

Metsä Group
Half-year Financial Report 1 January–30 June 2025



Metsä Group's comparable operating result for January–June 2025 was EUR 44 million

January–June 2025 (1–6/2024)

- Sales were EUR 3,069 million (2,937).
- Operating result was EUR 6 million (46). Comparable operating result was EUR 44 million (57).
- Result before taxes was EUR -24 million (19). Comparable result before taxes was EUR 15 million (30).
- Comparable return on capital employed was 1.3% (1.8).
- Net cash flow from operations was EUR 10 million (-252).

April–June 2025 (4–6/2024)

- Sales were EUR 1,426 million (1,480).
- Operating result was EUR -46 million (-12). Comparable operating result was EUR -37 million (-13).
- Result before taxes was EUR -61 million (-26). Comparable result before taxes was EUR -52 million (-27).
- Comparable return on capital employed was -1.7% (-0.3).
- Net cash flow from operations was EUR 19 million (-114).

Events during the second quarter of 2025

- The average sales prices of Metsä Group's softwood market pulp were 5% higher in Europe and 6% lower in China than in the previous quarter.
- Demand for market pulp was weak in both Europe and China. Metsä Fibre has curtailed its pulp production at the Joutseno mill for the time being.
- Metsä Group's paperboard delivery volumes decreased slightly from the previous quarter. Average paperboard prices remained stable. The uncertainty caused by the US import duties in particular has negatively affected customers' purchasing behaviour.
- To improve profitability and competitiveness, the Tako board mill was closed permanently. The mill's production ended in June 2025, and production was transferred to Kyro board mill.
- Change negotiations at the Kreuzau tissue paper mill were concluded.
- Jussi Vanhanen assumed his post as President and CEO of Metsä Group on 1 July 2025.

US tariffs

The US has announced tariffs on nearly all countries. Metsä Group's main exports to the US are paperboard and pulp. These products were subject to a tariff of 10%

at the end of the review period. According to the preliminary trade agreement signed in July 2025, the United States will impose a 15% import duty on most EU products.

Metsä Group is negotiating with its customers in the US on the impacts of tariffs on product prices. In 2024, the US accounted for approximately EUR 615 million, or 11%, of Metsä Group's sales. The tariffs will impact most 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 July–September 2025

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

Events after the review period

Due to prolonged weak profitability and the uncertain market outlook, Metsä Group is to initiate the planning of a significant cost savings and profit improvement programme. The aim of the programme is to achieve annual cost savings of approximately EUR 300 million, which are expected to be implemented gradually from 2026.

The planning of the cost savings and profit improvement programme is to be completed by the end of the current quarter. According to the plans, the programme will focus on procurement and logistics costs, the wood supply chain's optimisation from the forest to production units, and the reduction of fixed costs. The programme does not include permanent or temporary closures of production units.

In addition to the cost savings programme, each Metsä Group's business area will aim to improve its result by updating and sharpening its commercial strategy.

President and CEO Jussi Vanhanen:

Metsä Group's result in the second quarter of 2025 was clearly negative. This was mainly due to the increased uncertainty in world trade. The US administration first raised tariffs on Chinese imports and later on nearly all other countries' imports. Metsä Group's customers reacted as any rational company would: cautiously. In the

short term, uncertainty about the level of tariffs was no less problematic than the tariffs themselves. In addition, consumer confidence weakened in both Europe and the US in the first half of the year.

In the second quarter, Metsä Group's pulp deliveries declined by more than 30% from the first quarter. Our pulp customers in Asia especially were concerned about their sales and profitability development and significantly reduced their sales volumes at the beginning of the quarter. This led to a decrease in prices. Demand in Asia recovered slightly towards the end of the quarter. In Europe, demand decreased to some extent in most end-use sectors due to increasing economic uncertainty.

Our US paperboard customers reduced their order volumes due to the uncertain tariff situation. We have avoided losing customers permanently so far, but prolonged uncertainty increases the risks. In Europe, demand remained stable.

Higher costs – especially those of wood raw material – also weakened the profitability of all Metsä Group business operations also in the second quarter. Metsä Group's wood purchase prices took a downward turn during the quarter but remained at a historically high level.

In recent years, Metsä Group's operations have focused on growing the business, which is important for the company and its owner-members in the long term. In line with our ownership strategy, all our production is in Northern Europe, but a third of our sales go outside Europe. Metsä Group is therefore susceptible to changes in global trade flows.

After the review period, the United States and the EU reached a preliminary agreement under which the US

will impose a 15% tariff on almost all imports from Europe, including forest industry products. The competitiveness of Nordic forest industry on the US market will depend both on local competition and on the tariff agreements the US makes with other countries. At this stage, it seems that our competitiveness is weakening compared to both American and Canadian operators, also due to the weaker dollar. The regionalisation of supply chains initiated by the pandemic will probably continue. Our significant growth investments in the tissue paper business and wood products industry will be completed during the next year. They are based on demand in Europe.

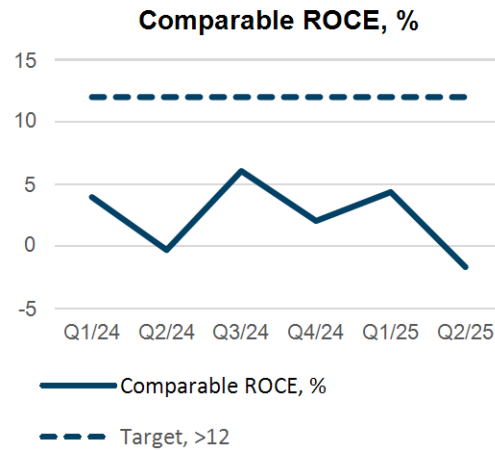
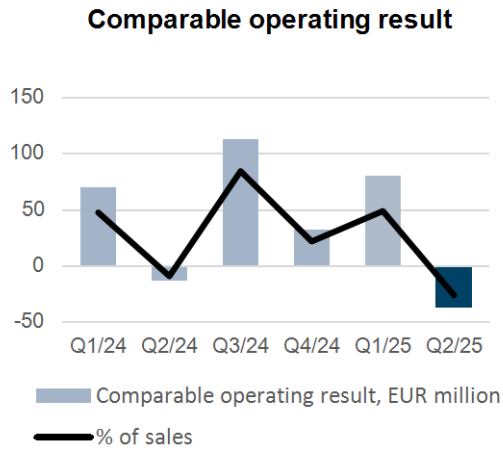
Metsä Group's equity ratio remains strong, and we must ensure that it continues to do so. Our current profitability level is unsustainable and does not enable new growth investments. We cannot just wait for a potential improvement in economic cycles but must instead focus on improving profitability. We are therefore initiating the planning of a cost savings and profit improvement programme, aiming for cost savings of at least EUR 300 million by the end of 2026.

We have considerable savings opportunities in procurement and logistics, fixed costs and the optimisation of wood consumption. This calls for increasingly close internal cooperation throughout the organisation. More detailed planning of cost savings projects is underway, and will be completed by the end of the third quarter.

Over its history, Metsä Group has faced various challenges and change and development needs, to which our employees have always responded with persistent effort. We will also address the current profitability challenge through determined cooperation.

Key figures

	2025 1–6	2024 1–6	2025 4–6	2024 4–6	2024 1–12
Sales, EUR million	3,068.6	2,937.0	1,426.5	1,479.5	5,747.2
EBITDA, EUR million	249.6	270.2	60.1	85.5	654.1
Comparable, EUR million	265.1	273.4	68.2	87.9	648.8
% of sales	8.6	9.3	4.8	5.9	11.3
Operating result, EUR million	5.6	46.1	-45.8	-11.6	186.4
Comparable, EUR million	44.3	57.0	-36.6	-12.9	203.0
% of sales	1.4	1.9	-2.6	-0.9	3.5
Result before income tax, EUR million	-23.9	19.1	-61.3	-26.1	131.3
Comparable, EUR million	14.8	29.8	-52.1	-27.3	147.6
Result for the period, EUR million	-21.4	20.5	-48.9	-19.9	108.5
Return on capital employed, %	0.4	1.5	-2.1	-0.2	2.7
Comparable, %	1.3	1.8	-1.7	-0.3	2.9
Return on equity, %	-0.8	0.7	-3.4	-1.4	1.9
Comparable, %	0.3	0.9	-3.1	-1.7	2.1
Equity ratio, %	56.9	56.4	56.9	56.4	56.2
Net gearing ratio, %	24.8	21.3	24.8	21.3	22.2
Interest-bearing net liabilities, EUR million	1,403.1	1,179.6	1,403.1	1,179.6	1,235.7
Total investments, EUR million	218.5	262.1	119.5	145.9	603.3
Net cash flow from operations, EUR million	9.6	-251.6	19.3	-114.4	10.9
Personnel at the end of the period	10,015	10,045	10,015	10,045	9,581



Sales and Operating result

1–6/2025, EUR million	Wood Supply and Forest services	Wood Products Industry	Pulp and Sawn timber industry	Paperboard Industry	Tissue and Greaseproof papers
Sales	1,378.4	254.5	1,376.5	940.9	564.8
Other operating income	5.8	4.9	14.9	21.0	3.1
Operating expenses	-1,359.6	-249.2	-1,264.4	-911.1	-530.1
Depreciation and impairment losses	-3.2	-14.0	-120.5	-76.4	-24.0
Operating result	21.4	-3.8	6.6	-25.5	13.9
Items affecting comparability	-3.1	4.3	-0.2	25.7	11.9
Comparable operating result	18.3	0.5	6.4	0.1	25.8
% of sales	1.3	0.2	0.5	0.0	4.6

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Sales and result

Metsä Group's sales in January–June 2025 were EUR 3,068.6 million (1–6/2024: 2,937.0).

