

## Metsä Group Interim Report 1 January–31 March 2023



# Metsä Group's comparable operating result in January–March 2023 was EUR 276 million

## January–March 2023 (1–3/2022)

- Sales were EUR 1,634 million (1,594).
- Operating result was EUR 276 million (341). Comparable operating result was EUR 276 million (244).
- Result before taxes was EUR 271 million (330). Comparable result before taxes was EUR 272 million (232).
- Comparable return on capital employed was 15.3% (15.8).
- Net cash flow from operations was EUR 38 million (135).

## Events during the first quarter of 2023

- The average sales prices for Metsä Group's long-fibre pulp decreased compared to the previous quarter.
- Metsä Board adjusted its production to match demand. The demand for paperboard declined due to the decreasing demand for consumer products and the adjustments made to inventories in the value chain.
- The average prices for Metsä Board's paperboards increased.
- In February, Metsä Tissue decided to invest in its Mariestad tissue paper mill in Sweden. The value of the investment is approximately EUR 370 million.
- Metsä Group adopted regenerative forestry principles, the goal of which is to ensure that Finnish forest assets are transferred in a more vibrant, diverse and climate-resilient condition from one generation and owner to the next.
- Metsä Group and Fortum initiated cooperation aimed at utilising wood-based carbon dioxide generated in the forest industry as a raw material for the chemical industry.
- Metsä Group revised its 2030 sustainability targets.
- Metsä Spring invested in Fiberwood, a start-up that develops new kinds of thermal insulation materials from the forest industry's side streams.

## Result guidance for April–June 2023

In April–June 2023, Metsä Group's comparable operating result is expected to be weaker than in January–March 2023.

## President and CEO Ilkka Hämmälä:

*As anticipated, Metsä Group's result in the first quarter of 2023 was weaker than that of the previous quarter, but it can still be considered excellent. The quarterly results of Metsä Wood and Metsä Tissue were record*

*high. Metsä Board's paperboard business performed as expected. The faster than expected market slowdown was reflected in Metsä Fibre and Metsä Board's pulp business, leading to Metsä Board's result being weaker than anticipated. Wood trade was active in the early part of the year, and it was supported by Metsä Forest's bonus campaigns for the cooperative's owner-members.*

*Although the Group achieved a high level in its result, Europe's weak economic outlook and high inflation have a notable impact in all our business areas. In the mechanical forest industry, demand reflected the decrease in new construction industry projects. The increasing consumer prices affect the retail activity and further the demand for tissue paper products and packaging materials. Production curtailments in the industry converting pulp into end products, in both Europe and Asia, led to an oversupply of pulp in the early part of the year. Despite the modest mood in the market, the outlook for long-term strong demand in our product segments remains the same, and our competitiveness is good in our main market areas.*

*Forestry and the forest industry must continue to develop, regenerate and respond to social trends. In February, we published our regenerative forestry targets and strategy. Avoiding damage to nature is no longer an adequate goal for our operations in commercial forests. Instead, we must plan and implement forestry measures so that we see verifiable improvements in the state of habitats. To achieve this goal, we need data about the forest ecosystems and the ability to carry out practical reforms in forest management measures so that we can achieve the desired impact on the environment. As most of Finland's forest area will continue to be under the scope of forestry, regardless of expanding protection requirements, the development of forestry operations is extremely important for preventing biodiversity loss.*

*Metsä Group's various development projects are progressing as planned. At the Kemi bioproduct mill, test runs have gradually been initiated, and installation work continues alongside them. The bioproduct mill and the integrated expansion of Metsä Board's Kemi linerboard mill will be deployed in the third quarter. The 200,000-tonne increase in the capacity of the folding boxboard machine at the Husum paperboard mill is scheduled to start up in the last quarter. Metsä Tissue's investment in the Mariestad tissue paper mill has been launched, and the new paper machine and related converting lines will start up in early 2025. Plans for Metsä Wood's Kerto*

*LVL mill in Äänekoski are ready for the investment decision, and the environmental permit for the mill was granted in April.*

*The extensive renewal of the Group's IT systems is progressing. To date, a new financial system and an ERP solution for wood supply have been introduced in the project, which will run until 2026.*

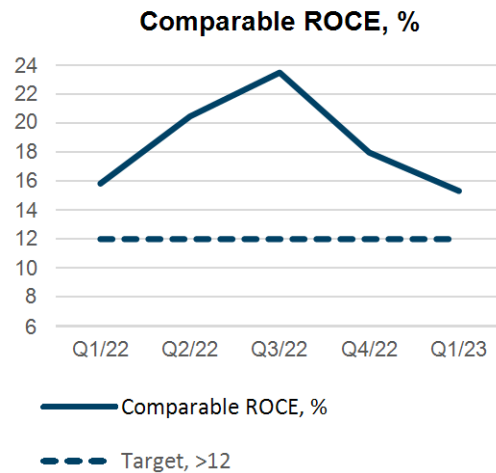
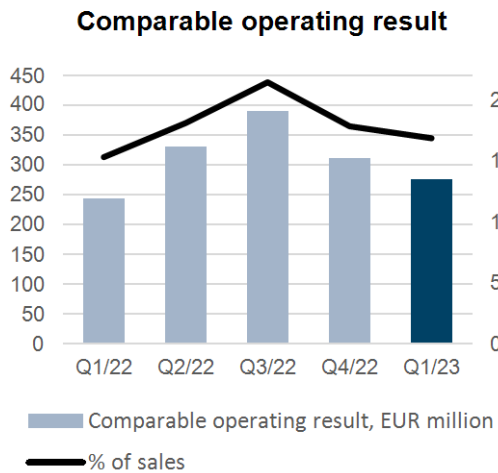
*Metsä Group's global personnel comprises more than 9,000 professionals, approximately 60% of whom work in Finland. In addition, our partners and supply chain employ many times more people. We are a growing and developing company that manufacture products for people's daily lives from a renewable raw material – wood. Our operations have broad impacts on society,*

*which we must identify and communicate to our stakeholders.*

*The new parliamentary term will be exceptionally important for Finland's success. This is a time of transition and change in many ways, including the climate crisis, global political instability, the war in Europe, and the imbalance in our national economy. To ensure that as a society we preserve the functioning and wellbeing typical of the Nordic countries, policymakers must pay great attention to securing operating conditions of businesses. In return, healthy businesses must contribute to achieving the goals set by society.*

## Key figures

	2023	2022	2022
	1-3	1-3	1-12
Sales, EUR million	1,634.4	1,593.8	6,980.2
EBITDA, EUR million	354.8	419.5	1,636.4
Comparable, EUR million	354.8	322.4	1,564.4
% of sales	21.7	20.2	22.4
Operating result, EUR million	275.7	341.3	1,301.9
Comparable, EUR million	275.7	244.2	1,276.4
% of sales	16.9	15.3	18.3
Result before income tax, EUR million	270.5	329.6	1,269.8
Comparable, EUR million	271.9	232.5	1,240.3
Result for the period, EUR million	213.1	259.1	998.7
Return on capital employed, %	15.3	22.1	19.9
Comparable, %	15.3	15.8	19.5
Return on equity, %	14.9	21.1	19.0
Comparable, %	15.0	15.2	18.9
Equity ratio, %	58.2	59.9	60.6
Net gearing ratio, %	7.1	-2.0	3.1
Interest-bearing net liabilities, EUR million	408.8	-99.2	177.0
Total investments, EUR million	250.0	332.0	1,500.4
Net cash flow from operations, EUR million	37.6	135.5	1,226.8
Personnel at the end of the period	9,513	9,409	9,155



### Sales and Operating result

1–3/2023, EUR million	Wood Supply and Forest services	Wood Products Industry	Pulp and Sawn timber industry	Paperboard Industry	Tissue and Greaseproof papers
Sales	601.3	161.8	668.6	542.1	343.1
Other operating income	1.3	2.4	3.4	24.9	2.6
Operating expenses	-594.4	-134.4	-503.6	-453.5	-288.7
Depreciation and impairment losses	-1.4	-5.2	-34.1	-25.0	-10.2
Operating result	6.8	24.6	134.3	88.4	46.8
Items affecting comparability	0.0	0.0	0.0	0.3	0.0
Comparable operating result	6.8	24.6	134.3	88.7	46.8
% of sales	1.1	15.2	20.1	16.4	13.6

## Interim Report 1 January–31 March 2023

### Sales and result

Metsä Group's sales in January–March 2023 were EUR 1,634.4 million (1–3/2022: 1,593.8).

The comparable operating result was EUR 275.7 million (244.2), or 16.9% (15.3) of sales. The increase in the operating result is explained by the rise in sales prices.

Exchange rate fluctuations after hedging had a positive effect of approximately EUR 53 million on the operating result of the review period compared to the previous year.

Items affecting the comparability of the operating result in January–March totalled EUR 0.0 million (97.1).

Metsä Group's operating result (IFRS) was EUR 275.7 million (341.3). The share of the results of associated companies and joint ventures was EUR 0.3 million (-1.3), financial income was EUR 8.6 million (0.5), exchange rate differences in financing were EUR -3.9 million (-3.0), and financial expenses totalled EUR 10.2 million (7.9).

The result before taxes was EUR 270.5 million (329.6), and taxes including changes in deferred tax liabilities totalled EUR 57.4 million (70.5). The Group's effective tax rate was 21.2% (21.4). The result for the review period was EUR 213.1 million (259.1).

The return on capital employed was 15.3% (22.1), and the return on equity was 14.9% (21.1). The comparable return on capital employed was 15.3% (15.8), and the comparable return on equity was 15.0% (15.2).

