

Metsä Group
Interim Report 1 January – 31 March 2025



Metsä Group's comparable operating result for January–March 2025 was EUR 81 million

January–March 2025 (1–3/2024)

- Sales were EUR 1,642 million (1,457).
- Operating result was EUR 51 million (58). Comparable operating result was EUR 81 million (70).
- Result before taxes was EUR 37 million (45). Comparable result before taxes was EUR 67 million (57).
- Comparable return on capital employed was 4.4% (4.0).
- Net cash flow from operations was EUR -10 million (-137).

Events during the first quarter of 2025

- The average sales prices of Metsä Group's softwood market pulp remained at the same level in Europe and increased by 3% in China compared to the previous quarter.
- Demand for softwood market pulp has remained stable in Europe and North America. In China, demand was at a good level during the early part of the year but weakened in March. The global supply of softwood pulp has decreased due to previous capacity shutdowns.
- Metsä Group's paperboard delivery volumes increased from the previous quarter. Average paperboard prices remained at roughly the same level as in 2024.
- A decision was made to shut down the Tako board mill and improve the operational efficiency of the Kyro board mill. These measures will lead to the reduction of 208 jobs.
- In February, Metsä Group initiated pre-engineering of a Kuura textile fibre mill in preparation for the fibre's industrial production.
- Plans for capacity adjustments and equipment renewals are underway at the Kreuzau tissue paper mill. The Mänttä tissue paper mill is investing in fresh fibre processing and equipment renewals, and planning to phase out recycled fibre. Change negotiations are underway at both mills.
- Jussi Vanhanen was appointed as the CEO of Metsä Group starting from July 1, 2025.

US tariffs

The US has announced tariffs on nearly all countries in an attempt to get foreign companies to move their production to the US. Metsä Group's main exports to the US are paperboard and pulp. Based on the information available on 29 April 2025, these products, if produced

in the EU, will be subject to a tariff of 10%. If the parties are unable to find a solution in negotiations, the tariffs on these products will increase to 20% after the negotiation pause on 9 July. Metsä Group is negotiating with its customers in the United States about the impact of tariffs on the product prices.

In 2024, the US accounted for approximately EUR 615 million, or 11%, of Metsä Group's sales. The tariffs will be felt most in Metsä Group's paperboard business, which accounts for around 70% of Metsä Group's exports to the US. Metsä Group is the largest importer of folding boxboard and coated white kraftliner in the US, and no fully equivalent products are produced in the country.

Result guidance for April–June 2025

In April–June 2025, Metsä Group's comparable operating result is expected to be weaker than in January–March 2025.

President and CEO Ilkka Härmälä:

Like last year, the first quarter of 2025 was marked by low demand and a weak financial result. Comparable result improved from the first quarter of 2024, largely because of the impact of political strikes in the comparison period.

The market outlook for business areas is consistent with previous reports. Wood supply is progressing as planned at a slightly increasing price level, while demand in the mechanical forest industry is not showing signs of recovery in the construction industry. Demand for Kerto® LVL has remained at a good level, and sawn timber prices have increased during the first quarter.

Market development of the pulp business is affected by the uncertainties concerning China's economy, and the increased capacity of eucalyptus pulp. However, the price indexes for both the Chinese and European markets increased slightly in the first quarter.

The folding boxboard market continues to be disturbed by the significant overcapacity of corresponding qualities from Asian producers. The market situation for coated linerboard was normal. The US tariffs announced after the reporting period are creating uncertainty in delivery estimates. The market for tissue and greaseproof papers has remained stable.

The ongoing development investment projects have progressed as scheduled. Equipment installations began at the Äänekoski Kerto LVL mill, and test runs will be initiated in a year. The installation of the main equipment for the Mariestad tissue paper mill investment is underway, and test runs of the converting lines and automated warehouse will begin with the products of current lines in the second quarter. Construction of the lignin demo plant is progressing in Äänekoski, and preparations are underway for the commissioning of a carbon capture demo plant in Rauma. Pre-engineering of new product investments is continuing. As for Muoto moulded fibre packaging, the demo plant's products are now being sold on the market. Pre-engineering of industrial production of the Kuura textile fibre was initiated.

In addition to development investments, Metsä Group must ensure its current mills' competitiveness. The maintenance of Metsä Group's mills is based on the long-term life-cycle plans drawn up for each mill. A planned development programme is underway at the Simpele board mill, the first phase of which includes the renewal of the production line's coating section. The investment is valued at approximately EUR 60 million and is expected to be completed in the second half of 2025.

Change negotiations were initiated at the Kreuzau and Mänttä tissue paper mills to improve the efficiency of the mills' production processes and shut down production lines at the end of their life-cycles.

A decision was made to close the Tako board mill, and the production of its products has been or will be moved to other mills. Efficiency improvement measures were determined for the Kyro board mill. Overall, these decisions will see slightly more than two hundred job reductions.

Production at the Suolahti birch plywood mill ceased at the end of the quarter in accordance with the decision made in the previous quarter.

The growth trend in global demand for forest industry products has continued, and the importance of forestry and the forest industry remains strong for Finnish society. The conditions for pursuing profitable business remain good in Finland despite the recent upheaval in global politics and economic uncertainties.

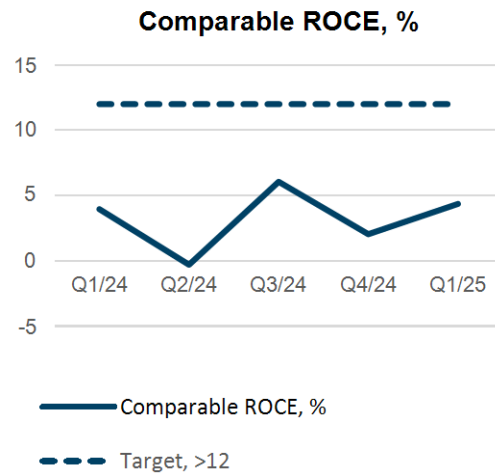
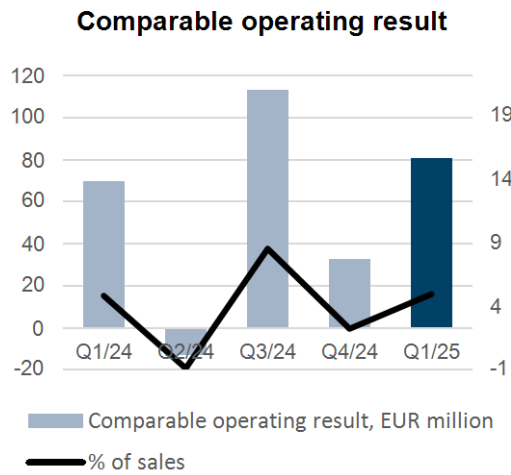
The Group has a strong 57% equity ratio, and its net gearing ratio is approximately at 20% level. We have carried out several investments to strengthen our competitiveness, and our development portfolio contains many projects for developing our current business and expanding Metsä Group's product portfolio. Our goal is to increase the added value of our products and replace fossil raw materials. Metsä Group's future choices will be guided by its ownership strategy, which essentially strives to create value for the forest assets of the Cooperative's owner-members.

In February, the Board of Directors of Metsäliitto Cooperative appointed the next President and CEO, who will assume the post on 1 July 2025. I am convinced that Metsä Group and its parent company Metsäliitto Cooperative have a successful future ahead of them as important players in the global forest industry. Success is based on persistent and systematic work, and our ownership base provides excellent opportunities for this.

To conclude my last interim report, I wish to thank all our owner-members and owners of the other Group companies for your trust and cooperation. I also wish to thank the many representatives of our stakeholders for the fruitful discussions and feedback that have encouraged me and our organisation to move forward on the path of continuous improvement.

