

Metsä Group
Interim Report 1 January – 31 March 2026



Metsä Group's comparable operating result for January–March 2026 was EUR -4 million

January–March 2026 (1–3/2025)

- Sales were EUR 1,358 million (1,642).
- EBITDA was EUR 115 million (189). The comparable EBITDA was EUR 128 million (197).
- Operating result was EUR -18 million (51). The comparable operating result was EUR -4 million (81).
- Result before taxes was EUR -34 million (37). The comparable result before taxes was EUR -21 million (67).
- The comparable return on capital employed was -0.1% (4.4).
- Net cash flow from operations was EUR -79 million (-10).

Events during the first quarter of 2026

- Demand for market pulp was muted in both Europe and China. At the end of the period, a market-driven shutdown began at the Joutseno pulp mill, which will continue for the time being.
- Average invoicing prices for softwood market pulp decreased by 4% in Europe and increased by 2% in China compared with the previous quarter.
- Metsäliitto Cooperative acquired a 5.1% stake in Metsä Fibre Oy from Itochu. Following the transaction, Metsäliitto Cooperative's ownership holding is 55.2%. After the transaction, Metsäliitto Cooperative's ownership stake in Metsä Fibre, including the indirect ownership via Metsä Board, amounts to 68.1%.
- The delivery volumes of paperboard declined from the previous quarter, mainly due to US import tariffs.
- The rise in oil and natural gas prices caused by the conflict in the Middle East is putting upward pressure on logistics and raw material costs.
- The tissue paper business was reorganised. Change negotiations were concluded in March, resulting in a reduction of 50 jobs.
- The wood products industry's result was weighed down by the commissioning of the Äänekoski Kerto® LVL mill, the winding down of the Suolahti plywood mill, and the restructuring of operations in the United Kingdom.
- In February, Metsä Board made an acquisition in the Netherlands: The Winschoten Sheeting and Distribution Hub improves the service capabilities of the paperboard business in Europe.
- Metsä Group began the pre-engineering of a carbon capture facility for wood-based carbon dioxide in Rauma. An application for investment aid has been submitted to the Ministry of Economic Affairs and Employment of Finland.

Cost savings and profit improvement programme

The EUR 300 million cost savings and profit improvement programme, which began in July 2025, has progressed as planned. Cost savings have been made through improvements in production efficiency, the optimisation of raw material and logistics solutions, the streamlining of the wood supply chain, and the revision of purchase agreements and models. The impact of the savings on both fixed and variable costs can be seen in the result for the first quarter. It is estimated that two thirds of the programme's target will be achieved in 2026, and the cost savings are expected to be realised in full in 2027. More than half of the savings come from purchasing and end product logistics, as well as from improving the efficiency of the wood supply chain. The remainder comes from reducing fixed costs.

If the war in Iran prolongs, the general rise in costs could significantly undermine the impact of the savings. The impacts of the conflict will become clearer over the next quarters. Rising oil prices are creating cost pressures particularly for logistics and certain raw materials.

Strategy update

Metsä Group has updated its strategy to address uncertainty in the business environment, intensifying competition and rising costs.

The strategy is based on three key elements: competitiveness, customer-centricity and renewal. In the short term, we will focus on improving our profitability and strengthening our customer-centric approach. In the long term, we will strive for renewal as a company and aim to ensure our competitiveness in a changing world.

The use of wood in construction, everyday hygiene products, and as a substitute for plastic in packaging creates stable long-term demand for Metsä Group's products.

We build a better everyday life through Nordic wood: we create value through customer-centric solutions and high-quality wood-based products. Each of our business units plays an important role in building our success.

President and CEO Jussi Vanhanen:

Metsä Group's first-quarter result improved significantly compared with the second half of 2025, but the comparable operating result showed a loss of EUR 3.8 million (Q4 2025: EUR -57 million). The improvement resulted from a broad-based cost-cutting initiative.

Costs fell across the board: fixed costs, raw materials, wood costs, and other variable costs alike. The EUR 300 million profit improvement and cost savings programme we launched in the autumn of 2025 is proceeding on schedule. I am grateful to our entire personnel for their determined efforts to improve our performance.

The impact and importance of cost discipline are further underscored by the fact that our first-quarter result was weighed down by both lower average selling prices and the weaker exchange rate for the dollar. Their combined effect compared with the previous quarter was negative by more than EUR 60 million.

In the short term, our positive result development is threatened by rising logistics and raw material costs resulting from the closure of the Strait of Hormuz. We have begun to pass on the increased costs to our selling prices, but there is typically a certain delay before the impact is felt. This further underscores the need to continue curbing other cost factors.

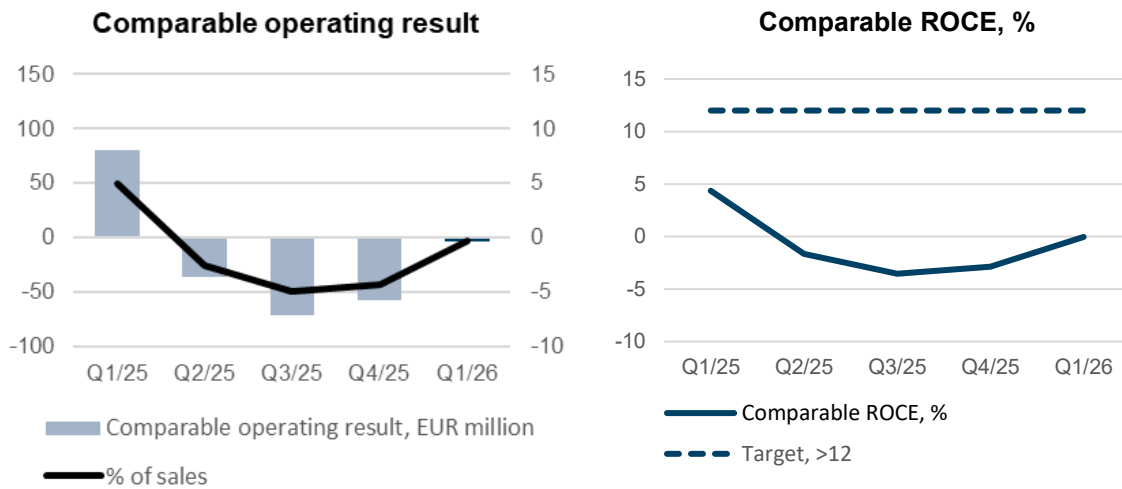
In March, Metsäliitto Cooperative's Board of Directors updated our company strategy. The purpose of our work can be summed up in one sentence: Better everyday life through Nordic wood. It takes into account the needs of our customers, owners, employees and the surrounding society. We provide our customers with renewable and recyclable products for many areas of everyday life, help our owner-members grow the value of their forests, and are proud of the way we create jobs and wellbeing in the society around us.

What matters most is that we believe there will continue to be demand for Nordic wood. We'll make sure of it. When it comes to logs, climate change is affecting Central European forests more severely than Nordic forests, which is boosting demand for Nordic wood. It is important that we develop forest management methods that keep Finnish forests healthy and vibrant for decades to come. Metsäliitto plays an important role in training and supporting our owner-members.

The Finnish pulp and packaging industry operates in a global market. In addition to European companies, we are increasingly competing with South American and Asian ones, both overseas and in Europe. Trade barriers have increased in recent years, presenting an additional challenge to our business. Cost competitiveness is of paramount importance. Demand for Finnish pulpwood is determined by our global competitiveness.

Key figures

	2026 1–3	2025 1–3	2025 1–12
Sales, EUR million	1,357.5	1,642.1	5,832.9
EBITDA, EUR million	114.6	189.5	342.4
Comparable, EUR million	127.7	196.9	365.2
% of sales	9.4	12.0	6.3
Operating result, EUR million	-17.7	51.4	-271.3
Comparable, EUR million	-3.8	80.9	-84.6
% of sales	-0.3	4.9	-1.5
Result before income tax, EUR million	-34.5	37.4	-334.9
Comparable, EUR million	-20.5	66.9	-146.7
Result for the period, EUR million	-28.6	27.6	-281.3
Return on capital employed, %	-0.8	2.9	-3.4
Comparable, %	-0.1	4.4	-0.9
Return on equity, %	-2.2	2.0	-5.2
Comparable, %	-1.4	3.6	-2.4
Equity ratio, %	55.7	57.1	56.8
Net gearing ratio, %	30.3	22.9	24.2
Interest-bearing net liabilities, EUR million	1,528.1	1,311.0	1,288.4
Total investments, EUR million	48.6	99.1	620.8
Net cash flow from operations, EUR million	-78.6	-9.7	536.5
Personnel at the end of the period	8,563	9,561	8,767



Sales and Operating result

1–3/2026, EUR million	Pulp and Sawn timber industry	Paperboard Industry	Tissue and Greaseproof papers	Wood Products Industry	Wood Supply and Forest services
Sales	591.3	393.7	290.5	110.9	629.9
Other operating income	7.1	10.9	1.3	2.2	0.9
Operating expenses	-534.4	-391.7	-263.4	-117.5	-620.1
Depreciation and impairment losses	-77.7	-27.4	-16.6	-6.5	-1.4
Operating result	-13.7	-14.5	11.8	-10.8	9.4
Items affecting comparability	2.1	3.8	3.4	4.3	0.2
Comparable operating result	-11.5	-10.8	15.2	-6.6	9.5
% of sales	-2.0	-2.7	5.2	-5.9	1.5

Interim Report 1 January – 31 March 2026

Sales and result

Metsä Group's sales in January–March 2026 were EUR 1,357.5 million (1–3/2025: 1,642.1).