### Balance sheet and financing

Metsä Group's liquidity has remained strong. Total liquidity at the end of March was EUR 2,318.2 million (31 December 2022: 2,555.3). This consisted of EUR 1,518.2 million (1,265.0) in liquid assets and investments, and EUR 800 million (1,290.3) 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 161.4 million (31 December 2022: 161.4) and by undrawn pension premium (TyEL) funds amounting to EUR 392.5 million (31 December 2022: 392.5).

The EUR 1,000 million debt financing of Metsä Fibre's Kemi bioproduct mill investment is composed of a EUR 500 million 10-year loan, of which 80% is guaranteed by Finnvera; a EUR 200 million 10-year loan, of which 95% is guaranteed by the Swedish Export Credit Agency EKN; a EUR 200 million 15-year loan granted by the EIB; and a EUR 100 million five-year green loan agreed with eight banks. Of the loans, EUR 800 million

have been drawn, and EUR 200 million remain undrawn.

Net cash flow from operations was EUR 37.6 million (135.5). A total of EUR 263.0 million (105.1) in working capital was tied up. Working capital decreased due to trade and other receivables decreasing by EUR 13.2 million. Working capital increased due to inventories increasing by EUR 146.4 million and trade and other payables decreasing by EUR 129.9 million.

The Group's equity ratio at the end of March was 58.2%, and net gearing was 7.1% (31 December 2022: 60.6 and 3.1 respectively). Net interest-bearing liabilities were EUR 408.8 million (31 December 2022: 177.0).

At the end of March, the equity ratio of the parent company Metsäliitto Cooperative was 88.8%, and its net gearing was -27.4% (31 December 2022: 86.4 and -27.9 respectively).

In January–March, Metsäliitto Cooperative's members' capital increased by a total of EUR 42.4 million (39.5). The value of participation shares decreased by EUR 0.2 million (increased by 1.8), and Metsä1 additional shares grew by EUR 87.8 million (728.8). The value of A additional shares declined by EUR 44.2 million (-691.1), and the value of B additional shares declined by EUR 1.0 million (0.0).

### Personnel

In January–March, Metsä Group had an average of 9,486 employees (9,515). Personnel expenses totalled EUR 183.7 million (178.4). At the end of March, the Group employed 9,513 people (31 December 2022: 9,155), 5,490 (5,135) of whom were based in Finland and 4,023 (4,020) abroad. The parent company Metsäliitto Cooperative employed 2,140 people at the end of March (31 December 2022: 2,106).

### Members

At the end of March, Metsäliitto Cooperative had 92,022 members (31 December 2022: 91,607). During January–March, 1,078 new members joined the Cooperative, and 663 members cancelled their membership. At the end of March, the forest area owned by the members totalled 5.376 million hectares (31 December 2022: 5.335).

### Investments

Metsä Group's total investments in January–March totalled EUR 250.0 million (332.0), of which investments in the Group's own property, plant and equipment were EUR 247.5 million (289.8), and investments in leased

property, plant and equipment were EUR 2.5 million (11.3). In 2022, overall investments also included a total of EUR 30.9 million in acquired business operations.

Preparatory work continued on the planned Kerto LVL mill in Äänekoski, and the goal is to bring the project to decision consideration in the second quarter of the year.

In 2021, a development programme was launched at Metsä Board's Kemi paperboard mill to increase the annual production capacity of white kraftliner by approximately 40,000 tonnes. The development programme, which includes a series of renewal and bottleneck investments in the paperboard production line, will reduce the mill's water use by 40% and energy use by 5% per tonne of paperboard produced. As part of the programme, Metsä Board will also buy a modernised production line for unbleached pulp from Metsä Fibre. The production line's annual capacity is roughly 180,000 tonnes. The development programme's investment costs are expected to exceed the original estimate of EUR 67 million due to the increase in the level of costs, among other things. The investments will take place in 2021–2023. The ramp-up of the additional capacity for white kraftliner is expected to begin in the third quarter of 2023 and to be fully available to the market in 2025.

Metsä Board is increasing the annual production capacity of folding boxboard at the Husum integrated mill in Sweden by 200,000 tonnes. Following the investment, the capacity of folding boxboard machine BM1 will be 600,000 tonnes per year. The value of the investment is approximately EUR 210 million, spanning the period 2021–2024. The ramp-up of the additional capacity for folding boxboard is expected to begin in the fourth quarter of 2023 and to be fully available to the market in 2026. The investment is expected to increase Metsä Board's annual sales by approximately EUR 200 million and improve its comparable EBITDA by approximately EUR 50 million. The company expects to achieve the growth and improved result in full in 2026. Due to the growing logistics volumes of the Husum integrated mill, the port concept will also be renewed. The value of the investments, which are still partly being planned, is EUR 20–30 million. The investments mainly involve new warehouse capacity and are expected to be completed in 2024.

Metsä Board has initiated pre-engineering for the construction of a new folding boxboard mill with an annual capacity of around 800,000 tonnes in Kaskinen. The pre-engineering includes technical planning, planning of infrastructure and logistics solutions, and tendering of the main machinery procurements. An environmental impact assessment (EIA) and an environmental permit process are also underway. The possible investment decision could be made in 2024 at the earliest.

The deployment of Metsä Fibre's new pine sawmill in Rauma progressed in the first quarter, and the sawmill

will reach full production speed by the end of 2023. The sawn timber will be sold primarily to Europe and Asia.

Metsä Fibre is constructing a bioproduct mill in Kemi, the value of which is EUR 2.02 billion. The construction is now in the final stretch, with technology installation, testing and test runs currently underway. The number of workers on the site peaked in the early part of the year. The mill will start up in the third quarter of 2023. It will produce approximately 1.5 million tonnes of softwood and hardwood pulp a year as well as numerous other bioproducts. The new mill will replace the current pulp mill in Kemi, which has reached the end of its life-cycle.

In February, Metsä Tissue decided to increase capacity of fresh fibre tissue paper at its Mariestad mill in Sweden. The value of the investment, to be implemented in 2023–2025, is approximately EUR 370 million. In March, the company announced it was investing in an automated high-bay warehouse and internal logistics solutions at the Mariestad mill, as well as in a new tissue paper machine.

Metsä Group's innovation company Metsä Spring invested in Fiberwood, a start-up that develops new kinds of thermal insulation materials from the forest industry's side streams. Fiberwood's products offer a sustainable and natural alternative to mineral wool- and polystyrene-based insulation solutions. The company will begin constructing a test production line at its facilities in Järvenpää in Finland. Side streams from Metsä Group's mills can be used to produce insulation material. In addition to green construction, Fiberwood's fossil free material is used to develop cushioning for a variety of packages.

## Sustainability

In February 2023, Metsä Group revised its 2030 sustainability targets. The targets encompass all Metsä Group's operation, they also affect the company's supply chains. In particular, Metsä Group aims to increase measures improving forest biodiversity and health, as well as measures promoting fossil free production. The 2030 targets will be monitored using a comprehensive set of indicators that have more or less doubled from before.

In March 2023, Metsä Group announced its adoption of regenerative forestry principles. The forestry measures are to improve state of Finnish nature. The goal is to ensure that Finnish forest assets transfer in a more vibrant and diverse condition from one generation to the next. As a result regenerative forestry, Finnish forests will combat climate change and be more resilient to a warming climate, extreme weather phenomena and risks of damage. Metsä Group is now developing measures and indicators related to regenerative forestry in cooperation with independent external experts. Measurable impacts should be in place by 2030 at the latest.

In March 2023, Metsä Group and Fortum initiated a pre-feasibility study of the recovery of wood-based carbon dioxide generated as a side stream in the forest industry. The study will be completed by the end of 2023. Wood-based carbon dioxide from pulp mills and other forest industry production units is a largely underutilised raw material for various chemical industry products that can replace fossil materials. Metsä Group is involved in various research and cooperation projects developing alternative products for the wood-based carbon dioxide recovered at the mills.

## Risks and uncertainties

Great uncertainty continues to surround global economic development due to high inflation and tighter monetary policy. In the eurozone, inflation has slowed down following the drop in energy prices, but underlying inflation, which excludes the price of food and energy, has continued to accelerate, keeping monetary policy tight. This erodes consumers' trust and purchasing power and slows companies' investments. The recent disturbances in the banking sector have further increased risks in the global economy. The impact of the coronavirus pandemic can still be seen in the global economy.

Russia's continued military aggression in Ukraine has significantly increased geopolitical tension worldwide and has had a negative impact on the economy. The war has weakened consumers' and companies' trust in economic development and accelerated price inflation. High inflation has affected real income and considerably reduced households' purchasing power. This may

reduce demand for Metsä Group's products and affect the Group's result.

Especially in Europe, the war and the shift away from Russian energy have aggravated the energy crisis, reducing the availability of energy and raising prices. Higher energy prices have been transferred to the prices of other goods and services. The impact of the energy crisis has diminished during the early part of the year, but the limited availability of natural gas, volatile electricity market prices or changes in the prices of emissions allowances may still have a negative impact on the Group's profitability. The impact of the sanctions on Russia and their countersanctions, as well as the risks caused by the crisis, affect areas such as international production and supply chains, the costs and availability of producers, energy infrastructure and cyber security.

The war and pandemic have not yet caused production curtailments that would have affected the availability of raw materials, with the exception of wood. Metsä Group's discontinuation of its wood supply from Russia may cause production curtailments at mills due to the availability of birch in particular and thus affect the Group's sales and result.

