Metsä Group
Interim Report 1 January – 30 September 2025

Metsä Group's comparable operating result for January–September 2025 was EUR -27 million

January–September 2025 (1–9/2024)

- Sales were EUR 4,508 million (4,273).
- Operating result was EUR -63 million (157). Comparable operating result was EUR -27 million (170).
- Result before taxes was EUR -108 million (119). Comparable result before taxes was EUR -73 million (131).
- Comparable return on capital employed was -0.3% (3.2).
- Net cash flow from operations was EUR 216 million (-165).

July–September 2025 (7–9/2024)

- Sales were EUR 1,440 million (1,336).
- Operating result was EUR -69 million (111). Comparable operating result was EUR -72 million (113).
- Result before taxes was EUR -84 million (100). Comparable result before taxes was EUR -87 million (102).
- Comparable return on capital employed was -3.5% (6.1).
- Net cash flow from operations was EUR 207 million (87).

Events during the third quarter of 2025

- Demand for market pulp was weak in both Europe and China. Metsä Group has curtailed its production at the Joutseno pulp mill for the time being.
- The average sales prices of Metsä Group's softwood market pulp decreased by 5% in Europe and by 7% in China compared to the previous quarter.
- Metsä Group's paperboard delivery volume decreased slightly from the previous quarter. The average paperboard price remained stable. Production was curtailed due to the market situation and to release working capital. Production volumes and profitability were also affected by mill maintenance shutdowns and the Simpele investment shutdown.
- The operating result for July–September was affected by EUR 30 million in insurance compensation for the gas explosion at the Kemi bioproduct mill and an impairment of EUR -22 million for assets damaged in the explosion.
- Due to prolonged weak profitability and the uncertain market outlook, Metsä Group initiated the planning of a significant cost savings and profit improvement programme. The programme aims for annual cost savings of EUR 300 million.
- Jussi Vanhanen assumed his post as President and CEO of Metsä Group on 1 July 2025.

US tariffs

Under the trade agreement concluded by the EU and the US in July 2025, the US imposed 15% tariffs in August on most products produced in the EU, including paperboard and pulp. Tariffs on long-fibre softwood pulp were cancelled in September 2025.

The US then imposed new tariffs on wood products based on Section 232 investigations – 15% on Kerto® LVL products and plywood, and 10% on sawn timber, effective since 14 October 2025.

In 2024, the US accounted for approximately EUR 615 million, or 11%, of Metsä Group's sales. The tariffs will be felt most in Metsä Group's paperboard business, which accounts for around 70% of Metsä Group's exports to the US.

Events after the review period

Most of the measures of the cost savings and profit improvement focus on procurement and end product logistics and the wood supply chain's efficiency from the forest to the mill. In addition, the need to restructure and simplify operations in order to reduce fixed costs has been identified.

On 2 October, Metsä Group announced it would initiate statutory negotiations concerning all its business areas and Group operations. The negotiations are part of the cost savings and profit improvement programme. If implemented, the planned measures may lead to a permanent reduction of 800 permanent jobs, 540 of which are expected to be in Finland.

The negotiations do not include permanent closures of production units. The development of Metsä Group's new business projects (Muoto, Kuura, lignin and bio-based carbon capture) will continue according to each project's individual plan and schedule.

Cost provisions related to the cost savings and profit improvement programme will be recognised as items affecting comparability in the last quarter result.

On 20 October 2025, Metsä Board signed a EUR 250 million revolving credit facility related to sustainability targets, which will be used to renew the EUR 200 million revolving credit facility expiring in January 2027 that has not been drawn down.

President and CEO Jussi Vanhanen:

The highlight of Metsä Group's financial performance in the third quarter was cash flow from operations, which was more than EUR 200 million positive. In particular, the measures taken in the paperboard business to reduce working capital succeeded as planned.

As expected, the third quarter operating result was clearly negative. The main reasons for this were the low pulp price, particularly in China, and the lower paperboard business volumes in the US market. Both can be traced to the protectionism that took hold in world trade in the spring. The tariffs the US imposed on China halted pulp orders from China, leading to a slump in the price of pulp. During the third quarter, Metsä Group's pulp deliveries picked up from the dip in the previous quarter but remained below the level seen in the first quarter. In China, the price level has not recovered, as can be seen in the weak result of the pulp business.

The US tariffs made a considerable dent in the result of the paperboard business, or Metsä Board. The order inflow from the US has shown only a minor recovery since the slump in the spring. Due to the local market situation, we were unable to increase customer prices to offset the impact of tariffs. These factors, in addition to the low pulp price, especially affected the profitability of Metsä Board's Husum mill. The annual maintenance shutdowns of the Simpele and Husum mills also contributed to the weak profitability of the paperboard business.

In the tissue paper business, the third quarter result improved from both the previous quarter and the corresponding period in the previous year, supported by higher delivery volumes and lower costs. In other good news, our new tissue paper mill in Mariestad in Sweden initiated customer deliveries as planned during the third quarter.

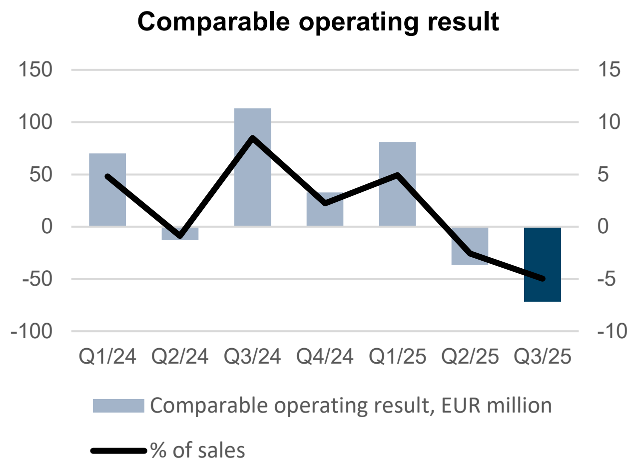
The profitability of the Wood Products Industry decreased mainly due to two factors. The problems of the ongoing ERP system renewal weakened the delivery capacity of the UK upgrading business in particular, causing customer losses and compensation. As expected, the operational efficiency of the Suolahti mill in Finland has also suffered from the gradual winding down of the mill. Metsä Group has previously announced that the mill will be closed by the end of 2026. The construction project of the new LVL mill in Äänekoski in Finland has progressed as planned.

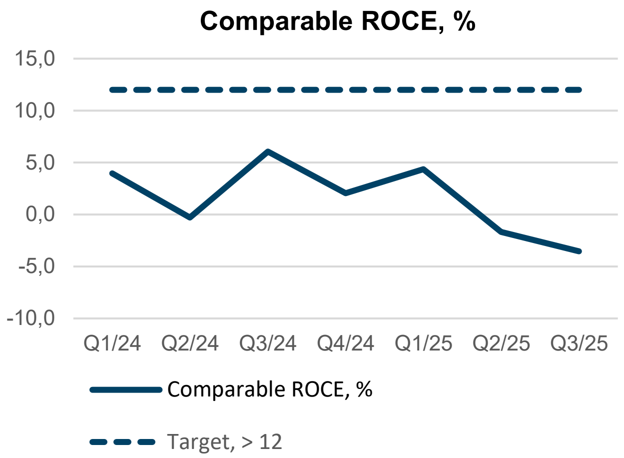
The decline in the price of wood that began in the second quarter continued in the third quarter and was reflected in smaller wood trade volumes. The lower wood price will have a minor impact on Metsä Group's result in the last quarter and a more visible impact in 2026. In the Nordic countries, the price of wood is nevertheless at a historically high level. Metsä Group's wood resources are at a good level. Forest services sales have seen strong growth this year.

Metsä Group needs to significantly improve its result. In July, we therefore announced we would launch the planning of a EUR 300 million cost savings programme. This planning is now complete. Most of the cost savings will be achieved by optimising variable costs. The savings are expected to be gradually reflected in the result from the beginning of 2026 and to reach their full impact during 2027. As part of the cost savings programme, we announced in early October the launch of statutory negotiations on the permanent reduction of a total of 800 permanent jobs across Metsä Group's units. This is very distressing for our committed workplace community, but it is unfortunately a necessary part of our efforts to significantly turn around our performance.

Key figures

	2025 1–9	2024 1–9	2025 7–9	2024 7–9	2024 1–12
Sales, EUR million	4,508.2	4,272.7	1,439.6	1,335.7	5,747.2
EBITDA, EUR million	314.0	492.2	64.4	222.0	654.1
Comparable, EUR million	304.5	497.5	39.5	224.0	648.8
% of sales	6.8	11.6	2.7	16.8	11.3
Operating result, EUR million	-63.0	157.2	-68.6	111.2	186.4
Comparable, EUR million	-27.2	170.3	-71.5	113.2	203.0
% of sales	-0.6	4.0	-5.0	8.5	3.5
Result before income tax, EUR million	-108.3	118.7	-84.4	99.6	131.3
Comparable, EUR million	-72.6	131.4	-87.4	101.7	147.6
Result for the period, EUR million	-91.6	98.0	-70.2	77.5	108.5
Return on capital employed, %	-0.9	3.0	-3.4	6.0	2.7
Comparable, %	-0.3	3.2	-3.5	6.1	2.9
Return on equity, %	-2.2	2.3	-5.0	5.6	1.9
Comparable, %	-1.6	2.5	-5.2	5.7	2.1
Equity ratio, %	57.6	56.5	57.6	56.5	56.2
Net gearing ratio, %	26.2	22.9	26.2	22.9	22.2
Interest-bearing net liabilities, EUR million	1,442.0	1,281.3	1,442.0	1,281.3	1,235.7
Total investments, EUR million	399.2	422.3	180.7	160.3	603.3
Net cash flow from operations, EUR million	216.1	-164.8	206.5	86.7	10.9
Personnel at the end of the period	9,415	9,638	9,415	9,638	9,581





Sales and Operating result

1–9/2025, EUR million	Pulp and Sawn timber industry	Paperboard Industry	Tissue and Greaseproof papers	Wood Products Industry	Wood Supply and Forest services
Sales	2,009.5	1,382.2	844.4	368.9	1,911.7
Other operating income	50.5	25.9	4.7	5.5	6.2
Operating expenses	-1,917.1	-1,374.7	-778.4	-365.9	-1,886.4
Depreciation and impairment losses	-204.1	-103.8	-36.2	-19.6	-4.7
Operating result	-61.1	-70.3	34.5	-11.1	26.7
Items affecting comparability	-8.2	24.9	11.9	5.5	-2.9
Comparable operating result	-69.3	-45.5	46.4	-5.7	23.8
% of sales	-3.4	-3.3	5.5	-1.5	1.2

Interim Report 1 January – 30 September 2025

Sales and result

Metsä Group's sales in January–September 2025 were EUR 4,508.2 million (1–9/2024: 4,272.7).