The comparable operating result was EUR -3.8 million (80.9), or -0.3% (4.9) of sales. Operating result was particularly weakened by lower delivery volumes and average prices of market pulp. US import tariffs weakened the competitiveness of our products in the US and negatively affected the delivery volumes of folding box-board in particular. The lower price for wood raw material had a positive impact on the operating result.

After hedging, exchange rate fluctuations had a negative effect of approximately EUR 33 million on the operating result of the review period compared with the previous year.

Items affecting the comparability of the operating result in January–March totalled EUR -13.9 million (-29.5). The most significant item, amounting to EUR -8.7 million, was related to the Group-wide cost savings and profit improvement programme.

Metsä Group's operating result (IFRS) was EUR -17.7 million (51.4). The share of the results of associated companies and joint ventures was EUR 0.9 million (0.7), financial income was EUR 2.0 million (4.2), exchange rate differences in financing were EUR -1.3 million (-0.7), while financial expenses totalled EUR 18.3 million (18.1).

The result before taxes was EUR -34.5 million (37.4), and taxes, including changes in deferred tax liability, totalled EUR -5.9 million (9.9). The Group's effective tax rate was 17.1% (26.4). The result for the review period was EUR -28.6 million (27.6).

The return on capital employed was -0.8% (2.9), while the return on equity was -2.2% (2.0). The comparable return on capital employed was -0.1% (4.4), and the comparable return on equity was -1.4% (3.6).

Balance sheet and financing

Metsä Group's liquidity is stable. Total liquidity at the end of March was EUR 1,200.8 million (31 December 2025: 1,479.0). This consisted of EUR 500.8 million (779.0) in liquid assets and investments, and EUR 700.0 million (700.0) 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 2025: 360.0).

Net cash flow from operations was EUR -78.6 million (-9.7). A total of EUR 171.9 million in working capital was tied up (tied up: 169.4). Working capital increased

as a result of an increase in inventories of EUR 53.8 million, an increase in trade and other receivables of EUR 56.7 million, and a decrease in trade and other payables of EUR 61.5 million. Working capital increased due to seasonal factors and in preparation for shutdowns at the Husum and Kemi mills.

The Group's equity ratio at the end of March was 55.7%, and its net gearing ratio was 30.3% (31 December 2025: 56.8 and 24.2). Net interest-bearing liabilities were EUR 1,528.1 million (31 December 2025: 1,288.4).

At the end of March, the equity ratio of the parent company Metsäliitto Cooperative was 85.7%, and net gearing -12.7% (31 December 2025: 86.4 and -14.8).

In January–March, the capital of Metsäliitto Cooperative's members' increased by a total of EUR 19.6 million (36.2). The value of participation shares increased by EUR 0.6 million (1.3), and that of Metsä1 additional shares by EUR 44.9 million (74.8). The value of A additional shares declined by EUR -25.8 million (-39.9). The value of B additional shares increased by EUR 0.0 million (0.0).

Personnel

In January–March, Metsä Group had an average of 8,563 employees (9,550). Personnel expenses totalled EUR 182.0 million (192.5). At the end of March, the Group employed 8,563 people (31 December 2025: 8,767), of whom 4,889 (5,094) were based in Finland, and 3,674 (3,674) in other countries. The parent company Metsäliitto Cooperative employed 2,100 people at the end of March (31 December 2025: 2,180).

Changes in Metsä Group's management

Jussi Noponen started as EVP, Metsä Wood, and as a member of Metsä Group's Executive Management Team on 1 March 2026.

Members

At the end of March, Metsäliitto Cooperative had 87,764 members (31 December 2025: 87,798). During January–March, 627 new members joined the Cooperative, while 661 members terminated their membership. At the end of March, the forest area owned by the members totalled 5.409 million hectares (31 December 2025: 5.401).

Investments

Metsä Group's total investments in January–March were EUR 48.6 million (99.1), of which investments in owned property, plant and equipment were EUR 20.7 million (88.9), and investments in leased property, plant and equipment were EUR 16.5 million (10.2) and acquired business operations EUR 11.3 million (0.0).

Metsä Group is building a new EUR 300 million Kerto LVL mill in Äänekoski. The mill's annual production capacity will be approximately 160,000 cubic metres, which represents a 50% increase in the company's total Kerto LVL capacity. The installation of equipment at the mill has proceeded as planned, and full-scale test runs on the machine lines are currently underway. Both production lines at the mill are scheduled to begin commercial production at the end of 2026.

The investment programme at the Mänttä tissue paper mill progressed according to plan. The new hand towel line is scheduled to be commissioned during the second quarter of 2026, and the next phases of the investment programme are being planned.

The efficiency improvement programme at the Kreuzau mill in Germany is moving into the investment phase, with the aim of strengthening the mill's competitiveness and ensuring profitable growth.

Metsä Group has started the pre-engineering of a carbon capture facility for wood-based carbon dioxide. The company has submitted a related application to a reverse auction organised by the Ministry of Economic Affairs and Employment, which awards investment grants to clean transition projects in Finland. The proposed facility would be adjacent to the Rauma pulp mill and

would have a nominal capacity of approximately 100,000 tonnes of wood-based carbon dioxide per year. The CO₂ would be captured from the mill's flue gases.

Metsä Group's new demo plant for a lignin product was commissioned in Äänekoski. The plant's daily capacity will be two tonnes of a new kind of lignin product.

Metsä Group is also currently conducting a pre-engineering project for the Kuura textile fibre. The pre-engineering of a Muoto packaging plant was completed in 2025, and the potential investment will be evaluated in the near future.

The renewal project of Metsä Group's enterprise resource planning (ERP) system has been discontinued as such. Going forward, Metsä Group will focus on the design and implementation of business-area-specific ERP solutions, development of data and AI solutions, and other IT projects that generate business value.

Some Metsä Group companies are party to legal proceedings concerning disputes about obligations and liabilities arising from the supply agreements for 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 the most material sustainability topics and related key performance indicators quarterly. A more extensive Sustainability statement is published annually as part of the Board of Directors' report.

Key sustainability figures

	2026 1–3	2025 1–3	2025 1–12
Total recordable incident frequency TRIF ¹⁾	3.8	4.1	4.0
Women in leadership positions ²⁾ , %	29	29	30
Share of certified wood ³⁾ , %	95	93	92
Share of fossil free energy of total energy consumption ⁴⁾ , %	-	-	94
Direct fossil-based CO ₂ emissions, tonnes (Scope 1)	75,167	116,197	331,198
Indirect fossil-based CO ₂ emissions ⁵⁾ , tonnes (Scope 2)	-	-	227,845
Energy efficiency improvement ⁶⁾ , index	-	-	102
Reduction in process water use, %	-17	-19	-15

1) Per million hours worked.

2) 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..

3) Reported annually.

4) Market-based, reported annually.

5) Reported every six months.

6) Correction to annual reporting.

Safety at work and equity

Our occupational safety goal is zero accidents. All production units comply with the ISO 45001 management system and the same occupational safety standards. Occupational safety is improved through measures such as proactive safety initiatives, training and investments. In 2026, a common sustainability target for performance-based pay was set for all employees. Metsä Group's TRIF is used as the metric.

The promotion of diversity, equity and inclusion is guided by the "Metsä for All" vision, and progress is monitored against the goals set. One key target is to increase the proportion of women in management positions to at least 35%.

Share of certified wood

We strive to ensure that all the wood we source comes from certified forests. Wood is supplied mainly from Finland, Sweden and the Baltic countries. In all countries that supply wood, legislation requires that forests be regenerated after regeneration felling.

The Group has also set 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 use

The goal is to phase out the use of fossil fuels by the end of 2030.

In early 2026, an updated climate transition plan was published, which lays down 2030 targets for reducing Scopes 1–3 emissions, as well as their associated key measures. The plan also includes Metsä Group's other targets linked to climate change mitigation and adaptation, which are related to forest management, resource-efficient production and carbon storage.

For the use of process water, the target is a 35% reduction per tonne of production from the 2018 level. The actions to reduce water use include investments in production processes and wastewater treatment, as well as developing processes so that they use less water. At the same time, water recycling is improved, and water abstraction from waterbodies is reduced.