In logistics, the general market situation has remained relatively stable in the early part of the year. While the slowing economy has a positive impact on transport capacity in the short term, inventory levels are higher than average. However, considerable differences still exist between market areas. In maritime logistics, the availability of capacity is at a reasonable level, but economic development in Asia, in particular, may have a negative impact on the availability of containers in Europe if Chinese exports do not pick up.

In addition, customers' weaker cash position or slower payment behaviour could have an impact on Metsä Group's cash flow and lead to credit losses. The ultimate effects of Russia's attack and the pandemic on the world economy and the Group's business will only become visible over a longer period, including any risks in the valuation of assets

In 2023, global economic development will also be affected by factors such as the easing of China's strict Covid restrictions and the country's growth trend, economic development in the US, trade relations among leading industrialised countries, and any changes in the use of sanctions or in geopolitics.

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 Metsä Group's business are explained in more detail in Metsä Group's 2022 Annual Report.

## Near-term outlook

The demand for wood focuses on thinning sites to be harvested when the ground is unfrozen and on roundwood from delivery sales. In energy wood, the demand focuses on crown wood and energy wood trunks. Demand for forest management services is expected to remain good.

The general economic downturn and the slowdown in construction result in weaker demand for engineered wood products and the improved availability of alternative materials in Europe. In the US and Australian markets, the demand for construction remains better than in Europe for now. The market situation for birch plywood continues to be strong. In industrial customer segments, demand still exceeds supply by far due to the absence of Russian birch plywood imports on the European market. The demand for spruce plywood remains notably weaker than last year.

In Metsä Wood UK, the demand for the upgrade business is expected to be considerably weaker than the long-term average in the next few months.

The development of the European and Chinese paper and paperboard markets in the coming months creates uncertainty around the demand for Metsä Fibre's softwood market pulp. The global supply of softwood market pulp is curtailed by the limited availability of wood raw material in North America.

In the second quarter, Metsä Fibre will limit its pulp production in response to lower market demand.

A slight seasonal improvement is expected in sawn timber demand in Metsä Fibre's main markets. The impact of the Russia's attack on Ukraine on the global economy creates uncertainty concerning the long-term market situation.

The annual maintenance shutdowns at Metsä Fibre's Äänekoski and Rauma pulp mills will take place during the second quarter.

The decline in global economic growth and consumers' purchasing power is creating uncertainty in Metsä Board's market environment. The near-term prospects for paperboard sales remain uncertain. Metsä Board's paperboard delivery volumes in April–June 2023 are expected to be at the same level as in January–March 2023 (380,000 tonnes). The average prices of paperboards are expected to remain stable and overall costs to remain fairly stable. Several annual maintenance shutdowns will take place at the mills in Finland in the second quarter.

The operating environment for Metsä Tissue's tissue paper business continues to be unstable, as underlying inflation remains high. If required, the company will opt for commercial shutdowns to secure adequate product profitability when demand begins to normalise.

### Estimate of the most significant planned annual maintenance and investment shutdowns at mills

Q1/2023	-
Q2/2023	Äänekoski bioproduct mill and Rauma pulp mill
Q3/2023	Husum and Kemi paperboard mills, Joutseno pulp mill
Q4/2023	-

### Result guidance for April–June 2023

In April–June 2023, Metsä Group's comparable operating result is expected to be weaker than in January–March 2023.

### Proposal of the Board of Directors on the use of the surplus on the balance sheet

Metsäliitto Cooperative's Board of Directors has decided to propose to the Representative Council convening on 27 April 2023 that for 2022, interest of 7.0% (6.0 for 2021) be paid on the participation share capital invested by members, and that interest of 6.5% be paid on Metsä1 additional shares, 4.0% (5.0) on additional capital A, and 1.0% (1.0) on additional capital B. The Board of Directors also proposes that a surplus reimbursement of EUR 0.30 per cubic metre of industrial roundwood received from a member over the past four concluded financial periods be distributed. The surplus reimbursement will be paid primarily as Metsä1 additional shares, but in money for the part corresponding to the tax-at-source to be carried in terms of each member. If the right to the shares has been transferred to another person in accordance with the statutes of the cooperative, the interest is paid to the person who is registered as the owner on the reconciliation date, 31 March 2023. The proposed payment date is 12 May 2023. If the member entitled to the surplus reimbursement resigns from 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 101 million (80), of which the surplus reimbursement based on wood trade would be approximately 15%.

Espoo, 27 April 2023

**BOARD OF DIRECTORS**

**Further information:**

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

Juha Laine, SVP, Communications, Metsä Group, tel. +358 10 465 4541

**Metsä Group will publish the following financial reports in 2023:**

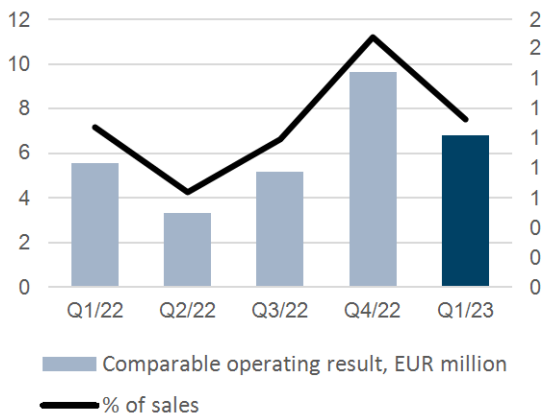
Interim Report for January–March 2023	27 April 2023
Half-Year Financial Report for January–June 2023	27 July 2023
Interim Report for January–September 2023	26 October 2023

## Business areas

### Wood Supply and Forest Services

	2023	2022	2022
Wood Supply and Forest Services	1–3	1–3	1–12
Sales, EUR million	601.3	517.4	2,133.3
EBITDA, EUR million	8.2	8.0	28.2
Comparable EBITDA, EUR million	8.2	8.0	31.5
Operating result, EUR million	6.8	5.6	-10.9
Comparable operating result, EUR million	6.8	5.6	23.7
% of sales	1.1	1.1	1.1
Comparable ROCE, %	17.1	12.2	13.8
Total investments, EUR million	2.0	3.4	17.1
Personnel at end of period	739	847	745
Wood deliveries, 1,000 m <sup>3</sup>	8,835	8,983	33,945

#### Comparable operating result



The sales of Wood Supply and Forest Services, i.e. Metsä Forest, in January–March totalled EUR 601.3 million (1–3/2022: 517.4), and the comparable operating result was EUR 6.8 million (5.6).

Sales increased due to the slightly higher wood prices, and operating result due to margins higher than in the comparison period.

In Finland, wood trade in private forests was active for the season. The prices of pulpwood continued to increase, and those of logs increased slightly. Weather conditions were challenging for harvesting at the beginning of the year, but improved towards the end of the period.

The wood market situation in the Baltic Sea region continued to be tight, as wood is no longer procured from Russia in the EU. In the Baltics, a notable change took place in the wood market, and the prices of softwood pulpwood and energy wood clearly declined. In Sweden, the situation of softwood pulpwood has stabilised during the review period.

Metsä Forest bought all grades of wood across Finland through both standing and delivery sales. Purchase volumes increased notably from the previous year, and demand focused mainly on felling sites to be harvested when the ground is unfrozen, as well as on roundwood out of delivery sales. Purchases of energy wood focused on crown wood. The majority of wood in Finland was purchased from members of Metsäliitto Cooperative. In the thinning trade, the share of felling sites that were priced based on stem volume increased.

The sales of forest services were good. Customer feedback from forest owners remained excellent. Metsä Forest began to provide training in its new service model aiming for a superior customer experience for its personnel in Finland.

Metsä Group paid a double bonus for wood from delivery sales purchased from owner-members between 1 November 2022 and 31 January 2023. Metsä Group will pay a bonus of at least one euro per cubic metre for wood trade carried out with its current and new owner-members between 1 February and 30 April 2023. A price guarantee will also be offered for these wood purchases.

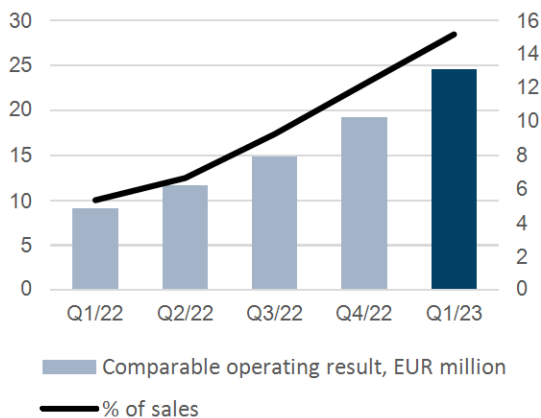
Metsä Group's deliveries to customers' production units and preparations for the Kemi bioproduct mill's wood supply progressed as planned. In January–March, Metsä Group delivered a total of 8.8 million cubic metres (9.0) of wood to its customers. Approximately 88% of this was delivered to Finland's industrial sector.

The Kajaani district began operating officially on 1 January 2023. Metsä Group's Wood Supply and Forest Services successfully deployed the new ERP solution as originally scheduled, which enabled the launch of the new Metsäverkko mobile application. Metsä Forest adopted the principles of regenerative forestry.

## Wood Products Industry

	2023	2022	2022
Wood Products Industry	1–3	1–3	1–12
Sales, EUR million	161.8	170.4	662.3
EBITDA, EUR million	29.8	14.2	76.3
Comparable EBITDA, EUR million	29.8	14.2	76.3
Operating result, EUR million	24.6	9.1	54.8
Comparable operating result, EUR million	24.6	9.1	54.8
% of sales	15.2	5.3	8.3
Comparable ROCE, %	27.4	10.5	15.8
Total investments, EUR million	6.4	1.2	19.2
Personnel at end of period	1,588	1,643	1,590
Engineered wood product deliveries, 1,000 m <sup>3</sup>	115	128	497

### Comparable operating result



The sales of the Wood Products Industry, i.e. Metsä Wood, in January–March 2023 were EUR 161.8 million (1–3/2022: 170.4). The comparable operating result was EUR 24.6 million (1–3/2022: 9.1).