Comparable operating result was EUR -27.2 million (170.3), or -0.6% (4.0) of sales. While higher sales volumes had a positive impact on the operating result, higher costs, especially those of wood raw material, weighed on it. In the comparison year, comparable operating result was weakened by strikes in Finland and the gas explosion at the Kemi bioproduct mill.

After hedging, exchange rate fluctuations had a positive impact of approximately EUR 3 million on the operating result of the review period compared to the previous year.

Items affecting the comparability of the operating result in January–September totalled EUR -35.8 million (-13.0). Of the most significant items, EUR -27.2 million is related to the impairment of the Tako mill's assets, EUR -22.0 million to the impairment of assets damaged in the Kemi bioproduct mill's gas explosion, EUR -11.9 million to capacity adjustments at the Kreuzau tissue paper mill, EUR -2.9 million to business restructuring costs, EUR -4.3 million to the discontinuation of operations at Kumpuniemen Voima Oy, EUR -1.2 million to the discontinuation of operations at Suolahti plywood mills, EUR 30.0 million to the insurance compensation received for the property damage caused by the Kemi bioproduct mill's gas explosion, EUR 1.6 million to the capital gain from Metsä Forest Latvia SIA shares, and EUR 1.3 million to the capital gain from OOO Metsa Forest St. Petersburg shares.

Metsä Group's operating result (IFRS) was EUR -63.0 million (157.2). The share of the results of associated companies and joint ventures was EUR -0.5 million (-1.3), financial income was EUR 11.1 million (21.0), exchange rate differences in financing were EUR -1.3 million (-1.2), and financial expenses totalled EUR 54.6 million (57.1).

The result before taxes was EUR -108.3 million (118.7), and taxes including changes in deferred tax liabilities totalled EUR -16.8 million (20.7). The Group's effective tax rate was 15.5% (17.4). In the 2024 comparison period, the effective tax rate decreased due to the recognition of EUR 6.8 million in deferred tax assets from the unused tax depreciation base of MI Demo Oy. The result for the review period was EUR -91.6 million (98.0).

The return on capital employed was -0.9% (3.0), while the return on equity was -2.2% (2.3). The comparable return on capital employed was -0.3% (3.2), and the comparable return on equity was -1.6% (2.5).

Balance sheet and financing

Metsä Group's liquidity has remained strong. Total liquidity at the end of September was EUR 1,375.3 million (31 December 2024: 1,641.6). This consisted of EUR 725.3 million (991.6) in liquid assets and investments, and EUR 650.0 million (650.0) in off-balance sheet committed credit facility agreements.

The Group's liquidity reserve is complemented by uncommitted commercial paper programmes and credit facilities amounting to EUR 360.0 million (31 December 2024: 330.0) and by undrawn pension premium (TyEL) funds amounting to EUR 435.3 million (31 December 2024: 435.3).

Net cash flow from operations was EUR 216.1 million (-164.8). A total of EUR 32.0 million in working capital was tied up (tied up: 536.6). Working capital decreased due to inventories decreasing by EUR 145.5 million, and increased due to trade and other receivables increasing by EUR 15.4 million, and trade payables and other liabilities decreasing by EUR 162.1 million.

The Group's equity ratio at the end of September was 57.6%, and its net gearing ratio was 26.2% (31 December 2024: 56.2 and 22.2). Net interest-bearing liabilities were EUR 1,442.0 million (31 December 2024: 1,235.7).

At the end of September, the equity ratio of the parent company Metsäliitto Cooperative was 89.1%, and net gearing was -13.6% (31 December 2024: 86.6 and -16.8).

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

In January–September, Metsäliitto Cooperative's members' capital increased by a total of EUR 48.2 million (69.9). The value of participation shares increased by EUR 4.3 million (5.6), and that of Metsä1 additional shares by EUR 121.9 million (163.2). The value of A additional shares declined by EUR -57.5 million (-87.4). The value of B additional shares declined by EUR -20.4 million (-11.4).

Personnel

In January–September, Metsä Group had an average of 9,721 employees (9,749). Personnel expenses totalled EUR 559.1 million (535.6). At the end of September, the Group employed 9,415 people (31 December 2024: 9,581) of whom 5,615 (5,677) were based in Finland, and 3,800 (3,904) in other countries. The parent company Metsäliitto Cooperative employed 2,309 people at the end of September (31 December 2024: 2,404).

Members

At the end of September, Metsäliitto Cooperative had 90,524 members (31 December 2024: 91,367). During January–September, 1,739 new members joined the Cooperative, and 2,582 members cancelled their memberships. At the end of September, the forest area owned by the members totalled 5.501 million hectares (31 December 2024: 5.500).

Investments

Metsä Group's total investments in January–September totalled EUR 399.2 million (422.3), of which investments in owned property, plant and equipment were EUR 383.2 million (397.2), and investments in leased property, plant and equipment were EUR 16.0 million (25.1).

In Metsä Group's ERP system renewal project, solutions for centralised operations, wood supply and wood products industry have been deployed. The scope and implementation method of system solutions for the next business areas will be assessed during the rest of the year. The goal is to ensure the project's business benefits and cost-effective implementation.

In Metsä Group's Kuura project, comprehensive pre-engineering was launched at the beginning of the year, and it is expected to run at least until late 2026. A decision was made to focus the pre-engineering of the first commercial Kuura textile fibre mill in Kemi in Finland.

The pre-engineering project for the first potential commercial Muoto mill in Rauma in Finland has been completed. An alternative that is being explored is the initiation of commercial operations on a new production line that would be constructed in connection with the Äänekoski demo plant. Muoto packaging can be used for takeaway packages, berry containers and trays, for example.

At the end of June, a carbon capture pilot plant came online at the Rauma mill, where Metsä Group is testing capture from pulp mill flue gases with the technology company Andritz. The pilot phase will last for approximately five months. As part of the pilot, Metsä Group is investigating the technical and financial potential of a larger-scale demo plant for carbon capture. The annual capacity of such a demo plant could be 30,000 to 100,000 tonnes of carbon dioxide. No decision on the project or the demo plant's location has been made.

Metsä Board has completed the 60-million-euro renewal project at the Simpele board mill in Finland. The revamped paperboard production line started up in October 2025. Paperboard produced in Simpele is widely used in the food and healthcare segments because of its consistent quality and reliability. The investment will raise product quality to a new level, improving the printing surface and supporting the company's targets for fossil-free production. During the five-week investment shutdown, the production line's coating section was rebuilt, the coating colour kitchen was expanded, and a new pallet packaging line was installed.

The company has previously announced pre-engineering projects at the Husum paperboard and pulp mills and the Kyro board mill. For the time being, the company will not proceed with these investment projects due to their inadequate profitability in the current market situation.

Metsä Group has invested EUR 370 million in fresh fibre-based tissue paper production at the Mariestad mill in Sweden. The first customer deliveries from the new mill have begun, and production start-up is continuing. The investment will increase the capacity of locally produced Lambi, Serla and Katrin products on the Scandinavian market, where the share of imported tissue paper is around 40%.

An investment programme is underway at the Mänttä tissue paper mill in Finland, the goal of which is to improve the mill's production and environmental efficiency and extend its life-cycle. An investment in a new hand towel line, which is expected to start up in the first half of 2026, is currently being implemented. Business Finland has granted the programme an investment subsidy of EUR 19 million intended for clean transition investment projects. The subsidy is conditional on the investment's implementation in accordance with the planned scope.

The company has previously announced it is planning an investment in a tissue paper mill in Goole in the UK. Pre-engineering of this growth alternative has been completed, and the company is currently assessing various implementation options for its growth strategy.

Metsä Group is constructing a new Kerto LVL mill in Äänekoski in Finland, which is expected to start up in late 2026. The mill's construction and equipment installation have proceeded as planned. SRV, the main contractor, handed over the responsibility for the mill building to Metsä Group in September. Test runs on the first production line were initiated in early October, and the goal is to launch full-scale test runs next spring.

Metsä Group's Wood Products Industry adopted the new ERP system in the first half of the year. The system's consolidation will continue at least until the end of 2025. The goal is to ensure reliable system operations and support the organisation in efficiently adopting new operating methods.

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

Sustainability

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

Key sustainability figures

	2025 1–9	2024 1–9	2025 7–9	2024 7–9	2024 1–12
Total recordable incident frequency TRIF [1]	4.2	5.5	4.9	7.2	5.2
Women in leadership positions[2], %	30	28	30	28	28
Share of certified wood [3], %	92	94	93	93	93
Share of fossil free energy of total energy consumption [4], %	-	-	-	-	91
Direct fossil-based CO_2 emissions, tonnes (Scope 1)	254,661	323,607	54,135	103,904	446,391
Indirect fossil-based CO_2 emissions [5], tonnes (Scope 2)	-	-	-	-	323,607
Energy efficiency improvement [6], index	-	-	-	-	102
Reduction in process water use, %	-15	-12	-10	-16	-11

1) Per million hours worked.

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

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

4) Reported annually.

5) Market-based, reported annually.

6) Reported every six months.

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

Safety at work and equality

Metsä Group aims to avoid accidents at work completely. All the company's production units comply with the ISO 45001 management system and common occupational health and safety standards. Safety at work is improved through proactive safety work, training and investments, for example. In 2025, a common performance-based sustainability target was set for all salaried employees. Metsä Group's TRIF is used as the metric.

We advance diversity, equity and inclusion with the Metsä for all vision, and measure our progress through the respective targets. One of the targets is to increase the proportion of women in management positions to at least 35%.