Events related to sustainability in the first quarter of 2026

- The Metsä Conservation Foundation has begun operations and is accepting applications for Finnish forest sites suitable for permanent conservation. The establishment of the foundation is one of the initiatives undertaken by Metsä Group to improve the state of nature in commercial forests and beyond.

- The Paperboard Business published the Green Debt Report 2025, which describes the allocation of funds from a green bond issued in 2025 and the impacts achieved in accordance with the Green Finance Framework. The bond of EUR 200 million was used for refinancing the renewal investments carried out at the Husum pulp mill in Sweden.

- In the Tissue and Greaseproof Paper Business, projects to improve water efficiency progressed as planned during the first quarter. The first phase of the water efficiency improvement project at the Zilina mill was completed, and microflotation to treat the wastewater from PM 1 began at the Raubach mill. As a result of these improvements, water consumption measured per tonne of production was more efficient than in the previous year.

- In addition, SMETA (Sedex Members Ethical Trade Audit) audits were conducted at five mills of the tissue and greaseproof paper business in early 2026, meaning that the majority of the mills are now SMETA-audited. SMETA is an audit method that evaluates a company's working conditions, health and safety, environmental issues, and business ethics practices.

Risks and uncertainties

The uncertainty and unpredictability of the geopolitical environment and international trade policy may increase economic uncertainty, weaken global trade, and heighten volatility in financial markets. The unpredictability of the geopolitical situation has an impact on Metsä Group's business, as the Group's production takes place in Northern Europe, but markets outside Europe account for around a third of its sales.

The conflict in the Middle East is increasing the risk of rising oil and natural gas prices. This could have direct cost implications for Metsä Group, particularly for logistics and the procurement of certain raw materials. Furthermore, the prolongation of the conflict could slow down global economic growth, fuel inflation and weaken consumer purchasing power, which could have indirect negative effects on demand for the Group's products.

The US tariffs have weakened the competitiveness of Metsä Group's products in the USA. Any additional tariffs or changes in trade policy could have a negative impact on sales.

The continuation of Russia's war of aggression is increasing uncertainty and keeping the wood market situation tense in the Baltic Sea region. Although prices have decreased, the cost level remains high. An increase in wood demand or the weakening of availability could again raise prices, which would weaken profitability and endanger the continuity of production.

An imbalance in market demand and supply could weaken the demand for Metsä Group's products and its

ability to achieve the planned price level. A steep increase in competitors' capacity and increased imports or competition for market shares may negatively affect Metsä Group's profitability. In addition, a decrease in deliveries to the US may increase supply on the European market.

Metsä Group operates in the global market and is therefore susceptible to fluctuations in the exchange rates especially for the US dollar, the Swedish krona and the British pound. Fluctuations in exchange rates may have significant impacts on the Group's operating result.

Metsä Group is more than self-sufficient in pulp. The global pulp market's structural changes, increased competition and increased capacity may weaken demand and price trends. The prolonged poor economic growth in China and the increase in the country's own pulp production may affect demand for Metsä Group's products in China in particular.

Efficiency programmes and development projects carry the risk that costs will exceed the budget, which could undermine profitability. The Group has an ongoing transformation programme that aims to adjust the cost structure and improve the efficiency of business operations. There are risks associated with achieving the programme's objectives.

There are risks related to expanding business operations and launching new products to the market, such as the uncertainty of sales success and challenges in ramping up production. A highly focused product portfolio exposes the company to fluctuations in demand and market changes, which could have an adverse effect on sales and profitability. As customers prioritise FSC certification over PEFC, insufficient availability of FSC-certified raw materials could weaken Metsä Group's competitiveness and limit sales.

In addition, regulation related to the acceptability and taxation of different packaging materials may negatively affect product demand.

Most of Metsä Group's production units are in Finland. Labour disputes in the forest industry or logistics chain may have a negative impact on production volumes and customer deliveries, and weaken the company's competitiveness and profitability.

Serious accidents, cyberattacks, and malware threatening the continuity of production or other operations may cause significant financial and customer losses. There may be uncertainties involved with material damage and consequential loss, as well as the scope, availability and pricing of insurance compensation.

Climate risks mainly affect forests and the use of energy and water. Climate change may increase extreme weather such as storms, floods and droughts, causing production outages at mills or limiting the availability of wood raw material.

Metsä Group regularly assesses its balance sheet items based on expected cash flow. Significant or prolonged changes in market conditions may affect the valuation of balance sheet items and lead to impairment losses. Changes in business performance, financial forecasts or credit ratings may affect Metsä Group's access to financing and financing costs. Customers' weaker cash position or slower payment behaviour may also weaken the company's cash flow and increase the risk of credit losses.

The future-oriented statements in this interim report are based on current plans and estimates, and involve risks and uncertainties that may cause the results to differ from those expressed in the statements. The risks related to Metsä Group's business are explained in more detail in Metsä Group's Annual Review. A more detailed discussion of climate and other sustainability-related risks can be found in the sustainability statement in the annual review.

Near-term outlook

Geopolitical tensions and conflicts are increasing uncertainty in the global economy and driving up energy, chemical and logistics costs. Rising costs increase production costs, which puts pressure on profitability.

Low consumer confidence, the partial replacement of softwood pulp with hardwood pulp, and a structural decline in demand for printing and writing paper are weakening the demand for market softwood pulp. At the same time, the supply of softwood market pulp is being reduced by the capacity shutdowns that continued in North America early this year and by production curtailments in the industry.

A market-driven shutdown began at the Joutseno pulp mill at the start of the second quarter, and it will continue for the time being.

Consumers' cautious purchasing behaviour also has a general impact on demand for packaging and weakens the predictability of paperboard sales. In Europe, overcapacity is adding to market pressure. In North America, the demand for folding boxboard is impacted by tariffs. The outlook for coated white kraftliner is better due to the limited possibilities for its replacement.

Demand for tissue paper products is expected to remain stable, and the long-term growth to remain moderate. The uncertainty of the market situation of grease-proof papers in Europe continues due to increased Chinese competition.

In much of Europe, the outlook for the construction sector remains weak, which is reflected in muted demand especially for sawn timber, spruce plywood and Kerto LVL products. However, a slight seasonal increase in demand for sawn timber and Kerto LVL products is expected in the second quarter. Demand for Kerto LVL is

being driven by new customers acquired early in the year. Demand for birch plywood is expected to remain stable.

Demand for forest management services is expected to pick up as wood sales volumes increase.

Demand for wood will focus on felling sites suitable for summer harvesting, especially spruce logs and FSC-certified wood. In energy wood, the demand will focus mainly on crown wood.

Estimate of the most significant annual maintenance and investment shutdowns	
Q1/2026	-
Q2/2026	Several Finnish mills
Q3/2026	Husum mills, Rauma pulp mill, Äänekoski bioproduct mill
Q4/2026	Kemi mills

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 2026 that for 2025, interest of 5.0% (2024: 5.5%) be paid on the participation share capital invested by members, and that interest of 4.5% (5.0) be paid on Metsä1 additional shares, 1.0% (2.0) on additional capital A, and 0.75% (1.0) on additional capital B. The Board of Directors also proposes that a surplus reimbursement of EUR 0.30 per cubic metre of industrial roundwood received from a member over the last four concluded financial periods be distributed. The reimbursement of surplus will be primarily paid as Metsä1 additional shares, but in money for the part corresponding to the tax withheld for each member. If the right to the shares has been transferred to another person in accordance with the rules of the cooperative, the interest will be paid to the person who is registered as the owner on the record date, 31 March 2026. The proposed payment date is 11 May 2026. If a member entitled to a surplus reimbursement terminates their membership of 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 88 million (93), of which the surplus reimbursement based on wood trade would be approximately 17%.

Espoo, 29 April 2026

BOARD OF DIRECTORS

Further information:

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Metsä Group will publish the following financial reports in 2026:

Half-Year Financial Report for January–June 2026

6 August 2026

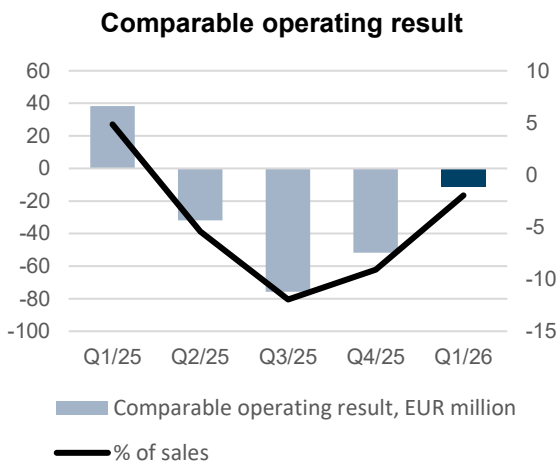
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29 October 2026

Business areas

Pulp and Sawn Timber Industry

	2026	2025	2025
Pulp and Sawn Timber Industry	1–3	1–3	1–12
Sales, EUR million	591.3	788.7	2,578.1
EBITDA, EUR million	64.0	104.4	159.4
Comparable EBITDA, EUR million	66.2	104.4	129.6
Operating result, EUR million	-13.7	38.5	-143.1
Comparable operating result, EUR million	-11.5	38.3	-121.0
% of sales	-2.0	4.9	-4.7
Comparable ROCE, %	-1.5	4.8	-3.8
Total investments, EUR million	-4.1	6.0	164.9
Personnel at end of period	1,331	1,496	1,381
Pulp deliveries, 1,000 t	727	886	2,893
Sawn timber deliveries, 1,000 m ³	284	317	1,395



The sales of the Pulp and Sawn Timber Industry, i.e. Metsä Fibre, in January–March totalled EUR 591.3 million (1–3/2025: 788.7), and the comparable operating result was EUR -11.5 million (-38.3).