In early 2023, Metsä Wood's sales decreased by 5% from the comparison period. The sales of engineered wood products increased by 13%, but the sales in euros of the UK business decreased by 21%. The delivery volumes of birch and spruce plywood and of the UK business decreased. The delivery volumes of Kerto LVL products remained at the previous year's level. Sales prices of engineered wood products increased significantly from the comparison period across all product categories.

Profitability improved notably compared to the previous year, especially due to the price increases following from the strong demand in the birch plywood business. The profitability of the Kerto LVL business also improved from the comparison period. The higher raw material and logistics prices and limited availability of birch logs had a negative impact on profitability. Because of the poor availability of birch logs, the production of birch

plywood had to be adjusted. Due to the general slow-down in construction in Europe, the production of spruce plywood also had to be adjusted in the first quarter.

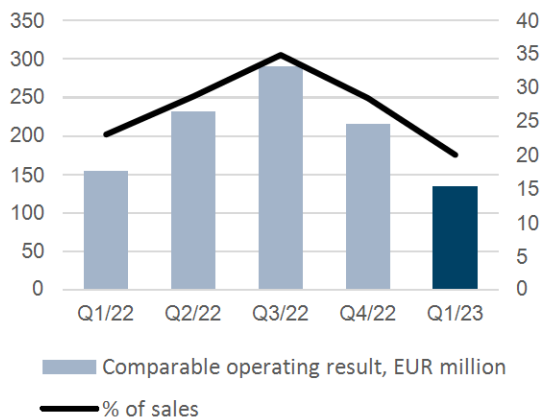
Following adjustment measures, the operating result for the UK converting business increased significantly from the comparison period, although product demand remained weaker than the long-term average.

In March, Metsä Wood, Consolis Parma, a producer of concrete elements, and Arkta Rakennus, a residential construction company, initiated a research project on hybrid construction that promotes low-carbon construction. The goal is to develop a completely new hybrid construction concept to reduce the environmental impact of construction by using the best features of wood and concrete.

## Pulp and Sawn Timber Industry

	2023	2022	2022
Pulp and Sawn Timber Industry	1–3	1–3	1–12
Sales, EUR million	668.6	672.6	3,070.7
EBITDA, EUR million	168.4	190.9	978.9
Comparable EBITDA, EUR million	168.4	190.9	1,013.3
Operating result, EUR million	134.3	155.4	845.5
Comparable operating result, EUR million	134.3	155.4	894.1
% of sales	20.1	23.1	29.1
Comparable ROCE, %	17.8	28.2	35.0
Total investments, EUR million	156.3	202.6	1,065.0
Personnel at end of period	1,598	1,393	1,297
Pulp deliveries, 1,000 t	647	749	2,880
Sawn timber deliveries, 1,000 m <sup>3</sup>	307	382	1,476

### Comparable operating result



The sales of the Pulp and Sawn Timber Industry, i.e. Metsä Fibre, in January–March totalled EUR 668.6 million (1–3/2022: 672.6), and the comparable operating result was EUR 134.3 million (155.4).

The sales and operating result decreased from the first quarter of 2022, mainly due to the decline in sales volumes and the increase in raw material prices.

In January–March, the delivery volume of Metsä Fibre's pulp was 647,000 tonnes (749,000).

In the first quarter, the average sales prices of Metsä Group's softwood market pulp were 8% higher in Europe and 5% higher in China compared to the first quarter in 2022. Compared to the last quarter of 2022, prices decreased by 5% in Europe and 2% in China.

In Europe, the demand for market pulp has remained low, especially in end uses for printing and writing pa-

pers and specialty paper. In China, the economic optimism following the easing of Covid restrictions and the Chinese New Year has not yet improved the market situation for paper and paperboard, reducing the demand for softwood market pulp.

Deliveries of sawn timber amounted to 307,000 m<sup>3</sup> (382,000). Demand for sawn timber has been low in all the main markets, and in January–March, the average market prices for Metsä Group's sawn timber were 23% lower than in the corresponding period the year before. Compared to the last quarter in 2022, the price of sawn timber increased by 3%.

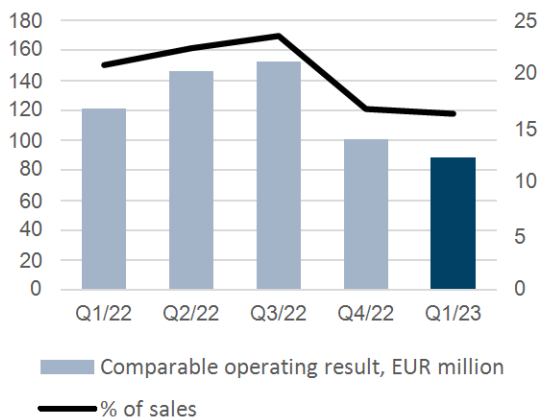
The decline in sawn timber deliveries was influenced by the winding down of the Metsä Svir sawmill in Russia in March 2022. In early 2023, demand for sawn timber picked up slightly in Europe, but it is still at quite a low level. North African deliveries have been delayed by a lack of clarity in the countries' foreign exchange control. In China, demand for end uses has been low in both the domestic wood products industry and the export-driven furniture industry.

In 2022, Metsä Fibre and Caverion agreed a business transfer by which Metsä Fibre integrated the maintenance of its production facilities into its own organisation on 31 December 2022. Related to the arrangement, Botnia Mill Service personnel who worked at Metsä Fibre's pulp mills, the Rauma sawmill, and in administration and support functions transferred to the service of Metsä Fibre from 1 January 2023 through a transfer of business. The company's headcount increased to 1,630 (1 January 2023).

## Paper board Industry

	2023	2022	2022
Paper board Industry	1–3	1–3	1–12
Sales, EUR million	542.1	582.0	2,479.6
EBITDA, EUR million	113.4	161.9	614.6
Comparable EBITDA, EUR million	113.7	142.7	602.8
Operating result, EUR million	88.4	140.7	531.5
Comparable operating result, EUR million	88.7	121.5	520.7
% of sales	16.4	20.9	21.0
Comparable ROCE, %	13.9	21.1	20.9
Total investments, EUR million	57.4	107.1	304.1
Personnel at end of period	2,280	2,235	2,248
Folding boxboard deliveries, 1,000 t	255	307	1,208
White kraftliner deliveries, 1,000 t	126	166	609
Market pulp deliveries, 1,000 t	83	122	503

### Comparable operating result



The sales of the Paperboard Industry, i.e. Metsä Board, in January–March were EUR 542.1 million (1–3/2022: 582.0). The comparable operating result was EUR 88.7 million (121.5). Folding boxboard accounted for 61% (57) of sales, while 24% (27) of sales were derived from white kraftliner, 12% (13) from market pulp and 3% (4) from other operations.

Total deliveries of paperboards were 380,000 tonnes (473,000), of which 68% was delivered to the EMEA region, 29% to the Americas, and 3% to the APAC region. Metsä Board's deliveries of market pulp were 83,000 tonnes (122,000), of which 80% was delivered to the EMEA region and 20% to the APAC region.

Especially the increased average prices of paperboards had a positive impact on the comparable operating result. The average prices of market pulp also increased from the comparison period. The lower delivery volumes of paperboard and market pulp had a negative effect on profitability. Exchange rate fluctuations, including hedges, had a positive impact of around EUR 24 million on the operating result.

Costs rose in chemicals, energy, pulpwood and logistics. In chemicals, especially the prices of liquor, peroxide and starch increased. Wood costs were driven up by the rise in stumpage prices in Finland and Sweden, as well as the rise in harvesting and supply chain costs. The profitability of the paperboard business was weakened by the increased price of pulp. Depreciation was approximately EUR 4 million higher than in the comparison period.

Unused emissions allowances were sold for a total of approximately EUR 20 million (1–3/2022: EUR 7 million).

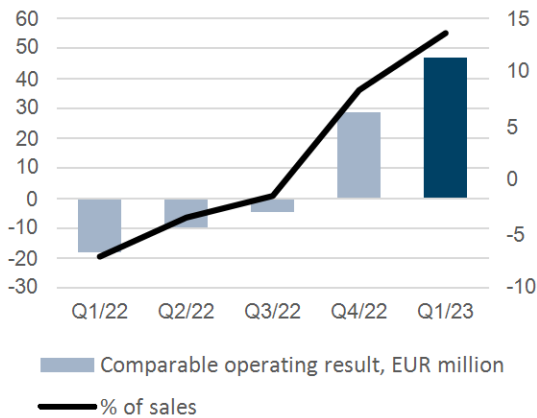
The associated company Metsä Fibre's share of Metsä Board's comparable operating result in January–March was EUR 28.6 million (30.8).

Earnings per share were EUR 0.19 (0.31). Comparable return on capital employed was 13.9% (21.1).

