12
Sales, EUR million	1,938.6	1,941.9	446.0	422.6
EBITDA, EUR million	175.9	214.6	26.5	25.1
Comparable EBITDA, EUR million	175.0	216.0	24.6	26.0
Operating result, EUR million	62.3	120.8	-1.7	-0.2
Comparable operating result, EUR million	69.0	122.2	-3.6	0.7
% of sales	3.6	6.3	-0.8	0.2
Comparable ROCE, %	3.2	5.1	-0.3	0.4
Total investments, EUR million	175.4	228.7	55.0	71.9
Personnel at end of period	2,290	2,240	2,290	2,240
Folding boxboard deliveries, 1,000 t	992	906	222	188
White kraftliner deliveries, 1,000 t	480	467	120	111
Market pulp deliveries, 1,000 t	400	394	87	120

### Comparable operating result



The sales of the Paperboard Industry, i.e. Metsä Board, in January–December were EUR 1,938.6 million (1–12/2023: 1,941.9). The comparable operating result was EUR 69.0 million (122.2).

Metsä Board's sales in October–December were EUR 446.0 million (10–12/2023: 422.6), and the comparable operating result was EUR -3.6 million (0.7).

Total paperboard deliveries were 1,472,000 (1,373,000) tonnes. Metsä Board's market pulp deliveries were 400,000 tonnes (394,000).

The comparable operating result for January–December was weakened by the lower average prices of folding boxboard in particular. However, profitability was improved by increased paperboard deliveries. Average market pulp prices were higher than last year.

Exchange rate fluctuations, including hedges, had a positive impact of around EUR 5 million on the operating result compared to the comparison period.

Chemical and energy costs fell, but wood costs rose. Logistics costs and fixed costs were higher than last year.

Unused emission allowances were sold for approximately EUR 35 million (55) during the financial period.

The associated company Metsä Fibre's share of Metsä Board's comparable operating result in January–December was EUR -10.2 million (28.2).

The gas explosion at Metsä Fibre's Kemi bioproduct mill had a negative impact of approximately EUR 40 million, and the political strikes in Finland had a negative impact of around EUR 25 million, on Metsä Board's comparable operating result for January–December. The comparable operating result for July–December includes EUR 30.5 million of insurance compensations related to the gas explosion. All the above amounts include the effect of Metsä Fibre's share of the result.

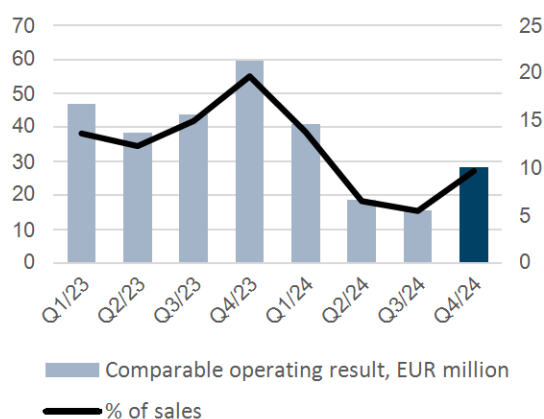
Earnings per share were EUR 0.07 (0.27), and comparable earnings per share were EUR 0.09 (0.27).



## Tissue and greaseproof papers

	2024	2023	2024	2023
Tissue and greaseproof papers	1–12	1–12	10–12	10–12
Sales, EUR million	1,152.9	1,250.2	290.3	303.6
EBITDA, EUR million	148.6	243.2	39.9	71.2
Comparable EBITDA, EUR million	148.1	232.3	39.9	71.1
Operating result, EUR million	101.6	198.7	28.2	59.8
Comparable operating result, EUR million	103.2	188.6	28.2	59.7
% of sales	9.0	15.1	9.7	19.7
Comparable ROCE, %	13.2	27.4	14.1	32.6
Total investments, EUR million	208.5	127.3	83.7	56.4
Personnel at end of period	2,487	2,488	2,487	2,488
Tissue paper deliveries, 1,000 t	458	476	114	119

### Comparable operating result



The sales of Tissue and Greaseproof Papers, i.e. Metsä Tissue, in January–December totalled EUR 1,152.9 million (1–12/2023: 1,250.2). The comparable operating result was EUR 103.2 million (188.6).

Metsä Tissue's sales in October–December were EUR 290.3 million (10–12/2023: 303.6), and the comparable operating result was EUR 28.2 million (59.7).

Sales volumes for both the full year and the fourth quarter were lower than in the previous year. Average sales prices were also lower than last year. Market-based production curtailment continued.

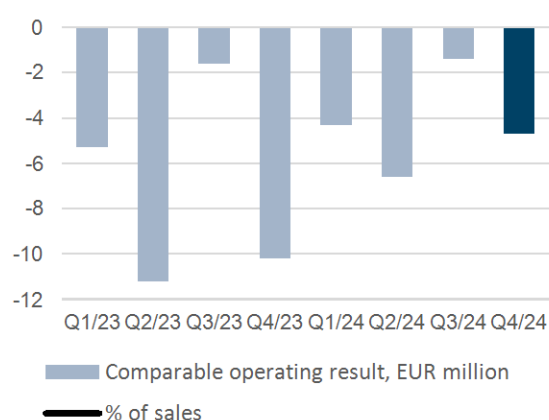
The full-year result was down on the previous year due to lower sales volumes and prices, and higher production costs. The operating result for the fourth quarter improved compared to the third quarter thanks to the energy subsidies received.

At the end of 2024, the German Federal Cartel Office started an inspection related to hygiene papers at the Kreuzau mill in Germany. The inspection does not mean that Metsä Tissue is guilty of anticompetitive practices and is not in itself a sign of the inspection's outcome.

## Other operations

	2024	2023	2024	2023
Other operations	1–12	1–12	10–12	10–12
Sales, EUR million	77.8	18.2	17.9	4.8
EBITDA, EUR million	-4.5	-13.5	-2.0	-8.1
Comparable EBITDA, EUR million	-4.5	-10.3	-2.0	-4.9
Operating result, EUR million	-17.1	-31.4	-4.7	-13.3
Comparable operating result, EUR million	-17.1	-28.3	-4.7	-10.2
Total investments, EUR million	62.0	55.8	18.4	18.2
Personnel at end of period	992	918	992	918

### Comparable operating result



The sales of other operations in January–December were EUR 77.8 million (1–12/2023: 18.2), and the comparable operating result was EUR -17.1 million (-28.3).