Key figures

	2025 1–3	2024 1–3	2024 1–12
Sales, EUR million	1,642.1	1,457.5	5,747.2
EBITDA, EUR million	189.5	184.7	654.1
Comparable, EUR million	196.9	185.5	648.8
% of sales	12.0	12.7	11.3
Operating result, EUR million	51.4	57.7	186.4
Comparable, EUR million	80.9	69.9	203.0
% of sales	4.9	4.8	3.5
Result before income tax, EUR million	37.4	45.2	131.3
Comparable, EUR million	66.9	57.0	147.6
Result for the period, EUR million	27.6	40.4	108.5
Return on capital employed, %	2.9	3.3	2.7
Comparable, %	4.4	4.0	2.9
Return on equity, %	2.0	2.9	1.9
Comparable, %	3.6	3.6	2.1
Equity ratio, %	57.1	56.5	56.2
Net gearing ratio, %	22.9	15.9	22.2
Interest-bearing net liabilities, EUR million	1,311.0	887.4	1,235.7
Total investments, EUR million	99.1	116.1	603.3
Personnel at the end of the period	9,561	9,506	9,581



Sales and Operating result

1–3/2025, EUR million	Wood Supply and Forest services	Wood Products Industry	Pulp and Sawn timber industry	Paperboard Industry	Tissue and Greaseproof papers
Sales	742.2	127.2	788.7	480.8	283.9
Other operating income	3.0	2.4	7.2	10.6	1.7
Operating expenses	-729.3	-126.7	-691.6	-447.6	-258.5
Depreciation and impairment losses	-1.7	-8.5	-65.9	-47.6	-11.5
Operating result	14.2	-5.6	38.5	-3.8	15.6
Items affecting comparability	-1.2	4.3	-0.2	26.6	0.0
Comparable operating result	13.0	-1.3	38.3	22.8	15.6
% of sales	1.7	-1.0	4.9	4.7	5.5

Interim Report 1 January – 31 March 2025

Sales and result

Metsä Group's sales in January–March 2025 were EUR 1,642.1 million (1–3/2024: 1,457.5).

The comparable operating result was EUR 80.9 million (69.9), or 4.9% (4.8) of sales. Sales prices, among other things, contributed positively to the increase in operating result. In the comparison year, comparable operating result was weakened by strikes in Finland.

After hedging, exchange rate fluctuations had a positive effect of approximately EUR 2 million on the review period's operating result compared to the previous year.

Items affecting the comparability of the operating result in January–March totalled EUR -29.5 million (-12.2). Of the most significant items, EUR -26.7 million is related to the impairment of the Tako mill's assets, EUR -4.3 million to the discontinuation of Kumpuniemen Voima Oy's operations, and EUR 1.3 million to the capital gain from the sale of shares in OOO Metsa Forest St Petersburg.

Metsä Group's operating result (IFRS) was EUR 51.4 million (57.7). The share of the results of associated companies and joint ventures was EUR 0.7 million (0.0), financial income was EUR 4.2 million (6.9), exchange rate differences in financing were EUR -0.7 million (-2.5), and financial expenses totalled EUR 18.1 million (17.0).

The result before taxes was EUR 37.4 million (45.2), and taxes including changes in deferred tax liabilities totalled EUR 9.9 million (4.8). The Group's effective tax rate was 26.4% (10.6). In the 2024 comparison period, the effective tax rate decreased due to the recognition of EUR 6.8 million in deferred tax assets from the unused tax depreciation base of MI Demo Oy. The result for the review period was EUR 27.6 million (40.4).

The return on capital employed was 2.9% (3.3), while the return on equity was 2.0% (2.9). The comparable return on capital employed was 4.4% (4.0), and the comparable return on equity was 3.6% (3.6).

Balance sheet and financing

Metsä Group's liquidity has remained strong. Total liquidity at the end of March was EUR 1,520.3 million (31 December 2024: 1,641.6). This consisted of EUR 870.3 million (991.6) in liquid assets and investments, and EUR 650.0 million (650.0) 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 2024: 330.0) and by undrawn pension premium (TyEL)

funds amounting to EUR 435.3 million (31 December 2024: 435.3).

Net cash flow from operations was EUR -9.7 million (-137.2). A total of EUR 169.4 million in working capital was tied up (tied up: 292.2). Working capital increased due to trade and other receivables increasing by EUR 151.1 million and inventories increasing by EUR 81.5 million. Working capital decreased due to trade payables and other liabilities increasing by EUR 63.2 million.

The Group's equity ratio at the end of March was 57.1%, and its net gearing ratio was 22.9% (31 December 2024: 56.2 and 22.2). Net interest-bearing liabilities were EUR 1,311.0 million (31 December 2024: 1,235.7).

At the end of March, the equity ratio of the parent company Metsäliitto Cooperative was 87.6%, and the net gearing ratio was -14.4% (31 December 2024: 86.6 and -16.8).

In January–March, Metsäliitto Cooperative's members' capital increased by a total of EUR 36.2 million (37.1). The value of participation shares increased by EUR 1.3 million (1.8), and Metsä1 additional shares increased by EUR 74.8 million (102.3). The value of A additional shares declined by EUR -39.9 million (-66.9). The value of additional shares B changed by EUR 0.0 million (0.0).

Personnel

In January–March, Metsä Group had an average of 9,550 employees (9,478). Personnel expenses totalled EUR 192.5 million (178.8). At the end of March, the Group employed 9,561 people (31 December 2024: 9,581) of whom 5,662 (5,677) were based in Finland, and 3,899 (3,904) in other countries. The parent company Metsäliitto Cooperative employed 2,343 people at the end of March (31 December 2024: 2,404).

Changes in Metsä Group's management

In February, Jussi Vanhanen was appointed CEO of Metsäliitto Cooperative and President and CEO of Metsä Group as of 1 July 2025. Ilkka Hämälä will continue in the position until 30 June 2025, after which he will transfer to special duties within the company. He will continue performing these until his retirement on 23 October 2025.

Sari Pajari-Sederholm was appointed CEO of Metsä Tissue, Metsä Group's tissue and greaseproof paper business, as of 1 March 2025. She previously held the position of Metsä Group's EVP, Strategy.

Esa Kaikkonen was appointed CEO of Metsä Board, Metsä Group's paperboard business, as of 7 April 2025. He was previously CEO of Metsä Tissue. Mika Joukio will continue with the company until early October 2025, providing support for Kaikkonen.

Members

At the end of March, Metsäliitto Cooperative had 91,387 members (31 December 2024: 91,367). During January–March, 842 new members joined the Cooperative, and 822 members cancelled their membership. At the end of March, the forest area owned by the members totalled 5.512 million hectares (31 December 2024: 5.500).

Investments

Metsä Group's total investments in January–March were EUR 99.1 million (116.1), of which investments in owned property, plant and equipment were EUR 88.9 million (109.7), and investments in leased property, plant and equipment were EUR 10.2 million (6.4).

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 the Wood Products Industry in January 2025. The central financial system and the wood supply information system, which are also part of the system package, had been deployed previously.

Metsä Group will initiate pre-engineering of the first commercial mill producing the Kuura textile fibre. The purpose is to prepare for the industrial production of Kuura. This is a significant step in Metsä Group's efforts to develop wood-based products offering higher added value. The Kuura textile fibre is produced in Finland from softwood pulp, the raw material of which is obtained from the forests of Metsä Group's owner-members. Pre-engineering of the Kuura mill is expected to continue until the summer of 2026. The current project comprises four parts: the pre-engineering of the first commercial mill; the development of the production process; work conducted jointly with customers to pave the way for market entry; and tasks related to project financing. The application for an environmental permit is part of the mill's pre-engineering project.

A pre-engineering project for a commercial mill producing Muoto packaging is underway at Metsä Group. 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 of 2024, Metsä Group and Andritz initiated a study of the possibility of constructing a carbon capture facility in connection with a bioproduct mill.

The study focused 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 mill's construction is progressing according to planned schedule, and the installation of equipment began at full scale in April. 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.

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 board mill include renewals to mechanical pulp production and paperboard finishing, as well as a new power plant.

Pre-engineering is underway at the Husum board mill to investigate changes to the BM 2 production line to enable the production of food packaging and greaseproof papers instead of the current white kraftliner.

At the Husum pulp mill, pre-engineering is underway for the renewal of the drying machine.

At the Kyro board mill, pre-engineering focuses on improving the performance of barrier paperboards and expanding their end uses.

In January, Metsä Group introduced an investment and capacity adjustment plan at its Kreuzau mill in Germany, aimed at ensuring the mill's competitiveness and profitable growth. The company initiated change negotiations related to these plans, and the resulting measures are expected to affect around 120 people.

In March, Metsä Group announced an investment in fresh fibre processing and the renewal of water circulation systems of two tissue paper machines at the

Mänttä mill. At the same time, the company is planning to discontinue the production of recycled fibre at the Mänttä mill and adjust the production capacity by shutting down one tissue paper machine at the end of its life-cycle. The company initiated change negotiations concerning a total of 331 people.