Share of certified wood

Metsä Group aims to ensure that 100% of the wood fibre it uses is certified. All the countries from which wood is procured have issued legislation requiring forests to be renewed after regeneration felling. Metsä Group procures wood mainly from Finland, Sweden and the Baltic countries. Metsä Group has targets for promoting forest biodiversity and the sustainable use of forests in accordance with the principles of regenerative forestry.

Greenhouse gas emissions and energy and water consumption

Metsä Group aims to phase out fossil-based energy use by the end of 2030. To achieve this goal, the Group has investment plans at several production units.

Metsä Group published its climate transition plan in early 2025. The plan contains the 2030 targets for reducing Scope 1, Scope 2 and Scope 3 emissions, and the key measures for achieving the targets. It also includes Metsä Group's other targets linked to climate change mitigation and adaptation, which are related to forest management, resource-efficient production, product raw materials and carbon storage.

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

Events related to sustainability in the third quarter of 2025

- In August, Metsä Group's Pulp and Sawn Timber Industry was awarded the highest Platinum rating in the EcoVadis 2025 sustainability evaluation. The company has been among the top one per cent of the pulp, paper and paperboard producers rated by EcoVadis since 2019.
- The Kemi bioproduct mill, which came online in 2023, achieved excellent environmental performance, especially in terms of water consumption and emissions into water.
- Metsä Group issued a statement of opinion related to the promotion of biogenic carbon capture and utilisation.
- Metsä Group was one of the main partners of the Campfire Summit of the Guides and Scouts of Finland, and it actively participated in the programme's provision.
- The completions of the Linnanvirta and Kuusinkijoki rehabilitation and restoration projects were celebrated. Metsä Group contributed to the projects' financing as part of the funding programme for nature projects.
- The steering group of the ValuntaKo catchment area project began its work. Metsä Group is funding the project through the funding programme for nature projects. It also chairs the steering group. During the project, a catchment area-level concept will be drawn up for the sustainable and biodiversity-friendly planning and management of agricultural and forestry waters for Lake Höytiäinen in Finland.

Risks and uncertainties

Negative developments in international trade policy or world trade could weaken demand for Metsä Group's products and undermine the Group's profitability. The changing policies of the US administration may fuel economic uncertainty and increase the volatility of financial markets. Moreover, the import duties imposed by the US undermine the competitiveness of Metsä Group's products in the US, which may lead to sales losses and have a negative impact on the company's profitability.

Russia's war in Ukraine and conflicts in the Middle East are maintaining global geopolitical tension. The prolongation or potential escalation of the war and conflicts may have an adverse impact on world trade development, supply chain operations, and raw material availability and price level.

Although slowing inflation and decreasing interest rates have supported purchasing power, consumer confidence has declined, and job uncertainty has increased. A prolonged situation may decrease the demand for Metsä Group's products and weaken profitability. In addition, prolonged weak economic growth and consumer demand in China may especially weaken the demand for Metsä Fibre's products on the Chinese market.

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

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

Business development through efficiency enhancement programmes, information systems, production technology and product development entails risks. If the costs of development projects and investments are significantly exceeded, their schedules are delayed, or their financial or productive objectives are not met, this could negatively affect the company's profitability.

Business growth and new product launches depend on the success of sales. Increasing sales on a global level involves cost and exchange rate risks. In addition, regulation related to the acceptability and taxation of different materials may negatively affect product demand.

The end of Russian wood imports and the increased use of pulpwood for energy purposes have tightened the wood market situation in the Baltic Sea region and pushed up prices. In addition, regulatory development affecting forest use may restrict future availability of wood. Difficulties in wood supply and a high price level could have an adverse impact on the continuity of production and Metsä Group's profitability.

Significant or unforeseen price changes and potential availability issues of energy and chemicals may reduce profitability or threaten business continuity. Disruptions in global transport chains, a decrease in the availability of transport capacity or an increase in transport market prices could have an adverse impact on delivery reliability and the company's profitability.

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

Serious accidents, material damage and consequential loss, and cyberattacks and malware threatening the continuity of production or other operations may cause significant financial and customer losses. Material damage and consequential loss, and the scope, availability and pricing of insurance compensation, involve uncertainties.

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

A weaker cash position or slower payment behaviour of customers may weaken Metsä Group's cash flow and increase the risk of credit losses. The impact of Russian sanctions and countersanctions, as well as the risks caused by the crisis, affect areas such as the costs and availability of production inputs, energy infrastructure and cybersecurity.

The future-oriented statements in this bulletin 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. In the short term, Metsä Group's results are affected particularly by end product prices and demand, the availability and costs of the main raw materials, energy prices, and the exchange rate development of the euro. The risks related to the Group's business are explained in more detail in Metsä Group's Annual Report. 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

The challenging business environment weakens near-term predictability, especially regarding developments in the paperboard and pulp markets. In a volatile market, it is important to maintain the ability to make rapid and flexible decisions and focus on securing cash flow. Metsä Group will not therefore provide separate result guidance for now.

Geopolitical tension and uncertainty about global economic development have reduced consumer confidence, leading to weaker consumer demand for pulp end products. Demand for softwood pulp has also been affected by the increased share of hardwood pulp in end products. These factors are contributing to the negative development in softwood market pulp demand.

Demand for sawn timber is expected to remain at the current level.

The annual maintenance shutdown of Metsä Group's Rauma pulp mill and sawmill will take place during the last quarter.

Consumer caution and US tariffs affect paperboard demand and the predictability of sales development. In Europe, overcapacity is adding to market pressure. In North America, demand for folding boxboard is expected to remain weak. In October–December, paperboard delivery volumes are expected to decrease slightly from the previous quarter.

Demand for tissue papers is expected to remain stable. The market situation of greaseproof papers involves uncertainty due to increased Chinese competition, especially in the European market.

In much of Europe, the outlook for construction remains muted, and this is reflected in the weak demand for spruce plywood in particular. Demand for Kerto® LVL products remains stable. However, demand in the US has declined during the summer, and the near-term outlook is weaker than previously. The US tariffs on wood products took effect in the last quarter.

Overall demand for birch plywood is expected to remain stable but show seasonal cooling.

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

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

Estimate of the most significant annual maintenance and investment shutdowns

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

Espoo, 23 October 2025

BOARD OF DIRECTORS

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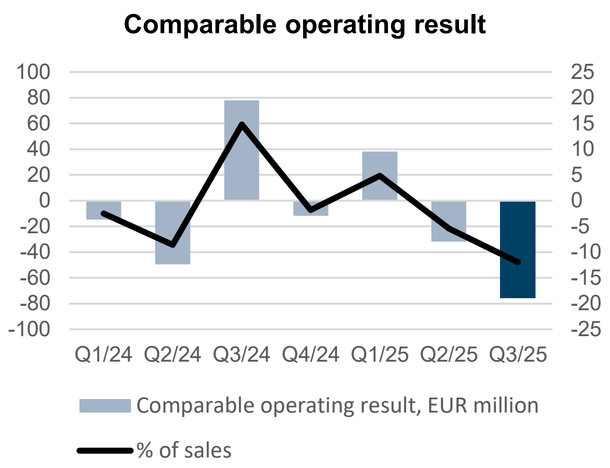
Metsä Group will publish the following financial reports in 2026:

Financial Statements Bulletin for 2025	5 February 2026
Interim Report for January–March 2026	29 April 2026
Half-Year Financial Report for January–June 2026	30 July 2026
Interim Report for January–September 2026	29 October 2026

Business Areas

Pulp and Sawn Timber Industry

Pulp and Sawn Timber Industry	2025 1–9	2024 1–9	2025 7–9	2024 7–9	2024 1–12
Sales, EUR million	2,009.5	1,685.8	633.0	526.7	2,328.3
EBITDA, EUR million	143.0	187.6	15.9	139.2	252.8
Comparable EBITDA, EUR million	113.0	193.1	-14.1	140.7	248.6
Operating result, EUR million	-61.1	7.8	-67.7	76.5	5.8
Comparable operating result, EUR million	-69.3	13.9	-75.7	78.0	2.2
% of sales	-3.4	0.8	-12.0	14.8	0.1
Comparable ROCE, %	-2.8	0.7	-9.5	9.5	0.2
Total investments, EUR million	81.1	81.5	49.6	29.1	111.7
Personnel at end of period	1,545	1,564	1,545	1,564	1,490
Pulp deliveries, 1,000 t	2,216	1,758	735	467	2,484
Sawn timber deliveries, 1,000 m³	1,053	937	361	378	1,194



The sales of the Pulp and Sawn Timber Industry, i.e. Metsä Fibre, in January–September totalled EUR 2,009.5 million (1–9/2024: 1,685.8), and the comparable operating result was EUR -69.3 million (13.9).

Metsä Fibre's sales in July–September were EUR 633.0 million (7–9/2024: 526.7), and the comparable operating result was EUR -75.7 million (78.0).

Sales increased due to higher pulp and sawn timber delivery volumes, but the operating result decreased due to lower invoiced pulp prices and higher wood raw material costs.

The pulp delivery volume in January–September totalled 2,216,000 tonnes (1,758,000). The sales and operating result of the comparison period – January–September 2024 – were affected by the political strikes in Finland and the gas explosion at the Kemi bioproduct mill's evaporation plant. In January–September, the average dollar-based sales price of Metsä Group's softwood market pulp was 3% higher in Europe and 4% lower in China between January and September 2024. Compared to the previous quarter, the price decreased by 5% in Europe and 7% in China. Exchange rate fluctuations, including hedges, had a positive impact of around EUR 0.5 million on the operating result compared to January–September 2024.