The sales of other operations in October–December were EUR 17.9 million (10–12/2023: 4.8), and the comparable operating result was EUR -4.7 million (-10.2).

Other operations include the Metsä Group head office functions, Metsäliitto Cooperative's holding operations, Metsä Group Treasury Oy, Metsä Spring Oy and MI Demo Oy.

## Reconciliation of items affecting comparability

### Reconciliation by segment

EUR million	2024 1–12	2023 1–12	2024 10–12	2023 10–12
<b>Operating result (IFRS)</b>	<b>186.4</b>	<b>498.1</b>	<b>29.2</b>	<b>55.0</b>
Depreciation and impairment charges	467.7	347.2	132.8	117.3
<b>EBITDA</b>	<b>654.1</b>	<b>845.3</b>	<b>162.0</b>	<b>172.3</b>
Items affecting comparability:				
Wood Supply and Forest Services	-1.5	-10.3		
Wood Products Industry	-1.1	-3.0	-0.9	-3.0
Pulp and Sawn Timber Industry	-4.3	12.1	-9.8	5.1
Paperboard Industry	-0.9	1.4	-1.9	0.9
Tissue and Greaseproof Papers	-0.5	-10.9		-0.1
Other operations and eliminations	2.8	-1.5	1.9	-0.9
Total	-5.3	-12.2	-10.7	2.0
<b>Comparable EBITDA</b>	<b>648.8</b>	<b>833.0</b>	<b>151.3</b>	<b>174.3</b>
Depreciation and impairment charges	-467.7	-347.2	-132.8	-117.3
Items affecting comparability:				
Depreciations and reversals	21.9	2.0	14.2	0.1
Wood Supply and Forest Services	-2.6		0.1	
Wood Products Industry	14.1		14.1	
Pulp and Sawn Timber Industry	0.7	1.2	0.1	0.1
Paperboard Industry	7.6			
Tissue and Greaseproof Papers	2.1	0.8		
<b>Comparable Operating result</b>	<b>203.0</b>	<b>487.9</b>	<b>32.7</b>	<b>57.1</b>
Share of results from associated companies and joint ventures	-0.6	-1.2	0.7	0.9
Financial costs, net	-54.6	-9.1	-17.3	-6.2
Items affecting comparability:				
Wood Supply and Forest Services		-0.1		
Pulp and Sawn Timber Industry	-0.2	3.8		-0.3
Paperboard Industry		0.3		
<b>Comparable Result before income tax</b>	<b>147.6</b>	<b>481.6</b>	<b>16.2</b>	<b>51.5</b>
Income tax	-22.7	-104.2	-2.0	-8.9
Items affecting comparability:				
Wood Supply and Forest Services	0.4	2.1		
Wood Products Industry	-2.2	0.8	-2.2	0.8
Pulp and Sawn Timber Industry	-1.7	-2.9	1.9	-1.3
Paperboard Industry	-1.5	0.5		
Tissue and Greaseproof Papers	-0.6	1.7		0.3
Other operations and eliminations	-0.3	-0.5		
<b>Comparable Result for the period</b>	<b>118.9</b>	<b>379.1</b>	<b>13.8</b>	<b>42.4</b>

Reconciliation by expense or income

	2024	2023	2024	2023
EUR million	1–12	1–12	10–12	10–12
<b>Operating result (IFRS)</b>	<b>186.4</b>	<b>498.1</b>	<b>29.2</b>	<b>55.0</b>
Depreciation and impairment charges	467.7	347.2	132.8	117.3
<b>EBITDA</b>	<b>654.1</b>	<b>845.3</b>	<b>162.0</b>	<b>172.3</b>
Items affecting comparability:				
Other operating income	-31.4	-30.4	-18.1	-4.1
Change in inventories	3.5	9.6	2.0	
Employee costs	3.0	1.0	2.2	0.9
Other operating expenses	19.5	7.5	3.2	5.2
Total	-5.3	-12.2	-10.7	2.0
<b>Comparable EBITDA</b>	<b>648.8</b>	<b>833.0</b>	<b>151.3</b>	<b>174.3</b>
Depreciation and impairment charges	-467.7	-347.2	-132.8	-117.3
Items affecting comparability:				
Depreciations and reversals	21.9	2.0	14.2	0.1
<b>Comparable Operating result</b>	<b>203.0</b>	<b>487.9</b>	<b>32.7</b>	<b>57.1</b>
Share of results from associated companies and joint ventures	-0.6	-1.2	0.7	0.9
Financial costs, net	-54.6	-9.1	-17.3	-6.2
Items affecting comparability	-0.2	4.0		-0.3
<b>Comparable Result before income tax</b>	<b>147.6</b>	<b>481.6</b>	<b>16.2</b>	<b>51.5</b>
Income tax	-22.7	-104.2	-2.0	-8.9
Items affecting comparability	-6.0	1.7	-0.3	-0.2
<b>Comparable Result for the period</b>	<b>118.9</b>	<b>379.1</b>	<b>13.8</b>	<b>42.4</b>

Items with a "+" sign = expenses affecting comparability

Items affecting the comparability of Metsä Group's net result for the period January–December 2024 totalled EUR -10.3 million. Of the most significant items, EUR -4.3 million is related to the closure of the Merikarvia sawmill, EUR -6.1 million to the write-down of the pre-engineering concerning the Kaskinen folding boxboard mill, EUR 13.8 million to the sale of Russian subsidiaries, EUR -9.4 million to repairs at the Kemi bi-product mill, EUR -1.0 million to items concerning the Future Mill programme, EUR 1.6 million to the divestment of the wood supply business in Estonia,

Items with a "-" sign = income affecting comparability

EUR -16.9 million to the closure of the Suolahti mills, EUR 8 million to insurance compensations for the Kemi mill and EUR 6.0 to the sale of the fixed assets in Widnes, UK.