Comparable operating result was EUR 44.3 million (57.0), or 1.4% (1.9) of sales. Increase in sales prices, among other things, contributed positively to the operating result. At the same time, increase in costs, particularly in wood raw material, had a negative impact on operating result. In the comparison year, comparable operating result was weakened by strikes in Finland.

After hedging, exchange rate fluctuations had a negative effect of approximately EUR 16 million on the operating result of the review period compared to the previous year.

Items affecting the comparability of the operating result in January–June totalled EUR -38.7 million (-10.9). Of the most significant items, EUR -26.4 million is related to the impairment of the Tako mill's assets, EUR -11.9 million to the capacity adjustment at the Kreuzau tissue paper mill, EUR -4.3 million to the discontinuation of Kumpuniemen Voima Oy's operations, EUR 1.8 million to the capital gain from the sale of shares in Metsä Forest Latvia SIA, 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 5.6 million (46.1). The share of the results of associated companies and joint ventures was EUR 0.2 million (-1.0), financial income was EUR 8.2 million (15.2), exchange rate differences in financing were EUR -1.2 million (-1.7), and financial expenses totalled EUR 36.7 million (39.5).

The result before taxes was EUR -23.9 million (19.1), and taxes including changes in deferred tax liabilities totalled EUR -2.5 million (-1.4). The Group's effective tax rate was 10.5% (-7.4). 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 -21.4 million (20.5).

The return on capital employed was 0.4% (1.5), while the return on equity was -0.8% (0.7). The comparable return on capital employed was 1.3% (1.8), and the comparable return on equity was 0.3% (0.9).

Balance sheet and financing

Metsä Group's liquidity has remained strong. Total liquidity at the end of June was EUR 1,566.7 million (31 December 2024: 1,641.6). This consisted of

EUR 916.7 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 360.0 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 9.6 million (-251.6). A total of EUR 191.7 million in working capital was tied up (tied up: 441.3). Working capital increased due to trade and other receivables increasing by EUR 39.9 million, inventories increasing by EUR 57.3 million, and trade payables and other liabilities decreasing by EUR 94.5 million.

The Group's equity ratio at the end of June was 56.9%, and its net gearing ratio was 24.8% (31 December 2024: 56.2 and 22.2). Net interest-bearing liabilities were EUR 1,403.1 million (31 December 2024: 1,235.7).

At the end of June, the equity ratio of the parent company Metsäliitto Cooperative was 89.1%, and net gearing was -15.2% (31 December 2024: 86.6 and -16.8).

In May 2025, Metsä Board issued a new green bond of EUR 200 million. The bond will mature in 2031 and has an annual coupon rate of 3.875%.

In January–June, Metsäliitto Cooperative's members' capital increased by a total of EUR 112.2 million (118.2). The value of participation shares increased by EUR 3.7 million (4.8), and that of Metsä1 additional shares by EUR 148.5 million (180.8). The value of A additional shares declined by EUR -40.0 million (-67.3). The value of additional shares B changed by EUR 0.0 million (0.0).

Personnel

In January–June, Metsä Group had an average of 9,706 employees (9,671). Personnel expenses totalled EUR 404.1 million (372.1). At the end of June, the Group employed 10,015 people (31 December 2024: 9,581) of whom 6,077 (5,677) were based in Finland, and 3,939 (3,904) in other countries. The parent company Metsäliitto Cooperative had 2,479 employees at the end of June (31 December 2024: 2,404).

Changes in Metsä Group's management

Jussi Vanhanen assumed his post as CEO of Metsäliitto Cooperative on 1 May 2025, and President and CEO of Metsä Group on 1 July 2025. Ilkka Hämälä

will continue in special duties within the company until his retirement on 23 October 2025.

Metsä Group renewed the structure and composition of its Executive Management Team as of 1 July 2025.

New roles in the Executive Management Team are held by Jaakko Anttila, who was appointed the Group's Chief Operating Officer (COO), Wilhelm Wolff, who was appointed EVP, Strategy and Investments, and Tomi Salo, who was appointed EVP, Stakeholder Engagement. Pertti Hietaniemi, EVP, Human Resources, and Miika Arola, EVP, Legal and Compliance were also appointed to the Executive Management Team. Other members of the Executive Team include Vesa-Pekka Takala, Group CFO and Deputy Managing Director of Metsäliitto Cooperative, Ismo Nousiainen, CEO of Metsä Fibre, Juha Jumppanen, EVP, Metsä Forest, Sari Pajari-Sederholm, who assumed her post as CEO of Metsä Tissue on 1 March 2025, Esa Kaikkonen, who assumed his post as CEO of Metsä Board on 7 April 2025, and Juha Pilli-Sihvola, who assumed his post as interim EVP, Metsä Wood on 1 July 2025.

Members

At the end of June, Metsäliitto Cooperative had 91,280 members (31 December 2024: 91,367). During January–June, 1,393 new members joined the Cooperative, and 1,480 members cancelled their membership. At the end of June, the forest area owned by the members totalled 5,522 million hectares (31 December 2024: 5.500).

Investments

Metsä Group's total investments in January–June were EUR 218.5 million (262.1), of which investments in owned property, plant and equipment were EUR 204.8 million (249.3), and investments in leased property, plant and equipment were EUR 13.7 million (12.8).

In the renewal of Metsä Group's enterprise resource planning system, ERP systems for finance, wood procurement, and, as the first industrial business area, Wood Products Industry have been deployed. The scope and implementation method for the next phases will be assessed during the rest of the year. This ensures the achievement of business benefits and cost-effective implementation.

Metsä Group initiated pre-engineering of the first commercial mill producing the Kuura textile fibre, which is expected to continue until the summer of 2026. The purpose is to prepare for the industrial production of Kuura. 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. The 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.

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 spring of 2025, Metsä Group and Amcor initiated a strategic collaboration to develop laminated food packaging that protects perishable food products and extends their shelf life.

Metsä Group is exploring carbon capture at its pulp mills. In the autumn of 2024, Metsä Group and Andritz completed their survey examining what the capture of some four million tonnes of carbon dioxide from the flue gases of a mill the size of the Kemi bioproduct mill would mean in terms of technology and energy. Carbon capture is being piloted in the Rauma mill area.

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 plan, and the installation of equipment is proceeding at full scale. 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 Fibre 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 demo plant's daily capacity will be two tonnes of the new lignin product.

An investment is underway at the Simpele board mill, 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 investment is valued at approximately EUR 60 million and is expected to be completed in the second half of 2025.

Pre-engineering is underway at the Husum board mill to investigate changes to the BM2 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 the review period, Metsä Tissue concluded the change negotiations initiated at the Kreuzau mill in Germany and the Mänttä mill in Finland. In Germany, 93 jobs were cut instead of the original estimate of 123, and the company will now focus on ensuring the mill's long-term competitiveness and profitable growth. EUR 11.9 million was recognised in the operating result as one-off items from the Kreuzau efficiency improvement programme.

As a result of the change negotiations at the Mänttä mill, the company will continue to invest in the mill's production equipment and focus on pulp-based – meaning fresh fibre-based – hygiene products by discontinuing recycled fibre production and closing one tissue paper machine. The total need for personnel reductions is 28, and redundancies will ultimately affect seven employees. The redundancies are expected to be implemented in the first half of 2026.

The company is investing in fresh fibre-based 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 is in the final stretch, and deployment has begun. The renewed mill will start operations during 2025.

The company has previously announced it is planning an investment in a tissue paper mill in Goole in the UK. The mill's planning application was submitted in December 2024. Planning has continued in the first half of 2025, focusing on detailed mill, machine and equipment design, and the environmental impact assessment. The planning phase has been largely completed, and the company is currently evaluating different implementation scenarios.