Metsä Group is increasing its tissue paper production at the Mariestad mill in Sweden by renewing and expanding the mill in 2023–2025. The value of the investment is approximately EUR 370 million. The installation of the main equipment began in early 2025 and is now underway in every area of the mill. The renewed mill will start operations in the second half of 2025.

Metsä Group is planning a tissue paper mill investment in Goole in the UK. The mill's planned tissue paper production capacity will be 240,000 tonnes, and the mill would be constructed in phases. Planning has continued in early 2025, focusing on detailed mill, machine and equipment designs, and the environmental impact assessment.

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.

Key sustainability figures

	2025 1–3	2024 1–3	2024 1–12
Total recordable incident frequency TRIF ¹⁾	4.1	5.9	5.2
Women in leadership positions ²⁾ , %	29	27	28
Share of certified wood ³⁾ , %	93	93	93
Share of fossil free energy of total energy consumption ⁴⁾ , %	-	-	91
Direct fossil-based CO ₂ emissions, tonnes (Scope 1)	112,983	139,837	446,391
Indirect fossil-based CO ₂ emissions ⁵⁾ , tonnes (Scope 2)	-	-	336,459
Energy efficiency improvement ⁶⁾ , index	-	-	104
Reduction in process water use, %	-19	-12	-11

1) Per million hours worked.

2) The scope of the metric has been updated starting from 2025. A requirement level has been defined for leadership tasks included in the metric, covering demanding leadership and expert roles. These include all CEO, SVP, and VP roles, as well as a few demanding roles at a lower level. At the same time, the target level of the metric has been raised to 35 percent.

3) The target level of the metric has been raised to 100% starting from 2025.

4) Reported annually.

5) Market-based, reported annually.

6) Reported every six months.

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

Sustainability

In early 2025, Metsä Group revised its 2030 sustainability targets. The revision included changes to existing targets, as well as new targets focusing on matters such as logistics emissions, the diversity of employees and occupational safety. Sustainability targets are part of Metsä Group's strategy work.

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 2025, a common perfor-

mance-based sustainability target was set for all salaried employees. Metsä Group's TRIF is used as the metric.

The company advances diversity, equity and inclusion with the Metsä for all vision, and measures progress through the respective targets. One of the targets is to increase the proportion of women in management positions to at least 35%.

Share of certified wood

Metsä Group aims to ensure that 100% of the wood it uses is certified. All the countries from which wood is procured have issued legislation requiring forests to be renewed after regeneration felling. Metsä Group procures wood mainly from Finland, Sweden and the Baltic countries. Metsä Group 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 published its climate transition plan in early 2025. The plan contains the 2030 targets for reducing Scope 1, Scope 2 and Scope 3 emissions, and the key measures for achieving the targets. It also includes Metsä Group's other targets linked to climate change mitigation and adaptation, which are related to forest management, resource-efficient production, product raw materials and carbon storage.

Metsä Group aims to reduce process water use by 35% per produced tonne from the 2018 level. Metsä Group's actions to reduce process water use include investments in processes and wastewater treatment, as well as developing processes so that they use less water. The actions improve water recycling and reduce water withdrawal from waterbodies.

Risks and uncertainties

The development and growth of the global economy are marked by uncertainty. 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. Despite the recovery, economic growth has remained slow, especially in the euro area. Slowing inflation and decreasing interest rates have boosted consumers' purchasing power to some extent, but consumers remain cautious in their purchase decisions, and consumption focuses on services. A prolonged situation could further decrease the demand for Metsä Group's products and weaken the company's profitability. The tariffs planned by the US are causing

uncertainty for US and global economic growth, and on the financial markets. They could also affect the European and Chinese economies. If economic growth and consumer demand continue to slow, they may have a negative impact on demand for Metsä Group's products and the company's profitability.

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.

Russia's continued war of aggression in Ukraine has maintained global geopolitical tensions and negatively affected the economy. The ongoing conflict in the Middle East is causing uncertainty in the global business environment, and its prolongation or escalation 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 wood market situation 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 availability and pricing of material damage and consequential loss insurance may also involve risks.

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 Review.

Near-term outlook

The demand for wood will focus particularly on felling sites suitable for summer harvesting and on roundwood from delivery sales. We will also buy regeneration felling 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.

In much of Europe, the outlook for construction remains muted, and this is reflected in the weak demand for spruce plywood in particular. Moreover, cheaper alternatives are increasing their market share in spruce plywood. However, demand for Kerto LVL products remains stable.

The overall demand for birch plywood is expected to remain stable, but industrial customers' demand for speciality plywood products 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.

The US tariff policy has fuelled global economic uncertainty. If implemented, the tariffs will reduce demand for market pulp due to slower economic growth and shift trade flows for softwood market pulp between different market areas.

The pulp capacity closures announced in 2024 and the constraints affecting the availability of wood raw material especially in North America will further reduce the global supply of softwood market pulp.

A slight seasonal increase in demand for sawn timber is expected in the second quarter.

A repair shutdown of evaporation plant will begin at the Kemi bioproduct mill in the second quarter, in which the units damaged in the gas explosion, which were repaired earlier, will be replaced with new ones to ensure availability and the original life-cycle. The repair shutdown beginning in May is expected to last five weeks. The gas explosion compensation process, which began in 2024, will be continued with the insurance company after the final repairs to the evaporation plant are completed.

Consumers' cautious purchase behaviour and the supply of fresh fibre paperboards increasing faster than demand, especially in the EMEA region, add to the uncertainties of paperboard sales development. The tariffs imposed by the United States will directly and indirectly affect sales development and the board market in general, which will weaken predictability in the near future. Metsä Board's total board deliveries in April-June are estimated to remain at approximately the same level as in January-March.

The repair shutdown beginning at the Kemi bioproduct mill will also affect kraftliner production.

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 mill
Q4/2025	Rauma pulp mill

Result guidance for April-June 2025

In April-June 2025, Metsä Group's comparable operating result is expected to be weaker than in January-March 2025.

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, 29 April 2025

BOARD OF DIRECTORS

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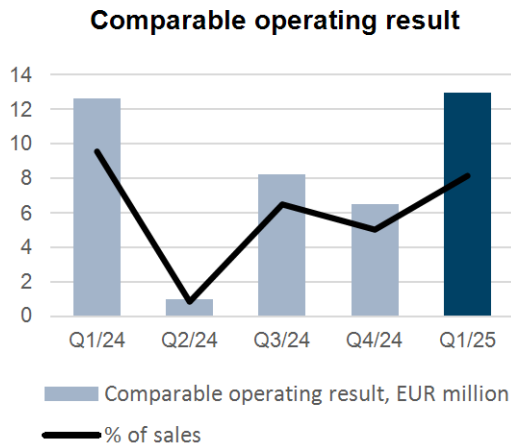
Metsä Group will publish the following financial reports in 2025:

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

	2025	2024	2024
	1–3	1–3	1–12
Wood Supply and Forest Services			
Sales, EUR million	742.2	615.6	2,360.1
EBITDA, EUR million	15.9	14.4	37.0
Comparable EBITDA, EUR million	14.7	14.4	35.6
Operating result, EUR million	14.2	12.6	32.5
Comparable operating result, EUR million	13.0	12.6	28.4
% of sales	1.7	2.0	1.2
Comparable ROCE, %	19.0	21.2	13.0
Total investments, EUR million	4.7	1.8	3.3
Personnel at end of period	671	689	671
Wood deliveries, 1,000 m ³	9,225	8,418	29,757



The sales of Wood Supply and Forest Services, i.e. Metsä Forest, in January–March totalled EUR 742.2 million (1–3/2024: 615.6), and the comparable operating result was EUR 13.0 million (12.6).

In January–March, sales and operating result increased from the corresponding period last year due to higher wood delivery volumes. At the beginning of last year, delivery volumes were reduced by the strikes at Finnish production units and the production shutdown at the Kemi bioproduct mill.

In Finnish private forests, wood trade was brisk in January–March. Wood prices remain very high, meaning that the situation has not essentially changed since last year. In January–March, harvesting conditions were challenging in southern Finland because of the mild winter.

In the Baltics, the pulpwood market was balanced in January–March. The roadside price level of overbark

pulpwood was below Finnish prices. In Sweden, demand for log wood and pulpwood was strong, and overbark price levels were much the same as in Finland.