The sales and operating result decreased from the first quarter of 2025, mainly due to the decline in sales prices and delivery volumes, and the fluctuations in the US dollar exchange rate.

The pulp delivery volume in January–March totalled 727,000 tonnes (886,000). In the first quarter of 2026,

average invoicing prices for Metsä Group's softwood market pulp decreased by 9% in Europe and 13% in China compared with the first quarter of 2025. Compared with the last quarter of 2025, invoicing prices fell by 4% in Europe and rose by 2% in China.

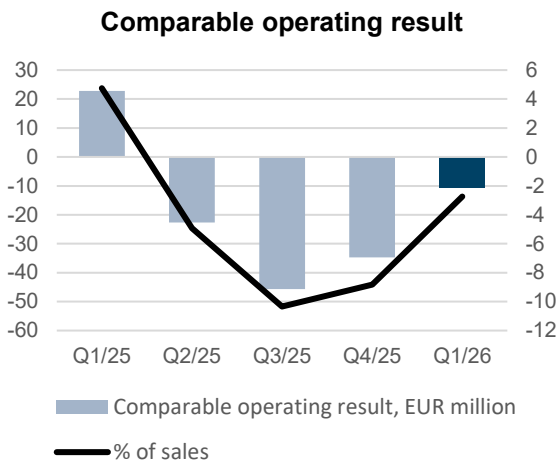
Demand for softwood market pulp has been weakened by general economic uncertainty, which has reduced demand for paper and paperboard products, as well as by the structural decline in demand for printing and writing paper in Europe and North America. In addition, the replacement of softwood pulp with hardwood pulp in various end products has weighed on demand. The supply of softwood pulp has been reduced by capacity closures in recent years, particularly in North America.

Sawn timber deliveries amounted to 284,000 m³ (317,000). In January–March, average market prices of Metsä Group's sawn timber were 1% higher than in the comparison period. Compared with the last quarter of 2025, prices have increased by 6%.

Demand for sawn timber has remained below normal in all main markets as construction activity has remained weak. The market for spruce sawn timber has been supported by scarce supply, but the supply of pine sawn timber has exceeded demand. Geopolitical issues in the Middle East and Africa and seasonal factors have limited trade.

Paperboard Industry

	2026	2025	2025
Paperboard Industry	1–3	1–3	1–12
Sales, EUR million	393.7	480.8	1,775.7
EBITDA, EUR million	12.9	43.8	-3.9
Comparable EBITDA, EUR million	16.7	51.1	29.6
Operating result, EUR million	-14.5	-3.8	-169.5
Comparable operating result, EUR million	-10.8	22.8	-80.2
% of sales	-2.7	4.7	-4.5
Comparable ROCE, %	-1.7	3.9	-3.1
Total investments, EUR million	13.6	16.1	139.5
Personnel at end of period	1,855	2,290	1,939
Folding boxboard deliveries, 1,000 t	205	248	890
White kraftliner deliveries, 1,000 t	122	119	474
Market pulp deliveries, 1,000 t	78	100	368



The sales of the Paperboard Industry, i.e. Metsä Board, in January–March were EUR 393.7 million (1–3/2025: 480.8). The comparable operating result was EUR -10.8 million (22.8).

Sales and the operating result were lower than in the first quarter of 2025 due to a decline in the sales of folding boxboard to the United States resulting from import tariffs, an unfavourable currency effect, and record-low delivery volumes of market pulp.

Wood and chemical costs were down, but energy costs increased. Fixed costs were significantly lower than in

the comparison period, primarily due to the ongoing transformation programme and the closure of the Tako paperboard mill.

Exchange rate fluctuations, including hedges, had a negative result effect of around EUR 13 million compared with the corresponding period of the previous year.

The comparable operating result for January–March was supported by higher volumes compared with the previous quarter, as well as the company's own cost savings and efficiency improvement measures. In addition, the decline in wood costs improved profitability.

Total paperboard deliveries in January–March amounted to 327,000 tonnes (367,000), and market pulp deliveries to 78,000 tonnes (100,000).

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

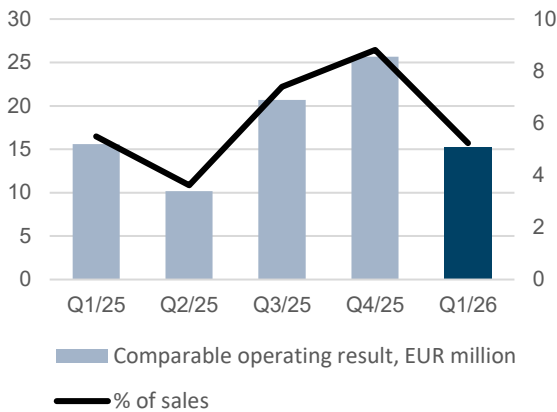
The associated company Metsä Fibre's share of Metsä Board's comparable operating result in January–March was EUR -5.3 million (5.5).

Earnings per share were EUR -0.04 (0.02), and comparable earnings per share were EUR -0.03 (0.04).

Tissue and greaseproof papers

	2026	2025	2025
Tissue and greaseproof papers	1–3	1–3	1–12
Sales, EUR million	290.5	283.9	1,135.4
EBITDA, EUR million	28.4	27.0	105.5
Comparable EBITDA, EUR million	31.8	27.0	121.6
Operating result, EUR million	11.8	15.6	18.2
Comparable operating result, EUR million	15.2	15.6	72.1
% of sales	5.2	5.5	6.3
Comparable ROCE, %	7.2	7.9	8.4
Total investments, EUR million	19.0	29.8	216.3
Personnel at end of period	2,423	2,488	2,398
Tissue paper deliveries, 1,000 t	121	111	460

Comparable operating result



In January–March, the sales of Tissue and Greaseproof Papers, i.e. Metsä Tissue, were EUR 290.5 million (1–3/2025: 283.9). The comparable operating result was EUR 15.2 million (15.6).

Tissue paper sales volumes increased by 9% compared with the first quarter of the previous year. The growth came mainly from consumer products, reflecting the success of the new investment in Mariestad. Sales of greaseproof papers were at the previous year's level. Sales prices were 5% lower than in the previous year due to the market situation. Greaseproof paper prices fell most.

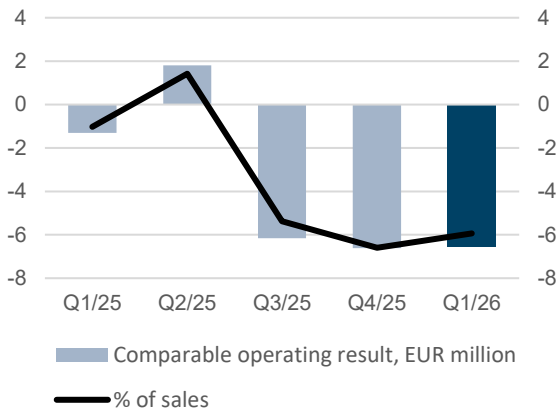
Both the variable and fixed costs decreased compared with the first quarter of 2025, thanks to lower raw material prices and cost-saving measures. The impact of the Middle East conflict on energy and raw material costs was minor in the first quarter.

Metsä Tissue appointed a new Management Team as of 1 January 2026. The regional organisational structure was transformed into a Europe-wide, function-based organisation, and the company began change negotiations involving the entire personnel in January. Change negotiations were concluded in March, resulting in the reduction of 50 jobs.

Wood Products Industry

	2026	2025	2025
Wood Products Industry	1–3	1–3	1–12
Sales, EUR million	110.9	127.2	469.0
EBITDA, EUR million	-4.3	2.9	4.8
Comparable EBITDA, EUR million	-0.9	4.2	10.0
Operating result, EUR million	-10.8	-5.6	-38.0
Comparable operating result, EUR million	-6.6	-1.3	-12.3
% of sales	-5.9	-1.0	-2.6
Comparable ROCE, %	-4.7	-0.6	-2.2
Total investments, EUR million	8.7	25.9	145.2
Personnel at end of period	1561	1,618	1,603
Engineered wood product deliveries, 1,000 m ³	89	107	394

Comparable operating result



In January–March, the sales of the Wood Products Industry, i.e. Metsä Wood, were EUR 110.9 million (1–3/2025: 127.2), and the comparable operating result was EUR -6.6 million (-1.3).