## Tissue and greaseproof papers

	2023	2022	2022
Tissue and greaseproof papers	1-3	1-3	1-12
Sales, EUR million	343.1	254.7	1,197.0
EBITDA, EUR million	57.0	-7.0	41.7
Comparable EBITDA, EUR million	57.0	-7.0	41.2
Operating result, EUR million	46.8	-18.0	-3.0
Comparable operating result, EUR million	46.8	-18.0	-3.4
% of sales	13.6	-7.1	-0.3
Comparable ROCE, %	31.2	-11.8	-0.4
Total investments, EUR million	20.4	10.1	50.6
Personnel at end of period	2,451	2,501	2,449
Tissue paper deliveries, 1,000 t	125	136	541

### Comparable operating result



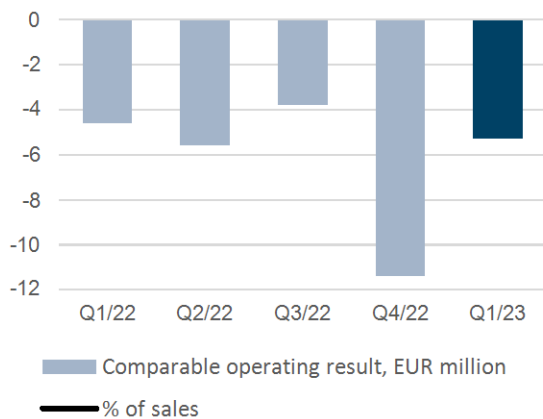
The sales of Tissue and Greaseproof Papers, i.e. Metsä Tissue, in January–March were EUR 343.1 million (1–3/2022: 254.7). The comparable operating result was EUR 46.8 million (-18.0). The operating result turned positive when the impact of cost inflation was passed on to prices. Costs have been higher than in the corresponding period the year before.

The first-quarter sales volumes of tissue paper products were slightly lower year-over-year. Occasional production shutdowns caused by the markets were especially seen at the mills in Central Europe. The sales of greaseproof papers continued at the previous year's level.

## Other operations

	2023	2022	2022
Other operations	1-3	1-3	1-12
Sales, EUR million	4.7	5.0	19.8
EBITDA, EUR million	-3.3	121.0	119.4
Comparable EBITDA, EUR million	-3.3	-2.9	-17.6
Operating result, EUR million	-5.3	119.3	111.5
Comparable operating result, EUR million	-5.3	-4.6	-25.4
Total investments, EUR million	8.0	7.7	45.2
Personnel at end of period	858	791	826

### Comparable operating result



The sales of other operations in January–March were EUR 4.7 million (1–3/2022: 5.0), and the comparable operating result was EUR -5.3 million (-4.6).

Other operations include Metsä Group head office functions, Metsäliitto Cooperative's holding operations, Metsä Group Treasury Oy, Metsä Spring Oy and Kemi Shipping Oy.



## Reconciliation of items affecting comparability

Reconciliation by segment			
EUR million	2023 1–3	2022 1–3	2022 1–12
<b>Operating result (IFRS)</b>	<b>275.7</b>	<b>341.3</b>	<b>1,301.9</b>
Depreciation and impairment charges	79.1	78.2	334.5
<b>EBITDA</b>	<b>354.8</b>	<b>419.5</b>	<b>1,636.4</b>
Items affecting comparability:			
Wood Supply and Forest Services			3.3
Pulp and Sawn Timber Industry			34.4
Paperboard Industry	0.3	-19.2	-11.7
Tissue and Greaseproof Papers			-0.5
Other operations and eliminations	-0.3	-77.9	-97.5
Total		-97.1	-72.0
<b>Comparable EBITDA</b>	<b>354.8</b>	<b>322.4</b>	<b>1,564.4</b>
Depreciation and impairment charges	-79.1	-78.2	-334.5
Items affecting comparability:			
Depreciations and reversals			46.5
Wood Supply and Forest Services			31.3
Pulp and Sawn Timber Industry			14.2
Paperboard Industry			0.9
<b>Comparable Operating result</b>	<b>275.7</b>	<b>244.2</b>	<b>1,276.4</b>
Share of results from associated companies and joint ventures	0.3	-1.3	-4.8
Financial costs, net	-5.5	-10.5	-27.3
Items affecting comparability:			
Wood Supply and Forest Services			-2.4
Pulp and Sawn Timber Industry	1.3		-2.0
Paperboard Industry	0.1		0.5
<b>Comparable Result before income tax</b>	<b>271.9</b>	<b>232.5</b>	<b>1,240.3</b>
Income tax	-57.4	-70.5	-271.1
Items affecting comparability:			
Wood Supply and Forest Services			-1.8
Pulp and Sawn Timber Industry			0.1
Paperboard Industry			0.3
Tissue and Greaseproof Papers			0.1
Other operations and eliminations		24.8	27.1
<b>Comparable Result for the period</b>	<b>214.5</b>	<b>186.7</b>	<b>995.0</b>

**Reconciliation by expense or income**

	2023	2022	2022
EUR million	1–3	1–3	1–12
<b>Operating result (IFRS)</b>	<b>275.7</b>	<b>341.3</b>	<b>1,301.9</b>
Depreciation and impairment charges	79.1	78.2	334.5
<b>EBITDA</b>	<b>354.8</b>	<b>419.5</b>	<b>1,636.4</b>
Items affecting comparability:			
Other operating income		-98.5	-124.2
Change in inventories			11.9
Employee costs		1.4	8.1
Other operating expenses			32.1
Total		-97.1	-72.0
<b>Comparable EBITDA</b>	<b>354.8</b>	<b>322.4</b>	<b>1,564.4</b>
Depreciation and impairment charges	-79.1	-78.2	-334.5
Items affecting comparability:			
Depreciations and reversals			46.5
<b>Comparable Operating result</b>	<b>275.7</b>	<b>244.2</b>	<b>1,276.4</b>
Share of results from associated companies and joint ventures	0.3	-1.3	-4.8
Financial costs, net	-5.5	-10.5	-27.3
Items affecting comparability	1.4		-4.0
<b>Comparable Result before income tax</b>	<b>271.9</b>	<b>232.5</b>	<b>1,240.3</b>
Income tax	-57.4	-70.5	-271.1
Items affecting comparability		24.8	25.8
<b>Comparable Result for the period</b>	<b>214.5</b>	<b>186.7</b>	<b>995.0</b>

Items with a “+” sign = expenses affecting comparability

Items affecting the comparability of Metsä Group’s net result for the January–March 2023 period totalled EUR -1.4 million. The items are related to translation differences from the discontinued Russian operations.

Items with a “-” sign = income affecting comparability

Items affecting the comparability of Metsä Group’s net result for the period January–March 2022 totalled EUR 72.3 million.

## Quarterly data

	2023	2022	2022	2022	2022
EUR million	1-3	10-12	7-9	4-6	1-3
<b>Sales</b>					
Wood Supply and Forest Services	601.3	574.5	521.1	520.3	517.4
Wood Products Industry	161.8	157.4	159.9	174.5	170.4
Pulp and Sawn Timber Industry	668.6	756.1	833.7	808.3	672.6
Paperboard Industry	542.1	599.8	647.3	650.5	582.0
Tissue and Greaseproof Papers	343.1	344.3	316.7	281.3	254.7
Other operations	4.7	4.8	4.9	5.1	5.0
Internal sales	-687.3	-695.5	-660.9	-617.8	-608.3
<b>Sales</b>	<b>1,634.4</b>	<b>1,741.4</b>	<b>1,822.7</b>	<b>1,822.3</b>	<b>1,593.8</b>
<b>Operating result</b>					
Wood Supply and Forest Services	6.8	11.1	11.1	-38.6	5.6
Wood Products Industry	24.6	19.3	14.8	11.6	9.1
Pulp and Sawn Timber Industry	134.3	215.1	290.6	184.4	155.4
Paperboard Industry	88.4	94.7	153.4	142.6	140.7
Tissue and Greaseproof Papers	46.8	28.8	-4.6	-9.2	-18.0
Other operations	-5.3	1.7	-3.8	-5.6	119.3
Eliminations	-19.9	-54.7	-64.9	-37.3	-70.7
<b>Operating result</b>	<b>275.7</b>	<b>315.9</b>	<b>396.7</b>	<b>248.0</b>	<b>341.3</b>
% of sales	16.9	18.1	21.8	13.6	21.4
Share of results from associated companies and joint ventures	0.3	-0.1	-0.7	-2.7	-1.3
Exchange gains and losses	-3.9	-4.7	4.6	-1.4	-3.0
Other net financial items	-1.6	-1.8	-4.5	-9.4	-7.4
<b>Result before income tax</b>	<b>270.5</b>	<b>309.2</b>	<b>396.1</b>	<b>234.4</b>	<b>329.6</b>
Income tax	-57.4	-55.7	-82.6	-62.4	-70.5
<b>Result for the period</b>	<b>213.1</b>	<b>253.6</b>	<b>313.6</b>	<b>172.1</b>	<b>259.1</b>
<b>Comparable operating result</b>					
Wood Supply and Forest Services	6.8	9.7	5.2	3.3	5.6
Wood Products Industry	24.6	19.3	14.8	11.6	9.1
Pulp and Sawn Timber Industry	134.3	215.4	290.9	232.5	155.4
Paperboard Industry	88.7	100.8	152.5	145.9	121.5
Tissue and Greaseproof Papers	46.8	28.8	-4.6	-9.7	-18.0
Other operations and eliminations	-25.5	-63.0	-67.7	-53.4	-29.4
<b>Comparable operating result</b>	<b>275.7</b>	<b>310.9</b>	<b>391.1</b>	<b>330.2</b>	<b>244.2</b>
% of sales	16.9	17.9	21.5	18.1	15.3

## Calculation of key figures

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

## Comparable key figures

According to the guidelines of the European Securities and Markets Authority (ESMA), alternative performance measures are key figures concerning historical or future financial performance, financial standing or cash flows that are not determined by the financial reporting framework applied by the company. Metsä Group's financial reporting framework consists of the IFRS standards in the form in which they were adopted by the EU in line with Regulation (EC) No. 1606/2002. The 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 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, comparable performance measures better reflect the underlying operational performance of the company by eliminating the result effect arising from items and transactions outside the ordinary course of business.