Items affecting the comparability of Metsä Group's net result for the period January–December 2023 totalled EUR 4.5 million.

## Quarterly data

EUR million	2024 10–12	2024 7–9	2024 4–6	2024 1–3	2023 10–12	2023 7–9	2023 4–6	2023 1–3
<b>Sales</b>								
Wood Supply and Forest Services	602.8	592.3	549.4	615.6	605.3	485.4	529.6	601.3
Wood Products Industry	132.0	126.0	155.8	140.1	129.5	136.5	163.8	161.8
Pulp and Sawn Timber Industry	642.5	526.7	574.6	584.5	649.1	638.9	542.0	668.6
Paperboard Industry	446.0	499.0	509.8	483.7	422.6	479.0	498.2	542.1
Tissue and Greaseproof Papers	290.3	281.3	283.6	297.7	303.6	292.7	310.8	343.1
Other operations	17.9	15.4	17.3	27.1	4.8	4.0	4.7	4.7
Internal sales	-657.1	-705.1	-611.0	-691.2	-628.7	-528.1	-567.8	-687.3
<b>Sales</b>	<b>1,474.5</b>	<b>1,335.7</b>	<b>1,479.5</b>	<b>1,457.5</b>	<b>1,486.1</b>	<b>1,508.5</b>	<b>1,481.4</b>	<b>1,634.4</b>
<b>Operating result</b>								
Wood Supply and Forest Services	6.5	8.3	5.1	12.6	11.7	2.8	7.7	6.8
Wood Products Industry	-10.2	2.5	8.0	7.4	9.9	9.3	21.1	24.6
Pulp and Sawn Timber Industry	-2.0	76.5	-49.5	-19.3	-13.9	-30.2	24.4	134.3
Paperboard Industry	-1.7	41.7	-0.7	23.0	-0.2	3.1	29.5	88.4
Tissue and Greaseproof Papers	28.2	16.4	16.0	41.1	59.8	44.3	47.8	46.8
Other operations	-4.7	-1.4	-6.6	-4.3	-13.3	-1.6	-11.2	-5.3
Eliminations	13.0	-32.8	16.0	-2.8	1.0	13.0	7.4	-19.9
<b>Operating result</b>	<b>29.2</b>	<b>111.2</b>	<b>-11.6</b>	<b>57.7</b>	<b>55.0</b>	<b>40.8</b>	<b>126.6</b>	<b>275.7</b>
% of sales	2.0	8.3	-0.8	4.0	3.7	2.7	8.5	16.9
Share of results from associated companies and joint ventures	0.7	-0.3	-1.0	0.0	0.9	-1.3	-1.1	0.3
Exchange gains and losses	-1.3	0.5	0.8	-2.5	2.1	1.5	-0.8	-3.9
Net financial items	-16.0	-11.8	-14.2	-10.0	-8.3	7.9	-6.0	-1.6
<b>Result before income tax</b>	<b>12.6</b>	<b>99.6</b>	<b>-26.1</b>	<b>45.2</b>	<b>49.7</b>	<b>48.9</b>	<b>118.7</b>	<b>270.5</b>
Income tax	-2.0	-22.1	6.2	-4.8	-8.9	-11.8	-26.1	-57.4
<b>Result for the period</b>	<b>10.5</b>	<b>77.5</b>	<b>-19.9</b>	<b>40.4</b>	<b>40.8</b>	<b>37.0</b>	<b>92.6</b>	<b>213.1</b>
<b>Comparable operating result</b>								
Wood Supply and Forest Services	6.5	8.3	1.0	12.6	11.7	2.8	-2.7	6.8
Wood Products Industry	3.0	2.5	7.8	7.4	6.9	9.3	21.1	24.6
Pulp and Sawn Timber Industry	-11.6	78.0	-49.4	-14.7	-8.6	-22.1	24.4	134.3
Paperboard Industry	-3.6	41.9	-0.8	31.5	0.7	5.5	27.3	88.7
Tissue and Greaseproof Papers	28.2	15.5	18.5	41.1	59.7	43.8	38.3	46.8
Other operations and eliminations	10.3	-33.0	10.0	-7.9	-13.3	11.7	-4.3	-25.5
<b>Comparable operating result</b>	<b>32.7</b>	<b>113.2</b>	<b>-12.9</b>	<b>69.9</b>	<b>57.1</b>	<b>51.0</b>	<b>104.1</b>	<b>275.7</b>
% of sales	2.2	8.5	-0.9	4.8	3.8	3.4	7.0	16.9

## Calculation of key figures

<b>Return on capital employed (%)</b> <b>ROCE</b>	=	(Result before taxes + other financial expenses and exchange rate differences) per (Balance sheet total - non-interest-bearing liabilities (average))
<b>Return on equity (%)</b> <b>ROE</b>	=	(Result before taxes - income taxes) per (Members' funds (average))
<b>Equity ratio (%)</b>	=	(Members' funds) per (Total assets - advance payments received)
<b>Net gearing ratio (%)</b>	=	(Interest-bearing net liabilities) per (Members' funds)
<b>Interest-bearing net liabilities</b>	=	Interest-bearing liabilities – cash and cash equivalents and interest-bearing receivables
<b>EBITDA</b>	=	Operating result before depreciation, amortisation and impairment charges
<b>Operating result</b>	=	Result before taxes, financial income and expenses, exchange gains/losses and share of results from associated companies and joint ventures presented in IFRS profit and loss account
<b>Total investments</b>	=	Investments in owned and leased property and acquired businesses

## Comparable key figures

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 Group'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. Performance measures presented in this report qualify as alternative performance measures under the ESMA guidelines.

Metsä Group sees the presentation of alternative performance measures as providing users of financial statements with an improved view of the company's financial performance and position, including the efficiency of its capital utilisation, operational profitability and debt servicing capabilities.

Extraordinary and material items not included in ordinary business operations have been eliminated in the comparable operating result. Reconciliation of operating result under IFRS and comparable operating result, as well as EBITDA and comparative EBITDA, is presented in this report. Comparable return on capital employed

has been calculated using the same adjustments as the comparable operating result, and it has been further adjusted with financial items affecting comparability when applicable. Metsä Group considers the key figures derived in this manner to improve the comparability between reporting periods.