In the first quarter, the sales of Metsä Wood declined by 13% from the comparison period. Sales of engineered wood products decreased by 10%, and the sales in euros of the UK business decreased by 17%. The delivery volumes of Kerto LVL and spruce plywood products and of the UK business decreased. Delivery volumes of birch plywood products increased. Sales prices for engineered wood products decreased slightly from the comparison period.

Three of Metsä Wood's business units were affected by factors deviating from normal business operations, which had a combined negative effect of EUR 11.1 million on the comparable operating result. These were the planned commissioning of the Äänekoski Kerto LVL mill, the winding down of the Suolahti plywood mill and the restructuring of operations in the United Kingdom.

Profitability decreased from the previous year due to low demand for engineered wood products. In addition, rising energy costs, exchange rate fluctuations and US tariffs undermined profitability.

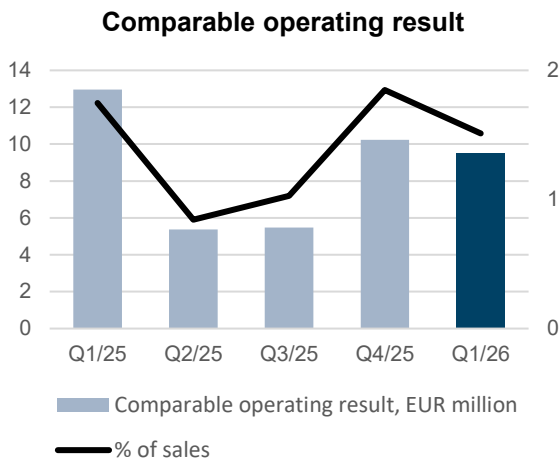
Weak construction activity in Europe weighed particularly heavily on demand for spruce plywood and Kerto LVL, which is why the production of engineered wood products had to be curtailed.

As expected, the operational efficiency of the Suolahti softwood plywood mill has weakened due to the phased winding down of the operations. The production of spruce plywood in Suolahti will end during the summer of 2026.

The operating result of the UK upgrading business decreased markedly from the comparison period due to structural changes in the customer portfolio and a weak market situation.

Wood Supply and Forest Services

	2026	2025	2025
Wood Supply and Forest Services	1–3	1–3	1–12
Sales, EUR million	629.9	742.2	2,465.4
EBITDA, EUR million	10.8	15.9	39.6
Comparable EBITDA, EUR million	10.9	14.7	40.3
Operating result, EUR million	9.4	14.2	33.4
Comparable operating result, EUR million	9.5	13.0	34.0
% of sales	1.5	1.7	1.4
Comparable ROCE, %	18.9	19.0	15.3
Total investments, EUR million	0.3	4.7	5.3
Personnel at end of period	567	671	590
Wood deliveries, 1,000 m ³	8,589	9,225	29,642



The sales of Wood Supply and Forest Services, i.e. Metsä Forest, in January–March totalled EUR 629.9 million (1–3/2025: 742.2), and the comparable operating result was EUR 9.5 million (13.0).

Sales declined in January–March compared with the same period last year, mainly due to lower wood prices. Comparable operating profit was slightly lower than last year due to lower sales margins. The cost savings achieved had a positive impact on the result.

The supply of wood from Finnish private forests was lower than at the start of last year. Prices for both logs and pulpwood fell significantly in the second half of last year. At the start of this year, pulpwood prices have continued to fall slightly, while log prices have risen.

Overall, prices for both log wood and pulpwood in Finland remain high compared to historical trends. Harvesting conditions were good in January and February, although the sub-zero temperatures ended in March earlier than in a usual winter, making logging somewhat more difficult.

In the Baltics and Sweden, the pulpwood market was balanced in January–March.

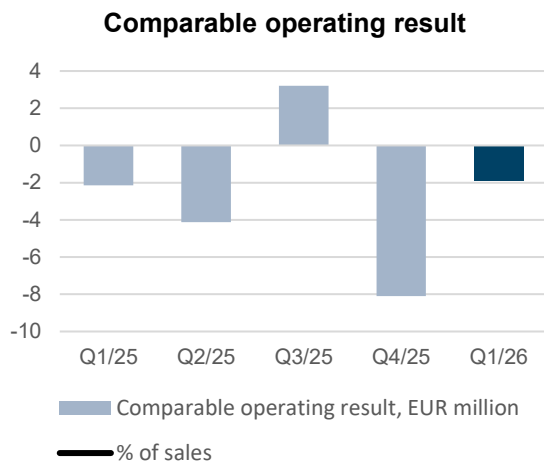
Metsä Group's wood purchases met the mills' needs in January–March. In Finland, most of the wood was purchased from members of Metsäliitto Cooperative. FSC certification gained significant popularity among contract customers during the first half of the year.

In January–March, Metsä Group delivered a total of 8.6 million cubic metres (9.2) of wood, approximately 91% of which was delivered to Finland's industrial sector. Sales of forest management services fell slightly short of the target in the first half of the year due to a lower-than-expected wood supply. Customer feedback from forest owners remained at a very high level.

Metsä Group announced the introduction of a new AI application based on satellite imaging and geographic information data for the planning and pricing of young stand management work. It allows us to already provide a fixed price for early clearing and seedling stand thinning work when making an offer, and the price will not change after the seedling stand management work is completed.

Other operations

	2026	2025	2025
Other operations	1-3	1-3	1-12
Sales, EUR million	34.9	26.6	75.6
EBITDA, EUR million	-0.1	0.4	-2.6
Comparable EBITDA, EUR million	0.6	0.4	-1.1
Operating result, EUR million	-2.6	-2.1	-12.6
Comparable operating result, EUR million	-1.9	-2.1	-11.1
Total investments, EUR million	9.3	14.5	52.8
Personnel at end of period	826	997	856



Sales of other operations in January–March were EUR 34.9 million (1–3/2025: 26.6), and the comparable operating result was EUR -1.9 million (-2.1).

Other operations include the Group services of Metsä Group, Metsäliitto Cooperative's holding operations, Metsä Group Treasury Oy, Metsä Spring Oy and MI Demo Oy.

Reconciliation of items affecting comparability

Reconciliation by segment

	2026	2025	2025
EUR million	1–3	1–3	1–12
Operating result (IFRS)	-17.7	51.4	-271.3
Depreciation and impairment charges	132.3	138.1	613.7
EBITDA	114.6	189.5	342.4
Items affecting comparability:			
Pulp and Sawn Timber Industry	2.1		-29.7
Paperboard Industry	3.8	7.3	33.5
Tissue and Greaseproof Papers	3.4		16.1
Wood Products Industry	3.4	1.3	5.2
Wood Supply and Forest Services	0.2	-1.2	0.6
Other operations and eliminations	0.3		-2.9
Total	13.1	7.4	22.8
Comparable EBITDA	127.7	196.9	365.2
Depreciation and impairment charges	-132.3	-138.1	-613.7
Items affecting comparability:			
Depreciations and reversals	0.9	22.1	163.9
Pulp and Sawn Timber Industry		-0.2	51.8
Paperboard Industry		19.3	55.9
Tissue and Greaseproof Papers			37.8
Wood Products Industry	0.9	3.0	20.5
Other operations and eliminations			-2.0
Comparable Operating result	-3.8	80.9	-84.6
Share of results from associated companies and joint ventures	0.9	0.7	-0.7
Financial costs, net	-17.6	-14.6	-62.9
Items affecting comparability			
Other operations and eliminations			1.5
Comparable Result before income tax	-20.5	66.9	-146.7
Income tax	5.9	-9.9	53.6
Items affecting comparability:			
Pulp and Sawn Timber Industry	-0.4		-4.5
Paperboard Industry	-0.7	-5.3	-17.1
Tissue and Greaseproof Papers	-0.8		-12.1
Wood Products Industry	-1.0	-0.9	-5.2
Wood Supply and Forest Services			-0.7
Other operations and eliminations	-0.1		0.1
Comparable Result for the period	-17.7	50.9	-132.5

Reconciliation by expense or income

	2026	2025	2025
EUR million	1–3	1–3	1–12
Operating result (IFRS)	-17.7	51.4	-271.3
Depreciation and impairment charges	132.3	138.1	613.7
EBITDA	114.6	189.5	342.4
Items affecting comparability:			
Other operating income	-0.4	-1.3	-42.6
Change in inventories		5.9	9.2
Employee costs	6.4	0.7	41.9
Other operating expenses	7.0	2.1	14.3
Total	13.1	7.4	22.8
Comparable EBITDA	127.7	196.9	365.2
Depreciation and impairment charges	-132.3	-138.1	-613.7
Items affecting comparability:			
Depreciations and reversals	0.9	22.1	163.9
Comparable Operating result	-3.8	80.9	-84.6
Share of results from associated companies and joint ventures	0.9	0.7	-0.7
Financial costs, net	-17.6	-14.6	-62.9
Items affecting comparability			1.5
Comparable Result before income tax	-20.5	66.9	-146.7
Income tax	5.9	-9.9	53.6
Items affecting comparability	-3.1	-6.2	-39.4
Comparable Result for the period	-17.7	50.9	-132.5

Items with a “+” sign = expenses affecting comparability

Items affecting the comparability of Metsä Group’s net result for the January–March 2026 period totalled EUR -10.8 million. The most significant items were the EUR -6.8 million related to the Group-wide cost savings and profit improvement programme, EUR -2.4 million related to the restructuring of operations in the United Kingdom, EUR -0.9 million related to the closure of the Tako board mill, and EUR -0.7 million related to the winding down of operations at the Suolahti plywood mills.