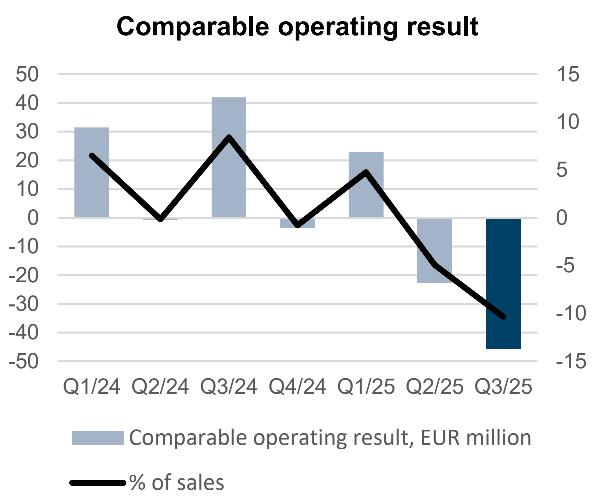
Overall demand for softwood market pulp declined clearly in April following the announcement of US tariffs, but it has recovered month-by-month since June, driven by China. In Europe, the recovery of softwood pulp demand has been especially delayed by weak paper and paperboard demand. In China, demand picked up in the summer, but at a price level clearly lower than at the beginning of the year. In North America, softwood pulp demand has been stabler than in other main markets. Exchange rate fluctuations have weakened the European softwood pulp industry's competitiveness.

Sawn timber deliveries amounted to 1,053,000 cubic metres (937,000) in January–September. Average market prices of Metsä Group's sawn timber were 12% higher than in the comparison period. Compared to the second quarter, prices decreased by 4%. Since the summer, sawn timber demand has weakened seasonally as both consumer confidence and the construction market remain muted.

The reporting period included a production shutdown at the Joutseno mill, which began in June, and an annual maintenance shutdown at the Äänekoski bioproduct mill.

Paperboard Industry

Paperboard Industry	2025 1–9	2024 1–9	2025 7–9	2024 7–9	2024 1–12
Sales, EUR million	1,382.2	1,492.6	441.2	499.0	1,938.6
EBITDA, EUR million	33.4	149.4	-17.4	66.0	175.9
Comparable EBITDA, EUR million	39.0	150.4	-18.2	66.3	175.0
Operating result, EUR million	-70.3	64.0	-44.8	41.7	62.3
Comparable operating result, EUR million	-45.5	72.6	-45.6	41.9	69.0
% of sales	-3.3	4.9	-10.3	8.4	3.6
Comparable ROCE, %	-2.3	4.3	-7.1	7.3	3.2
Total investments, EUR million	63.7	120.5	28.7	67.1	175.4
Personnel at end of period	2,150	2,353	2,150	2,353	2,290
Folding boxboard deliveries, 1,000 t	704	770	216	268	992
White kraftliner deliveries, 1,000 t	356	360	116	120	480
Market pulp deliveries, 1,000 t	280	313	94	82	400



The sales of the Paperboard Industry, i.e. Metsä Board, in January–September were EUR 1,382.2 million (1–9/2024: 1,492.6). Comparable operating result was EUR -45.5 million (72.6).

Metsä Board's sales in July–September were EUR 441.2 million (7–9/2024: 499.0), and the comparable operating result was EUR -45.6 million (41.9).

Items affecting comparability in January–September totalled EUR -24.9 million. The items comprised EUR -27.2 million related to the impairment of the Tako mill's assets, EUR 1.6 million related to the operations of the associated company Metsä Fibre, and EUR 0.7 million from a property transaction. To improve profitability and cost-competitiveness, the Tako board mill was closed permanently in June 2025, and the Kyro board mill's operational efficiency was improved.

The comparable operating result was weakened by the lower average price of market pulp, lower delivery volumes of paperboard and market pulp and market-based production curtailment. Total paperboard deliveries in January–September were 1,059,000 tonnes (1,130,000), and market pulp deliveries were 280,000 tonnes (313,000).

Exchange rate fluctuations, including hedges, had a positive impact of around EUR 1 million on the operating result compared to the comparison period. The depreciation of the US dollar against the euro had a negative impact on the operating result.

Chemicals costs decreased in the review period, but wood and logistics costs increased. The mills' service and maintenance costs increased from the comparison period.

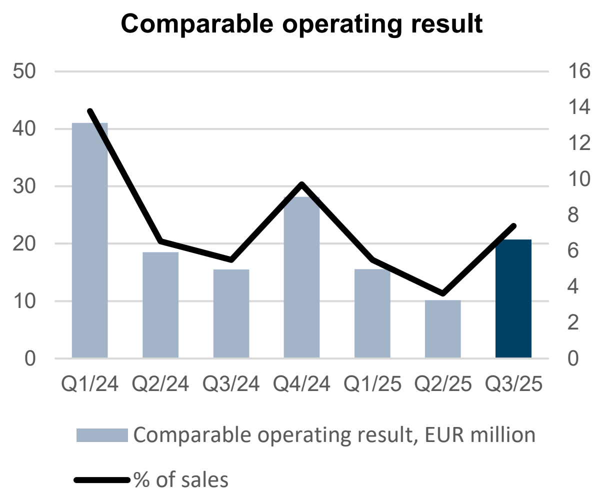
Unused emissions allowances were sold for approximately EUR 10 million (25).

The associated company Metsä Fibre's share of Metsä Board's comparable operating result in January–September was EUR -20.3 million (-7.1).

Earnings per share were EUR -0.19 (0.09), and comparable earnings per share were EUR -0.13 (0.11).

Tissue and greaseproof papers

Tissue and greaseproof papers	2025 1–9	2024 1–9	2025 7–9	2024 7–9	2024 1–12
Sales, EUR million	844.4	862.6	279.6	281.3	1,152.9
EBITDA, EUR million	70.7	108.6	32.8	27.9	148.6
Comparable EBITDA, EUR million	81.6	108.2	32.8	27.0	148.1
Operating result, EUR million	34.5	73.4	20.7	16.4	101.6
Comparable operating result, EUR million	46.4	75.1	20.7	15.5	103.2
% of sales	5.5	8.7	7.4	5.5	9.0
Comparable ROCE, %	7.3	13.0	9.3	8.1	13.2
Total investments, EUR million	119.7	124.8	55.4	41.1	208.5
Personnel at end of period	2,488	2,517	2,488	2,517	2,487
Tissue paper deliveries, 1,000 t	339	345	115	113	458



The sales of Tissue and Greaseproof Papers, i.e. Metsä Tissue, in January–September totalled EUR 844.4 million (1–9/2024: 862.6). The comparable operating result was EUR 46.4 million (75.1).

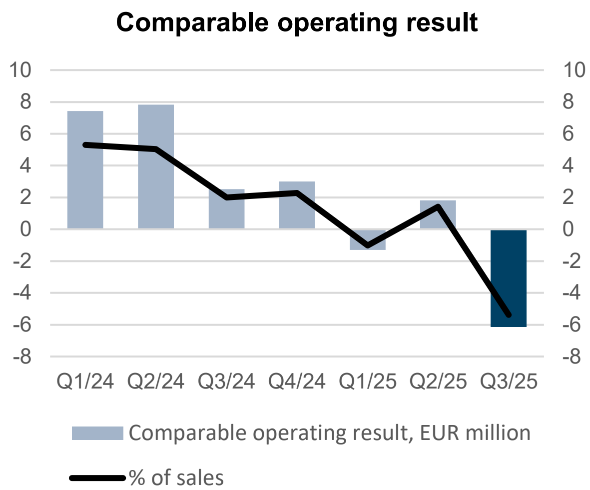
Metsä Tissue's sales in July–September were EUR 279.6 million (7–9/2024: 281.3), and the comparable operating result was EUR 20.7 million (15.5).

Sales mainly decreased due to lower sales volumes in the first half of the year. During the third quarter, sales volumes ticked up and exceeded the volumes in the corresponding period in the previous year. Market-based production curtailment has continued.

The January–September operating result was weaker than in the previous year due to lower sales volumes and higher fixed costs, but improved year-on-year in the third quarter due to higher sales volumes and lower costs.

Wood Products Industry

Wood Products Industry	2025 1–9	2024 1–9	2025 7–9	2024 7–9	2024 1–12
Sales, EUR million	368.9	421.9	114.4	126.0	553.9
EBITDA, EUR million	8.5	34.4	-1.7	8.1	43.8
Comparable EBITDA, EUR million	11.0	34.3	-0.5	8.1	42.8
Operating result, EUR million	-11.1	17.9	-7.4	2.5	7.8
Comparable operating result, EUR million	-5.7	17.8	-6.2	2.5	20.8
% of sales	-1.5	4.2	-5.4	2.0	3.8
Comparable ROCE, %	-1.2	6.4	-4.5	2.9	5.4
Total investments, EUR million	77.5	91.3	32.3	48.1	147.2
Personnel at end of period	1,610	1,517	1,610	1,517	1,650
Engineered wood product deliveries, 1,000 m³	304	304	92	88	407



The sales of the Wood Products Industry, i.e. Metsä Wood, in January–September were EUR 368.9 million (1–9/2024: 421.9), and the comparable operating result was EUR -5.7 million (17.8).

Metsä Wood's sales in July–September were EUR 114.4 million (7–9/2024: 126.0), and the comparable operating result was EUR -6.2 million (2.5).

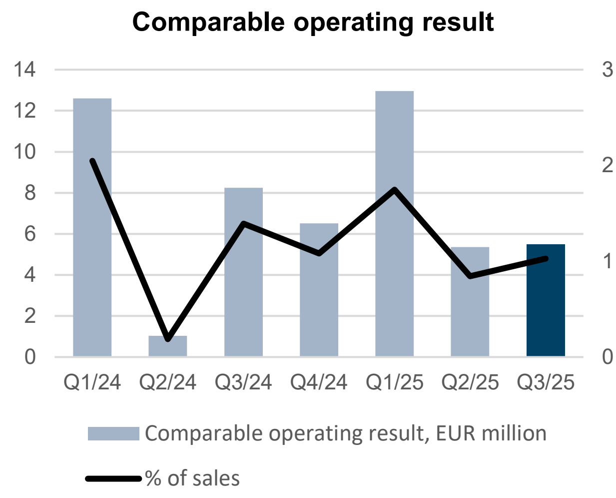
In January–September, sales declined by 13% from the comparison period. The sales of engineered wood products decreased by 3%, and the sales in euros of the UK business weakened by 30%. Delivery volumes decreased in birch and spruce plywood and in the UK business, but increased in Kerto LVL products. Sales prices of engineered wood products decreased slightly year-on-year.