## Financial statements

### Unaudited consolidated statement of comprehensive income

EUR million	Note	2023 1–3	2022 1–3	Change	2022 1–12
<b>Sales</b>	2,3	<b>1,634.4</b>	<b>1,593.8</b>	<b>40.6</b>	<b>6,980.2</b>
Change in stocks of finished goods and work in progress		95.1	30.7	64.4	141.2
Other operating income		30.3	114.1	-83.8	204.7
Material and services		-1,126.9	-1,051.2	-75.7	-4,559.6
Employee costs		-183.7	-178.4	-5.4	-720.6
Depreciation and impairment losses		-79.1	-78.2	-0.9	-334.5
Other operating expenses		-94.3	-89.5	-4.8	-409.4
<b>Operating result</b>	2	<b>275.7</b>	<b>341.3</b>	<b>-65.6</b>	<b>1,301.9</b>
Share of results of associated companies and joint ventures		0.3	-1.3	1.6	-4.8
Exchange gains and losses		-3.9	-3.0	-0.9	-4.6
Other net financial items	2	-1.6	-7.4	5.8	-22.8
<b>Result before income tax</b>		<b>270.5</b>	<b>329.6</b>	<b>-59.1</b>	<b>1,269.8</b>
Income tax	4	-57.4	-70.5	13.1	-271.1
<b>Result for the period</b>		<b>213.1</b>	<b>259.1</b>	<b>-45.9</b>	<b>998.7</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit and loss</b>					
Items relating to adjustments of defined benefit plans		-0.7	11.0	-11.7	-1.4
Fair value of financial assets through other comprehensive income		11.1	6.4	4.7	193.6
Income tax relating to items that will not be reclassified		-2.0	-4.4	2.4	-36.6
Total		8.4	13.0	-4.6	155.7
<b>Items that may be reclassified subsequently to profit and loss</b>					
Cash flow hedges		6.8	51.9	-45.1	105.7
Currency translation differences		-15.3	-8.9	-6.4	-46.6
Income tax relating to items that may be reclassified		-1.4	-10.4	9.0	-21.1
Total		-9.9	32.6	-42.4	38.0
<b>Other comprehensive income, net of tax</b>		<b>-1.5</b>	<b>45.5</b>	<b>-47.1</b>	<b>193.7</b>
<b>Total comprehensive income for the period</b>		<b>211.6</b>	<b>304.6</b>	<b>-93.0</b>	<b>1,192.3</b>
<b>Result for the period attributable to:</b>					
Members of parent company		143.0	160.3	-17.3	573.2
Non-controlling interests		70.1	98.8	-28.7	425.5
Total		213.1	259.1	-45.9	998.7
<b>Total comprehensive income attributable to:</b>					
Members of parent company		142.5	187.1	-44.6	684.0
Non-controlling interests		69.1	117.5	-48.4	508.4
Total		211.6	304.6	-93.0	1,192.3

Notes are integral part of this report.

## Unaudited consolidated balance sheet

EUR million	Note	2023 31.3.	2022 31.3.	2022 31.12.
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill		417.3	430.4	418.9
Other intangible assets		279.0	232.1	271.8
Tangible assets	5	4,779.9	3,798.1	4,625.9
Biological assets		2.5	3.3	3.2
Investments in associated companies and joint ventures		4.4	10.5	3.6
Other investments	9	387.8	192.4	376.8
Other non-current financial assets	9	80.6	71.3	87.4
Deferred tax receivables		43.4	43.4	47.0
		<b>5,995.1</b>	<b>4,781.6</b>	<b>5,834.6</b>
<b>Current assets</b>				
Inventories		1,379.5	1,117.8	1,237.1
Accounts receivables and other receivables		1,026.8	1,007.0	1,029.2
Tax receivables based on the taxable income for the period		11.3	26.5	48.9
Cash and cash equivalents	9	1,518.1	1,419.3	1,265.0
		<b>3,935.8</b>	<b>3,570.6</b>	<b>3,580.2</b>
<b>Total assets</b>		<b>9,930.8</b>	<b>8,352.1</b>	<b>9,414.7</b>
<b>Members' funds</b>				
Members' capital		1,482.0	1,486.6	1,438.6
Translation differences		-61.3	-39.8	-54.0
Fair value and other reserves		842.1	732.1	835.0
Retained earnings		2,054.8	1,601.2	1,915.8
Members' funds		4,317.6	3,780.1	4,135.4
Non-controlling interests		1,448.9	1,215.0	1,565.8
		<b>5,766.5</b>	<b>4,995.1</b>	<b>5,701.2</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities		394.2	314.4	390.9
Post-employment benefit obligations		58.7	81.2	59.6
Provisions	6	12.3	11.9	12.2
Borrowings	9	1,571.3	1,029.3	1,128.7
Other liabilities		7.3	3.7	4.7
		<b>2,043.8</b>	<b>1,440.5</b>	<b>1,596.1</b>
<b>Current liabilities</b>				
Provisions	6	6.2	3.6	6.6
Current borrowings	9	369.3	302.3	328.2
Accounts payable and other liabilities		1,694.6	1,553.2	1,714.0
Tax liabilities based on the taxable income for the period		50.4	57.5	68.6
		<b>2,120.5</b>	<b>1,916.5</b>	<b>2,117.4</b>
<b>Total liabilities</b>		<b>4,164.3</b>	<b>3,357.1</b>	<b>3,713.6</b>
<b>Total members' funds and liabilities</b>		<b>9,930.8</b>	<b>8,352.1</b>	<b>9,414.7</b>

Notes are integral part of the report

## Unaudited statement of changes in shareholders' equity

### Equity attributable to members of parent company

EUR Million	Mem- bers' Capital	Transla- tion dif- ferences	Fair value and other re- serves	Retained earnings	Total	Non-control- ling interests	Total
<b>Members' funds 1.1.2022</b>	<b>1,447.1</b>	<b>-34.2</b>	<b>706.2</b>	<b>1,455.3</b>	<b>3,574.4</b>	<b>1,240.3</b>	<b>4,814.6</b>
Result for the period				160.3	160.3	98.8	259.1
Other comprehensive income, after tax		-5.6	25.9	6.6	26.9	18.7	45.5
<b>Total comprehensive income</b>		<b>-5.6</b>	<b>25.9</b>	<b>166.8</b>	<b>187.1</b>	<b>117.5</b>	<b>304.6</b>
Transactions with owners:							
Dividends paid				2.0	2.0	-134.1	-132.2
Change in members' capital	39.5			-6.7	32.8		32.8
Share based payments				-5.7	-5.7	-1.1	-6.8
Acquired shares from non-controlling interests, which did not change the controlling right				-9.2	-9.2	-10.1	-19.3
Sold shares from non-controlling interests, which did not change the controlling right			0.0	-1.3	-1.3	2.6	1.3
<b>Members funds 31.3.2022</b>	<b>1,486.6</b>	<b>-39.8</b>	<b>732.1</b>	<b>1,601.2</b>	<b>3,780.1</b>	<b>1,215.0</b>	<b>4,995.1</b>

### Equity attributable to members of parent company

EUR Million	Mem- bers' Capital	Transla- tion dif- ferences	Fair value and other re- serves	Retained earnings	Total	Non-control- ling interests	Total
<b>Members' funds 1.1.2023</b>	<b>1,438.6</b>	<b>-54.0</b>	<b>835.0</b>	<b>1,915.8</b>	<b>4,135.4</b>	<b>1,565.8</b>	<b>5,701.2</b>
Result for the period				143.0	143.0	70.1	213.1
Other comprehensive income, after tax		-7.3	7.2	-0.4	-0.5	-1.0	-1.5
<b>Total comprehensive income</b>		<b>-7.3</b>	<b>7.2</b>	<b>142.6</b>	<b>142.5</b>	<b>69.1</b>	<b>211.6</b>
Transactions with owners:							
Dividends paid				3.3	3.3	-186.0	-182.8
Change in members' capital	43.4			-5.6	37.8		37.8
Share based payments				-0.6	-0.6	-0.7	-1.3
Sold shares from non-controlling interests, which did not change the controlling right				-0.7	-0.7	0.7	0.0
<b>Members funds 31.3.2023</b>	<b>1,482.0</b>	<b>-61.3</b>	<b>842.1</b>	<b>2,054.8</b>	<b>4,317.6</b>	<b>1,448.9</b>	<b>5,766.5</b>

## Unaudited condensed consolidated cash flow statement

EUR million	Note	2023 31.3.	2022 31.3.	2022 31.12.
Result for the period	8	213.0	259.1	998.6
Total adjustments	8	119.5	54.0	492.4
Change in working capital		-263.0	-105.1	-17.7
<b>Cash flow from operations</b>		<b>69.4</b>	<b>208.0</b>	<b>1,473.3</b>
Net financial items		1.2	-2.3	-21.0
Income taxes paid		-33.0	-70.2	-225.6
<b>Net cash flow from operating activities</b>		<b>37.6</b>	<b>135.5</b>	<b>1,226.8</b>
Acquisitions		-0.5	-13.6	-21.1
Investments in tangible and intangible assets		-248.2	-288.9	-1,449.7
Disposals and other items	8	23.0	164.9	235.2
<b>Net cash flow from financing activities</b>		<b>-225.6</b>	<b>-137.6</b>	<b>-1,235.5</b>
Change in members' funds		37.8	32.8	54.3
Change in non-controlling interest		0.0	-19.6	-65.9
Change in long-term loans and other financial items		484.4	136.8	172.4
Dividends paid		-83.1	-59.1	-217.1
<b>Net cash flow from financing activities</b>		<b>439.1</b>	<b>91.0</b>	<b>-56.3</b>
<b>Change in cash and cash equivalents</b>		<b>251.0</b>	<b>88.9</b>	<b>-65.1</b>
Cash and cash equivalents at beginning of period		1,265.0	1,334.5	1,334.5
Translation difference		-0.8	-1.2	1.5
Change in cash and cash equivalents		251.0	88.9	-65.1
Value adjustments of investment funds included in cash and cash equivalents.		2.9	-2.8	-5.9
<b>Cash and cash equivalents at end of period</b>		<b>1,518.1</b>	<b>1,419.3</b>	<b>1,265.0</b>

Notes are integral part of the report.