None of these key figures with items affecting comparability eliminated is a key figure used in IFRS reporting, and they cannot be compared with other companies' key figures identified with 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. In Metsä Group's view, the comparable key figures better reflect the company's underlying operational performance by eliminating the result effect of items and transactions outside the normal course of business.

## Consolidated statement of income

EUR million	Note	2024 1–12	2023 1–12	Change	2024 10–12	2023 10–12
<b>Sales</b>	2,3	<b>5,747.2</b>	<b>6,110.4</b>	<b>-363.2</b>	<b>1,474.5</b>	<b>1,486.1</b>
Change in stocks of finished goods and work in progress		152.7	-65.3	218.0	-59.8	20.1
Other operating income		226.3	160.8	65.5	92.6	47.3
Material and services		-4,295.0	-4,236.2	-58.8	-1,033.9	-1,088.9
Employee costs		-712.1	-706.5	-5.6	-176.5	-173.8
Depreciation and impairment losses		-467.7	-347.2	-120.5	-132.8	-117.3
Other operating expenses		-465.0	-417.9	-47.0	-134.9	-118.5
<b>Operating result</b>	2	<b>186.4</b>	<b>498.1</b>	<b>-311.7</b>	<b>29.2</b>	<b>55.0</b>
Share of results of associated companies and joint ventures		-0.6	-1.2	0.6	0.7	0.9
Exchange gains and losses		-2.5	-1.1	-1.4	-1.3	2.1
Net financial items		-52.1	-8.0	-44.1	-16.0	-8.3
<b>Result before income tax</b>		<b>131.3</b>	<b>487.8</b>	<b>-356.6</b>	<b>12.6</b>	<b>49.7</b>
Income tax	4	-22.7	-104.2	81.5	-2.0	-8.9
<b>Result for the period</b>		<b>108.5</b>	<b>383.6</b>	<b>-275.1</b>	<b>10.5</b>	<b>40.8</b>

## Consolidated statement of comprehensive income

<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to profit and loss</b>						
Items relating to adjustments of defined benefit plans		-3.1	-5.4	2.3	-2.7	-6.9
Fair value of financial assets through other comprehensive income		-39.2	-102.7	63.5	2.3	-24.3
Income tax relating to items that will not be reclassified		7.8	21.9	-14.1	-0.5	6.5
<b>Total</b>		<b>-34.5</b>	<b>-86.2</b>	<b>51.7</b>	<b>-0.9</b>	<b>-24.7</b>
<b>Items that may be reclassified subsequently to profit and loss</b>						
Cash flow hedges		-103.4	-26.1	-77.3	-80.7	39.6
Currency translation differences		-26.6	5.7	-32.3	-10.4	39.9
Share of other comprehensive income items of the associated company		0.0	0.0	0.0	0.0	0.0
Income tax relating to items that may be reclassified		20.7	5.2	15.5	16.1	-7.9
<b>Total</b>		<b>-109.3</b>	<b>-15.2</b>	<b>-94.1</b>	<b>-74.9</b>	<b>71.6</b>
<b>Other comprehensive income, net of tax</b>		<b>-143.8</b>	<b>-101.4</b>	<b>-42.4</b>	<b>-75.8</b>	<b>46.9</b>
<b>Total comprehensive income for the period</b>		<b>-35.3</b>	<b>282.2</b>	<b>-317.5</b>	<b>-65.2</b>	<b>87.7</b>
<b>Result for the period attributable to:</b>						
Members of parent company		94.6	304.7	-210.1	9.9	47.5
Non-controlling interests		14.0	79.0	-65.0	0.6	-6.6
<b>Total</b>		<b>108.5</b>	<b>383.6</b>	<b>-275.1</b>	<b>10.5</b>	<b>40.8</b>
<b>Total comprehensive income attributable to:</b>						
Members of parent company		13.2	247.1	-233.9	-33.8	68.8
Non-controlling interests		-48.5	35.2	-83.6	-31.5	19.0
<b>Total</b>		<b>-35.3</b>	<b>282.2</b>	<b>-317.5</b>	<b>-65.2</b>	<b>87.7</b>

## Consolidated balance sheet

EUR million	Note	2024 31.12.	2023 31.12.
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill		415.6	419.1
Other intangible assets		375.4	324.8
Tangible assets	5	5,450.0	5,410.0
Biological assets		3.1	2.7
Investments in associated companies and joint ventures		4.1	4.1
Other investments	9	237.3	275.3
Other non-current assets	9	48.1	64.0
Deferred tax receivables		34.7	32.3
		<b>6,568.4</b>	<b>6,532.4</b>
<b>Current assets</b>			
Inventories		1,513.6	1,180.7
Accounts receivables and other receivables		828.9	883.2
Cash and cash equivalents	9	991.6	1,511.6
		<b>3,334.2</b>	<b>3,575.5</b>
<b>Total assets</b>		<b>9,902.5</b>	<b>10,107.9</b>
<b>Members' funds</b>			
Members' capital		1,552.3	1,452.9
Translation differences		-59.6	-45.9
Fair value and other reserves		709.7	773.3
Retained earnings		2,095.9	2,101.8
Members' funds		4,298.2	4,282.0
Non-controlling interests		1,260.7	1,361.2
		<b>5,559.0</b>	<b>5,643.2</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		364.5	399.3
Post-employment benefit obligations		54.7	59.8
Provisions	6	16.3	11.5
Borrowings	9	1,608.0	1,698.5
Other non-current liabilities		8.9	11.9
		<b>2,052.4</b>	<b>2,180.9</b>
<b>Current liabilities</b>			
Provisions	6	0.4	2.9
Current borrowings	9	631.1	491.1
Accounts payable and other liabilities		1,659.6	1,789.8
		<b>2,291.2</b>	<b>2,283.8</b>
<b>Total liabilities</b>		<b>4,343.5</b>	<b>4,464.8</b>
<b>Total members' funds and liabilities</b>		<b>9,902.5</b>	<b>10,107.9</b>