Profitability decreased from the previous year due to low demand for spruce plywood and the deployment of the ERP system. Furthermore, higher raw material and logistics costs had a negative impact on profitability. As the general downturn in construction continued in Europe, demand for spruce plywood in particular remained muted. As a result, spruce plywood production had to be curtailed. As expected, the operational efficiency of the spruce plywood mill has also suffered from the gradual winding down of the Suolahti mills in Finland. Metsä Group has previously announced that the spruce plywood mill will be closed by the end of 2026.

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

Wood Supply and Forest Services

Wood Supply and Forest Services	2025 1–9	2024 1–9	2025 7–9	2024 7–9	2024 1–12
Sales, EUR million	1,911.7	1,757.3	533.2	592.3	2,360.1
EBITDA, EUR million	31.4	28.8	6.8	10.2	37.0
Comparable EBITDA, EUR million	28.5	27.3	7.0	10.2	35.6
Operating result, EUR million	26.7	26.0	5.3	8.3	32.5
Comparable operating result, EUR million	23.8	21.9	5.5	8.3	28.4
% of sales	1.2	1.2	1.0	1.4	1.2
Comparable ROCE, %	14.0	12.4	9.5	11.3	13.0
Total investments, EUR million	4.7	3.0	0.0	0.6	3.3
Personnel at end of period	637	679	637	679	671
Wood deliveries, 1,000 m³	22,870	22,512	6,299	7,279	29,757



The sales of Wood Supply and Forest Services, i.e. Metsä Forest, in January–September totalled EUR 1,911.7 million (1–9/2024: 1,757.3), and the comparable operating result was EUR 23.8 million (21.9).

Metsä Forest's sales in July–September were EUR 533.2 million (7–9/2024: 592.3), and the comparable operating result was EUR 5.5 million (8.3).

In January–September, sales increased from the corresponding period the previous year, mainly due to higher wood prices. The comparable operating result improved slightly from the comparison period.

In Finnish private forests, wood trade was brisk in the first half but slowed after the summer season. General market prices of wood were at a record high in the second quarter but took a downwards turn during the third quarter. The prices that Metsä Group pays for wood took a downwards turn during the second quarter. From a long-term perspective, wood prices remain at a high level. Harvesting conditions were normal in January–September, except for the challenges caused by the mild winter in southern Finland at the beginning of the year.

In the summer, the Baltic pulpwood market was characterised by oversupply, and the roadside price level of overbark pulpwood has been declining and is below prices in Finland. Recently, pulpwood demand has also declined in Sweden, and the price level has decreased.

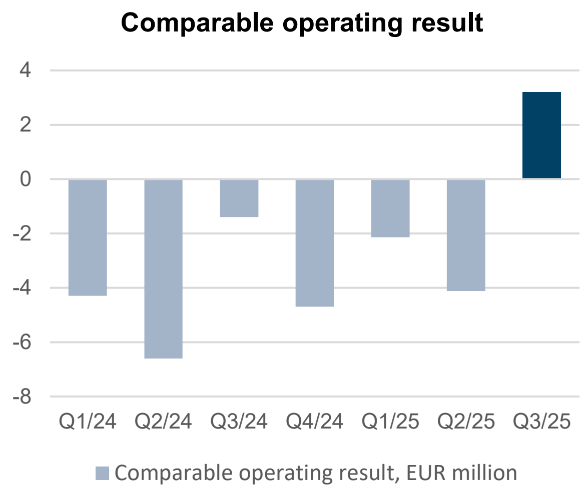
Metsä Group's wood purchases met the mills' needs in January–September. Metsä Group bought all grades of wood across Finland through standing and delivery sales. Purchases of energy wood focused on crown wood. The majority of wood in Finland was purchased from members of Metsäliitto Cooperative. The Metsä Group Plus management model, which emphasises forest biodiversity, remained widely popular among owner-members, and it has accounted for around 30% of the agreed wood trade volume in 2025.

In January–September, Metsä Group delivered a total of 22.9 million cubic metres (22.5) of wood, approximately 90% of which was delivered to Finland's industrial sector. Forest services sales increased significantly from the corresponding period last year. The customer feedback from forest owners has reached a new record level in 2025.

Metsä Group's reputation and stakeholder support among forest owners proved clearly better than its competitors' in a survey conducted by Reputation and Trust Analytics Oy. As indicated by a market position survey conducted by Kantar, Metsä Group is the preferred wood trade partner of forest owners.

Other operations

Other operations	2025 1–9	2024 1–9	2025 7–9	2024 7–9	2024 1–12
Sales, EUR million	57.6	59.9	14.3	15.4	77.8
EBITDA, EUR million	1.6	-2.5	2.8	1.7	-4.5
Comparable EBITDA, EUR million	4.5	-2.5	5.7	1.7	-4.5
Operating result, EUR million	-5.9	-12.4	0.3	-1.4	-17.1
Comparable operating result, EUR million	-3.0	-12.4	3.2	-1.4	-17.1
Total investments, EUR million	44.9	43.6	11.9	13.7	62.0
Personnel at end of period	986	1,008	986	1,008	992



The sales of other operations in January–September were EUR 57.6 million (1–9/2024: 59.9), and the comparable operating result was EUR -3.0 million (-12.4).

The sales of other operations in July–September were EUR 14.3 million (7–9/2024: 15.4), and the comparable operating result was EUR 3.2 million (-1.4).

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

Reconciliation of items affecting comparability

Reconciliation by segment

EUR million	2025 1–9	2024 1–9	2025 7–9	2024 7–9	2024 1–12
Operating result (IFRS)	**-63.0**	**157.2**	**-68.6**	**111.2**	**186.4**
Depreciation and impairment charges	377.0	334.9	133.1	110.8	467.7
EBITDA	**314.0**	**492.2**	**64.4**	**222.0**	**654.1**
Items affecting comparability:					
Pulp and Sawn Timber Industry	-30.0	5.5	-30.0	1.5	-4.3
Paperboard Industry	5.6	1.0	-0.8	0.3	-0.9
Tissue and Greaseproof Papers	10.8	-0.5		-0.9	-0.5
Wood Products Industry	2.5	-0.2	1.2		-1.1
Wood Supply and Forest Services	-2.9	-1.5	0.2		-1.5
Other operations and eliminations	4.5	0.9	4.5	1.2	2.8
Total	-9.4	5.3	-24.9	2.1	-5.3
Comparable EBITDA	**304.5**	**497.5**	**39.5**	**224.0**	**648.8**
Depreciation and impairment charges	-377.0	-334.9	-133.1	-110.8	-467.7
Items affecting comparability:					
Depreciations and reversals	45.2	7.7	22.0		21.9
Pulp and Sawn Timber Industry	21.8	0.6	22.0		0.7
Paperboard Industry	19.3	7.6			7.6
Tissue and Greaseproof Papers	1.0	2.1			2.1
Wood Products Industry	3.0				14.1
Wood Supply and Forest Services		-2.6			-2.6
Comparable Operating result	**-27.2**	**170.3**	**-71.5**	**113.2**	**203.0**
Share of results from associated companies and joint ventures	-0.5	-1.3	-0.7	-0.3	-0.6
Financial costs, net	-44.8	-37.3	-15.2	-11.3	-54.6
Items affecting comparability					
Pulp and Sawn Timber Industry		-0.2			-0.2
Comparable Result before income tax	**-72.6**	**131.4**	**-87.4**	**101.7**	**147.6**
Income tax	16.8	-20.7	14.3	-22.1	-22.7
Items affecting comparability:					
Pulp and Sawn Timber Industry	1.6	-3.7	1.6	-0.3	-1.7
Paperboard Industry	-5.3	-1.5	-0.2		-1.5
Tissue and Greaseproof Papers	-3.9	-0.6		0.2	-0.6
Wood Products Industry	-1.1		-0.2		-2.2
Wood Supply and Forest Services		0.4			0.4
Other operations and eliminations	-0.6	-0.3	-0.6	-0.3	-0.3
Comparable Result for the period	**-65.1**	**105.1**	**-72.5**	**79.2**	**118.9**

Reconciliation by expense or income

EUR million	2025 1–9	2024 1–9	2025 7–9	2024 7–9	2024 1–12
Operating result (IFRS)	**-63.0**	**157.2**	**-68.6**	**111.2**	**186.4**
Depreciation and impairment charges	377.0	334.9	133.1	110.8	467.7
EBITDA	**314.0**	**492.2**	**64.4**	**222.0**	**654.1**
Items affecting comparability:					
Other operating income	-33.0	-13.3	-29.8	-1.0	-31.4
Change in inventories	7.3	1.5	-0.1		3.5
Employee costs	10.4	0.8	1.5		3.0
Other operating expenses	5.8	16.3	3.5	3.0	19.5
Total	-9.4	5.3	-24.9	2.1	-5.3
Comparable EBITDA	**304.5**	**497.5**	**39.5**	**224.0**	**648.8**
Depreciation and impairment charges	-377.0	-334.9	-133.1	-110.8	-467.7
Items affecting comparability:					
Depreciations and reversals	45.2	7.7	22.0		21.9
Comparable Operating result	**-27.2**	**170.3**	**-71.5**	**113.2**	**203.0**
Share of results from associated companies and joint ventures	-0.5	-1.3	-0.7	-0.3	-0.6
Financial costs, net	-44.8	-37.3	-15.2	-11.3	-54.6
Items affecting comparability		-0.2			-0.2
Comparable Result before income tax	**-72.6**	**131.4**	**-87.4**	**101.7**	**147.6**
Income tax	16.8	-20.7	14.3	-22.1	-22.7
Items affecting comparability	-9.3	-5.7	0.6	-0.4	-6.0
Comparable Result for the period	**-65.1**	**105.1**	**-72.5**	**79.2**	**118.9**

Items with a "+" sign = expenses affecting comparability

Items affecting the comparability of Metsä Group's net result for the January–September 2025 period totalled EUR -26.5 million. Of the most significant items, EUR -21.8 million is related to the impairment of the Tako mill's assets, EUR -17.6 million to the impairment of assets damaged in the Kemi bioproduct mill's gas explosion, EUR -8.0 million to capacity adjustments at the Kreuzau tissue paper mill, EUR -3.4 million to the discontinuation of operations at Kumpuniemen Voima Oy, EUR -2.3 million to business restructuring costs, EUR 24.0 million to the insurance compensation received for the property damage caused by the Kemi bioproduct mill's gas explosion, EUR 1.6 million to the capital gain from Metsä Forest Latvia SIA shares, and EUR 1.3 million to the capital gain from OOO Metsa Forest St. Petersburg shares.