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 on its most material sustainability topics and related key figures on a quarterly basis. A more comprehensive sustainability statement is published annually as part of the Report of the Board of Directors.

Key sustainability figures

	2025 1–6	2024 1–6	2025 4–6	2024 4–6	2024 1–12
Total recordable incident frequency TRIF ¹⁾	3.9	4.7	3.4	3.6	5.2
Women in leadership positions ²⁾ , %	29	27	29	27	28
Share of certified wood ³⁾ , %	92	92	91	92	93
Share of fossil free energy of total energy consumption ⁴⁾ , %	-	-	-	-	91
Direct fossil-based CO ₂ emissions, tonnes (Scope 1)	200,104	239,960	84,750	119,843	446,391
Indirect fossil-based CO ₂ emissions ⁵⁾ , tonnes (Scope 2)	-	-	-	-	323,607
Energy efficiency improvement ⁶⁾ , index	103	105	-	-	102
Reduction in process water use, %	-17	-9.8	-14	-7.1	-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.

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

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 35%.

Share of certified wood

Metsä Group aims to ensure that 100% of the wood fibre 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 the use of fossil energy by the end of 2030. To achieve this, the Group has investment plans at several production units.

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.

Events related to sustainability in the second quarter of 2025

- Metsä Group announced the establishment of Metsä Conservation Foundation. It will boost Metsä Group's services that enable forest owners to increase biodiversity in their forests.
- In May, Metsä Tissue was awarded the highest Platinum rating in the EcoVadis 2025 sustainability evaluation. The company has been among the top one

per cent of all the companies rated by EcoVadis for six years in a row.

- Metsä Board received a triple A rating in CDP's global list. Only eight companies out of 22,700 received the best triple A rating. CDP is a global non-profit environmental organisation.

Risks and uncertainties

Negative developments in trade policy or world trade could directly or indirectly affect demand for Metsä Group's products and the Group's profitability. The changing policies of the US administration may weaken the global economy, undermine confidence in the country's economic policy and increase the volatility of financial markets. US import duties undermine the competitiveness of Metsä Group's products in the US, which may lead to sales losses and have a negative impact on the company's profitability. Russia's war in Ukraine and conflicts in the Middle East are fuelling global geopolitical tension. The prolongation or escalation of war and conflicts may have a negative impact on world trade, supply chains and raw material prices.

Slowing inflation and decreasing interest rates have boosted consumers' purchasing power to some extent, nevertheless, consumer confidence declined during the first half of the year. A prolonged situation may decrease the demand for Metsä Group's products and weaken the company's profitability. Prolonged weak economic growth and consumer demand in China may especially weaken the demand for pulp and sawn timber products on the Chinese market.

An imbalance in demand and supply could influence the demand for and pricing of Metsä Group's products. A steep increase in competitors' capacity and increased imports or competition for market shares may negatively affect Metsä Group's profitability. In addition, a sudden drop in deliveries to the US may increase supply on the European market.

Metsä Group is more than self-sufficient in pulp. In the global pulp market, structural changes in customers' pulp use, increasing competition and additional production capacity may have a negative impact on the demand for and price trend of market pulp.

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.

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 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 material damage and consequential loss insurance may also involve risks.

Business is also being developed by renewing 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.

Near-term outlook

The demand for wood will particularly concern thinning sites suitable for summer harvesting and crown wood in terms of energy wood. Demand for forest management services is expected to remain strong.

In much of Europe, the outlook for construction remains muted, and this is reflected in the weak demand for spruce plywood in particular. 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 pick up.

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.

Overall demand for softwood market pulp is expected to improve slightly but remain lower than normal as uncertainty about global economic development and tariff negotiations related to trade policy undermine overall demand for paper and paperboard products. Demand for sawn timber is expected to decline slightly during the third quarter on a seasonal basis.

The annual maintenance shutdown of the Äänekoski bioproduct mill will take place in the third quarter.

Consumers' cautious purchase behaviour and the supply of fresh fibre paperboards increasing faster than demand, especially in the EMEA region, continue to affect paperboard demand. Tensions in global trade policy, especially the import duties imposed by the US, increase uncertainty and make it difficult to predict the trend in paperboard sales. In July–September 2025, Metsä Board's overall paperboard deliveries are expected to remain at largely the same level as in April–June.

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 July–September 2025

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

Espoo, 31 July 2025

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Metsä Group will publish the following financial reports in 2025:

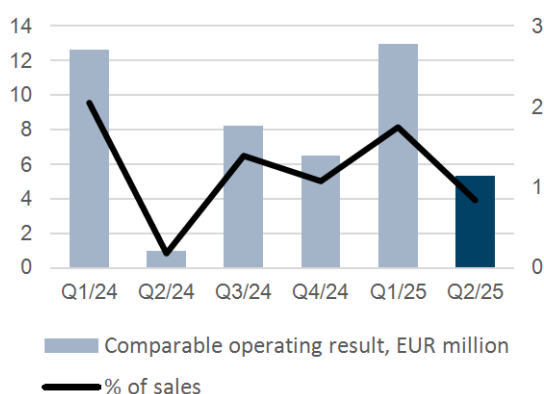
Interim Report for January–September 2025 23 October 2025

Business areas

Wood Supply and Forest Services

	2025	2024	2025	2024	2024
Wood Supply and Forest Services	1–6	1–6	4–6	4–6	1–12
Sales, EUR million	1,378.4	1,165.0	636.2	549.4	2,360.1
EBITDA, EUR million	24.6	18.6	8.7	4.2	37.0
Comparable EBITDA, EUR million	21.5	17.1	6.9	2.7	35.6
Operating result, EUR million	21.4	17.8	7.2	5.1	32.5
Comparable operating result, EUR million	18.3	13.6	5.4	1.0	28.4
% of sales	1.3	1.2	0.8	0.2	1.2
Comparable ROCE, %	14.7	10.7	7.8	1.6	13.0
Total investments, EUR million	4.6	2.4	-0.1	0.6	3.3
Personnel at end of period	715	726	715	726	671
Wood deliveries, 1,000 m ³	16,572	15,233	7,346	6,815	29,757

Comparable operating result



The sales of Wood Supply and Forest Services, i.e. Metsä Forest, in January–June totalled EUR 1,378.4 million (1–6/2024: 1,165.0), and comparable operating result was EUR 18.3 million (13.6).

Metsä Forest's sales in April–June were EUR 636.2 million (4–6/2024: 549.4), and comparable operating result was EUR 5.4 million (1.0).

In January–June, sales and operating result increased from the corresponding period last year mainly due to higher wood delivery volumes. Last year, delivery volumes were reduced by the strikes at Finnish mills and the shutdown at the Kemi bioproduct mill.

In Finnish private forests, wood trade was brisk in January–June. Wood prices turned downward during the second quarter but remained at historically high level. Harvesting conditions were normal, except for the challenges caused by the mild winter in southern Finland at the beginning of the year.

As summer approached, the Baltic pulpwood market faced oversupply, with roadside prices of overbark pulpwood falling below those in Finland. Recently, demand has also declined in Sweden.

Metsä Group's wood purchases were successful in January–June, supported by the revised price guarantee model and the member campaigns. Metsä Group bought all grades of wood in Finland through standing and delivery sales. 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 owner-members. The Metsä Group Plus model emphasising biodiversity, was popular among owner-members and was used in nearly a third of the wood trade.

In January–June, Metsä Group delivered a total of 16.6 million m³ (15.2) of wood, approximately 90% of which was delivered to Finland's industrial sector. Forest services sales increased by over a fifth from the corresponding period. The feedback from forest owners continued excellent, achieving yet another record level.

Metsä Group decided to establish Metsä's Conservation Foundation that offers forest owners compensation for forest sites of conservation value. Conservation activities will be launched at the beginning of 2026 at the latest.

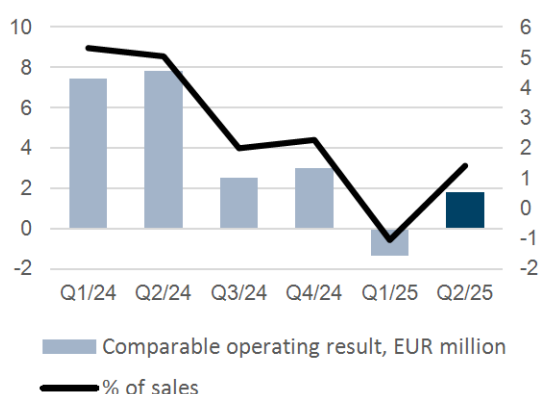
The divestment of the wood supply business in Latvia to ACA Timber, a Latvian company, was completed at the end of May.