Items with a “-” sign = income affecting comparability

Items affecting the comparability of Metsä Group’s net result for the January–March 2025 period totalled EUR -23.3 million.

Quarterly data

EUR million	2026 1–3	2025 10–12	2025 7–9	2025 4–6	2025 1–3
Sales					
Pulp and Sawn Timber Industry	591.3	568.5	633.0	587.8	788.7
Paperboard Industry	393.7	393.5	441.2	460.1	480.8
Tissue and Greaseproof Papers	290.5	290.9	279.6	281.0	283.9
Wood Products Industry	110.9	100.2	114.4	127.3	127.2
Wood Supply and Forest Services	629.9	553.7	533.2	636.2	742.2
Other operations	34.9	18.0	14.3	16.7	26.6
Internal sales	-693.9	-600.2	-576.1	-682.6	-807.3
Sales	1,357.5	1,324.7	1,439.6	1,426.5	1,642.1
Operating result					
Pulp and Sawn Timber Industry	-13.7	-81.9	-67.7	-31.9	38.5
Paperboard Industry	-14.5	-99.2	-44.8	-21.7	-3.8
Tissue and Greaseproof Papers	11.8	-16.4	20.7	-1.7	15.6
Wood Products Industry	-10.8	-26.8	-7.4	1.8	-5.6
Wood Supply and Forest Services	9.4	6.8	5.3	7.2	14.2
Other operations	-2.6	-6.6	0.3	-4.1	-2.1
Eliminations	2.6	15.9	24.9	4.8	-5.4
Operating result	-17.7	-208.3	-68.6	-45.8	51.4
% of sales	-1.3	-15.7	-4.8	-3.2	3.1
Share of results from associated companies and joint ventures	0.9	-0.3	-0.7	-0.5	0.7
Exchange gains and losses	-1.3	-0.2	-0.1	-0.5	-0.7
Net financial items	-16.3	-17.8	-15.0	-14.6	-14.0
Result before income tax	-34.5	-226.6	-84.4	-61.3	37.4
Income tax	5.9	36.8	14.3	12.4	-9.9
Result for the period	-28.6	-189.8	-70.2	-48.9	27.6
Comparable operating result					
Pulp and Sawn Timber Industry	-11.5	-51.7	-75.7	-31.9	38.3
Paperboard Industry	-10.8	-34.7	-45.6	-22.7	22.8
Tissue and Greaseproof Papers	15.2	25.6	20.7	10.2	15.6
Wood Products Industry	-6.6	-6.6	-6.2	1.8	-1.3
Wood Supply and Forest Services	9.5	10.2	5.5	5.4	13.0
Other operations and eliminations	0.3	-0.3	29.8	0.7	-7.5
Comparable operating result	-3.8	-57.4	-71.5	-36.6	80.9
% of sales	-0.3	-4.3	-5.0	-2.6	4.9

Calculation of key figures

Operating result	=	Result before taxes, financial income and expenses, and exchange gains and losses, and share of results from associated companies and joint ventures, presented in the IFRS income statement
EBITDA	=	Operating result before depreciation, amortisation and impairment charges
Return on equity (%) ROE (%)	=	(Result before taxes – income taxes) per (Members' funds (average))
Return on capital employed (%) ROCE	=	(Result before tax +/- net exchange gains/losses) per (Balance total - non-interest-bearing liabilities (average))
Equity ratio (%)	=	(Members' funds) per (Balance sheet total – 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
Total investments	=	Investments in owned and leased property, plant and equipment, 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 the operating result under IFRS and the comparable operating result, as well as EBITDA and comparative EBITDA, is presented in this report.

Comparable ROCE has been calculated using the same adjustments as for 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	No	2026 1–3	2025 1–3	Change	2025 1–12
Sales	2,3	1,357.5	1,642.1	-284.6	5,832.9
Change in stocks of finished goods and work in progress		91.3	79.1	12.2	-121.5
Other operating income		17.1	16.9	0.2	162.2
Material and services		-1,070.7	-1,239.0	168.3	-4,286.9
Employee costs		-182.0	-192.5	10.5	-765.0
Depreciation and impairment losses		-132.3	-138.1	5.8	-613.7
Other operating expenses		-98.6	-117.1	18.5	-479.1
Operating result	2	-17.7	51.4	-69.1	-271.3
Share of results of associated companies and joint ventures		0.9	0.7	0.2	-0.7
Exchange gains and losses		-1.3	-0.7	-0.6	-1.5
Net financial items		-16.3	-14.0	-2.3	-61.4
Result before income tax		-34.5	37.4	-71.9	-334.9
Income tax	4	5.9	-9.9	15.8	53.6
Result for the period		-28.6	27.6	-56.1	-281.3

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		-1.5	1.2	-2.8	3.0
Fair value of financial assets through other comprehensive income		-75.2	-21.5	-53.7	-38.6
Income tax relating to items that will not be reclassified		15.3	4.0	11.3	8.0
Total		-61.4	-16.3	-45.2	-27.6

Items that may be reclassified subsequently to profit and loss

Cash flow hedges		-11.2	85.0	-96.2	48.5
Currency translation differences		-12.9	69.8	-82.8	60.3
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		2.2	-17.0	19.2	-9.7
Total		-21.9	137.8	-159.7	99.1

Other comprehensive income, net of tax

Total comprehensive income for the period **-111.9** **149.1** **-261.0** **-209.8**

Result for the period attributable to:

Members of parent company		-13.6	25.2	-38.8	-158.2
Non-controlling interests		-15.0	2.3	-17.3	-123.1
Total		-28.6	27.6	-56.1	-281.3

Total comprehensive income attributable to:

Members of parent company		-60.2	95.8	-156.1	-116.6
Non-controlling interests		-51.7	53.2	-104.9	-93.2
Total		-111.9	149.1	-261.0	-209.8

Unaudited consolidated balance sheet

EUR million	Note	2026 31.3.	2025 31.3.	2025 31.12.
ASSETS				
Non-current assets				
Goodwill		427.8	421.6	421.9
Other intangible assets		318.9	388.8	319.3
Tangible assets	5	5,470.1	5,453.7	5,567.3
Biological assets		3.3	3.1	3.2
Investments in associated companies and joint ventures		5.6	4.8	4.7
Other investments	9	122.9	215.8	198.1
Other non-current assets	9	48.2	47.6	45.6
Deferred tax receivables		38.9	38.1	36.8
		6,435.6	6,573.4	6,596.8
Current assets				
Inventories		1,313.1	1,592.6	1,260.1
Accounts receivables and other receivables		822.4	1,002.5	770.2
Cash and cash equivalents	9	500.8	870.3	779.0
		2,636.3	3,465.3	2,809.3
Assets classified as held for sale		0.0	12.4	0.0
Total assets		9,071.9	10,051.2	9,406.2
Members' funds				
Members' capital		1,660.0	1,588.5	1,640.4
Translation differences		-32.1	-17.5	-23.4
Fair value and other reserves		676.5	737.4	712.4
Retained earnings		1,732.3	2,120.3	1,847.6
Members' funds		4,036.7	4,428.6	4,177.0
Non-controlling interests		1,009.1	1,302.1	1,156.1
		5,045.9	5,730.7	5,333.2
Non-current liabilities				
Deferred tax liabilities		279.7	384.0	304.8
Post-employment benefit obligations		56.3	54.5	55.9
Provisions	6	10.6	17.7	17.9
Borrowings	9	1,422.6	1,563.5	1,462.1
Other non-current liabilities		55.1	8.9	7.6
		1,824.3	2,028.5	1,848.4
Current liabilities				
Provisions	6	7.7	1.9	4.1
Current borrowings	9	616.2	628.7	615.4
Accounts payable and other liabilities		1,577.9	1,656.7	1,605.1
		2,201.7	2,287.2	2,224.6
Liabilities classified as held for sale		0.0	4.7	0.0
Total liabilities		4,026.1	4,320.4	4,073.0
Total members' funds and liabilities		9,071.9	10,051.2	9,406.2