## Consolidated statement of changes in shareholders' equity

### Equity attributable to members of parent company

EUR Million	Mem- bers' Capital	Transla- tion dif- ferences	Fair value and othet re- serves	Retained earnings	Total	Non-control- ling interests	Total
<b>Members' funds 1.1.2023</b>	<b>1,438.6</b>	<b>-54.0</b>	<b>835.0</b>	<b>1,915.8</b>	<b>4,135.4</b>	<b>1,565.8</b>	<b>5,701.2</b>
Result for the period				304.7	304.7	79.0	383.6
Other comprehensive income, after tax		8.1	-62.0	-3.7	-57.6	-43.8	-101.4
<b>Total comprehensive income</b>		<b>8.1</b>	<b>-62.0</b>	<b>301.0</b>	<b>247.1</b>	<b>35.2</b>	<b>282.2</b>
Transactions with owners:							
Dividends paid				-69.9	-69.9	-209.0	-278.9
Reimbursement of surplus	13.4			-15.6	-2.2		-2.2
Change in members' capital	0.8		0.2	-11.1	-10.1		-10.1
Share based payments				0.9	0.9	0.1	1.0
Acquired shares from non-controlling interests, which did not change the controlling right				-18.6	-18.6	-31.6	-50.2
Sold shares from non-controlling interests, which did not change the controlling right			0.1	-0.7	-0.6	0.7	0.1
<b>Members funds 31.12.2023</b>	<b>1,452.9</b>	<b>-45.9</b>	<b>773.3</b>	<b>2,101.8</b>	<b>4,282.0</b>	<b>1,361.2</b>	<b>5,643.2</b>

### Equity attributable to members of parent company

EUR Million	Mem- bers' Capital	Transla- tion dif- ferences	Fair value and othet re- serves	Retained earnings	Total	Non-control- ling interests	Total
<b>Members' funds 1.1.2024</b>	<b>1,452.9</b>	<b>-45.9</b>	<b>773.3</b>	<b>2,101.8</b>	<b>4,282.0</b>	<b>1,361.2</b>	<b>5,643.2</b>
Result for the period				94.6	94.6	14.0	108.5
Other comprehensive income, after tax		-13.6	-64.0	-3.8	-81.4	-62.4	-143.8
<b>Total comprehensive income</b>		<b>-13.6</b>	<b>-64.0</b>	<b>90.8</b>	<b>13.2</b>	<b>-48.4</b>	<b>-35.3</b>
Transactions with owners:							
Dividends paid				-70.7	-70.7	-52.5	-123.2
Reimbursement of surplus	13.7			-15.7	-2.0		-2.0
Change in members' capital	85.7		0.4	-10.0	76.2		76.2
Share based payments				0.1	0.1	0.0	0.1
Sold shares from non-controlling interests, which did not change the controlling right				-0.5	-0.5	0.5	0.0
<b>Members funds 31.12.2024</b>	<b>1,552.3</b>	<b>-59.6</b>	<b>709.7</b>	<b>2,095.9</b>	<b>4,298.2</b>	<b>1,260.7</b>	<b>5,559.0</b>

## Condensed consolidated cash flow statement

EUR million	Note	2024 31.12.	2023 31.12.
Result for the period	8	108.5	383.6
Total adjustments	8	488.3	368.5
Change in working capital		-496.3	240.8
<b>Cash flow from operations</b>		<b>100.5</b>	<b>993.0</b>
Net financial items		-40.0	-12.2
Income taxes paid		-49.7	-55.1
<b>Net cash flow from operating activities</b>		<b>10.9</b>	<b>925.6</b>
Acquisitions		-1.7	-0.5
Investments in tangible and intangible assets		-566.0	-1,114.1
Disposals and other items	8	73.7	77.8
<b>Net cash flow from financing activities</b>		<b>-494.0</b>	<b>-1,036.9</b>
Change in members' funds		66.6	61.6
Change in non-controlling interest		0.0	-50.1
Change in long-term loans and other financial items		19.3	627.0
Dividends paid		-137.9	-295.8
<b>Net cash flow from financing activities</b>		<b>-52.1</b>	<b>342.7</b>
<b>Change in cash and cash equivalents</b>		<b>-535.2</b>	<b>231.5</b>
Cash and cash equivalents at beginning of period		1,511.6	1,265.0
Translation difference		0.3	-2.3
Change in cash and cash equivalents		-535.2	231.5
Value adjustments of investment funds included in cash and cash equivalents.		15.1	17.5
<b>Cash and cash equivalents at end of period</b>		<b>991.6</b>	<b>1,511.6</b>

## NOTES TO THE FINANCIAL STATEMENTS BULLETIN

### Note 1 – Background and accounting policies

Metsäliitto Cooperative and its subsidiaries comprise a forest industry group ("Metsä Group" or "Group"), the operations of which are organised in five business segments: Wood Supply and Forest Services; Wood Products Industry; Pulp and Sawn Timber Industry; Paperboard Industry; and Tissue and Greaseproof Papers. The Group's parent company is Metsäliitto Cooperative. The parent company is domiciled in Helsinki and the registered address is Revontulenpuisto 2, 02100 Espoo, Finland.

This financial statements of bulletin has been prepared in accordance with IAS 34, *Interim Financial Reporting*, and it should be read in conjunction with the 2023 IFRS financial statements. The effects of foreign exchange rates on the operating profit for the review period compared to the comparison period have been calculated based on the review period's estimated net currency flow, accounting for the realised impact of hedges. The figures in the financial statements of bulletin are based on the audited figures from the 2024 financial statements.

The same accounting principles have been applied as in the 2023 IFRS financial statements, with the following exception:

- Depreciation of machinery and equipment during the financial year has been further specified between the quarters where applicable to correspond with the allocation of the use of the economic benefit of the asset.

The amendments to standards applied in the 2024 financial period will not have a material impact on the consolidated financial statements.

#### **The impact of Russia's attack on the financial statements**

On 13 May 2024, Metsä Group completed a transaction with which the ownership of the Group's Russian subsidiaries – Metsä Svir LLC, Metsä Forest St. Petersburg LLC, Metsä Forest Podporozhye LLC and Metsä Board Rus LLC – was transferred to the VLP Group. In 2022, Metsä Group discontinued its business operations in Russia, including the Svir sawmill, wood supply and paperboard sales. After the transaction was completed in May, the Group no longer owns anything in Russia. The transaction had a total impact of EUR 13.8 million on the operating result for the financial period.