Metsä Group's wood purchases were successful in January–March. They were supported by the renewed price guarantee model and campaigns for members. 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 and small trees. Most of the wood in Finland was purchased from members of Metsäliitto Cooperative. The Metsä Group Plus management model, which emphasises forest biodiversity, remained widely popular among owner-members.

In January–March, Metsä Group delivered a total of 9.2 million cubic metres (8.4) of wood, approximately 90% of which was delivered to Finland's industrial sector. Forest services sales increased by more than 25% year-over-year. The development of forest owners' customer experience continued to be excellent, achieving yet another record level.

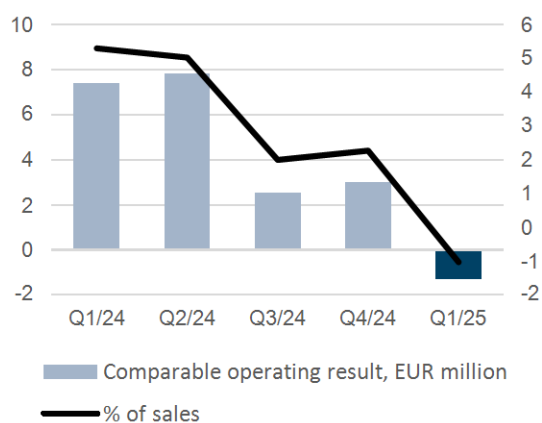
In March, Metsä Group announced it was selling its wood supply business in Latvia to ACA Timber, a Latvian company. The transaction requires approval from the Latvian competition authority, and it is expected to be concluded during the first half of 2025.

Metsä Group is accelerating growth in its owner-members' forests with a fertilisation campaign. In February–May 2025, Metsä Group's owner-members will receive a 10% discount on any growth-enhancing fertilisation they order.

Wood Products Industry

	2025	2024	2024
Wood Products Industry	1–3	1–3	1–12
Sales, EUR million	127.2	140.1	553.9
EBITDA, EUR million	2.9	12.9	43.8
Comparable EBITDA, EUR million	4.2	12.9	42.8
Operating result, EUR million	-5.6	7.4	7.8
Comparable operating result, EUR million	-1.3	7.4	20.8
% of sales	-1.0	5.3	3.8
Comparable ROCE, %	-0.6	8.1	5.4
Total investments, EUR million	25.9	20.9	147.2
Personnel at end of period	1,618	1,531	1,650
Engineered wood product deliveries, 1,000 m ³	107	91	407

Comparable operating result



Sales of the Wood Products Industry, i.e. Metsä Wood, in January–March were EUR 127.2 million (1–3/2024: 140.1), and the comparable operating result was EUR -1.3 million (7.4).

Sales declined by 9% year-over-year in the first quarter. Sales of engineered wood products increased by 3%, and the sales in euros of the UK business decreased by 24%. Delivery volumes decreased in birch and spruce plywood products, and in the UK business. Delivery volumes of Kerto LVL products increased. Sales prices of engineered wood products increased slightly year-over-year.

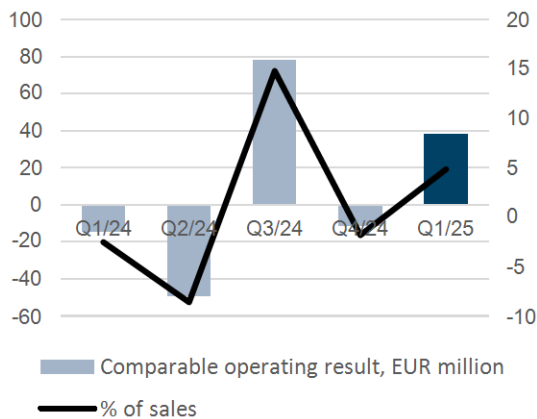
Profitability decreased from the previous year due to low demand for spruce plywood and the ERP system's deployment. Furthermore, higher raw material prices had a negative impact on profitability. General construction activity remained weak in Europe, which continued to be reflected especially in the weak demand for spruce plywood. The production of spruce plywood therefore had to be curtailed.

The operating result of the UK upgrading business decreased notably from the comparison period due to the challenges in the ERP system's deployment and changes in the customer portfolio.

Pulp and Sawn Timber Industry

	2025	2024	2024
Pulp and Sawn Timber Industry	1–3	1–3	1–12
Sales, EUR million	788.7	584.5	2,328.3
EBITDA, EUR million	104.4	50.3	252.8
Comparable EBITDA, EUR million	104.4	51.1	248.6
Operating result, EUR million	38.5	-19.3	5.8
Comparable operating result, EUR million	38.3	-14.7	2.2
% of sales	4.9	-2.5	0.1
Comparable ROCE, %	4.8	-1.6	0.2
Total investments, EUR million	6.0	17.0	111.7
Personnel at end of period	1,496	1,588	1,490
Pulp deliveries, 1,000 t	886	686	2,484
Sawn timber deliveries, 1,000 m ³	317	222	1,194

Comparable operating result



The sales of the Pulp and Sawn Timber Industry, i.e. Metsä Fibre, in January–March totalled EUR 788.7 million (1–3/2024: 584.5), and the comparable operating result was EUR 38.3 million (-14.7).

The sales and operating result increased from the first quarter of 2024, mainly due to higher sales prices and delivery volumes.

In January–March, Metsä Fibre's pulp delivery volume was 886,000 tonnes (686,000).

In the first quarter of 2025, the average sales prices of Metsä Group's softwood market pulp increased by 13%

in Europe and 7% in China compared to the first quarter of 2024. Compared to the last quarter of 2024, prices remained at the same level in Europe and increased by 3% in China.

Demand for softwood market pulp has remained stable in Europe and North America. In China, demand was at a good level during the early part of the year, but weakened in March. The global supply of softwood pulp has decreased due to previous capacity shutdowns.

Sawn timber deliveries amounted to 317,000 m³ (222,000). In January–March, average market prices of Metsä Group's sawn timber were 20% higher than in the comparison period. Compared to the last quarter of 2024, prices have increased by 4%.

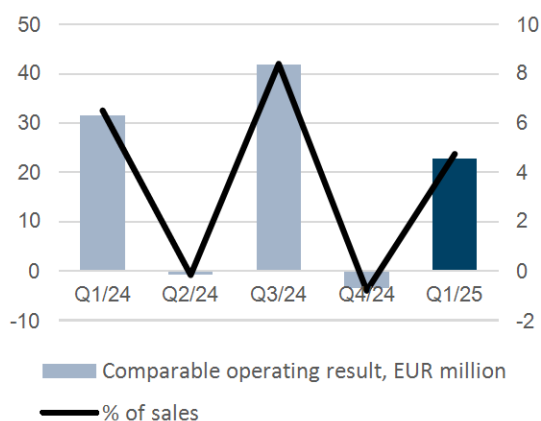
Sawn timber demand remains at a low level in all the main markets. In Europe, construction activity has remained subdued, keeping sawn timber consumption at a low level. In the Middle East and Africa, market demand has seen a seasonal decline.

In the comparison period – the first quarter of 2024 – pulp and sawn timber deliveries were affected by political strikes in Finland, which halted rail transports of wood raw material and brought ports to a standstill. They led to production shutdowns at the Joutseno pulp mill, Kemi bioproduct mill and sawmills in mid-March 2024.

Paperboard Industry

	2025	2024	2024
Paperboard Industry	1–3	1–3	1–12
Sales, EUR million	480.8	483.7	1,938.6
EBITDA, EUR million	43.8	57.0	175.9
Comparable EBITDA, EUR million	51.1	57.8	175.0
Operating result, EUR million	-3.8	23.0	62.3
Comparable operating result, EUR million	22.8	31.5	69.0
% of sales	4.7	6.5	3.6
Comparable ROCE, %	3.9	5.7	3.2
Total investments, EUR million	16.1	23.9	175.4
Personnel at end of period	2,290	2,263	2,290
Folding boxboard deliveries, 1,000 t	248	242	992
White kraftliner deliveries, 1,000 t	119	123	480
Market pulp deliveries, 1,000 t	100	115	400

Comparable operating result



The sales of the Paperboard Industry, i.e. Metsä Board, in January–March were EUR 480.8 million (1–3/2024: 483.7). The comparable operating result was EUR 22.8 million (31.5).