## NOTES TO THE UNAUDITED INTERIM REPORT

### Note 1 – BACKGROUND AND

#### ACCOUNTING POLICIES

Metsäliitto Cooperative and its subsidiaries comprise a forest industry group (“Metsä Group” or “Group”), the operations of which are organised into 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 unaudited interim financial report has been prepared in accordance with IAS 34, *Interim Financial Reporting*, and it should be read in conjunction with the 2022 IFRS financial statements. The effects of foreign exchange rates on the operating profit for the review period compared to the comparison period presented in the review have been calculated on the basis of the review period’s estimated net currency flow, accounting for the realised impact of hedges.

The same accounting policies have been applied as in the 2022 IFRS financial statements, with the following exception:

- Depreciation of machinery and equipment during the financial year has been further specified between the quarters where applicable to correspond with the allocation of the use of the economic benefit of the asset.
- The rate used for the Russian ruble is the closing rate for EUR/RUB published by Refinitiv, which represents the market rate for the time.

#### **Amendments to standards applied during the 2023 financial period:**

Amendments to IAS 12 Income taxes – Deferred tax related to assets and liabilities arising from a single transaction. The amendments narrow the scope of the initial recognition exemption and specify that the exemption does not apply to individual transactions, such as leases and decommissioning obligations that give rise to equal and opposite temporary differences. The amendments have an impact on the notes presented.

Other amendments to standards do not have a material impact on the Group’s financial statements bulletin.

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

The Russian ruble-denominated translation differences of EUR 1.4 million accrued in 2023 are reported under financial income and expenses.

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 27 April 2023.

## 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	1-3/2023	1-3/2023	1-3/2023	1-3/2022	1-3/2022	1-3/2022
	External	Internal	Total	External	Internal	Total
Wood Supply and Forest Services	127.6	473.8	601.3	131.2	386.2	517.4
Wood Products Industry	156.7	5.1	161.8	165.7	4.7	170.4
Pulp and Sawn Timber Industry	503.3	165.3	668.6	501.4	171.2	672.6
Paperboard Industry	503.2	38.8	542.1	539.7	42.3	582.0
Tissue and Greaseproof Papers	342.8	0.3	343.1	254.4	0.3	254.7
Other operations	0.7	3.9	4.7	1.3	3.7	5.0
Elimination of internal sales		-687.3	-687.3		-608.3	-608.3
<b>Total sales</b>	<b>1,634.4</b>	<b>0.0</b>	<b>1,634.4</b>	<b>1,593.8</b>	<b>0.0</b>	<b>1,593.8</b>

EUR million	1-12/2022	1-12/2022	1-12/2022
	External	Internal	Total
Wood Supply and Forest Services	546.9	1,586.4	2,133.3
Wood Products Industry	643.6	18.7	662.3
Pulp and Sawn Timber Industry	2,307.3	763.4	3,070.7
Paperboard Industry	2,281.9	197.7	2,479.6
Tissue and Greaseproof Papers	1,196.2	0.9	1,197.0
Other operations	4.4	15.3	19.8
Elimination of internal sales		-2,582.5	-2,582.5
<b>Total sales</b>	<b>6,980.2</b>	<b>0.0</b>	<b>6,980.2</b>

### Operating result by segment

EUR million	2023	2022	2022
	1-3	1-3	1-12
Wood Supply and Forest Services	6.8	5.6	-10.9
Wood Products Industry	24.6	9.1	54.8
Pulp and Sawn Timber Industry	134.3	155.4	845.5
Paperboard Industry	88.4	140.7	531.5
Tissue and Greaseproof Papers	46.8	-18.0	-3.0
Other operations	-5.3	119.3	111.5
Eliminations	-19.9	-70.7	-227.6
Operating result total	275.7	341.3	1,301.9
Share of results from associated companies and joint ventures	0.3	-1.3	-4.8
Financial costs, net	-5.5	-10.5	-27.3
Income taxes	-57.4	-70.5	-271.1
<b>Result for the period</b>	<b>213.1</b>	<b>259.1</b>	<b>998.7</b>

### Assets and liabilities by segment

<b>Assets</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
<b>EUR million</b>	<b>31.3.2023</b>	<b>31.3.2022</b>	<b>31.12.2022</b>
Wood Supply and Forest Services	415.9	391.7	330.1
Wood Products Services	419.5	446.6	397.9
Pulp and Sawn Timber Industry	3,906.7	2,794.4	3,720.4
Paperboard Industry	2,974.4	2,522.2	2,993.3
Tissue and Greasproof Paper Industry	914.9	847.8	902.7
Other operations	502.5	374.1	390.5
Eliminations	-596.2	-455.1	-441.1
Unallocated assets	1,393.1	1,430.3	1,120.9
<b>Total</b>	<b>9,930.8</b>	<b>8,352.1</b>	<b>9,414.7</b>

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

<b>Liabilities</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
<b>EUR million</b>	<b>31.3.2023</b>	<b>31.3.2022</b>	<b>31.12.2022</b>
Wood supply and forest services	287.0	248.6	292.4
Wood products services	96.4	99.8	90.7
Pulp and Sawn Timber Industry	649.9	537.5	661.2
Paperboard Industry	692.5	662.3	529.8
Tissue and Greasproof Paper Industry	335.4	324.2	330.3
Other operations	284.4	200.0	307.9
Eliminations	-596.2	-455.1	-441.1
Unallocated liabilities	2,414.9	1,739.8	1,942.4
<b>Total</b>	<b>4,164.3</b>	<b>3,357.1</b>	<b>3,713.6</b>

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

### Note 3 - Geographical distribution of sales

	<b>2023</b>	<b>2022</b>	<b>2022</b>
<b>EUR million</b>	<b>1-3</b>	<b>1-3</b>	<b>1-12</b>
EMEA	1,145.6	1,112.4	4,727.1
APAC	311.3	306.1	1,482.9
Americas	177.5	175.3	770.2
<b>Total</b>	<b>1,634.4</b>	<b>1,593.8</b>	<b>6,980.2</b>

#### Note 4 - Income tax

	<b>2023</b>	<b>2022</b>	<b>2022</b>
<b>EUR million</b>	<b>1-3</b>	<b>1-3</b>	<b>1-12</b>
Taxes for the period	52.4	78.3	241.4
Taxes for previous periods	0.0	0.1	0.7
Change in deferred taxes	4.9	-7.9	29.0
<b>Total</b>	<b>57.4</b>	<b>70.5</b>	<b>271.1</b>

Tax expense in the income statement comprises current tax and deferred tax.

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

	<b>2023</b>	<b>2022</b>	<b>2022</b>
<b>EUR million</b>	<b>1-3</b>	<b>1-3</b>	<b>1-12</b>
Book value at beginning of period	4,625.9	3,557.8	3,557.8
Acquired businesses		29.6	31.1
Investments to owned property, plant and equipment	237.5	281.1	1,377.5
Investments to leased property, plant and equipment	2.5	11.3	28.0
Decreases	0.4	-0.8	-7.4
Depreciation, amortization and impairment losses	-76.1	-73.8	-313.4
Translation difference and other changes	-10.3	-7.0	-47.8
<b>Carrying value at end of the period</b>	<b>4,779.9</b>	<b>3,798.1</b>	<b>4,625.9</b>

Acquired business operations in January–March 2022 include the tangible assets of Hämeenkyrön Voima Oy.

## Note 6 - Provisions

EUR million	Restructuring	Environmental obligations	Other Provisions	Total
1.1.	5.0	9.6	4.2	18.8
Translation differences			-0.1	-0.1
Additions		0.0	0.1	0.2
Utilised during the year	-0.2	0.0	-0.2	-0.4
<b>31.3.2023</b>	<b>4.8</b>	<b>9.6</b>	<b>4.1</b>	<b>18.5</b>
Long term provisions	0.1	9.6	2.6	12.3
Short term provisions	4.7	0.0	1.5	6.2
<b>Total</b>	<b>4.8</b>	<b>9.6</b>	<b>4.1</b>	<b>18.5</b>

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

## Note 7 - Related party transactions

### Transactions with associated companies and joint ventures

EUR million	2023 1–3	2022 1–3	2022 1–12
Sales	1.9	2.9	12.9
Purchases	5.7	21.6	91.1
Non-current receivables	2.0	0.8	2.0
Accounts receivables and other receivables	4.5	1.2	2.4
Accounts payables and other liabilities	3.6	4.7	4.9

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

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

EUR million	2023 1–3	2022 1–3	2022 1–12
Taxes	57.3	70.5	271.1
Depreciation and impairment charges	79.1	78.2	334.5
Biological assets	0.8	0.1	0.1
Share of results from associated companies	-0.3	1.3	4.8
Gains and losses on sale of non-current financial assets	-22.9	-107.2	-148.5
Financial costs, net	5.5	10.5	27.3
Pension liabilities and provisions	-1.0	-0.9	-2.6
Other adjustments	1.0	1.5	5.7
<b>Total</b>	<b>119.5</b>	<b>54.0</b>	<b>492.4</b>

### Acquisitions

Acquisitions include EUR -13.6 million for the shares of Hämeenkyrön Voima Oy, acquired in January–March 2022.