The Russian rouble-denominated translation differences of EUR 0.2 million of income accrued in 2024 up to the time of divestment are reported under financial income and expenses.

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

This financial statements bulletin was authorised for issue by the Board of Directors of Metsäliitto Cooperative on 6 February 2025.

## Note 2 – Segment information

Metsä Group's operating segments comprise the Group's business areas. The business areas produce different products and services, and they are managed as separate units. The operating segments are reported uniformly with internal reporting submitted to the chief operational decision-maker.

The President and CEO has been appointed the chief operational decision-maker in charge of allocating resources to the operating segments and evaluating their performance.

The same accounting policies are applied in segment reporting as for the Group as a whole. Transactions between segments are based on market prices.

### Sales by segment

	1-12/2024	1-12/2024	1-12/2024	1-12/2023	1-12/2023	1-12/2023
EUR million	External	Internal	Total	External	Internal	Total
Wood Supply and Forest Services	509.7	1,850.5	2,360.1	491.4	1,730.3	2,221.7
Wood Products Industry	530.6	23.3	553.9	573.4	18.2	591.6
Pulp and Sawn Timber Industry	1,707.7	620.6	2,328.3	1,973.1	525.5	2,498.6
Paperboard Industry	1,818.9	119.6	1,938.6	1,820.0	121.8	1,941.9
Tissue and Greaseproof Papers	1,152.1	0.8	1,152.9	1,249.4	0.9	1,250.2
Other operations	28.2	49.6	77.8	3.1	15.1	18.2
Elimination of internal sales		-2,664.4	-2,664.4		-2,411.8	-2,411.8
<b>Total sales</b>	<b>5,747.2</b>	<b>0.0</b>	<b>5,747.2</b>	<b>6,110.4</b>	<b>0.0</b>	<b>6,110.4</b>

### Operating result by segment

	2024	2023
EUR million	1-12	1-12
Wood Supply and Forest Services	32.5	29.0
Wood Products Industry	7.8	64.9
Pulp and Sawn Timber Industry	5.8	114.6
Paperboard Industry	62.3	120.8
Tissue and Greaseproof Papers	101.6	198.7
Other operations	-17.1	-31.4
Eliminations	-6.5	1.5
Operating result total	186.4	498.1
Share of results from associated companies and joint ventures	-0.6	-1.2
Financial costs, net	-54.6	-9.1
Income taxes	-22.7	-104.2
<b>Result for the period</b>	<b>108.5</b>	<b>383.6</b>

### Assets and liabilities by segment

<b>Assets</b>	<b>2024</b>	<b>2023</b>
<b>EUR million</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Wood Supply and Forest Services	585.8	476.1
Wood Products Services	526.9	414.3
Pulp and Sawn Timber Industry	4,063.2	4,190.2
Paperboard Industry	2,796.5	2,743.8
Tissue and Greasproof Paper Industry	1,103.7	940.2
Other operations	463.3	351.8
Eliminations	-577.3	-425.2
Unallocated assets	940.4	1,416.8
<b>Total</b>	<b>9,902.5</b>	<b>10,107.9</b>

Assets = intangible and tangible assets, investments in associated companies and joint ventures, inventories, accounts receivables and other non-interest-bearing receivables (excl. interest and tax items).

<b>Liabilities</b>	<b>2024</b>	<b>2023</b>
<b>EUR million</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Wood supply and forest services	340.7	282.9
Wood products services	114.5	93.7
Pulp and Sawn Timber Industry	833.2	918.5
Paperboard Industry	431.0	404.6
Tissue and Greasproof Paper Industry	331.9	310.1
Other operations	219.1	224.4
Eliminations	-577.3	-425.2
Unallocated liabilities	2,650.4	2,655.8
<b>Total</b>	<b>4,343.5</b>	<b>4,464.8</b>

Liabilities = accounts payable, advance payments and other non-interest-bearing liabilities (excl. interest and tax items).

### Note 3 - Geographical distribution of sales

	<b>2024</b>	<b>2023</b>
<b>EUR million</b>	<b>1–12</b>	<b>1–12</b>
EMEA	4,052.2	4,221.0
APAC	975.0	1,222.7
Americas	720.0	666.8
<b>Total</b>	<b>5,747.2</b>	<b>6,110.4</b>

#### Note 4 - Income tax

	2024	2023
EUR million	1–12	1–12
Taxes for the period	-25.9	-56.0
Taxes for previous periods	0.0	-0.2
Change in deferred taxes	3.2	-48.0
<b>Total</b>	<b>-22.7</b>	<b>-104.2</b>

The effective tax rate decreased due to the recognition in 2024 of EUR 5.6 million in deferred tax assets from the unused tax depreciation base of MI Demo Oy.

MI Demo Oy transferred to the Group's full ownership in 2023.

#### Note 5 – Changes in property, plant and equipment

	2024	2023
EUR million	1–12	1–12
Book value at beginning of period	5,410.0	4,625.9
Acquired businesses	0.7	6.0
Investments to owned property, plant and equipment	491.6	1,064.9
Investments to leased property, plant and equipment	36.4	53.8
Decreases	-17.0	-12.5
Depreciation, amortization and impairment losses	-443.0	-331.2
Translation difference and other changes	-28.7	3.1
<b>Carrying value at end of the period</b>	<b>5,450.0</b>	<b>5,410.0</b>

In January–December 2024, depreciation, amortisation and impairment include an impairment of EUR -13.9 million for the closure of the Suolahti plywood mills, an impairment of EUR -3.3 million for the closure of the Merikarvia sawmill, where sawing operations ended on 8 April 2024, and an impairment of EUR -2.1 million related to the Future Mill programme. Depreciation, amortisation and impairment also include EUR +5.2 million in

depreciation reversals related to the sale of the Group's Russian subsidiaries on 13 May 2024.

Acquired business operations in January–December 2023 include the property, plant and equipment of MI Demo Oy.