Items affecting comparability totalled EUR -26.6 million, which is mainly related to the impairment of the Tako mill's assets.

Total paperboard deliveries were 367,000 tonnes (364,000), and market pulp deliveries were 100,000 tonnes (115,000).

In January–March, the development of paperboard and market pulp sales largely corresponded to that in the comparison period. In the comparison period, profitability was negatively affected by political strikes in Finland.

Exchange rate fluctuations, including hedges, had a positive impact of around EUR 2 million on the operating result.

Energy and chemicals costs were down from the comparison period, but wood and logistics cost increased clearly year-over-year. Personnel expenses saw a slight increase.

Unused emissions allowances were sold for a total of approximately EUR 5 million (5).

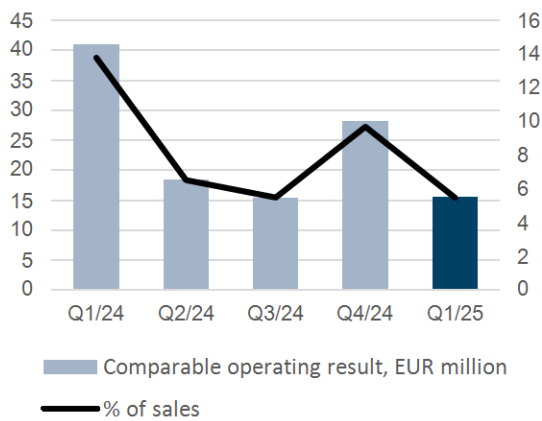
The associated company Metsä Fibre's share of Metsä Board's comparable operating result in January–March was EUR 5.5 million (-5.5).

Earnings per share were EUR -0.02 (0.04).

Tissue and greaseproof papers

	2025	2024	2024
Tissue and greaseproof papers	1–3	1–3	1–12
Sales, EUR million	283.9	297.7	1,152.9
EBITDA, EUR million	27.0	51.8	148.6
Comparable EBITDA, EUR million	27.0	51.8	148.1
Operating result, EUR million	15.6	41.1	101.6
Comparable operating result, EUR million	15.6	41.1	103.2
% of sales	5.5	13.8	9.0
Comparable ROCE, %	7.9	21.5	13.2
Total investments, EUR million	29.8	44.9	208.5
Personnel at end of period	2,488	2,503	2,487
Tissue paper deliveries, 1,000 t	111	118	458

Comparable operating result



The sales of Tissue and Greaseproof Papers, i.e. Metsä Tissue, in January–March were EUR 283.9 million (1–3/2024: 297.7). The comparable operating result was EUR 15.6 million (41.1).

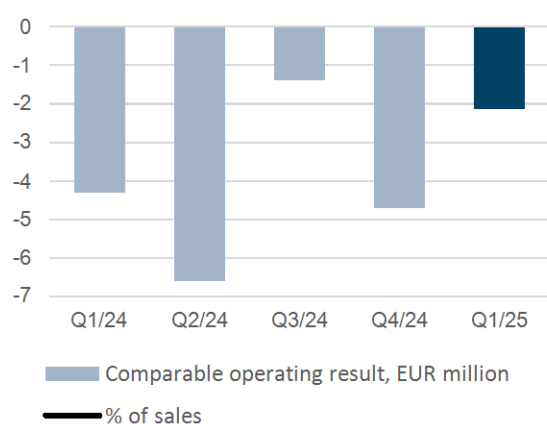
Metsä Tissue's sales decreased in the first quarter, mainly due to lower sales volumes. Market-based production curtailment continued.

The first-quarter result was down from the comparison period because of lower sales volumes and higher variable production costs and fixed costs.

Other operations

	2025	2024	2024
Other operations	1–3	1–3	1–12
Sales, EUR million	26.6	27.1	77.8
EBITDA, EUR million	0.4	-0.6	-4.5
Comparable EBITDA, EUR million	0.4	-0.6	-4.5
Operating result, EUR million	-2.1	-4.3	-17.1
Comparable operating result, EUR million	-2.1	-4.3	-17.1
Total investments, EUR million	14.5	10.1	62.0
Personnel at end of period	997	932	992

Comparable operating result



Sales of other operations in January–March were EUR 26.6 million (1–3/2024: 27.1), and the comparable operating result was EUR -2.1 million (-4.3).

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	2025 1–3	2024 1–3	2024 1–12
Operating result (IFRS)	51.4	57.7	186.4
Depreciation and impairment charges	138.1	127.0	467.7
EBITDA	189.5	184.7	654.1
Items affecting comparability:			
Wood Supply and Forest Services	-1.2		-1.5
Wood Products Industry	1.3		-1.1
Pulp and Sawn Timber Industry		0.8	-4.3
Paperboard Industry	7.3	0.8	-0.9
Tissue and Greaseproof Papers			-0.5
Other operations and eliminations		-0.8	2.8
Total	7.4	0.8	-5.3
Comparable EBITDA	196.9	185.5	648.8
Depreciation and impairment charges	-138.1	-127.0	-467.7
Items affecting comparability:			
Depreciations and reversals	22.1	11.4	21.9
Wood Supply and Forest Services			-2.6
Wood Products Industry	3.0		14.1
Pulp and Sawn Timber Industry	-0.2	3.8	0.7
Paperboard Industry	19.3	7.6	7.6
Tissue and Greaseproof Papers			2.1
Comparable Operating result	80.9	69.9	203.0
Share of results from associated companies and joint ventures	0.7	0.0	-0.6
Financial costs, net	-14.6	-12.6	-54.6
Items affecting comparability			
Pulp and Sawn Timber Industry		-0.3	-0.2
Comparable Result before income tax	66.9	57.0	147.6
Income tax	-9.9	-4.8	-22.7
Items affecting comparability:			
Wood Supply and Forest Services			0.4
Wood Products Industry	-0.9		-2.2
Pulp and Sawn Timber Industry		-0.9	-1.7
Paperboard Industry	-5.3	-1.5	-1.5
Tissue and Greaseproof Papers			-0.6
Other operations and eliminations			-0.3
Comparable Result for the period	50.9	49.8	118.9

Reconciliation by expense or income

	2025	2024	2024
EUR million	1–3	1–3	1–12
Operating result (IFRS)	51.4	57.7	186.4
Depreciation and impairment charges	138.1	127.0	467.7
EBITDA	189.5	184.7	654.1
Items affecting comparability:			
Other operating income	-1.3		-31.4
Change in inventories	5.9		3.5
Employee costs	0.7	0.8	3.0
Other operating expenses	2.1		19.5
Total	7.4	0.8	-5.3
Comparable EBITDA	196.9	185.5	648.8
Depreciation and impairment charges	-138.1	-127.0	-467.7
Items affecting comparability:			
Depreciations and reversals	22.1	11.4	21.9
Comparable Operating result	80.9	69.9	203.0
Share of results from associated companies and joint ventures	0.7	0.0	-0.6
Financial costs, net	-14.6	-12.6	-54.6
Items affecting comparability		-0.3	-0.2
Comparable Result before income tax	66.9	57.0	147.6
Income tax	-9.9	-4.8	-22.7
Items affecting comparability	-6.2	-2.4	-6.0
Comparable Result for the period	50.9	49.8	118.9

Items with a “+” sign = expenses affecting comparability

Items affecting the comparability of Metsä Group's net result for the January–March 2025 period totalled EUR -23.3 million. Of the most significant items, EUR -21.3 million is related to the impairment of the Tako mill's assets, EUR -3.4 million to the discontinuation of Kumpuniemen Voima Oy's operations, and EUR 1.3 million to the capital gain from the sale of shares in OOO Metsa Forest St Petersburg.

Items with a “-” sign = income affecting comparability

Items affecting the comparability of Metsä Group's net result for the January–March 2024 period totalled EUR -9.4 million.