Items with a "-" sign = income affecting comparability

Items affecting the comparability of Metsä Group's net result for the period January–September 2024 totalled EUR -7.1 million.

Quarterly data

EUR million	2025 7–9	2025 4–6	2025 1–3	2024 10–12	2024 7–9	2024 4–6	2024 1–3
Sales							
Pulp and Sawn Timber Industry	633.0	587.8	788.7	642.5	526.7	574.6	584.5
Paperboard Industry	441.2	460.1	480.8	446.0	499.0	509.8	483.7
Tissue and Greaseproof Papers	279.6	281.0	283.9	290.3	281.3	283.6	297.7
Wood Products Industry	114.4	127.3	127.2	132.0	126.0	155.8	140.1
Wood Supply and Forest Services	533.2	636.2	742.2	602.8	592.3	549.4	615.6
Other operations	14.3	16.7	26.6	17.9	15.4	17.3	27.1
Internal sales	-576.1	-682.6	-807.3	-657.1	-705.1	-611.0	-691.2
Sales	**1,439.6**	**1,426.5**	**1,642.1**	**1,474.5**	**1,335.7**	**1,479.5**	**1,457.5**
Operating result							
Pulp and Sawn Timber Industry	-67.7	-31.9	38.5	-2.0	76.5	-49.5	-19.3
Paperboard Industry	-44.8	-21.7	-3.8	-1.7	41.7	-0.7	23.0
Tissue and Greaseproof Papers	20.7	-1.7	15.6	28.2	16.4	16.0	41.1
Wood Products Industry	-7.4	1.8	-5.6	-10.2	2.5	8.0	7.4
Wood Supply and Forest Services	5.3	7.2	14.2	6.5	8.3	5.1	12.6
Other operations	0.3	-4.1	-2.1	-4.7	-1.4	-6.6	-4.3
Eliminations	24.9	4.8	-5.4	13.0	-32.8	16.0	-2.8
Operating result	**-68.6**	**-45.8**	**51.4**	**29.2**	**111.2**	**-11.6**	**57.7**
% of sales	-4.8	-3.2	3.1	2.0	8.3	-0.8	4.0
Share of results from associated companies and joint ventures	-0.7	-0.5	0.7	0.7	-0.3	-1.0	0.0
Exchange gains and losses	-0.1	-0.5	-0.7	-1.3	0.5	0.8	-2.5
Net financial items	-15.0	-14.6	-14.0	-16.0	-11.8	-14.2	-10.0
Result before income tax	**-84.4**	**-61.3**	**37.4**	**12.6**	**99.6**	**-26.1**	**45.2**
Income tax	14.3	12.4	-9.9	-2	-22.1	6.2	-4.8
Result for the period	**-70.2**	**-48.9**	**27.6**	**10.5**	**77.5**	**-19.9**	**40.4**
Comparable operating result							
Pulp and Sawn Timber Industry	-75.7	-31.9	38.3	-11.6	78.0	-49.4	-14.7
Paperboard Industry	-45.6	-22.7	22.8	-3.6	41.9	-0.8	31.5
Tissue and Greaseproof Papers	20.7	10.2	15.6	28.2	15.5	18.5	41.1
Wood Products Industry	-6.2	1.8	-1.3	3.0	2.5	7.8	7.4
Wood Supply and Forest Services	5.5	5.4	13.0	6.5	8.3	1.0	12.6
Other operations and eliminations	29.8	0.7	-7.5	10.3	-33.0	10.0	-7.9
Comparable operating result	**-71.5**	**-36.6**	**80.9**	**32.7**	**113.2**	**-12.9**	**69.9**
% of sales	-5.0	-2.6	4.9	2.2	8.5	-0.9	4.8

Calculation of key figures

Operating result	=	Result before taxes, financial income and expenses, 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 taxes + exchange rate differences and other financial expenses) per (Balance sheet 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 operating result under IFRS and comparable operating result, as well as EBITDA and comparative EBITDA, is presented in this report. Comparable return on capital employed has been calculated using the same adjustments as the comparable operating result, and it has been further adjusted with financial items affecting comparability when applicable. Metsä Group considers the key figures derived in this manner to improve the comparability between reporting periods.

None of these key figures with items affecting comparability eliminated is a key figure used in IFRS reporting, and they cannot be compared with other companies' key figures identified with the same names. Items affecting comparability include material gains and losses on disposals of assets, impairment and impairment reversals in accordance with IAS 36 "Impairment of Assets", corporate divestments and acquisitions, adjustment measures and other restructuring measures and their adjustments, costs arising from extensive and unforeseeable interruptions in production and the compensation received for them, as well as items arising from legal proceedings. In Metsä Group's view, the comparable key figures better reflect the company's underlying operational performance by eliminating the result effect of items and transactions outside the normal course of business.

Unaudited consolidated statement of income

EUR million	Note	2025 1–9	2024 1–9	Change	2025 7–9	2024 7–9	2024 1–12
Sales	2,3	**4,508.2**	**4,272.7**	**235.4**	**1,439.6**	**1,335.7**	**5,747.2**
Change in stocks of finished goods and work in progress		-50.2	212.4	-262.6	-150.7	189.0	152.7
Other operating income		71.5	133.6	-62.1	36.1	84.0	226.3
Material and services		-3,305.4	-3,261.0	-44.3	-994.8	-1,119.7	-4,295.0
Employee costs		-559.1	-535.6	-23.5	-154.9	-163.5	-712.1
Depreciation and impairment losses		-377.0	-334.9	-42.1	-133.1	-110.8	-467.7
Other operating expenses		-351.1	-330.1	-21.1	-110.8	-103.6	-465.0
Operating result	2	**-63.0**	**157.2**	**-220.2**	**-68.6**	**111.2**	**186.4**
Share of results of associated companies and joint ventures		-0.5	-1.3	0.8	-0.7	-0.3	-0.6
Exchange gains and losses		-1.3	-1.2	-0.1	-0.1	0.5	-2.5
Net financial items		-43.6	-36.0	-7.5	-15.0	-11.8	-52.1
Result before income tax		**-108.3**	**118.7**	**-227.0**	**-84.4**	**99.6**	**131.3**
Income tax	4	16.8	-20.7	37.4	14.3	-22.1	-22.7
Result for the period		**-91.6**	**98.0**	**-189.6**	**-70.2**	**77.5**	**108.5**

Unaudited consolidated statement of comprehensive income

EUR million	2025 1–9	2024 1–9	Change	2025 7–9	2024 7–9	2024 1–12
Other comprehensive income						
Items that will not be reclassified to profit and loss						
Items relating to adjustments of defined benefit plans	3.2	-0.4	3.6	2.1	1.6	-3.1
Fair value of financial assets through other comprehensive income	-25.2	-41.5	16.3	-5.8	12.0	-39.2
Income tax relating to items that will not be reclassified	4.8	8.3	-3.5	1.2	-2.9	7.8
Total	-17.1	-33.6	16.5	-2.5	10.7	-34.5
Items that may be reclassified subsequently to profit and loss						
Cash flow hedges	88.8	-22.7	111.5	-54.4	25.0	-103.4
Currency translation differences	32.5	-16.3	48.8	8.4	2.3	-26.6
Share of other comprehensive income items of the associated company	0.0	0.0	0.0	0.0	0.0	0.0
Income tax relating to items that may be reclassified	-17.8	4.5	-22.3	10.9	-5.0	20.7
Total	103.5	-34.4	138.0	-35.1	22.3	-109.3
Other comprehensive income, net of tax	**86.4**	**-68.0**	**154.4**	**-37.6**	**33.0**	**-143.8**
Total comprehensive income for the period	**-5.2**	**30.0**	**-35.1**	**-107.8**	**110.4**	**-35.3**
Result for the period attributable to:						
Members of parent company	-35.5	84.7	-120.2	-31.9	51.8	94.6
Non-controlling interests	-56.1	13.3	-69.4	-38.2	25.7	14.0
Total	-91.6	98.0	-189.6	-70.2	77.5	108.5
Total comprehensive income attributable to:						
Members of parent company	12.7	46.9	-34.3	-53.7	71.3	13.2
Non-controlling interests	-17.9	-17.0	-0.9	-54.1	39.2	-48.4
Total	-5.2	30.0	-35.1	-107.8	110.4	-35.3

Unaudited consolidated balance sheet

EUR million	Note	2025 30.9.	2024 30.9.	2024 31.12.
ASSETS				
Non-current assets				
Goodwill		419.5	417.1	415.6
Other intangible assets		412.9	356.3	375.4
Tangible assets	5	5,466.8	5,439.8	5,450.0
Biological assets		3.2	3.0	3.1
Investments in associated companies and joint ventures		5.1	3.4	4.1
Other investments	9	211.5	234.5	237.3
Other non-current assets	9	42.5	51.0	48.1
Deferred tax receivables		39.4	41.0	34.7
		6,600.9	**6,546.2**	**6,568.4**
Current assets				
Inventories		1,352.6	1,492.7	1,513.6
Accounts receivables and other receivables		873.5	906.4	828.9
Cash and cash equivalents	9	729.4	970.6	991.6
		2,955.4	**3,369.7**	**3,334.2**
Total assets		**9,556.4**	**9,915.8**	**9,902.5**
Members' funds				
Members' capital		1,600.4	1,522.8	1,552.3
Translation differences		-41.0	-53.5	-59.6
Fair value and other reserves		737.2	744.7	709.7
Retained earnings		1,970.9	2,087.4	2,095.9
Members' funds		4,267.5	4,301.4	4,298.2
Non-controlling interests		1,231.4	1,292.1	1,260.7
		5,498.9	**5,593.4**	**5,559.0**
Non-current liabilities				
Deferred tax liabilities		348.8	371.1	364.5
Post-employment benefit obligations		53.8	53.2	54.7
Provisions	6	18.1	11.1	16.3
Borrowings	9	1,489.5	1,684.4	1,608.0
Other non-current liabilities		8.2	9.6	8.9
		1,918.4	**2,129.4**	**2,052.4**
Current liabilities				
Provisions	6	7.6	1.1	0.4
Current borrowings	9	691.6	580.3	631.1
Accounts payable and other liabilities		1,440.0	1,611.6	1,659.6
		2,139.1	**2,192.9**	**2,291.2**
Total liabilities		**4,057.5**	**4,322.4**	**4,343.5**
Total members' funds and liabilities		**9,556.4**	**9,915.8**	**9,902.5**