## Note 6 - Provisions

EUR million	Restructuring	Environ. obligations	Other Provisions	Total
1.1.	1.2	9.6	3.5	14.3
Translation differences		0.0	0.0	0.0
Additions	5.0	0.0	0.5	5.5
Utilised during the year	-1.1	-0.3	-0.7	-2.2
Unused amounts reversed		0.0	-0.9	-0.9
<b>31.12.2024</b>	<b>5.1</b>	<b>9.3</b>	<b>2.3</b>	<b>16.7</b>
Long term provisions	5.1	9.3	1.9	16.3
Short term provisions			0.4	0.4
<b>Total</b>	<b>5.1</b>	<b>9.3</b>	<b>2.3</b>	<b>16.7</b>

The increases in restructuring provisions are related to the closure of the Suolahti plywood mills. The environmental provisions and other provisions are expected to be released for the most part by 2030.

## Note 7 - Related party transactions

### Transactions with associated companies and joint ventures

EUR million	2024 1–12	2023 1–12
Sales	12.2	8.4
Purchases	-30.4	-25.1
Non-current receivables	6.3	3.6
Accounts receivables and other receivables	3.7	3.4
Accounts payables and other liabilities	3.0	3.2

The Group's related parties include its associated companies and joint ventures. Related parties also include the members of the Board of Directors and Executive Management Team as well as their close family members. Related party transactions with related parties are based on market prices.

## Note 8 – Notes to the consolidated cash flow statement

EUR million	2024 1–12	2023 1–12
Taxes	22.7	104.2
Depreciation and impairment charges	467.7	347.2
Biological assets	-0.5	0.6
Share of results from associated companies	0.6	1.2
Gains and losses on sale of non-current financial assets	-56.5	-90.0
Financial costs, net	54.6	9.1
Pension liabilities and provisions	-1.9	-7.0
Other adjustments	1.5	3.3
<b>Total</b>	<b>488.3</b>	<b>368.5</b>

### Disposals and other items

In January–December 2024, disposals and other items include the sale of shares in the Group's Russian subsidiaries and the sale of the wood supply business in Estonia, totalling EUR 20.7 million. In addition, disposals and other items include sales of tangible and intangible assets of EUR 56.7 million and other items of EUR -3.7 million. The most significant sales of fixed assets consisted of the sale of emission allowances for

EUR 41.1 million and real estate in Widnes, UK, for EUR 11.7 million.

In January–December 2023, disposals and other items include sales of intangible and tangible assets of EUR 80.6 million and other items of EUR -2.9 million. The most significant sales related to property, plant and equipment were the sales of emission

allowances (EUR 62.1 million), the sale of a land area in Konstancin in Poland (EUR 5.5 million), the sale of a property in Grangemouth in the UK (EUR 4.6 million), and the sale of a land area unrelated to business (EUR 3.7 million).

#### Change in non-controlling interest

In May–June 2023, Metsäliitto Cooperative acquired Metsä Board Corporation B shares in the value of EUR 50.1 million from the market based on the Board of Directors' authorisation at an average price of EUR 7.22 per share.

## Note 9 – Financial instruments

Classification of financial assets and liabilities and fair values

### Financial assets 31 December 2024

EUR million	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
Other non-current investments	4.8	232.5		237.3
Other non-current financial assets	0.0		11.9	11.9
Trade receivable and other receivables	4.1		667.0	671.1
Cash and cash equivalent	477.7		514.0	991.6
Derivative financial instruments	3.2	50.3		53.5
<b>Total carrying amount</b>	<b>489.7</b>	<b>282.9</b>	<b>1,192.9</b>	<b>1,965.5</b>
<b>Total fair value</b>	<b>489.7</b>	<b>282.9</b>	<b>1,192.9</b>	<b>1,965.5</b>

### Financial liabilities 31 December 2024

EUR million	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
Non-current interest-bearing financial liabilities			1,608.0	1,608.0
Other non-current financial liabilities			2.3	2.3
Current interest-bearing financial liabilities			631.1	631.1
Trade payable and other financial liabilities			1,255.1	1,255.1
Derivative financial instruments	6.6	73.6		80.1
<b>Total carrying amount</b>	<b>6.6</b>	<b>73.6</b>	<b>3,496.6</b>	<b>3,576.7</b>
<b>Total fair value</b>	<b>6.6</b>	<b>73.6</b>	<b>3,518.0</b>	<b>3,598.2</b>



### Financial assets 31 December 2023

EUR million	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
Other non-current investments	4.3	271.1		275.3
Other non-current financial assets			11.4	11.4
Trade receivable and other receivables	4.0		703.1	707.1
Cash and cash equivalent	426.9		1,084.6	1,511.6
Derivative financial instruments	8.5	97.3		105.9
Financial assets related to assets held for sale				
<b>Total carrying amount</b>	<b>443.8</b>	<b>368.4</b>	<b>1,799.1</b>	<b>2,611.2</b>
<b>Total fair value</b>	<b>443.8</b>	<b>368.4</b>	<b>1,799.1</b>	<b>2,611.2</b>

### Financial liabilities 31 December 2023

EUR million	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
Non-current interest-bearing financial liabilities			1,698.5	1,698.5
Other non-current financial liabilities			2.0	2.0
Current interest-bearing financial liabilities			491.1	491.1
Trade payable and other financial liabilities			1,378.7	1,378.7
Derivative financial instruments	2.8	15.8		18.6
Financial liabilities related to assets held for sale				
<b>Total carrying amount</b>	<b>2.8</b>	<b>15.8</b>	<b>3,570.3</b>	<b>3,589.0</b>
<b>Total fair value</b>	<b>2.8</b>	<b>15.8</b>	<b>3,570.6</b>	<b>3,589.2</b>

Trade receivables and other receivables do not include VAT receivables and accrued income.

Trade payables and other financial liabilities do not include advance payments, VAT liabilities and accrued expenses.

In Metsä Group, all interest-bearing liabilities are valued in the balance sheet at amortised cost based on an

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 6.0% (1.0–6.0). The fair values of trade receivables and other receivables and trade payables and other liabilities do not materially deviate from their carrying amounts on the balance sheet.