Quarterly data

EUR million	2025 1–3	2024 10–12	2024 7–9	2024 4–6	2024 1–3
Sales					
Wood Supply and Forest Services	742.2	602.8	592.3	549.4	615.6
Wood Products Industry	127.2	132.0	126.0	155.8	140.1
Pulp and Sawn Timber Industry	788.7	642.5	526.7	574.6	584.5
Paperboard Industry	480.8	446.0	499.0	509.8	483.7
Tissue and Greaseproof Papers	283.9	290.3	281.3	283.6	297.7
Other operations	26.6	17.9	15.4	17.3	27.1
Internal sales	-807.3	-657.1	-705.1	-611.0	-691.2
Sales	1,642.1	1,474.5	1,335.7	1,479.5	1,457.5
Operating result					
Wood Supply and Forest Services	14.2	6.5	8.3	5.1	12.6
Wood Products Industry	-5.6	-10.2	2.5	8.0	7.4
Pulp and Sawn Timber Industry	38.5	-2.0	76.5	-49.5	-19.3
Paperboard Industry	-3.8	-1.7	41.7	-0.7	23.0
Tissue and Greaseproof Papers	15.6	28.2	16.4	16.0	41.1
Other operations	-2.1	-4.7	-1.4	-6.6	-4.3
Eliminations	-5.4	13.0	-32.8	16.0	-2.8
Operating result	51.4	29.2	111.2	-11.6	57.7
% of sales	3.1	2.0	8.3	-0.8	4.0
Share of results from associated companies and joint ventures	0.7	0.7	-0.3	-1.0	0.0
Exchange gains and losses	-0.7	-1.3	0.5	0.8	-2.5
Net financial items	-14.0	-16.0	-11.8	-14.2	-10.0
Result before income tax	37.4	12.6	99.6	-26.1	45.2
Income tax	-9.9	-2	-22.1	6.2	-4.8
Result for the period	27.6	10.5	77.5	-19.9	40.4
Comparable operating result					
Wood Supply and Forest Services	13.0	6.5	8.3	1.0	12.6
Wood Products Industry	-1.3	3.0	2.5	7.8	7.4
Pulp and Sawn Timber Industry	38.3	-11.6	78.0	-49.4	-14.7
Paperboard Industry	22.8	-3.6	41.9	-0.8	31.5
Tissue and Greaseproof Papers	15.6	28.2	15.5	18.5	41.1
Other operations and eliminations	-7.5	10.3	-33.0	10.0	-7.9
Comparable operating result	80.9	32.7	113.2	-12.9	69.9
% of sales	4.9	2.2	8.5	-0.9	4.8

Calculation of key figures

Return on capital employed (%) ROCE	=	(Result before taxes + other financial expenses and exchange rate differences) per (Balance sheet total - non-interest-bearing liabilities (average))
Return on equity (%) ROE	=	(Result before taxes - income taxes) per (Members' funds (average))
Equity ratio (%)	=	(Members' funds) per (Total assets - advance payments received)
Net gearing ratio (%)	=	(Interest-bearing net liabilities) per (Members' funds)
Interest-bearing net liabilities	=	Interest-bearing liabilities – cash and cash equivalents and interest-bearing receivables
EBITDA	=	Operating result before depreciation, amortisation and impairment charges
Operating result	=	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
Total investments	=	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.

Unaudited consolidated statement of income

EUR million	Note	2025 1–3	2024 1–3	Change	2024 1–12
Sales	2,3	1,642.1	1,457.5	184.6	5,747.2
Change in stocks of finished goods and work in progress		79.1	98.2	-19.1	152.7
Other operating income		16.9	13.5	3.4	226.3
Material and services		-1,239.0	-1,099.4	-139.7	-4,295.0
Employee costs		-192.5	-178.8	-13.6	-712.1
Depreciation and impairment losses		-138.1	-127.0	-11.1	-467.7
Other operating expenses		-117.1	-106.3	-10.9	-465.0
Operating result	2	51.4	57.7	-6.3	186.4
Share of results of associated companies and joint ventures		0.7	0.0	0.6	-0.6
Exchange gains and losses		-0.7	-2.5	1.9	-2.5
Net financial items		-14.0	-10.0	-3.9	-52.1
Result before income tax		37.4	45.2	-7.8	131.3
Income tax	4	-9.9	-4.8	-5.1	-22.7
Result for the period		27.6	40.4	-12.8	108.5

Unaudited consolidated statement of comprehensive income

Other comprehensive income					
Items that will not be reclassified to profit and loss					
Items relating to adjustments of defined benefit plans		1.2	-1.2	2.4	-3.1
Fair value of financial assets through other comprehensive income		-21.5	-44.5	23.0	-39.2
Income tax relating to items that will not be reclassified		4.0	9.1	-5.1	7.8
Total		-16.3	-36.5	20.2	-34.5
Items that may be reclassified subsequently to profit and loss					
Cash flow hedges		85.0	-32.7	117.6	-103.4
Currency translation differences		69.8	-36.6	106.4	-26.6
Share of other comprehensive income items of the associated company		0.0	0.0	0.0	0.0
Income tax relating to items that may be reclassified		-17.0	6.5	-23.5	20.7
Total		137.8	-62.7	200.5	-109.3
Other comprehensive income, net of tax		121.5	-99.2	220.7	-143.8
Total comprehensive income for the period		149.1	-58.8	207.9	-35.3
Result for the period attributable to:					
Members of parent company		25.2	39.6	-14.4	94.6
Non-controlling interests		2.3	0.7	1.6	14.0
Total		27.6	40.4	-12.8	108.5
Total comprehensive income attributable to:					
Members of parent company		95.8	-16.1	111.9	13.2
Non-controlling interests		53.2	-42.7	95.9	-48.4
Total		149.1	-58.8	207.9	-35.3

Unaudited consolidated balance sheet

EUR million	Note	2025 31.3.	2024 31.3.	2024 31.12.
ASSETS				
Non-current assets				
Goodwill		421.6	415.0	415.6
Other intangible assets		388.8	326.5	375.4
Tangible assets	5	5,453.7	5,363.0	5,450.0
Biological assets		3.1	2.7	3.1
Investments in associated companies and joint ventures		4.8	4.2	4.1
Other investments	9	215.8	230.9	237.3
Other non-current assets	9	47.6	65.4	48.1
Deferred tax receivables		38.1	38.6	34.7
		6,573.4	6,446.3	6,568.4
Current assets				
Inventories		1,592.6	1,319.7	1,513.6
Accounts receivables and other receivables		1,002.5	863.7	828.9
Cash and cash equivalents	9	870.3	1,240.5	991.6
		3,465.3	3,423.9	3,334.2
Assets classified as held for sale		12.4	5.2	0.0
Total assets		10,051.2	9,875.5	9,902.5
Members' funds				
Members' capital		1,588.5	1,490.0	1,552.3
Translation differences		-17.5	-66.2	-59.6
Fair value and other reserves		737.4	738.7	709.7
Retained earnings		2,120.3	2,139.1	2,095.9
Members' funds		4,428.6	4,301.6	4,298.2
Non-controlling interests		1,302.1	1,266.0	1,260.7
		5,730.7	5,567.6	5,559.0
Non-current liabilities				
Deferred tax liabilities		384.0	377.8	364.5
Post-employment benefit obligations		54.5	56.2	54.7
Provisions	6	17.7	11.3	16.3
Borrowings	9	1,563.5	1,643.0	1,608.0
Other non-current liabilities		8.9	12.1	8.9
		2,028.5	2,100.4	2,052.4
Current liabilities				
Provisions	6	1.9	1.9	0.4
Current borrowings	9	628.7	495.3	631.1
Accounts payable and other liabilities		1,656.7	1,710.2	1,659.6
		2,287.2	2,207.4	2,291.2
Liabilities classified as held for sale		4.7	0.2	0.0
Total liabilities		4,320.4	4,307.9	4,343.5
Total members' funds and liabilities		10,051.2	9,875.5	9,902.5

Unaudited 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
Members' funds 1.1.2024	1,452.9	-45.9	773.3	2,101.8	4,282.0	1,361.2	5,643.2
Result for the period				39.6	39.6	0.7	40.4
Other comprehensive income, after tax		-20.3	-34.5	-0.9	-55.7	-43.5	-99.2
Total comprehensive income		-20.3	-34.5	38.7	-16.1	-42.7	-58.8
Transactions with owners:							
Dividends paid				4.0	4.0	-52.5	-48.6
Change in members' capital	37.1			-4.5	32.6		32.6
Share based payments				-0.4	-0.4	-0.4	-0.9
Sold shares from non-controlling interests, which did not change the controlling right				-0.5	-0.5	0.5	0.0
Members funds 31.3.2024	1,490.0	-66.2	738.7	2,139.1	4,301.6	1,266.0	5,567.6