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 2024	**1,452.9**	**-45.9**	**773.3**	**2,101.8**	**4,282.0**	**1,361.2**	**5,643.2**
Result for the period				84.7	84.7	13.3	98.0
Other comprehensive income,after tax		-7.6	-29.0	-1.2	-37.7	-30.3	-68.0
Total comprehensive income		**-7.6**	**-29.0**	**83.5**	**46.9**	**-17.0**	**30.0**
Transactions with owners:							
Dividends paid				-73.5	-73.5	-52.5	-126.0
Reimbursement of surplus	13.7			-15.7	-2.0		-2.0
Change in members' capital	56.2		0.4	-8.2	48.4		48.4
Share based payments				0.0	0.0	-0.1	-0.1
Sold shares from non-controlling interests, which did not change the controlling right				-0.5	-0.5	0.5	0.0
Members, funds 30 Sep 2024	**1,522.8**	**-53.5**	**744.7**	**2,087.4**	**4,301.4**	**1,292.1**	**5,593.4**

	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				-35.5	-35.5	-56.1	-91.6
Other comprehensive income,after tax		18.6	27.1	2.5	48.2	38.2	86.4
Total comprehensive income		**18.6**	**27.1**	**-33.0**	**12.7**	**-17.9**	**-5.2**
Transactions with owners:							
Dividends paid				-67.4	-67.4	-12.0	-79.4
Reimbursement of surplus	14.1			-16.0	-1.9		-1.9
Change in members' capital	34.1		0.4	-8.7	25.8		25.8
Share based payments				0.3	0.3	0.3	0.6
Sold shares from non-controlling interests, which did not change the controlling right				-0.2	-0.2	0.2	0.0
Members, funds 30 Sep 2025	**1,600.4**	**-41.0**	**737.2**	**1,970.9**	**4,267.5**	**1,231.4**	**5,498.9**

Unaudited condensed consolidated cash flow statement

EUR million	Note	2025 30.9.	2024 30.9.	2024 31.12.
Result for the period	8	-91.6	98.0	108.5
Total adjustments	8	399.2	354.5	488.3
Change in working capital		-32.0	-536.6	-496.3
Cash flow from operations		**275.7**	**-84.2**	**100.5**
Net financial items		-50.6	-31.0	-40.0
Income taxes paid		-9.0	-49.7	-49.7
Net cash flow from operating activities		**216.1**	**-164.8**	**10.9**
Acquisitions		-0.8	-1.1	-1.7
Investments in tangible and intangible assets		-383.0	-391.9	-566.0
Disposals and other items	8	21.7	47.4	73.7
Net cash flow from financing activities		**-362.1**	**-345.6**	**-494.0**
Change in members' funds		39.8	48.4	66.6
Change in long-term loans and other financial items		-74.0	46.2	19.3
Capital distribution		0.0	0.0	0.0
Dividends paid		-89.3	-137.9	-137.9
Net cash flow from financing activities		**-123.5**	**-43.3**	**-52.1**
Change in cash and cash equivalents		**-269.5**	**-553.8**	**-535.2**
Cash and cash equivalents at beginning of period		991.6	1,511.6	1,511.6
Translation difference		-0.5	0.2	0.3
Change in cash and cash equivalents		-269.5	-553.8	-535.2
Value adjustments of investment funds included in cash and cash equivalents.		7.7	12.6	15.1
Cash and cash equivalents at end of period		**729.4**	**970.6**	**991.6**

NOTES TO THE UNAUDITED INTERIM REPORT

Note 1 – Background and accounting policies

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

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

The same accounting policies have been applied as in the 2024 IFRS financial statements, with the following exception:

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

The amendments to standards applied in the 2025 financial period will not have a material impact on the consolidated financial statements.

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

This interim report was authorised for issue by the Board of Directors of Metsäliitto Cooperative on 23 October 2025.

Note 2 – Segment information

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

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

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

Sales by segment

EUR million	1–9/2025 External	1–9/2025 Internal	1–9/2025 Total	1–9/2024 External	1–9/2024 Internal	1–9/2024 Total
Pulp and Sawn Timber Industry	1,590.8	418.7	2,009.5	1,209.2	476.6	1,685.8
Paperboard Industry	1,300.4	81.7	1,382.2	1,399.0	93.6	1,492.6
Tissue and Greaseproof Papers	844.4	0.0	844.4	861.9	0.7	862.6
Wood Products Industry	351.3	17.6	368.9	405.4	16.5	421.9
Wood Supply and Forest Services	398.9	1,512.8	1,911.7	377.4	1,379.9	1,757.3
Other operations	22.3	35.2	57.6	19.9	40.0	59.9
Elimination of internal sales		-2,066.0	-2,066.0		-2,007.3	-2,007.3
Total sales	**4,508.2**	**0.0**	**4,508.2**	**4,272.7**	**0.0**	**4,272.7**

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

Operating result by segment

EUR million	2025 1–9	2024 1–9	2024 1–12
Pulp and Sawn Timber Industry	-61.1	7.8	5.8
Paperboard Industry	-70.3	64.0	62.3
Tissue and Greaseproof Papers	34.5	73.4	101.6
Wood Products Industry	-11.1	17.9	7.8
Wood Supply and Forest Services	26.7	26.0	32.5
Other operations	-5.9	-12.4	-17.1
Eliminations	24.3	-19.5	-6.5
Operating result total	-63.0	157.2	186.4
Share of results from associated companies and joint ventures	-0.5	-1.3	-0.6
Financial costs, net	-44.8	-37.3	-54.6
Income taxes	16.8	-20.7	-22.7
Result for the period	**-91.6**	**98.0**	**108.5**

Assets and liabilities by segment

Assets EUR million	2025 30.9.2025	2024 30.9.2024	2024 31.12.2024
Pulp and Sawn Timber Industry	3,923.9	4,152.9	4,063.2
Paperboard Industry	2,666.2	2,830.6	2,796.5
Tissue and Greaseproof Paper Industry	1,208.4	1,049.0	1,103.7
Wood Products Services	609.0	509.1	526.9
Wood Supply and Forest Services	512.1	544.0	585.8
Other operations	407.9	334.5	463.3
Eliminations	-454.1	-405.1	-577.3
Unallocated assets	682.9	900.8	940.4
Total	**9,556.4**	**9,915.8**	**9,902.5**

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

Liabilities EUR million	2025 30.9.2025	2024 30.9.2024	2024 31.12.2024
Pulp and Sawn Timber Industry	716.3	796.9	833.2
Paperboard Industry	358.9	416.6	431.0
Tissue and Greaseproof Paper Industry	303.2	313.0	331.9
Wood products services	100.6	108.0	114.5
Wood supply and forest services	301.9	284.7	340.7
Other operations	158.9	125.0	219.1
Eliminations	-454.1	-405.1	-577.3
Unallocated liabilities	2,571.8	2,683.4	2,650.4
Total	**4,057.5**	**4,322.4**	**4,343.5**

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

Note 3 - Geographical distribution of sales

EUR million	2025 1–9	2024 1–9	2024 1–12
EMEA	3,091.1	3,084.9	4,052.2
APAC	1,179.1	653.9	975.0
Americas	238.0	533.9	720.0
Total	**4,508.2**	**4,272.7**	**5,747.2**

Note 4 - Income tax

EUR million	2025 1–9	2024 1–9	2024 1–12
Taxes for the period	-16.6	-40.3	-25.9
Taxes for previous periods	-0.1	-0.7	0.0
Change in deferred taxes	33.5	20.3	3.2
Total	**16.8**	**-20.7**	**-22.7**

The effective tax rate decreased due to the recognition in January–September 2024 of EUR 6.8 million in deferred tax assets from the unused tax depreciation base of MI Demo Oy. MI Demo Oy transferred to the Group's full ownership in 2023.

Note 5 – Changes in property, plant and equipment

EUR million	2025 1–9	2024 1–9	2024 1–12
Book value at beginning of period	5,450.0	5,410.0	5,410.0
Acquired businesses			0.7
Investments to owned property, plant and equipment	335.7	345.8	491.6
Investments to leased property, plant and equipment	16.0	25.1	36.4
Decreases	-4.0	-10.2	-17.0
Depreciation, amortization and impairment losses	-367.0	-314.4	-443.0
Translation difference and other changes	36.2	-16.5	-28.7
Carrying value at end of the period	**5,466.8**	**5,439.8**	**5,450.0**

In January–June 2025, depreciation, amortisation and impairment include an impairment of EUR -22.0 million related to the assets damaged in the Kemi bioproduct mill's gas explosion, an impairment of EUR -19.2 million related to the closure of the Tako board mill, an impairment of EUR -1.0 million related to the investment and capacity adjustment plan of the Kreuzau tissue paper mill in Germany, and an impairment of EUR -3.0 million related to the discontinuation of Kumpuniemen Voima Oy's operations.

In January–September 2024, depreciation, amortisation and impairment include an impairment of EUR -3.2 million for the property, plant and equipment of the Merikarvia sawmill, where sawing operations ended on 8 April 2024, and an impairment of EUR -2.1 million related to the Future Mill programme. Depreciation, amortisation and impairment also include EUR +5.3 million in impairment reversals related to the sale of the Group's Russian subsidiaries on 13 May 2024.