Metsä Group accelerated growth in its owner-members' forests with a fertilisation campaign. In February–May 2025, Metsä Group's owner-members received a 10% discount on any growth-enhancing fertilisation they ordered.

Wood Products Industry

	2025	2024	2025	2024	2024
Wood Products Industry	1–6	1–6	4–6	4–6	1–12
Sales, EUR million	254.5	295.9	127.3	155.8	553.9
EBITDA, EUR million	10.2	26.3	7.3	13.5	43.8
Comparable EBITDA, EUR million	11.5	26.2	7.3	13.3	42.8
Operating result, EUR million	-3.8	15.4	1.8	8.0	7.8
Comparable operating result, EUR million	0.5	15.3	1.8	7.8	20.8
% of sales	0.2	5.2	1.4	5.0	3.8
Comparable ROCE, %	0.6	8.2	1.7	8.3	5.4
Total investments, EUR million	45.2	43.2	19.3	22.3	147.2
Personnel at end of period	1658	1,576	1,658	1,576	1,650
Engineered wood product deliveries, 1,000 m ³	212	216	105	125	407

Comparable operating result



The sales of the Wood Products Industry, i.e. Metsä Wood, in January–June were EUR 254.5 million (1–6/2024: 295.9), and comparable operating result was EUR 0.5 million (15.3).

Metsä Wood's sales in April–June were EUR 127.3 million (4–6/2024: 155.8), and comparable operating result was EUR 1.8 million (7.8).

Sales declined by 14% year-over-year in the first half of the year. Sales of engineered wood products decreased by 4%, and the sales in euros of the UK business decreased by 27%. 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.

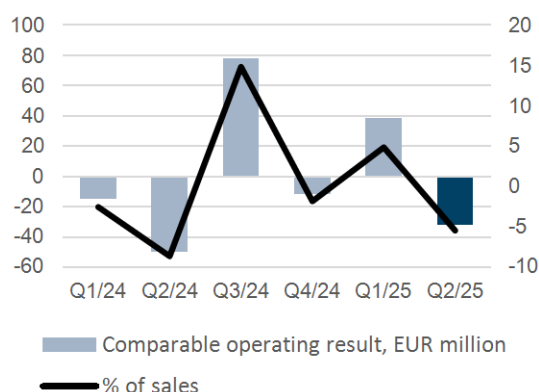
Profitability decreased from the previous year due to low demand for spruce plywood and the challenges related to early-stage implementation of the ERP system deployment. Furthermore, higher raw material and logistics costs had a negative impact on profitability. General construction activity remained weak in Europe, which continued to be reflected in the weak demand for spruce plywood especially. As a result, spruce plywood production had to be curtailed in the first half of the year.

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

Pulp and Sawn Timber Industry

Pulp and Sawn Timber Industry	2025 1–6	2024 1–6	2025 4–6	2024 4–6	2024 1–12
Sales, EUR million	1,376.5	1,159.1	587.8	574.6	2,328.3
EBITDA, EUR million	127.1	48.4	22.7	-1.9	252.8
Comparable EBITDA, EUR million	127.1	52.4	22.7	1.3	248.6
Operating result, EUR million	6.6	-68.8	-31.9	-49.5	5.8
Comparable operating result, EUR million	6.4	-64.1	-31.9	-49.4	2.2
% of sales	0.5	-5.5	-5.4	-8.6	0.1
Comparable ROCE, %	0.5	-3.7	-3.8	-6.0	0.2
Total investments, EUR million	31.5	52.4	25.5	35.4	111.7
Personnel at end of period	1,658	1,707	1,658	1,707	1,490
Pulp deliveries, 1,000 t	1,481	1,291	595	605	2,484
Sawn timber deliveries, 1,000 m ³	693	559	375	337	1,194

Comparable operating result



The sales of the Pulp and Sawn Timber Industry, i.e. Metsä Fibre, in January–June totalled EUR 1,376.5 million (1–6/2024: 1,159.1), and comparable operating result was EUR 6.4 million (-64.1).

Metsä Fibre's sales in April–June were EUR 587.8 million (4–6/2024: 574.6), and comparable operating result was EUR -31.9 million (-49.4).

The sales and operating result increased due to higher pulp delivery volumes and pulp and sawn timber prices. Pulp deliveries were strong in the first quarter of 2025, but the second quarter was very weak.

Metsä Fibre's pulp delivery volume totalled 1,481,000 tonnes (1,291,000). During the first half of the year, the average prices of Metsä Group's softwood market pulp were 9% higher in Europe and 1% lower in China than in January–June 2024. Compared to the previous quarter, prices increased by 5% in Europe and decreased by 6% in China. Exchange rate fluctuations, including

hedges, had a negative impact of around EUR 7 million on the operating result than in the comparison period.

Overall demand for softwood market pulp began declining in April and has been lower than normal. In Europe, demand has decreased in all end uses except the tissue paper sector. In China, demand declined notably in April and May but picked up in June due to lower prices. In North America, demand for softwood pulp has remained stable, but the ongoing tariff negotiations introduce uncertainty into future delivery volumes from Europe. The euro has strengthened considerably against the US dollar, notably undermining the pulp industry's competitiveness in the euro area.

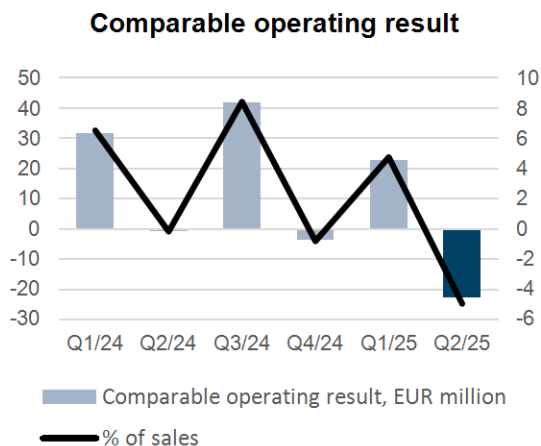
Sawn timber deliveries amounted to 693,000 cubic metres (559,000). In January–June, the average market prices of Metsä Group's sawn timber were 14% higher than in the comparison period. Compared to the first quarter this year, prices increased by 2%. In sawn timber, seasonal growth in demand was muted and was largely based on restocking.

The reporting period included annual maintenance and production curtailment shutdowns at the Joutseno pulp mill and a repair shutdown at the Kemi bioproduct mill, in which the parts damaged in the gas explosion, which were repaired earlier, were replaced with new ones to ensure availability and the original life-cycle. The shutdown lasted five weeks, ending at the beginning of July. The shutdown costs for the evaporation plant's repair will be covered by an insurance payout, which is not yet included in the result for the reporting period.

The sales and operating result in the comparison period – that is, January–June 2024 – were affected by the political strikes in Finland, the gas explosion at the Kemi bioproduct mill's evaporation plant and the discontinuation of sawing operations in Merikarvia.

Paperboard Industry

	2025	2024	2025	2024	2024
Paperboard Industry	1-6	1-6	4-6	4-6	1-12
Sales, EUR million	940.9	993.6	460.1	509.8	1,938.6
EBITDA, EUR million	50.9	83.4	7.1	26.4	175.9
Comparable EBITDA, EUR million	57.3	84.1	6.1	26.3	175.0
Operating result, EUR million	-25.5	22.3	-21.7	-0.7	62.3
Comparable operating result, EUR million	0.1	30.7	-22.7	-0.8	69.0
% of sales	0.0	3.1	-4.9	-0.2	3.6
Comparable ROCE, %	0.2	2.9	-3.3	0.3	3.2
Total investments, EUR million	35.1	53.3	19.0	29.4	175.4
Personnel at end of period	2,374	2,446	2,374	2,446	2,290
Folding boxboard deliveries, 1,000 t	488	502	240	260	992
White kraftliner deliveries, 1,000 t	240	239	120	117	480
Market pulp deliveries, 1,000 t	186	231	86	117	400



The sales of the Paperboard Industry, i.e. Metsä Board, in January–June were EUR 940.9 million (1–6/2024: 993.6). Comparable operating result was EUR 0.1 million (30.7).

Metsä Board's sales in April–June were EUR 460.1 million (4–6/2024: 509.8), and comparable operating result was EUR -22.7 million (-0.8).

Items affecting comparability totalled EUR -25.7 million in January–June and were mainly related to the impairment of the Tako mill's assets. To improve profitability

and cost competitiveness, the Tako board mill was closed permanently in June 2025, and the Kyro board mill's operational efficiency was improved.

The lower delivery volumes of paperboard and market pulp had a negative effect on the comparable operating result. Total paperboard deliveries in January–June were 727,000 tonnes (741,000), and market pulp deliveries were 186,000 tonnes (231,000).