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
Members' funds 1.1.2025	1,552.3	-59.6	709.7	2,095.9	4,298.2	1,260.7	5,559.0
Result for the period				25.2	25.2	2.3	27.6
Other comprehensive income, after tax		42.1	27.7	0.9	70.6	50.9	121.5
Total comprehensive income		42.1	27.7	26.1	95.8	53.2	149.1
Transactions with owners:							
Dividends paid				3.3	3.3	-12.0	-8.6
Change in members' capital	36.2			-4.7	31.5		31.5
Share based payments				-0.1	-0.1	-0.1	-0.1
Sold shares from non-controlling interests, which did not change the controlling right				-0.2	-0.2	0.2	0.0
Members funds 31.3.2025	1,588.5	-17.5	737.4	2,120.3	4,428.6	1,302.1	5,730.7

Unaudited condensed consolidated cash flow statement

EUR million	Note	2025 31.3.	2024 31.3.
Result for the period	8	27.6	40.4
Total adjustments	8	156.7	137.3
Change in working capital		-169.4	-292.2
Cash flow from operations		14.8	-114.5
Net financial items		-22.5	1.2
Income taxes paid		-2.1	-23.8
Net cash flow from operating activities		-9.7	-137.2
Acquisitions		0.0	0.0
Investments in tangible and intangible assets		-88.0	-110.8
Disposals and other items	8	10.9	5.6
Net cash flow from financing activities		-77.1	-105.2
Change in members' funds		31.5	32.6
Change in long-term loans and other financial items		-55.5	-55.8
Dividends paid		-12.0	-9.8
Net cash flow from financing activities		-36.0	-33.0
Change in cash and cash equivalents		-122.8	-275.4
Cash and cash equivalents at beginning of period		991.6	1,511.6
Translation difference		-0.1	0.2
Change in cash and cash equivalents		-122.8	-275.4
Value adjustments of investment funds included in cash and cash equivalents.		3.0	4.2
Cash and cash equivalents of assets held for sale		-1.4	0.0
Cash and cash equivalents at end of period		870.3	1,240.5

NOTES TO THE UNAUDITED INTERIM REPORT

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 interim report has been prepared in accordance with IAS 34, *Interim Financial Reporting*, and it should be read in conjunction with the 2024 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 this review are based on the audited figures in the 2024 financial statements.

The same accounting policies have been applied as in the 2024 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 2025 financial period will not have a material impact on the consolidated financial statements.

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

This interim report was authorised for issue by the Board of Directors of Metsäliitto Cooperative on 29 April 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

	1–3/2025	1–3/2025	1–3/2025	1–3/2024	1–3/2024	1–3/2024
EUR million	External	Internal	Total	External	Internal	Total
Wood Supply and Forest Services	145.8	596.5	742.2	128.1	487.4	615.6
Wood Products Industry	121.3	5.9	127.2	134.9	5.2	140.1
Pulp and Sawn Timber Industry	627.8	160.9	788.7	433.4	151.2	584.5
Paperboard Industry	449.9	31.0	480.8	451.1	32.6	483.7
Tissue and Greaseproof Papers	283.8	0.0	283.9	297.4	0.3	297.7
Other operations	13.5	13.2	26.6	12.6	14.5	27.1
Elimination of internal sales		-807.3	-807.3		-691.2	-691.2
Total sales	1,642.1	0.0	1,642.1	1,457.5	0.0	1,457.5

	1–12/2024	1–12/2024	1–12/2024
EUR million	External	Internal	Total
Wood Supply and Forest Services	509.7	1,850.5	2,360.1
Wood Products Industry	530.6	23.3	553.9
Pulp and Sawn Timber Industry	1,707.7	620.6	2,328.3
Paperboard Industry	1,818.9	119.6	1,938.6
Tissue and Greaseproof Papers	1,152.1	0.8	1,152.9
Other operations	28.2	49.6	77.8
Elimination of internal sales		-2,664.4	-2,664.4
Total sales	5,747.2	0.0	5,747.2

Operating result by segment

	2025	2024	2024
EUR million	1–3	1–3	1–12
Wood Supply and Forest Services	14.2	12.6	32.5
Wood Products Industry	-5.6	7.4	7.8
Pulp and Sawn Timber Industry	38.5	-19.3	5.8
Paperboard Industry	-3.8	23.0	62.3
Tissue and Greaseproof Papers	15.6	41.1	101.6
Other operations	-2.1	-4.3	-17.1
Eliminations	-5.4	-2.8	-6.5
Operating result total	51.4	57.7	186.4
Share of results from associated companies and joint ventures	0.7	0.0	-0.6
Financial costs, net	-14.6	-12.6	-54.6
Income taxes	-9.9	-4.8	-22.7
Result for the period	27.6	40.4	108.5

Assets and liabilities by segment

Assets	2025	2024	2024
EUR million	31.3.2025	31.3.2024	31.12.2024
Wood Supply and Forest Services	686.9	551.5	585.8
Wood Products Services	580.6	443.8	526.9
Pulp and Sawn Timber Industry	4,124.1	4,106.5	4,063.2
Paperboard Industry	2,904.0	2,704.6	2,796.5
Tissue and Greasproof Paper Industry	1,159.4	981.4	1,103.7
Other operations	379.5	366.9	463.3
Assest classified as held for sale	12.4	5.2	
Eliminations	-576.2	-467.1	-577.3
Unallocated assets	780.5	1,182.8	940.4
Total	10,051.2	9,875.5	9,902.5

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).

Liabilities	2025	2024	2024
EUR million	31.3.2025	31.3.2024	31.12.2024
Wood supply and forest services	385.0	283.2	340.7
Wood products services	111.6	109.0	114.5
Pulp and Sawn Timber Industry	898.7	855.7	833.2
Paperboard Industry	423.6	515.3	431.0
Tissue and Greasproof Paper Industry	305.5	318.8	331.9
Other operations	151.1	132.3	219.1
Liabilities classified as held for sale	4.7	0.2	
Eliminations	-576.2	-467.1	-577.3
Unallocated liabilities	2,616.3	2,560.5	2,650.4
Total	4,320.4	4,307.9	4,343.5

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

Note 3 - Geographical distribution of sales

	2025	2024	2024
EUR million	1–3	1–3	1–12
EMEA	1,055.1	1,030.4	4,052.2
APAC	401.0	253.2	975.0
Americas	186.0	173.9	720.0
Total	1,642.1	1,457.5	5,747.2

Note 4 - Income tax

EUR million	2025 1–3	2024 1–3	2024 1–12
Taxes for the period	-10.0	-13.0	-25.9
Taxes for previous periods	-0.9	0.0	0.0
Change in deferred taxes	1.1	8.2	3.2
Total	-9.9	-4.8	-22.7

In January–March 2024, the effective tax rate decreased due to the recognition of EUR 6.8 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

EUR million	2025 1–3	2024 1–3	2024 1–12
Book value at beginning of period	5,450.0	5,410.0	5,410.0
Acquired businesses			0.7
Investments to owned property, plant and equipment	72.1	96.5	491.6
Investments to leased property, plant and equipment	10.2	6.4	36.4
Decreases	-2.7	-0.4	-17.0
Depreciation, amortization and impairment losses	-134.7	-115.0	-443.0
Translation difference and other changes	59.3	-34.3	-28.7
Assets held for sale	-0.5	-0.2	
Carrying value at end of the period	5,453.7	5,363.0	5,450.0

In January–March 2025, assets classified as held for sale include the property, plant and equipment of Metsa Forest Latvia SIA.

In January–March 2025, depreciation, amortisation and impairment include a EUR -3.0 million impairment related to the discontinued operations of Kumpuniemen Voima Oy, and a EUR -19.2 million impairment related to the closure of the Tako board mill.

In January–March 2024, assets classified as held for sale include the property, plant and equipment of Metsä Forest Eesti AS.

In January–March 2024, depreciation, amortisation and impairment include an impairment of EUR 3.8 million for the property, plant and equipment of the Merikarvia sawmill, where sawing operations ended on 8 April 2024.