Note 6 - Provisions

EUR million	Restructur-ing	Environ. obligations	Other Provisions	Total
1 Jan 2025	5.1	9.3	2.3	16.7
Translation differences			0.0	0.0
Additions	13.3	0.0	0.9	14.2
Utilised during the year	-3.7	0.0	-0.6	-4.3
Unused amounts reversed		-1.0	0.0	-1.0
30 Sep 2025	**14.6**	**8.3**	**2.7**	**25.6**
Long term provisions	7.5	8.3	2.3	18.1
Short term provisions	7.2		0.4	7.6
Total	**14.6**	**8.3**	**2.7**	**25.6**

Of the increases in restructuring provisions in January–September 2025, EUR 1.5 million is related to the closure of the Tako board mill, EUR 9.4 million to the investment and capacity adjustment plan of the Kreuzau tissue paper mill in Germany, EUR 1.2 million to the discontinuation of operations at the Suolahti plywood mills, and EUR 1.3 million to the discontinuation of Kumpuniemen Voima Oy’s operations.

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

Note 7 - Related party transactions

The Group’s related parties include 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	2025 1–9	2024 1–9	2024 1–12
Sales	8.6	8.8	12.2
Purchases	-21.8	-22.0	-30.4
Non-current receivables	8.4	6.3	6.3
Accounts receivables and other receivables	1.0	3.3	3.7
Accounts payables and other liabilities	3.0	2.5	3.0

The Group’s related parties include its associated companies and joint ventures. Related parties also include the members of the Board of Directors and Executive Management Team as well as their close family members and companies under their sole or joint control are considered related parties.

Note 8 – Notes to the consolidated cash flow statement

EUR million	2025 1–9	2024 1–9	2024 1–12
Taxes	-16.8	20.7	22.7
Depreciation and impairment charges	377.0	334.9	467.7
Biological assets	0.0	-0.3	-0.5
Share of results from associated companies	0.5	1.3	0.6
Gains and losses on sale of non-current financial assets	-15.7	-36.3	-56.5
Financial costs, net	44.8	37.3	54.6
Pension liabilities and provisions	8.3	-4.2	-1.9
Other adjustments	1.0	1.2	1.5
Total	**399.2**	**354.5**	**488.3**

Disposals and other items

In January–September 2025, disposals and other items include EUR 6.7 million from the sale of shares in Metsä Forest Latvia SIA, the Latvian wood supply business; EUR 15.3 million from the sale of property, plant and equipment and intangible assets; and EUR -0.2 million in other items. The most significant sales related to property, plant and equipment were the sales of emissions allowances, totalling EUR 13.1 million.

In January–September 2024, disposals and other items include the sale of shares in the Group's Russian subsidiaries and the sale of the wood supply business in Estonia, totalling EUR 20.7 million. In addition, disposals and other items also include sales of tangible and intangible assets of EUR 29.8 million and other items of EUR -3.1 million. The most significant sales related to property, plant and equipment were the sales of emission allowances, totalling EUR 28.7 million.

Note 9 – Financial instruments

Classification of financial assets and liabilities and fair values

Financial assets 30 September 2025

EUR million	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
Other non-current investments	4.1	207.4		211.5
Other non-current financial assets	0.0		11.8	11.8
Trade receivable and other receivables	4.2		700.1	704.2
Cash and cash equivalent	374.4		354.9	729.4
Derivative financial instruments	1.0	90.8		91.8
Total carrying amount	**383.7**	**298.2**	**1,066.8**	**1,748.7**
Total fair value	**383.7**	**298.2**	**1,066.8**	**1,748.7**

Financial liabilities 30 September 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			1,489.5	1,489.5
Other non-current financial liabilities			3.3	3.3
Current interest-bearing financial liabilities			691.6	691.6
Trade payable and other financial liabilities			1,107.0	1,107.0
Derivative financial instruments	1.3	25.2		26.5
Total carrying amount	**1.3**	**25.2**	**3,291.4**	**3,317.9**
Total fair value	**1.3**	**25.2**	**3,301.7**	**3,328.2**

Financial assets 30 September 2024

EUR million	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
Other non-current investments	4.3	230.2		234.5
Other non-current financial assets			11.8	11.8
Trade receivable and other receivables	4.1		747.2	751.3
Cash and cash equivalent	496,2		474.4	970.6
Derivative financial instruments	1.9	72.7		74.6
Total carrying amount	**506.5**	**302.9**	**1,233.4**	**2,042.7**
Total fair value	**506.5**	**302.9**	**1,233.4**	**2,042.7**

Financial liabilities 30 September 2024

EUR million	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
Non-current interest-bearing financial liabilities			1,684.4	1,684.4
Other non-current financial liabilities			1.5	1.5
Current interest-bearing financial liabilities			580.3	580.3
Trade payable and other financial liabilities			1,238.1	1,238.1
Derivative financial instruments	1.1	13.4		14.5
Total carrying amount	**1.1**	**13.4**	**3,504.3**	**3,518.9**
Total fair value	**1.1**	**13.4**	**3,525.6**	**3,540.1**

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

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

In Metsä Group, all interest-bearing financial liabilities are measured at amortised cost based on the effective interest method. Fair values are based on the present cash flow value of each liability or asset calculated at market rate. The discount rates applied are between 1.0 and 6.0% (1.0–6.0). The fair values of trade receivables and other receivables and trade payables and other liabilities do not materially deviate from their carrying amounts on the balance sheet.

Fair value hierarchy of financial assets and liabilities as of 30 September 2025

EUR million	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Other non-current investments			211.5	**211.5**
Financial assets at fair value, current	255.0	119.4	4.2	**378.6**
Derivative financial assets	0.3	91.5		**91.8**
Financial liabilities measured at fair value				
Derivative financial liabilities	1.6	24.9		**26.5**
Financial assets not measured at fair value				
Cash and cash equivalent		354.9		**354.9**
Financial liabilities not measured at fair value				
Non-current interest-bearing financial liabilities		1,497.6		**1,497.6**
Current interest-bearing financial liabilities		693.8		**693.8**

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

EUR million	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Other non-current investments			234.5	**234.5**
Financial assets at fair value, current	370.6	129.7		**500.3**
Derivative financial assets	0.5	74.1		**74.6**
Financial liabilities measured at fair value				
Derivative financial liabilities	2.6	11.9		**14.5**
Financial assets not measured at fair value				
Cash and cash equivalent		474.4		**474.4**
Financial liabilities not measured at fair value				
Non-current interest-bearing financial liabilities		1,703.4		**1,703.4**
Current interest-bearing financial liabilities		582.5		**582.5**

Financial assets measured at fair value based on level 3

EUR million	2025 1–9	2024 1–9	2024 1–12
Opening balance	241.4	275.3	275.3
Gains and losses in income statement	0.1	0.0	0.0
Gains and losses in other comprehensive income	-25.2	-40.7	-38.4
Acquisitions			0.5
Settlements	0.0	-0.1	-0.1
Transfers to level 3	-0.7		4.1
Closing balance	**215.7**	**234.5**	**241.4**

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

Level 1:

Fair value is based on quoted prices in active markets.

Level 2:

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

Level 3:

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

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

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

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

The average weighted capital cost applied in the calculation was 6.23% on 30 September 2025 (31 December 2024: 5.51). The acquisition cost of the Pohjolan Voima Oyj shares on 30 September 2025 is EUR 33.4 million (33.4), and their fair value is EUR 207.4 million (232.5).

The carrying amount of other long-term investments on 30 September 2025 is expected to change by EUR -7.7 million (-9.3) and EUR 8.0 million (9.8) should the rate used for discounting the cash flows change by 0.5 percentage points from the rate estimated by management. The carrying amount of other long-term investments is expected to change by EUR 58.4 million (64.7) should the energy prices applied in the fair value calculation differ by 10% from the price estimated by management.

Derivatives 30 September 2025

EUR million	Nominal value	Derivative assets	Derivative labilities	Fair value net	Fair value through profit and loss	Fair value through other comprehensive income
Interest rate swaps	478.9	23.9	0.5	23.5	-0.5	23.9
Interest rate derivatives	478.9	23.9	0.5	23.5	-0.5	23.9
Currency forward contracts	2,931.0	59.3	24.4	34.9	0.0	34.9
Currency forward contracts	338.1	8.2		8.2		8.2
Currency derivatives	3,269.1	67.5	24.4	43.1	0.0	43.1
Oil derivatives	15.8	0.0	1.2	-1.2		-1.2
Natural gas derivatives	2.8	0.3	0.3	0.0	0.2	-0.2
Commodity derivatives	18.6	0.3	1.6	-1.3	0.2	-1.5
Derivatives total	**3,766.6**	**91.8**	**26.5**	**65.3**	**-0.3**	**65.6**

Derivatives 30 September 2024

EUR million	Nominal value	Derivative assets	Derivative labilities	Fair value net	Fair value through profit and loss	Fair value through other comprehensive income
Interest rate swaps	517.2	32.9		32.9		32.9
Interest rate derivatives	517.2	32.9		32.9		32.9
Currency forward contracts	2,647.1	37.3	11.0	26.3	0.8	25.5
Currency forward contracts	986.9	3.9	0.9	3.0		3.0
Currency derivatives	3,634.0	41.2	11.9	29.2	0.8	28.5
Oil derivatives	24.7	0.0	1.8	-1.7		-1.7
Natural gas derivatives	13.8	0.5	0.9	-0.4		-0.4
Commodity derivatives	38.6	0.5	2.6	-2.1		-2.1
Derivatives total	**4,189.7**	**74.6**	**14.5**	**60.0**	**0.8**	**59.3**

Note 10 - Commitments and guarantees

EUR million	30.9.2025	30.9.2024	31.12.2024
Liabilities secured by collateral	6.1	7.0	6.7
Floating charges	0.5	0.4	0.4
Chattels mortgages	0.1	0.3	0.2
Total pledges and mortgages	0.5	0.7	0.7
Leases not yet commenced to which the Group is committed	32.1	32.1	32.1
Other commitments on own behalf	8.5	2.7	2.6
Commitments on behalf of associated companies and joint ventures		0.0	0.0
Total	**41.2**	**35.6**	**35.4**

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

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

EUR million	30.9.2025	30.9.2024	31.12.2024
Payments due in following 12 months	110.5	279.2	198.8
Payments due later	14.2	52.8	38.0
Total	**124.7**	**332.0**	**236.8**