### Disposals and other items

Disposals and other items in January–March 2023 include the sale of tangible and intangible assets, totalling EUR 23.0 million. The most significant sales related to

property, plant and equipment were the sales of emission allowances, totalling EUR 21.9 million.

In January–March 2022, disposals and other items include the sale of the shares in Oy Hangö Stevedoring Ab EUR 15.9 million, the sale of the shares in Finsilva Oyj EUR 131.0 million and the sale of the series G10 shares to Pohjolan Voima Oyj EUR 12.0 million. Disposals and other items also include sales of intangible and tangible assets of EUR 10.4 million and other items of EUR -4.4 million. Sales of fixed assets include sales of emission allowances EUR 9.7 million.

### Change in non-controlling interest

In March 2022, Metsäliitto Cooperative acquired Metsä Board Corporation series B shares to a value of EUR

19.6 million from the market on the basis of the Board of Directors' authorisation at an average price of EUR 8.00 per share.

## Note 9 – Financial instruments

Classification of financial assets and liabilities and fair values

### Financial assets 31 March 2023

EUR million	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
Other non-current investments	3.4	384.4		387.8
Other non-current financial assets	0.0		15.6	15.6
Accounts receivable and other receivables	4.4		924.0	928.4
Cash and cash equivalent	436.7		1,081.5	1,518.1
Derivative financial instruments	5.7	156.5		162.2
<b>Total carrying amount</b>	<b>450.2</b>	<b>540.9</b>	<b>2,021.1</b>	<b>3,012.2</b>
<b>Total fair value</b>	<b>450.2</b>	<b>540.9</b>	<b>2,021.1</b>	<b>3,012.1</b>

### Financial liabilities 31 March 2023

EUR million	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
Non-current interest-bearing financial liabilities			1,571.3	1,571.3
Other non-current financial liabilities			3.5	3.5
Current interest-bearing financial liabilities			369.3	369.3
Accounts payable and other financial liabilities			1,488.9	1,488.9
Derivative financial instruments	1.6	46.5		48.0
<b>Total carrying amount</b>	<b>1.6</b>	<b>46.5</b>	<b>3,433.0</b>	<b>3,481.0</b>
<b>Total fair value</b>	<b>1.6</b>	<b>46.5</b>	<b>3,412.3</b>	<b>3,460.3</b>

### Financial assets 31 March 2022

EUR million	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
Other non-current investments		192.4		192.4
Other non-current financial assets			45.7	45.7
Accounts receivable and other receivables	4.1		927.5	931.6
Cash and cash equivalent	466.4		952.9	1,419.3
Derivative financial instruments	3.5	97.5		101.0
Financial assets related to assets held for sale				
<b>Total carrying amount</b>	<b>474.0</b>	<b>289.8</b>	<b>1,926.1</b>	<b>2,689.9</b>
<b>Total fair value</b>	<b>474.0</b>	<b>289.8</b>	<b>1,926.1</b>	<b>2,689.9</b>

### Financial liabilities 31 March 2022

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			1,029.3	1,029.3
Other non-current financial liabilities			1.4	1.4
Current interest-bearing financial liabilities			302.3	302.3
Accounts payable and other financial liabilities			1,380.7	1,380.7
Derivative financial instruments	3.7	45.8		49.5
Financial liabilities related to assets held for sale				
<b>Total carrying amount</b>	<b>3.7</b>	<b>45.8</b>	<b>2,713.7</b>	<b>2,763.2</b>
<b>Total fair value</b>	<b>3.7</b>	<b>45.8</b>	<b>2,723.3</b>	<b>2,772.8</b>

Accounts receivables and other receivables do not include advance payments, accrued tax receivables and periodisations of employee costs.

Accounts payable and other financial liabilities do not include advance payments, accrued tax liabilities and periodisations of employee costs. In Metsä Group, all interest-bearing liabilities are valued in the balance

sheet at amortised cost based on an effective interest method. Fair values in the table are based on the present value of each liability or assets, calculated at the market rate. The discount rates applied are between 1.0% and 6.0% (1.0–6.0). The fair values of accounts and other receivables and accounts payable and other liabilities do not materially deviate from their carrying amounts in the balance sheet.

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

EUR million	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value</b>				
Other non-current investments			387.8	387.8
Financial assets at fair value, current	441.0			441.0
Derivative financial assets	2.8	159.3		162.2
<b>Financial liabilities measured at fair value</b>				
Derivative financial liabilities	11.1	37.0		48.0
<b>Financial assets not measured at fair value</b>				
Cash and cash equivalent		1,081.5		1,081.5
<b>Financial liabilities not measured at fair value</b>				
Non-current interest-bearing financial liabilities		1,551.6		1,551.6
Current interest-bearing financial liabilities		368.3		368.3

**Fair value hierarchy of financial assets and liabilities as of 31 March 2022**

EUR million	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value</b>				
Other non-current investments			192.4	192.4
Financial assets at fair value, current	470.5			470.5
Derivative financial assets	23.2	77.8		101.0
<b>Financial liabilities measured at fair value</b>				
Derivative financial liabilities		49.5		49.5
<b>Financial assets not measured at fair value</b>				
Cash and cash equivalent		952.9		952.9
<b>Financial liabilities not measured at fair value</b>				
Non-current interest-bearing financial liabilities		1,038.7		1,038.7
Current interest-bearing financial liabilities		302.5		302.5



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

EUR million	2023 1-3	2022 1-3	2022 1-12
Opening balance	376.8	197.9	197.9
Gains and losses in income statement	0.0	0.0	3.3
Gains and losses in other comprehensive income	11.1	6.4	193.6
Acquisitions		0.0	0.0
Settlements	0.0	-12.0	-18.2
<b>Closing balance</b>	<b>387.8</b>	<b>192.4</b>	<b>376.6</b>

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

Level 1:

Fair value is based on quoted prices in active markets.

Level 2:

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

Level 3:

Fair value is based on company estimates and 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 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 weighed capital cost applied in the calculation was 5.36% on 31 March 2023 (31 December 2022: 5.42). The acquisition cost of the Pohjolan Voima Oyj shares on 31 March 2023 is EUR 33.1 million (33.1) and their fair value is EUR 384.4 million (373.3).

The carrying amount of other long-term investments on 31 March 2023 is estimated to change by EUR -14.5 million, and by EUR 15.6 million should the rate used for discounting the cash flows change by 0.5 percentage points from the rate estimated by the management. The carrying amount of other long-term investments is estimated to change by EUR 84.3 million should the energy prices applied in the fair value calculation differ by 10 percentage from the rate estimated by the management.

## Derivatives 31 March 2023

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	702.6	65.0		65.0		65.0
Interest rate derivatives	702.6	65.0		65.0		65.0
Currency forward contracts	4,144.9	87.6	35.9	51.8	2.5	49.2
Currency forward contracts	993.1	6.7	1.1	5.6		5.6
Currency derivatives	5,138.0	94.3	37.0	57.4	2.5	54.9
Oil derivatives	26.0	0.2	3.5	-3.4		-3.4
Natural gas derivatives	30.6	2.7	7.6	-4.9	1.6	-6.5
<b>Commodity derivatives</b>	<b>56.6</b>	<b>2.8</b>	<b>11.1</b>	<b>-8.2</b>	<b>1.6</b>	<b>-9.8</b>
<b>Derivatives total</b>	<b>5,897.2</b>	<b>162.2</b>	<b>48.0</b>	<b>114.1</b>	<b>4.1</b>	<b>110.0</b>

## Derivatives 31 March 2022

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	746.8	24.0	1.0	23.0		23.0
Interest rate derivatives	746.8	24.0	1.0	23.0		23.0
Currency forward contracts	3,147.9	18.8	47.6	-28.8	-0.1	-28.6
Currency forward contracts	218.7	0.8	0.3	0.5		0.5
Currency derivatives	3,366.6	19.6	47.9	-28.3	-0.1	-28.1
Electricity derivatives	3.7	7.8		7.8		7.8
Oil derivatives	21.8	9.3		9.3		9.3
Natural gas and propane derivatives	27.0	40.3	0.6	39.7		39.7
Commodity derivatives	52.5	57.4	0.6	56.8		56.8
<b>Derivatives total</b>	<b>4,165.8</b>	<b>101.0</b>	<b>49.5</b>	<b>51.6</b>	<b>-0.1</b>	<b>51.7</b>

## Note 10 - Commitments and guarantees

EUR million	31.3.2023	31.3.2022	31.12.2022
Liabilities secured by collateral	8.5	10.4	9.0
Floating charges	0.4	0.5	0.5
Chattels mortgages	0.4	0.7	0.6
Total pledges and mortgages	0.8	1.2	1.0
Other commitments on own behalf	9.0	22.5	8.5
Commitments on behalf of associated companies and joint ventures	0.1	0.1	0.1
<b>Total</b>	<b>9.9</b>	<b>23.8</b>	<b>9.6</b>

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

### Commitments related to property, plant and equipment

EUR million	31.3.2023	31.3.2022	31.12.2022
Payments due in following 12 months	476.2	729.0	576.6
Payments due later	85.9	328.4	7.9
<b>Total</b>	<b>562.2</b>	<b>1,057.3</b>	<b>584.5</b>