Exchange rate fluctuations, including hedges, had a negative impact of around EUR 8 million on the operating result compared to the comparison period. The depreciation of the US dollar against the euro had a negative impact on the operating result.

Chemicals costs were down from the comparison period, but wood and logistics costs increased. Personnel expenses and the mills' service and maintenance costs increased compared to the comparison period.

Unused emissions allowances were sold for approximately EUR 10 million (15).

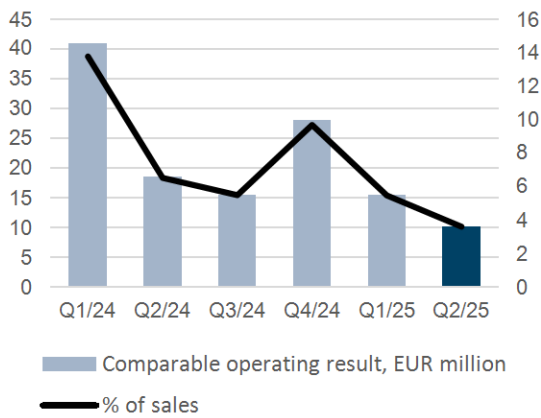
The associated company Metsä Fibre's share of Metsä Board's comparable operating result in January–June was EUR -3.3 million (-18.1).

Earnings per share were EUR -0.08 (0.01), and comparable earnings per share were EUR -0.02 (0.03).

Tissue and greaseproof papers

	2025	2024	2025	2024	2024
Tissue and greaseproof papers	1–6	1–6	4–6	4–6	1–12
Sales, EUR million	564.8	581.3	281.0	283.6	1,152.9
EBITDA, EUR million	37.9	80.8	10.9	29.0	148.6
Comparable EBITDA, EUR million	48.7	81.2	21.7	29.5	148.1
Operating result, EUR million	13.9	57.1	-1.7	16.0	101.6
Comparable operating result, EUR million	25.8	59.6	10.2	18.5	103.2
% of sales	4.6	10.3	3.6	6.5	9.0
Comparable ROCE, %	6.5	15.5	4.8	9.5	13.2
Total investments, EUR million	64.3	83.7	34.6	38.8	208.5
Personnel at end of period	2,571	2,592	2,571	2,592	2,487
Tissue paper deliveries, 1,000 t	223	232	112	114	458

Comparable operating result



The sales of Tissue and Greaseproof Papers, i.e. Metsä Tissue, in January–June were EUR 564.8 million

(1–6/2024: 581.3). Comparable operating result was EUR 25.8 million (59.6).

Metsä Tissue's sales in April–June were EUR 281.0 million (4–6/2024: 283.6), and comparable operating result was EUR 10.2 million (18.5).

Metsä Tissue's second quarter sales remained at the same level as in the first quarter, and market-based production curtailment continued.

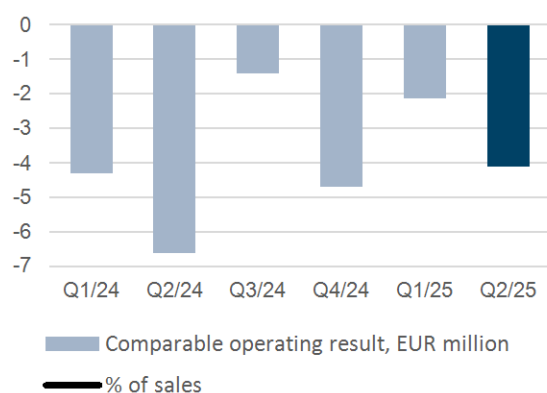
The first-half sales volumes were lower than in the comparison period. The operating result also declined due to lower sales volumes and higher variable and fixed costs.

In the review period, the change negotiations initiated at the Kreuzau mill in Germany and the Mänttä mill in Finland were concluded. One-off items arising from the capacity adjustment at the Kreuzau mill amounted to EUR -11.9 million.

Other operations

	2025	2024	2025	2024	2024
Other operations	1–6	1–6	4–6	4–6	1–12
Sales, EUR million	43.3	44.4	16.7	17.3	77.8
EBITDA, EUR million	-1.2	-4.2	-1.6	-3.6	-4.5
Comparable EBITDA, EUR million	-1.2	-4.2	-1.6	-3.6	-4.5
Operating result, EUR million	-6.3	-11.0	-4.1	-6.6	-17.1
Comparable operating result, EUR million	-6.3	-11.0	-4.1	-6.6	-17.1
Total investments, EUR million	33.0	29.9	18.5	19.8	62.0
Personnel at end of period	1,041	999	1,041	999	992

Comparable operating result



Sales of other operations in January–June were EUR 43.3 million (1–6/2024: 44.4), and comparable operating result was EUR -6.3 million (-11.0).

Sales of other operations in April–June were EUR 16.7 million (4–6/2024: 17.3), and comparable operating result was EUR -4.1 million (-6.6).

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 1–6	2024 1–6	2025 4–6	2024 4–6	2024 1–12
Operating result (IFRS)	5.6	46.1	-45.8	-11.6	186.4
Depreciation and impairment charges	243.9	224.1	105.8	97.1	467.7
EBITDA	249.6	270.2	60.1	85.5	654.1
Items affecting comparability:					
Wood Supply and Forest Services	-3.1	-1.5	-1.8	-1.5	-1.5
Wood Products Industry	1.3	-0.1		-0.1	-1.1
Pulp and Sawn Timber Industry		4.0		3.2	-4.3
Paperboard Industry	6.4	0.7	-0.9	-0.1	-0.9
Tissue and Greaseproof Papers	10.8	0.4	10.8	0.4	-0.5
Other operations and eliminations		-0.3		0.6	2.8
Total	15.5	3.3	8.1	2.5	-5.3
Comparable EBITDA	265.1	273.4	68.2	87.9	648.8
Depreciation and impairment charges	-243.9	-224.1	-105.8	-97.1	-467.7
Items affecting comparability:					
Depreciations and reversals	23.2	7.7	1.0	-3.7	21.9
Wood Supply and Forest Services		-2.6		-2.6	-2.6
Wood Products Industry	3.0				14.1
Pulp and Sawn Timber Industry	-0.2	0.6		-3.2	0.7
Paperboard Industry	19.3	7.6			7.6
Tissue and Greaseproof Papers	1.0	2.1	1.0	2.1	2.1
Comparable Operating result	44.3	57.0	-36.6	-12.9	203.0
Share of results from associated companies and joint ventures	0.2	-1.0	-0.5	-1.0	-0.6
Financial costs, net	-29.7	-26.0	-15.1	-13.4	-54.6
Items affecting comparability					
Pulp and Sawn Timber Industry		-0.2		0.1	-0.2
Comparable Result before income tax	14.8	29.8	-52.1	-27.3	147.6
Income tax	2.5	1.4	12.4	6.2	-22.7
Items affecting comparability:					
Wood Supply and Forest Services		0.4		0.4	0.4
Wood Products Industry	-0.9				-2.2
Pulp and Sawn Timber Industry		-3.4		-2.5	-1.7
Paperboard Industry	-5.1	-1.5	0.2		-1.5
Tissue and Greaseproof Papers	-3.9	-0.8	-3.9	-0.8	-0.6
Other operations and eliminations					-0.3
Comparable Result for the period	7.4	25.9	-43.5	-23.9	118.9

Reconciliation by expense or income

	2025	2024	2025	2024	2024
EUR million	1–6	1–6	4–6	4–6	1–12
Operating result (IFRS)	5.6	46.1	-45.8	-11.6	186.4
Depreciation and impairment charges	243.9	224.1	105.8	97.1	467.7
EBITDA	249.6	270.2	60.1	85.5	654.1
Items affecting comparability:					
Other operating income	-3.2	-12.3	-1.9	-12.3	-31.4
Change in inventories	7.4	1.4	1.5	1.4	3.5
Employee costs	8.9	0.8	8.2		3.0
Other operating expenses	2.3	13.3	0.3	13.3	19.5
Total	15.5	3.3	8.1	2.5	-5.3
Comparable EBITDA	265.1	273.4	68.2	87.9	648.8
Depreciation and impairment charges	-243.9	-224.1	-105.8	-97.1	-467.7
Items affecting comparability:					
Depreciations and reversals	23.2	7.7	1.0	-3.7	21.9
Comparable Operating result	44.3	57.0	-36.6	-12.9	203.0
Share of results from associated companies and joint ventures	0.2	-1.0	-0.5	-1.0	-0.6
Financial costs, net	-29.7	-26.0	-15.1	-13.4	-54.6
Items affecting comparability		-0.2		0.1	-0.2
Comparable Result before income tax	14.8	29.8	-52.1	-27.3	147.6
Income tax	2.5	1.4	12.4	6.2	-22.7
Items affecting comparability	-9.9	-5.3	-3.7	-2.9	-6.0
Comparable Result for the period	7.4	25.9	-43.5	-23.9	118.9

Items with a “+” sign = expenses affecting comparability

Items affecting the comparability of Metsä Group's net result for the January–June 2025 period totalled EUR -28.8 million. Of the most significant items, EUR -21.1 million is related to the impairment of the Tako mill's assets, EUR -8.0 million to the capacity adjustment at the Kreuzau tissue paper mill, EUR -3.4 million to the discontinuation of Kumpuniemen Voima Oy's operations, EUR 1.8 million to the capital gain from the sale of shares in Metsä Forest Latvia SIA, 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–June 2024 period totalled EUR -5.4 million.