Note 6 - Provisions

EUR million	Restructuring	Environ. obligations	Other Provisions	Total
1.1.	5.1	9.3	2.3	16.7
Translation differences		0.0	0.0	0.0
Additions	2.7	0.0	0.3	3.0
Utilised during the year			-0.2	-0.2
31.3.2025	7.8	9.3	2.4	19.6
Long term provisions	6.3	9.3	2.0	17.7
Short term provisions	1.5		0.4	1.9
Total	7.8	9.3	2.4	19.6

The increases in restructuring provisions in January–March 2025 include EUR 1.3 million related to the discontinued operations of Kumpuniemen Voima Oy and EUR 1.5 million related to the closure of the Tako board mill.

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

	2025	2024	2024
EUR million	1–3	1–3	1–12
Sales	3.7	3.9	12.2
Purchases	-9.4	-8.3	-30.4
Non-current receivables	6.3	4.8	6.3
Accounts receivables and other receivables	1.6	2.7	3.7
Accounts payables and other liabilities	4.0	2.4	3.0

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

	2025	2024	2024
EUR million	1–3	1–3	1–12
Taxes	9.9	4.8	22.7
Depreciation and impairment charges	138.1	127.0	467.7
Biological assets	0.1	0.0	-0.5
Share of results from associated companies	-0.7	0.0	0.6
Gains and losses on sale of non-current financial assets	-7.8	-5.5	-56.5
Financial costs, net	14.6	12.6	54.6
Pension liabilities and provisions	2.2	-1.9	-1.9
Other adjustments	0.2	0.4	1.5
Total	156.7	137.3	488.3

Disposals and other items

In January–March 2025, disposals and other items include sales of tangible and intangible assets of EUR 7.6 million and other items of EUR 3.3 million. The most significant sales related to property, plant and equipment were the sales of emission allowances, totalling EUR 6.5 million.

In January–March 2024, disposals and other items include sales of tangible and intangible assets of EUR 7.0 million and other items of EUR -1.4 million. The most significant sales related to property, plant and equipment were the sales of emission allowances, totalling EUR 6.5 million.

Note 9 – Financial instruments

Classification of financial assets and liabilities and fair values

Financial assets 31 March 2025

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	211.0		215.8
Other non-current financial assets	0.0		11.8	11.8
Trade receivable and other receivables	4.0		803.7	807.7
Cash and cash equivalent	486.8		383.5	870.3
Derivative financial instruments	6.9	81.4		88.3
Financial assets related to assets held for sale			4.2	4.2
Total carrying amount	502.5	292.4	1,203.2	1,998.1
Total fair value	502.5	292.4	1,203.2	1,998.1

Financial liabilities 31 March 2025

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			1,563.5	1,563.5
Other non-current financial liabilities			3.1	3.1
Current interest-bearing financial liabilities			628.7	628.7
Trade payable and other financial liabilities			1,313.3	1,313.3
Derivative financial instruments	1.6	19.6		21.2
Financial liabilities related to assets held for sale			3.4	3.4
Total carrying amount	1.6	19.6	3,511.9	3,533.1
Total fair value	1.6	19.6	3,529.5	3,550.7

Financial assets 31 March 2024

EUR million	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
Other non-current investments	4.3	226.6		230.9
Other non-current financial assets			9.9	9.9
Trade receivable and other receivables	4.0		723.7	727.8
Cash and cash equivalent	642.9		597.6	1,240.5
Derivative financial instruments	0.8	68.6		69.4
Financial assets related to assets held for sale			0.8	0.8
Total carrying amount	652.0	295.2	1,332.0	2,279.2
Total fair value	652.0	295.2	1,332.0	2,279.2

Financial liabilities 31 March 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			1,643.0	1,643.0
Other non-current financial liabilities			3.0	3.0
Current interest-bearing financial liabilities			495.3	495.3
Trade payable and other financial liabilities			1,345.2	1,345.2
Derivative financial instruments	1.6	19.7		21.3
Financial liabilities related to assets held for sale			0.2	0.2
Total carrying amount	1.6	19.7	3,486.7	3,508.0
Total fair value	1.6	19.7	3,495.2	3,516.5

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 March 2025

EUR million	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Other non-current investments			215.8	215.8
Financial assets at fair value, current	331.6	155.2	4.0	490.8
Derivative financial assets	1.6	86.6		88.3
Financial liabilities measured at fair value				
Derivative financial liabilities	0.7	20.6		21.2
Financial assets not measured at fair value				
Cash and cash equivalent		383.5		383.5
Financial liabilities not measured at fair value				
Non-current interest-bearing financial liabilities		1,579.7		1,579.7
Current interest-bearing financial liabilities		630.0		630.0

Fair value hierarchy of financial assets and liabilities as of 31 March 2024

EUR million	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Other non-current investments			230.9	230.9
Financial assets at fair value, current	431.2	211.7		642.9
Derivative financial assets	2.0	67.4		69.4
Financial liabilities measured at fair value				
Derivative financial liabilities	3.6	17.7		21.3
Financial assets not measured at fair value				
Cash and cash equivalent		597.6		597.6
Financial liabilities not measured at fair value				
Non-current interest-bearing financial liabilities		1,650.2		1,650.2
Current interest-bearing financial liabilities		496.6		496.6

Financial assets measured at fair value based on level 3

EUR million	2025 1–3	2024 1–3	2024 1–12
Opening balance	241.4	275.3	275.3
Gains and losses in income statement	0.0	0.0	0.0
Gains and losses in other comprehensive income	-21.5	-44.5	-38.4
Acquisitions			0.5
Settlements	0.0	0.0	-0.1
Transfers to level 3			4.1
Closing balance	219.9	230.9	241.4

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 Oyj 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 5.97% on 31 March 2025 (31 December 2024: 5.51). The acquisition cost of the Pohjolan Voima Oyj shares on 31 March 2025 is EUR 33.4 million (33.4), and their fair value is EUR 211.0 million (232.5).

The carrying amount of other long-term investments on 31 March 2025 is expected to change by EUR -8.0 million (-9.3), and by EUR 8.4 million (9.8) 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 expected to change by EUR 59.7 million (64.7) should the energy prices applied in the fair value calculation differ by 10% from the price estimated by the management.

Derivatives 31 March 2025

EUR million	Nominal value	Derivative as-sets	Derivative liabilities	Fair value net	Fair value through profit and loss	Fair value through other comprehensive income
Interest rate swaps	473.1	29.0		29.0		29.0
Interest rate derivatives	473.1	29.0		29.0		29.0
Currency forward contracts	3,338.2	54.1	19.0	35.1	4.9	30.3
Currency forward contracts	999.5	3.5	1.6	2.0		2.0
Currency derivatives	4,337.7	57.7	20.6	37.1	4.9	32.2
Oil derivatives	19.6	0.5	0.6	0.0		0.0
Natural gas derivatives	4.3	1.1	0.1	1.0	0.4	0.6
Commodity derivatives	23.9	1.6	0.7	1.0	0.4	0.6
Derivatives total	4,834.6	88.3	21.2	67.1	5.3	61.8

Derivatives 31 March 2024

EUR million	Nominal value	Derivative as-sets	Derivative liabilities	Fair value net	Fair value through profit and loss	Fair value through other comprehensive income
Interest rate swaps	584.9	49.1		49.1		49.1
Interest rate derivatives	584.9	49.1		49.1		49.1
Currency forward contracts	2,866.3	15.2	15.0	0.2	-0.8	1.0
Currency forward contracts	1,110.0	3.1	2.7	0.4		0.4
Currency derivatives	3,976.3	18.3	17.7	0.6	-0.8	1.4
Oil derivatives	21.5	2.0	0.0	2.0		2.0
Natural gas derivatives	10.9		3.6	-3.6		-3.6
Commodity derivatives	32.3	2.0	3.6	-1.6		-1.6
Derivatives total	4,593.5	69.4	21.3	48.1	-0.8	48.9

Note 10 - Commitments and guarantees

EUR million	31.3.2025	31.3.2024	31.12.2024
Liabilities secured by collateral	6.7	7.4	6.7
Floating charges	0.5	0.4	0.4
Chattels mortgages	0.2	0.4	0.2
Total pledges and mortgages	0.6	0.8	0.7
Leases not yet commenced to which the Group is committed	32.1	32.1	32.1
Other commitments on own behalf	2.6	2.0	2.6
Commitments on behalf of associated companies and joint ventures		0.1	0.0
Total	35.4	35.0	35.4

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	31.3.2025	31.3.2024	31.12.2024
Payments due in following 12 months	179.9	272.4	198.8
Payments due later	28.7	150.1	38.0
Total	208.7	422.5	236.8