**Fair value hierarchy of financial assets and liabilities as of 31 December 2024**

EUR million	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value</b>				
Other non-current investments			237.3	237.3
Financial assets at fair value, current	350.0	127.7	4.1	481.8
Derivative financial assets	3.8	49.8		53.5
<b>Financial liabilities measured at fair value</b>				
Derivative financial liabilities	0.2	79.9		80.1
<b>Financial assets not measured at fair value</b>				
Cash and cash equivalent		514.0		514.0
<b>Financial liabilities not measured at fair value</b>				
Non-current interest-bearing financial liabilities		1,627.2		1,627.2
Current interest-bearing financial liabilities		633.4		633.4

**Fair value hierarchy of financial assets and liabilities as of 31 December 2023**

EUR million	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value</b>				
Other non-current investments			275.3	275.3
Financial assets at fair value, current	431.0			431.0
Derivative financial assets	0.2	105.7		105.9
<b>Financial liabilities measured at fair value</b>				
Derivative financial liabilities	4.1	14.5		18.6
<b>Financial assets not measured at fair value</b>				
Cash and cash equivalent		1,084.6		1,084.6
<b>Financial liabilities not measured at fair value</b>				
Non-current interest-bearing financial liabilities		1,698.3		1,698.3
Current interest-bearing financial liabilities		491.6		491.6

### Financial assets measured at fair value based on level 3

	2024	2023
EUR million	1–12	1–12
Opening balance	275.3	376.8
Gains and losses in income statement	0.0	0.1
Gains and losses in other comprehensive income	-38.4	-102.7
Acquisitions	0.5	0.6
Settlements	-0.1	-0.2
Transfers to level 3	4.1	0.8
<b>Closing balance</b>	<b>241.4</b>	<b>275.3</b>

Financial assets and liabilities measured at fair value are classified according to IFRS 7 (Financial Instruments: Disclosures).

#### Level 1:

Fair value is based on quoted prices in active markets.

#### Level 2:

Fair value is based on inputs observable for the asset either directly or indirectly.

#### Level 3:

Fair value is based on company estimates, not on market data.

The fair values of natural gas and fuel oil derivatives are measured based on publicly quoted market prices (Level 1). The fair values of currency forwards and options are determined based on market prices at the closing date of the reporting period. The fair values of interest rate swaps are measured applying a method based on the current value of future cash flows, supported by exchange rates, market interest rates on the closing date of the reporting period and other market inputs (Level 2). The fair value of financial instruments not traded in an active market is determined using various measurement methods. Discretion is used in choosing the methods and making assumptions based primarily on the market conditions prevailing at the closing date of the reporting period (Level 3).

The accounting policies applied in preparing the financial statements include a more detailed description of the recognition and measurement principles applied.

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

The average weighted capital cost applied in the calculation was 5.51% on 31 December 2024 (31 December 2023: 5.35). The acquisition cost of the Pohjolan Voima Oy shares on 31 December 2024 is EUR 33.4 million (33.5), and their fair value is EUR 232.5 million (271.1).

The carrying amount of other long-term investments on 31 December 2024 is estimated to change by EUR -9.3 million (-11.3), and by EUR 9.8 million (12.0) should the rate used for discounting the cash flows change by 0.5 percentage points from the rate estimated by the management. The carrying amount of other long-term investments is estimated to change by EUR 64.7 million (71.6) should the energy prices applied in the fair value calculation differ by 10% from the price estimated by the management.

## Derivatives 31 December 2024

EUR million	Nominal value	Derivative as-sets	Derivative liabilities	Fair value net	Fair value through profit and loss	Fair value through other com-prehensive income
Interest rate swaps	514.8	29.8		29.8		29.8
Interest rate derivatives	514.8	29.8		29.8		29.8
Currency forward contracts	3,344.5	19.9	71.8	-51.9	-3.4	-48.5
Currency forward contracts	993.2	0.1	8.1	-8.1		-8.1
Currency derivatives	4,337.8	20.0	79.9	-60.0	-3.4	-56.6
Oil derivatives	16.8	0.8	0.2	0.7		0.7
Natural gas derivatives	11.1	2.9		2.9		2.9
<b>Commodity derivatives</b>	<b>28.0</b>	<b>3.8</b>	<b>0.2</b>	<b>3.6</b>		<b>3.6</b>
<b>Derivatives total</b>	<b>4,880.6</b>	<b>53.5</b>	<b>80.1</b>	<b>-26.6</b>	<b>-3.4</b>	<b>-23.2</b>

## Derivatives 31 December 2023

EUR million	Nominal value	Derivative as-sets	Derivative liabilities	Fair value net	Fair value through profit and loss	Fair value through other com-prehensive income
Interest rate swaps	628.1	46.5		46.5		46.5
Interest rate derivatives	628.1	46.5		46.5		46.5
Currency forward contracts	3,055.1	54.8	13.9	40.9	5.7	35.2
Currency forward contracts	977.4	4.4	0.6	3.8		3.8
Currency derivatives	4,032.5	59.2	14.5	44.7	5.7	39.0
Oil derivatives	18.7	0.2	0.6	-0.5		-0.5
Natural gas derivatives	10.8		3.5	-3.5		-3.5
Commodity derivatives	29.5	0.2	4.1	-4.0		-4.0
<b>Derivatives total</b>	<b>4,690.1</b>	<b>105.9</b>	<b>18.6</b>	<b>87.2</b>	<b>5.7</b>	<b>81.5</b>

## Note 10 - Commitments and guarantees

EUR million	31.12.2024	31.12.2023
Liabilities secured by collateral	6.7	7.9
Floating charges	0.4	0.5
Chattels mortgages	0.2	0.4
Total pledges and mortgages	0.7	0.9
Leases not yet commenced to which the Group is committed	32.1	
Other commitments on own behalf	2.6	3.6
Commitments on behalf of associated companies and joint ventures	0.0	0.0
<b>Total</b>	<b>35.4</b>	<b>4.5</b>

Commitments include pledges, floating charges, real estate mortgages, chattels mortgage and guarantee liabilities.

### Commitments related to the acquisition of intangible assets and tangible fixed assets

EUR million	31.12.2024	31.12.2023
Payments due in following 12 months	198.8	359.5
Payments due later	38.0	124.4
<b>Total</b>	<b>236.8</b>	<b>483.8</b>