Quarterly data

EUR million	2025 4–6	2025 1–3	2024 10–12	2024 7–9	2024 4–6	2024 1–3
Sales						
Wood Supply and Forest Services	636.2	742.2	602.8	592.3	549.4	615.6
Wood Products Industry	127.3	127.2	132.0	126.0	155.8	140.1
Pulp and Sawn Timber Industry	587.8	788.7	642.5	526.7	574.6	584.5
Paperboard Industry	460.1	480.8	446.0	499.0	509.8	483.7
Tissue and Greaseproof Papers	281.0	283.9	290.3	281.3	283.6	297.7
Other operations	16.7	26.6	17.9	15.4	17.3	27.1
Internal sales	-682.6	-807.3	-657.1	-705.1	-611.0	-691.2
Sales	1,426.5	1,642.1	1,474.5	1,335.7	1,479.5	1,457.5
Operating result						
Wood Supply and Forest Services	7.2	14.2	6.5	8.3	5.1	12.6
Wood Products Industry	1.8	-5.6	-10.2	2.5	8.0	7.4
Pulp and Sawn Timber Industry	-31.9	38.5	-2.0	76.5	-49.5	-19.3
Paperboard Industry	-21.7	-3.8	-1.7	41.7	-0.7	23.0
Tissue and Greaseproof Papers	-1.7	15.6	28.2	16.4	16.0	41.1
Other operations	-4.1	-2.1	-4.7	-1.4	-6.6	-4.3
Eliminations	4.8	-5.4	13.0	-32.8	16.0	-2.8
Operating result	-45.8	51.4	29.2	111.2	-11.6	57.7
% of sales	-3.2	3.1	2.0	8.3	-0.8	4.0
Share of results from associated companies and joint ventures	-0.5	0.7	0.7	-0.3	-1.0	0.0
Exchange gains and losses	-0.5	-0.7	-1.3	0.5	0.8	-2.5
Net financial items	-14.6	-14.0	-16.0	-11.8	-14.2	-10.0
Result before income tax	-61.3	37.4	12.6	99.6	-26.1	45.2
Income tax	12.4	-9.9	-2	-22.1	6.2	-4.8
Result for the period	-48.9	27.6	10.5	77.5	-19.9	40.4
Comparable operating result						
Wood Supply and Forest Services	5.4	13.0	6.5	8.3	1.0	12.6
Wood Products Industry	1.8	-1.3	3.0	2.5	7.8	7.4
Pulp and Sawn Timber Industry	-31.9	38.3	-11.6	78.0	-49.4	-14.7
Paperboard Industry	-22.7	22.8	-3.6	41.9	-0.8	31.5
Tissue and Greaseproof Papers	10.2	15.6	28.2	15.5	18.5	41.1
Other operations and eliminations	0.7	-7.5	10.3	-33.0	10.0	-7.9
Comparable operating result	-36.6	80.9	32.7	113.2	-12.9	69.9
% of sales	-2.6	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 1–6	2024 1–6	Change	2025 4–6	2024 4–6	2024 1–12
Sales	2,3	3,068.6	2,937.0	131.5	1,426.5	1,479.5	5,747.2
Change in stocks of finished goods and work in progress		100.5	23.5	77.0	21.4	-74.7	152.7
Other operating income		35.4	49.6	-14.2	18.6	36.2	226.3
Material and services		-2,310.5	-2,141.4	-169.2	-1,071.5	-1,042.0	-4,295.0
Employee costs		-404.1	-372.1	-32.0	-211.7	-193.3	-712.1
Depreciation and impairment losses		-243.9	-224.1	-19.8	-105.8	-97.1	-467.7
Other operating expenses		-240.3	-226.5	-13.8	-123.2	-120.2	-465.0
Operating result	2	5.6	46.1	-40.5	-45.8	-11.6	186.4
Share of results of associated companies and joint ventures		0.2	-1.0	1.2	-0.5	-1.0	-0.6
Exchange gains and losses		-1.2	-1.7	0.6	-0.5	0.8	-2.5
Net financial items		-28.5	-24.3	-4.3	-14.6	-14.2	-52.1
Result before income tax		-23.9	19.1	-43.0	-61.3	-26.1	131.3
Income tax	4	2.5	1.4	1.1	12.4	6.2	-22.7
Result for the period		-21.4	20.5	-41.9	-48.9	-19.9	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	-2.0	3.1	-0.1	-0.8	-3.1
Fair value of financial assets through other comprehensive income		-19.4	-53.5	34.1	2.1	-9.0	-39.2
Income tax relating to items that will not be reclassified		3.6	11.2	-7.6	-0.4	2.1	7.8
Total		-14.6	-44.3	29.7	1.7	-7.8	-34.5
Items that may be reclassified subsequently to profit and loss							
Cash flow hedges		143.1	-47.7	190.8	58.2	-15.0	-103.4
Currency translation differences		24.1	-18.6	42.7	-45.7	18.0	-26.6
Share of other comprehensive income items of the associated company		0.0	0.0	0.0	0.0	0.0	0.0
Income tax relating to items that may be reclassified		-28.6	9.5	-38.2	-11.6	3.0	20.7
Total		138.6	-56.7	195.3	0.8	6.0	-109.3
Other comprehensive income, net of tax		124.0	-101.0	225.0	2.5	-1.8	-143.8
Total comprehensive income for the period		102.6	-80.5	183.1	-46.5	-21.7	-35.3
Result for the period attributable to:							
Members of parent company		-3.6	32.8	-36.4	-28.8	-6.8	94.6
Non-controlling interests		-17.8	-12.3	-5.5	-20.1	-13.1	14.0
Total		-21.4	20.5	-41.9	-48.9	-19.9	108.5
Total comprehensive income attributable to:							
Members of parent company		66.4	-24.3	90.7	-29.5	-8.2	13.2
Non-controlling interests		36.3	-56.1	92.4	-17.0	-13.4	-48.4
Total		102.6	-80.5	183.1	-46.5	-21.7	-35.3

Unaudited consolidated balance sheet

EUR million	Note	2025 30.6.	2024 30.6.	2024 31.12.
ASSETS				
Non-current assets				
Goodwill		418.6	416.5	415.6
Other intangible assets		405.5	344.4	375.4
Tangible assets	5	5,418.1	5,401.1	5,450.0
Biological assets		3.0	2.8	3.1
Investments in associated companies and joint ventures		5.8	3.7	4.1
Other investments	9	217.3	222.5	237.3
Other non-current assets	9	45.2	63.4	48.1
Deferred tax receivables		36.9	37.6	34.7
		6,550.3	6,491.9	6,568.4
Current assets				
Inventories		1,552.8	1,313.1	1,513.6
Accounts receivables and other receivables		960.9	905.1	828.9
Cash and cash equivalents	9	916.7	1,113.3	991.6
		3,430.4	3,331.5	3,334.2
Total assets		9,980.8	9,823.4	9,902.5
Members' funds				
Members' capital		1,664.5	1,571.1	1,552.3
Translation differences		-45.4	-55.9	-59.6
Fair value and other reserves		764.7	728.1	709.7
Retained earnings		1,999.2	2,032.3	2,095.9
Members' funds		4,383.1	4,275.5	4,298.2
Non-controlling interests		1,285.3	1,252.8	1,260.7
		5,668.3	5,528.3	5,559.0
Non-current liabilities				
Deferred tax liabilities		375.4	357.3	364.5
Post-employment benefit obligations		54.4	54.1	54.7
Provisions	6	16.8	11.2	16.3
Borrowings	9	1,630.6	1,723.7	1,608.0
Other non-current liabilities		8.6	10.8	8.9
		2,085.9	2,157.2	2,052.4
Current liabilities				
Provisions	6	9.9	1.3	0.4
Current borrowings	9	698.6	578.8	631.1
Accounts payable and other liabilities		1,518.1	1,557.8	1,659.6
		2,226.6	2,137.9	2,291.2
Total liabilities		4,312.5	4,295.1	4,343.5
Total members' funds and liabilities		9,980.8	9,823.4	9,902.5