Unaudited statement of changes in shareholders' equity

Equity attributable to members of parent company

EUR Million	Mem- bers' funds	Transla- tion dif- ferences	Fair value and other re- serves	Retained earnings	Total	Non-control- ling interests	Total
Members' funds 1 Jan 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 Mar 2025	1,588.5	-17.5	737.4	2,120.3	4,428.6	1,302.1	5,730.7

Equity attributable to members of parent company

EUR Million	Mem- bers' funds	Transla- tion dif- ferences	Fair value and other re- serves	Retained earnings	Total	Non-control- ling interests	Total
Members' funds 1 Jan 2026	1,640.4	-23.4	712.4	1,847.6	4,177.0	1,156.1	5,333.2
Result for the period				-13.6	-13.6	-15.0	-28.6
Other comprehensive income, after tax		-8.6	-36.7	-1.3	-46.6	-36.7	-83.4
Total comprehensive income		-8.6	-36.7	-14.9	-60.2	-51.7	-111.9
Transactions with owners:							
Dividends paid				2.8	2.8		2.8
Change in members' capital	19.6			-5.0	14.6		14.6
Share based payments				0.1	0.1	0.1	0.2
Acquired shares from non-controlling interests, which did not change the controlling right			0.7	-98.2	-97.5	-95.4	-192.9
Sold shares from non-controlling interests, which did not change the controlling right							0.0
Members, funds 31 Mar 2026	1,660.0	-32.1	676.5	1,732.3	4,036.7	1,009.1	5,045.9

Unaudited condensed consolidated cash flow statement

EUR million	Note	2026 31.3.	2025 31.3.
Result for the period	8	-28.6	27.6
Total adjustments	8	131.8	156.7
Change in working capital		-171.9	-169.4
Cash flow from operations		-68.7	14.8
Net financial items		-10.2	-22.5
Income taxes paid		0.4	-2.1
Net cash flow from operating activities		-78.6	-9.7
Acquisitions		-9.0	0.0
Investments in tangible and intangible assets		-28.0	-88.0
Disposals and other items	8	5.8	10.9
Net cash flow from financing activities		-31.1	-77.1
Change in members' funds		14.6	31.5
Change in non-controlling interest		-126.9	0.0
Change in long-term loans and other financial items		-56.9	-55.5
Dividends paid		0.0	-12.0
Net cash flow from financing activities		-169.2	-36.0
Change in cash and cash equivalents		-278.9	-122.8
Cash and cash equivalents at beginning of period		779.0	991.6
Translation difference		0.1	-0.1
Change in cash and cash equivalents		-278.9	-122.8
Value adjustments of investment funds included in cash and cash		0.6	3.0
Cash and cash equivalents of assets held for sale		0.0	-1.4
Cash and cash equivalents at end of period		500.8	870.3

NOTES TO THE UNAUDITED INTERIM REPORT

Note 1 – Background and accounting policies

Metsäliitto Cooperative and its subsidiaries comprise a group (“Metsä Group” or “Group”) in which operations are organised into five business segments: Pulp and Sawn Timber Industry; Paperboard Industry; Tissue and Greaseproof Papers; Wood Products Industry; and Wood Supply and Forest Services. 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 2025 IFRS financial statements. The effects of foreign exchange rates on the operating profit for the review period compared with the comparison period have been calculated based on the review period’s estimated net currency flows, accounting for the realised impact of hedges. The figures in this review are based on the audited figures in the 2025 financial statements.

The same accounting policies have been applied as in the 2025 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 asset’s economic benefit.
- The amendments to standards applied in the 2026 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 2026.

Key estimates and judgements

The preparation of financial statements requires the use of the management's estimates, assumptions and judgement-based decisions that may affect the amount of assets and liabilities, the presentation of contingent assets and liabilities in the financial statements, and the amount of income and expenses. Although such estimates and assumptions are based on the management's best knowledge at the time they were made, it is possible that the actual values differ from those used in the financial statements.

Management's judgement-based decisions

Item	Nature of management's judgement-based decisions
Intangible assets, property, plant and equipment and leases	Valuation model applied in impairment tests
Other investments / Financial instruments measured at fair value	Accounting principle and valuation model applied to the shares of Pohjolan Voima Oyj

Estimates and assumptions

Item	Nature of estimates and assumptions
Intangible assets, property, plant and equipment and leases	Estimates of key factors affecting cash flows in the valuation
Property, plant and equipment and leases	Estimates of the useful lives of property and plant and equipment
Other investments / Fair value measurement	Estimates of key factors affecting cash flows in the valuation of Pohjolan Voima Oyj
Inventories	Estimates of the sales prices of products measured at net realisable value, the costs of completion and the costs necessary for making the sale
Income taxes	Estimates of the date and amount of tax liabilities arising in tax audits and deferred tax assets recognised for losses

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

EUR million	1–3/2026	1–3/2026	1–3/2026	1–3/2025	1–3/2025	1–3/2025
	External	Internal	Total	External	Internal	Total
Pulp and Sawn Timber Industry	439.5	151.9	591.3	627.8	160.9	788.7
Paperboard Industry	367.0	26.7	393.7	449.9	31.0	480.8
Tissue and Greaseproof Papers	290.5	0.0	290.5	283.8	0.0	283.9
Wood Products Industry	105.8	5.1	110.9	121.3	5.9	127.2
Wood Supply and Forest Services	133.7	496.3	629.9	145.8	596.5	742.2
Other operations	21.1	13.8	34.9	13.5	13.2	26.6
Elimination of internal sales		-693.9	-693.9		-807.3	-807.3
Total sales	1,357.5	0.0	1,357.5	1,642.1	0.0	1,642.1

EUR million	1–12/2025	1–12/2025	1–12/2025
	External	Internal	Total
Pulp and Sawn Timber Industry	2,038.5	539.5	2,578.1
Paperboard Industry	1,665.1	110.5	1,775.7
Tissue and Greaseproof Papers	1,135.3	0.0	1,135.4
Wood Products Industry	445.6	23.5	469.0
Wood Supply and Forest Services	518.8	1,946.6	2,465.4
Other operations	29.5	46.1	75.6
Elimination of internal sales		-2,666.2	-2,666.2
Total sales	5,832.9	0.0	5,832.9

Operating result by segment

EUR million	2026	2025	2025
	1–3	1–3	1–12
Pulp and Sawn Timber Industry	-13.7	38.5	-143.1
Paperboard Industry	-14.5	-3.8	-169.5
Tissue and Greaseproof Papers	11.8	15.6	18.2
Wood Products Industry	-10.8	-5.6	-38.0
Wood Supply and Forest Services	9.4	14.2	33.4
Other operations	-2.6	-2.1	-12.6
Eliminations	2.6	-5.4	40.2
Operating result total	-17.7	51.4	-271.3
Share of results from associated companies and joint ventures	0.9	0.7	-0.7
Financial costs, net	-17.6	-14.6	-62.9
Income taxes	5.9	-9.9	53.6
Result for the period	-28.6	27.6	-281.3

Assets and liabilities by segment

Assets	2026	2025	2025
EUR million	31.3.2026	31.3.2025	31.12.2025
Pulp and Sawn Timber Industry	3,813.5	4,124.1	3,849.2
Paperboard Industry	2,540.5	2,904.0	2,607.1
Tissue and Greaseproof Paper Industry	1,267.1	1,159.4	1,249.6
Wood Products Services	645.6	580.6	630.2
Wood Supply and Forest Services	501.8	686.9	460.6
Other operations	344.9	379.5	415.8
Assest classified as held for sale		12.4	
Eliminations	-517.8	-576.2	-553.0
Unallocated assets	476.5	780.5	525.8
Total	9,071.9	10,051.2	9,185.4

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	2026	2025	2025
EUR million	31.3.2026	31.3.2025	31.12.2025
Pulp and Sawn Timber Industry	764.3	898.7	784.8
Paperboard Industry	451.9	423.6	503.1
Tissue and Greaseproof Paper Industry	355.2	305.5	356.4
Wood products services	94.6	111.6	119.8
Wood supply and forest services	365.2	385.0	328.5
Other operations	93.2	151.1	121.2
Liabilities classified as held for sale		4.7	
Eliminations	-517.8	-576.2	-553.0
Unallocated liabilities	2,419.4	2,616.3	2,368.8
Total	4,026.1	4,320.4	4,029.5

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

Note 3 - Geographical distribution of sales

	2026	2025	2025
EUR million	1-3	1-3	1-12
EMEA	1,006.1	1,055.1	3,956.3
APAC	206.7	401.0	1,127.3
Americas	144.6	186.0	749.3
Total	1,357.5	1,642.1	5,832.9

Note 4 - Income tax

	2026	2025	2025
EUR million	1–3	1–3	1–12
Taxes for the period	-3.0	-10.0	-11.7
Taxes for previous periods	0.1	-0.9	-0.5
Change in deferred taxes	8.7	1.1	65.8
Total	5.9	-9.9	53.6

Note 5 – Changes in property, plant and equipment

	2026	2025	2025
EUR million	1–3	1–3	1–12
Book value at beginning of period	5,567.3	5,450.0	5,450.0
Acquired businesses	4.2		
Investments to owned property, plant and equipment	24.7	72.1	536.7
Investments to leased property, plant and equipment	16.5	10.2	25.0
Decreases	-0.4	-2.7	-5.2
Depreciation, amortization and impairment losses	-128.9	-134.7	-489.8
Translation difference and other changes	-13.5	59.3	50.6
Assets held for sale		-0.5	
Carrying value at end of the period	5,470.1	5,453.7	5,567.3

The acquired business operations include the property, plant and equipment of the Winschoten Sheeting and Distribution Hub in the Netherlands.