Unaudited statement of changes in shareholders' equity

Equity attributable to members of parent company

EUR Million	Members' funds	Translation differences	Fair value and other reserves	Retained earnings	Total	Non-controlling 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				32.8	32.8	-12.3	20.5
Other comprehensive income, after tax		-10.0	-45.1	-2.1	-57.2	-43.8	-101.0
Total comprehensive income		-10.0	-45.1	30.8	-24.3	-56.1	-80.5
Transactions with owners:							
Dividends paid				-77.4	-77.4	-52.5	-130.0
Reimbursement of surplus	13.7			-15.7	-2.0		-2.0
Change in members' capital	104.5			-6.5	98.0		98.0
Share based payments				-0.2	-0.2	-0.2	-0.4
Sold shares from non-controlling interests, which did not change the controlling right				-0.5	-0.5	0.5	0.0
Members' funds 30.6.2024	1,571.1	-55.9	728.1	2,032.3	4,275.5	1,252.8	5,528.3

Equity attributable to members of parent company

EUR Million	Members' funds	Translation differences	Fair value and other reserves	Retained earnings	Total	Non-controlling 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				-3.6	-3.6	-17.8	-21.4
Other comprehensive income, after tax		14.2	55.0	0.7	69.9	54.1	124.0
Total comprehensive income		14.2	55.0	-2.8	66.4	36.3	102.6
Transactions with owners:							
Dividends paid				-70.7	-70.7	-12.0	-82.7
Reimbursement of surplus	14.1			-16.0	-1.9		-1.9
Change in members' capital	98.2			-7.0	91.2		91.2
Share based payments				0.1	0.1	0.0	0.1
Sold shares from non-controlling interests, which did not change the controlling right				-0.2	-0.2	0.2	0.0
Members' funds 30.6.2025	1,664.5	-45.4	764.7	1,999.2	4,383.1	1,285.3	5,668.3

Unaudited condensed consolidated cash flow statement

EUR million	Note	2025 30.6.	2024 30.6.	2024 31.12.
Result for the period	8	-21.4	20.5	108.5
Total adjustments	8	265.3	220.0	488.3
Change in working capital		-191.7	-441.3	-496.3
Cash flow from operations		52.3	-200.8	100.5
Net financial items		-38.4	-12.0	-40.0
Income taxes paid		-4.4	-38.7	-49.7
Net cash flow from operating activities		9.6	-251.6	10.9
Acquisitions		-0.8	-0.5	-1.7
Investments in tangible and intangible assets		-205.1	-249.0	-566.0
Disposals and other items	8	20.9	33.5	73.7
Net cash flow from financing activities		-185.0	-216.0	-494.0
Change in members' funds		105.3	98.0	66.6
Change in long-term loans and other financial items		79.3	100.9	19.3
Dividends paid		-89.3	-137.9	-137.9
Net cash flow from financing activities		95.3	60.9	-52.1
Change in cash and cash equivalents		-80.2	-406.6	-535.2
Cash and cash equivalents at beginning of period		991.6	1,511.6	1,511.6
Translation difference		-0.5	0.3	0.3
Change in cash and cash equivalents		-80.2	-406.6	-535.2
Value adjustments of investment funds included in cash and cash equivalents		5.8	8.1	15.1
Cash and cash equivalents at end of period		916.7	1,113.3	991.6

NOTES TO THE UNAUDITED HALF-YEAR FINANCIAL 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 half-year financial 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 same accounting policies have been applied in this half-year financial report as in the 2024 IFRS financial statements, with the following exceptions:

- 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 half-year financial report was authorised for issue by the Board of Directors of Metsäliitto Cooperative on 31 July 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

	1–6/2025	1–6/2025	1–6/2025	1–6/2024	1–6/2024	1–6/2024
EUR million	External	Internal	Total	External	Internal	Total
Wood Supply and Forest Services	284.6	1,093.9	1,378.4	260.3	904.7	1,165.0
Wood Products Industry	242.5	12.0	254.5	284.7	11.1	295.9
Pulp and Sawn Timber Industry	1,076.2	300.3	1,376.5	862.1	297.0	1,159.1
Paperboard Industry	883.0	58.0	940.9	933.4	60.2	993.6
Tissue and Greaseproof Papers	564.8	0.0	564.8	580.8	0.5	581.3
Other operations	17.5	25.8	43.3	15.8	28.6	44.4
Elimination of internal sales		-1,489.9	-1,489.9		-1,302.2	-1,302.2
Total sales	3,068.6	0.0	3,068.6	2,937.0	0.0	2,937.0

	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	1–6	1–6	1–12
Wood Supply and Forest Services	21.4	17.8	32.5
Wood Products Industry	-3.8	15.4	7.8
Pulp and Sawn Timber Industry	6.6	-68.8	5.8
Paperboard Industry	-25.5	22.3	62.3
Tissue and Greaseproof Papers	13.9	57.1	101.6
Other operations	-6.3	-11.0	-17.1
Eliminations	-0.6	13.3	-6.5
Operating result total	5.6	46.1	186.4
Share of results from associated companies and joint ventures	0.2	-1.0	-0.6
Financial costs, net	-29.7	-26.0	-54.6
Income taxes	2.5	1.4	-22.7
Result for the period	-21.4	20.5	108.5

Assets and liabilities by segment

Assets	2025	2024	2024
EUR million	30.6.2025	30.6.2024	31.12.2024
Wood Supply and Forest Services	548.0	547.9	585.8
Wood Products Services	588.5	473.2	526.9
Pulp and Sawn Timber Industry	4,099.0	4,055.7	4,063.2
Paperboard Industry	2,819.4	2,742.7	2,796.5
Tissue and Greaseproof Paper Industry	1,160.5	1,016.8	1,103.7
Other operations	459.0	303.5	463.3
Eliminations	-528.9	-404.9	-577.3
Unallocated assets	835.3	1,088.6	940.4
Total	9,980.8	9,823.4	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	30.6.2025	30.6.2024	31.12.2024
Wood supply and forest services	293.5	242.9	340.7
Wood products services	102.2	115.5	114.5
Pulp and Sawn Timber Industry	815.5	737.2	833.2
Paperboard Industry	343.0	441.0	431.0
Tissue and Greaseproof Paper Industry	302.3	320.6	331.9
Other operations	232.3	133.7	219.1
Eliminations	-528.9	-404.9	-577.3
Unallocated liabilities	2,752.6	2,709.1	2,650.4
Total	4,312.5	4,295.1	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	1–6	1–6	1–12
EMEA	2,093.3	2,062.7	4,052.2
APAC	614.5	514.2	975.0
Americas	360.8	360.0	720.0
Total	3,068.6	2,937.0	5,747.2

Note 4 - Income tax

EUR million	2025 1–6	2024 1–6	2024 1–12
Taxes for the period	-13.8	-22.9	-25.9
Taxes for previous periods	-0.4	0.1	0.0
Change in deferred taxes	16.7	24.2	3.2
Total	2.5	1.4	-22.7

The effective tax rate decreased due to the recognition in January–June 2024 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 1–6	2024 1–6	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	168.0	214.0	491.6
Investments to leased property, plant and equipment	13.7	12.8	36.4
Decreases	-5.1	-7.0	-17.0
Depreciation, amortization and impairment losses	-237.3	-207.9	-443.0
Translation difference and other changes	28.7	-20.8	-28.7
Carrying value at end of the period	5,418.1	5,401.1	5,450.0

In January–June 2025, depreciation, amortisation and impairment include an impairment of EUR -3.0 million related to the discontinuation of Kumpuniemen Voima Oy's operations, an impairment of EUR -19.2 million related to the closure of the Tako board mill, and an impairment of EUR -1.0 million related to the investment and capacity adjustment plan of the Kreuzau tissue paper mill in Germany.

In January–June 2024, depreciation, amortisation and impairment include an impairment of EUR -3.2 million for the property, plant and equipment 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 +5.3 million in impairment reversals related to the sale of the Group's Russian subsidiaries on 13 May 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	12.0	0.0	0.6	12.7
Utilised during the year	-1.0	0.0	-0.4	-1.4
Unused amounts reversed	-0.3	-1.0	0.0	-1.3
30.6.2025	15.8	8.3	2.6	26.7
Long term provisions	6.4	8.3	2.2	16.8
Short term provisions	9.5		0.4	9.9
Total	15.8	8.3	2.6	26.7

Of the increases in restructuring provisions in January–June 2025, EUR 1.3 million is related to the discontinuation of Kumpuniemen Voima Oy's operations, EUR 1.4 million to the closure of the Tako board mill, and EUR 9.4 million to the investment and capacity adjustment plan of the Kreuzau tissue paper mill in Germany.

The environmental provisions and other provisions are expected to be released for the most part by 2030.

Note 7 - Related party transactions

The Group's related parties include subsidiaries, joint operations, associated companies and joint ventures, and Metsä's. In addition, the members of the parent company's Board of Directors and Executive Management Team, including the President and CEO as well as their close family members and companies under their sole or joint control are considered related parties.

Transactions with associated companies and joint ventures

EUR million	2025 1–6	2024 1–6	2024 1–12
Sales	6.4	6.3	12.2
Purchases	-16.2	-15.3	-30.4
Non-current receivables	8.4	6.3	6.3
Accounts receivables and other receivables	0.6	1.7	3.7
Accounts payables and other liabilities	3.7	2.0	3.0

Metsä's Conservation Foundation is a separate legal unit that was established on 16 June 2025. Metsä's Conservation Foundation will complement Metsä Group's services, with which the forest owners can strengthen the biodiversity of their forests. In June 2025, Metsäliitto Cooperative paid EUR 1 million basic capital to Metsä's Conservation Foundation.

Note 8 – Notes to the consolidated cash flow statement

EUR million	2025 1–6	2024 1–6	2024 1–12
Taxes	-2.5	-1.4	22.7
Depreciation and impairment charges	243.9	224.1	467.7
Biological assets	0.2	-0.1	-0.5
Share of results from associated companies	-0.2	1.0	0.6
Gains and losses on sale of non-current financial assets	-15.7	-27.9	-56.5
Financial costs, net	29.7	26.0	54.6
Pension liabilities and provisions	9.4	-2.6	-1.9
Other adjustments	0.5	0.9	1.5
Total	265.3	220.0	488.3

Disposals and other items

In January–June 2025, disposals and other items include a capital gain of EUR 6.7 million from the sale of shares in Metsä Forest Latvia SIA, the Latvian wood supply business. In addition, disposals and other items include sales of tangible and intangible assets of EUR 15.1 million and other items of EUR -0.9 million. The most significant sales related to property, plant and equipment were the sales of emissions allowances, totalling EUR 13.1 million.

In January–June 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 17.1 million. In addition, disposals and other items include sales of tangible and intangible assets of EUR 18.7 million and other items of EUR -2.3 million. The most significant sales related to property, plant and equipment were the sales of emissions allowances, totalling EUR 18.1 million.

Note 9 – Financial instruments

Classification of financial assets and liabilities and fair values

Financial assets 30 June 2025

EUR million	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
Other non-current investments	4.1	213.1		217.3
Other non-current financial assets	0.0		13.8	13.8
Trade receivable and other receivables	4.1		707.8	711.9
Cash and cash equivalent	481.7		435.0	916.7
Derivative financial instruments	5.3	150.9		156.2
Total carrying amount	495.3	364.0	1,156.5	2,015.9
Total fair value	495.3	364.0	1,156.5	2,015.9

Financial liabilities 30 June 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			1,630.6	1,630.6
Other non-current financial liabilities			3.2	3.2
Current interest-bearing financial liabilities			698.6	698.6
Trade payable and other financial liabilities			1,159.1	1,159.1
Derivative financial instruments	1.0	30.9		31.9
Total carrying amount	1.0	30.9	3,491.5	3,523.5
Total fair value	1.0	30.9	3,503.6	3,535.5

Financial assets 30 June 2024

EUR million	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
Other non-current investments	4.2	218.3		222.5
Other non-current financial assets			11.4	11.4
Trade receivable and other receivables	4.0		762.7	766.8
Cash and cash equivalent	550.8		562.5	1,113.3
Derivative financial instruments	0.9	62.2		63.1
Financial assets related to assets held for sale				
Total carrying amount	559.9	280.5	1,336.6	2,177.0
Total fair value	559.9	280.5	1,336.6	2,177.0

Financial liabilities 30 June 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			1,723.7	1,723.7
Other non-current financial liabilities			2.3	2.3
Current interest-bearing financial liabilities			578.8	578.8
Trade payable and other financial liabilities			1,173.4	1,173.4
Derivative financial instruments	2.3	27.9		30.2
Financial liabilities related to assets held for sale				
Total carrying amount	2.3	27.9	3,478.3	3,508.5
Total fair value	2.3	27.9	3,486.8	3,516.9

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 financial liabilities are measured at amortised cost based on the effective interest method. Fair values are based on the present cash flow value of each liability or asset calculated at 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 30 June 2025

EUR million	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Other non-current investments			217.3	217.3
Financial assets at fair value, current	334.4	147.4	4.1	485.8
Derivative financial assets	0.7	155.6		156.2
Financial liabilities measured at fair value				
Derivative financial liabilities	2.2	29.7		31.9
Financial assets not measured at fair value				
Cash and cash equivalent		435.0		435.0
Financial liabilities not measured at fair value				
Non-current interest-bearing financial liabilities		1,640.3		1,640.3
Current interest-bearing financial liabilities		701.0		701.0

Fair value hierarchy of financial assets and liabilities as of 30 June 2024

EUR million	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Other non-current investments			222.5	222.5
Financial assets at fair value, current	405.8	145.1		550.8
Derivative financial assets	2.4	60.8		63.1
Financial liabilities measured at fair value				
Derivative financial liabilities	1.6	28.5		30.2
Financial assets not measured at fair value				
Cash and cash equivalent		562.5		562.5
Financial liabilities not measured at fair value				
Non-current interest-bearing financial liabilities		1,731.0		1,731.0
Current interest-bearing financial liabilities		580.0		580.0

Financial assets measured at fair value based on level 3

EUR million	2025 1–6	2024 1–6	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	-19.4	-52.7	-38.4
Acquisitions			0.5
Settlements	0.0	-0.1	-0.1
Transfers to level 3	-0.7		4.1
Closing balance	221.4	222.5	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 30 June 2025 (31 December 2024: 5.51). The acquisition cost of the Pohjolan Voima Oyj shares on 30 June 2025 is EUR 33.4 million (33.4), and their fair value is EUR 213.1 million (232.5).

The carrying amount of other long-term investments on 30 June 2025 is expected to change by EUR -8.1 million (-9.3) and 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 60.7 million (64.7) should the energy prices applied in the fair value calculation differ by 10% from the price estimated by the management.

Derivatives 30 June 2025

EUR million	Nominal value	Derivative assets	Derivative liabilities	Fair value net	Fair value through profit and loss	Fair value through other comprehensive income
Interest rate swaps	520.7	24.8	0.0	24.8	0.0	24.8
Interest rate derivatives	520.7	24.8	0.0	24.8	0.0	24.8
Currency forward contracts	3,585.8	114.0	29.6	84.4	3.9	80.4
Currency forward contracts	674.5	16.8		16.8		16.8
Currency derivatives	4,260.4	130.8	29.6	101.1	3.9	97.2
Oil derivatives	18.3	0.0	1.8	-1.8		-1.8
Natural gas derivatives	2.4	0.6	0.5	0.2	0.4	-0.2
Commodity derivatives	20.8	0.7	2.2	-1.6	0.4	-2.0
Derivatives total	4,801.8	156.2	31.9	124.3	4.3	120.0

Derivatives 30 June 2024

EUR million	Nominal value	Derivative assets	Derivative liabilities	Fair value net	Fair value through profit and loss	Fair value through other comprehensive income
Interest rate swaps	582.5	48.2		48.2		48.2
Interest rate derivatives	582.5	48.2		48.2		48.2
Currency forward contracts	2,800.9	10.8	25.5	-14.7	-1.4	-13.3
Currency forward contracts	994.6	1.8	3.1	-1.3		-1.3
Currency derivatives	3,795.5	12.5	28.5	-16.0	-1.4	-14.6
Oil derivatives	20.9	1.7		1.7		1.7
Natural gas derivatives	11.5	0.6	1.6	-1.0		-1.0
Commodity derivatives	32.4	2.4	1.6	0.7		0.7
Derivatives total	4,410.3	63.1	30.2	33.0	-1.4	34.3

Note 10 - Commitments and guarantees

EUR million	30.6.2025	30.6.2024	31.12.2024
Liabilities secured by collateral	6.3	7.2	6.7
Floating charges	0.4	0.4	0.4
Chattels mortgages	0.1	0.3	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	2.8	2.6
Commitments on behalf of associated companies and joint ventures		0.0	0.0
Total	35.3	35.7	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	30.6.2025	30.6.2024	31.12.2024
Payments due in following 12 months	157.4	295.8	198.8
Payments due later	22.0	84.1	38.0
Total	179.4	379.9	236.8