Depreciation and impairment losses include an impairment charge of EUR -0.8 million in January–March 2026 related to the winding down of operations at the Suolahti plywood mills.

In January–March 2025, assets classified as held for sale include the property, plant and equipment of Metsä 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 -9.2 million impairment related to the closure of the Tako board mill.

Note 6 - Provisions

EUR million	Restructuring	Environ. obligations	Other Provisions	Total
1.1.	9.0	8.3	4.7	22.0
Translation differences	-0.1	0.0	0.0	-0.1
Additions		0.0	0.2	0.2
Utilised during the year	-0.9		-2.7	-3.6
Unused amounts reversed	-0.2		0.0	-0.2
31.3.2026	7.8	8.3	2.2	18.3
Long term provisions	0.2	8.3	2.1	10.6
Short term provisions	7.6		0.0	7.7
Total	7.8	8.3	2.2	18.3

Environmental and other provisions are expected to be largely reversed by 2030.

Note 7 - Related party transactions

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 and companies under their sole or joint control are considered related parties.

Transactions with associated companies and joint ventures

EUR million	2026 1-3	2025 1-3	2025 1-12
Sales	3.3	3.7	11.1
Purchases	-9.1	-9.4	-28.3
Non-current receivables	9.5	6.3	9.5
Accounts receivables and other receivables	1.0	1.6	1.4
Accounts payables and other liabilities	4.3	4.0	4.1

Metsä's Conservation Foundation is a separate legal unit that was established on June 16th, 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	2026 1–3	2025 1–3	2025 1–12
Taxes	-5.9	9.9	-53.6
Depreciation and impairment charges	132.3	138.1	613.7
Biological assets	-0.2	0.1	0.0
Share of results from associated companies	-0.9	-0.7	0.7
Gains and losses on sale of non-current financial assets	-6.6	-7.8	-47.7
Financial costs, net	17.6	14.6	62.9
Pension liabilities and provisions	-4.8	2.2	7.6
Other adjustments	0.1	0.2	1.0
Total	131.8	156.7	584.7

Acquisitions

Acquisitions in January–March 2026 include the acquisition of the Winschoten Sheeting and Distribution Hub in the Netherlands, amounting to EUR -9.0 million.

Disposals and other items

In January–March 2026, disposals and other items include sales of tangible and intangible assets of EUR 6.6 million and other items of EUR -0.8 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 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.

Changes in ownership interest without loss of control

On 4 February 2026, Metsäliitto Cooperative and Itochu Corporation entered into a share transaction whereby Metsäliitto Cooperative acquired a 5.10% stake in Metsä Fibre Oy from Itochu.

Note 9 – Acquired businesses

Metsä Board acquired the Winschoten sheeting and distribution center (now: Metsä Board Winschoten B.V.) in the Netherlands from Konvertia Group on 5 February 2026. The Winschoten sheeting and distribution center is one of the largest and most modern facilities of its kind in Europe, with an annual capacity of approximately 100,000 tonnes and employs around

20 people. The acquired entity's property, plant and equipment and other balance sheet items are not significant. Based on a preliminary purchase price allocation, the acquisition is expected to result in the recognition of goodwill amounting to EUR 7.2 million in the consolidated balance sheet of the Metsä Board.

Note 10 – Financial instruments

Classification of financial assets and liabilities and fair values.

Financial assets 31 March 2026

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	118.8		122.9
Other non-current financial assets	0.0		13.3	13.3
Trade receivable and other receivables	4.1		686.5	690.6
Cash and cash equivalent	274.2		226.7	500.8
Derivative financial instruments	0.8	39.7		40.5
Total carrying amount	283.2	158.4	926.5	1,368.2
Total fair value	283.2	158.4	926.5	1,368.2

Financial liabilities 31 March 2026

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			1,422.6	1,422.6
Other non-current financial liabilities	45.7		3.8	49.5
Current interest-bearing financial liabilities			616.2	616.2
Trade payable and other financial liabilities	20.3		1,227.7	1,248.0
Derivative financial instruments	4.3	25.5		29.8
Total carrying amount	70.3	25.5	3,270.3	3,366.0
Total fair value	70.3	25.5	3,270.6	3,366.3

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			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			1,313.4	1,313.4
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	3,512.0	3,533.2
Total fair value	1.6	19.6	3,529.6	3,550.8

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.

Other long-term financial liabilities, as well as Trade payables and other liabilities in 2026, include a contingent liability related to the acquisition of shares in Metsä Fibre Oy.

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 31 March 2026

EUR million	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Other non-current investments			122.9	122.9
Financial assets at fair value, current	174.7	99.5	4.1	278.3
Derivative financial assets	6.9	33.6		40.5
Financial liabilities measured at fair value				
Derivative financial liabilities		29.8		29.8
Contingent consideration			66.0	66.0
Financial assets not measured at fair value				
Cash and cash equivalent		226.7		226.7
Financial liabilities not measured at fair value				
Non-current interest-bearing financial liabilities		1,421.0		1,421.0
Current interest-bearing financial liabilities		618.1		618.1

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

Financial assets measured at fair value based on level 3

EUR million	2026 1–3	2025 1–3
Opening balance	202.3	241.4
Gains and losses in income statement	-0.1	0.0
Gains and losses in other comprehensive income	-75.2	-21.5
Settlements	0.0	0.0
Transfers to level 3		
Closing balance	127.0	219.9

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.

No change in value has been recorded for the contingent purchase price liability during the review period.

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, as well as interest rate swaps, are measured applying a method based on the current value of future cash flows, supported by market interest rates on the closing date of the review 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, which

are based primarily on the market conditions prevailing at the closing date of the review period (Level 3).

The section on accounting policies provides a more detailed description of the accounting and valuation 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 6.40% on 31 March 2026 (31 December 2025: 6.48). The acquisition cost of the Pohjolan Voima Oyj shares on 31 March 2026 is EUR 33.4 million (33.4), and their fair value is EUR 118.8 million (194.0).

The carrying amount of other long-term investments on 31 March 2026 is expected to change by EUR -9.2 million (-7.2) and EUR 11.0 million (7.5) should the rate used for discounting the cash flows change by 0.5 percentage points from the rate estimated by the management. It is expected that the carrying amount of other long-term investments will change by EUR 56.1 million (56.3) should the energy prices applied in the fair value calculation differ by 10% from the price estimated by the management.

Derivatives 31 March 2026

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	434.8	24.9	2.7	22.2	-2.7	24.9
Interest rate derivatives	434.8	24.9	2.7	22.2	-2.7	24.9
Currency forward contracts	2,719.7	8.4	26.7	-18.3	-0.8	-17.5
Currency forward contracts	88.6	0.3	0.4	-0.1		-0.1
Currency derivatives	2,808.3	8.7	27.1	-18.4	-0.8	-17.6
Oil derivatives	13.7	4.8		4.8		4.8
Natural gas derivatives	3.4	2.0		2.0		2.0
Commodity derivatives	17.1	6.9		6.9		6.9
Derivatives total	3,260.2	40.5	29.8	10.7	-3.5	14.2

Derivatives 31 March 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	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	0.6	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

Note 11 - Commitments and guarantees

EUR million	31.3.2026	31.3.2025	31.12.2025
Liabilities secured by collateral	5.7	6.7	6.0
Floating charges	0.5	0.5	0.5
Chattels mortgages		0.2	0.0
Total pledges and mortgages	0.5	0.6	0.5
Leases not yet commenced to which the Group is committed	32.1	32.1	32.1
Other commitments on own behalf	8.2	2.6	8.1
Total	40.8	35.4	40.7

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	31.3.2026	31.3.2025	31.12.2025
Payments due in following 12 months	54.4	179.9	61.3
Payments due later	0.0	28.7	8.4
Total	54.4	208.7	69.8