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Årsredovisning

för

Metsä Tissue AB

556272-3675

Räkenskapsåret

2023

Fastställelseintyg

Undertecknad verkställande direktör i Metsä Tissue AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma . Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Mariestad den 10 juni 2024

Jani Sillanpää

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Årsredovisning

för

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Räkenskapsåret

2023

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Styrelsen och verkställande direktören för Metsä Tissue AB har upprättat följande årsredovisning för räkenskapsåret 2023.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor (TSEK). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

Bolagets verksamhetsidé är att utveckla, tillverka, marknadsföra och sälja fiber- och returfiberbaserade mjukpappersprodukter främst på den Skandinaviska marknaden även som äga och förvalta fast egendom, värdepapper och därmed förenlig verksamhet.

Bolaget bedriver tillverkning i Mariestad, Pauliström och Nyboholm i Sverige och finns representerat med försäljningskontor i Mariestad. Agentbolagen, belägna i Köpenhamn och Oslo, ägs direkt av Metsä Tissue AB.

Företaget har sitt säte i Mariestad.

Väsentliga händelser under räkenskapsåret

Omsättningen för året var 3,9 miljarder kr (3,4 miljarder kr). Rörelseresultatet var 677 MSEK (-58 MSEK).

Resultatet förbättrades jämfört med förra året tack vare lägre priser för massa och el, samt ökade försäljningspriser. Även retroaktivt elstöd avseende föregående år påverkade resultatet positivt.

Verksamhetsmiljön för mjukpappersverksamhetens var fortsatt instabil med kostnadsinflation, och framförallt svårt att förutse gällande energipriser.

I februari 2023 tog Metsä Group beslut om att investera i världsledande miljöprestanda inom mjukpappersproduktion genom att modernisera och bygga ut Metsä Tissues mjukpappersbruket i Mariestad. Investeringen kommer att öka tillgången på lokalt producerade, hållbara mjukpappersprodukter på den skandinaviska marknaden, där för närvarande ungefär 40 procent av det mjukpapper som används importeras. Värdet på investeringen uppgår till 4,2 miljarder kr (370 MEUR) och är en av de största inom mjukpappersbranschen i Europa. Det är också Metsä Tissues största investering någonsin. Byggarbetena började under våren 2023, och det uppgraderade bruket planeras kunna tas i drift under andra halvan av 2025.

Valmet AB i Karlstad, Sverige, har fått i uppdrag att leverera en ny mjukpappersmaskin till Metsä Tissues bruk i Mariestad och italienska E80 Group S.p.A. kommer att leverera ett helautomatiskt höglager.

Bolagsverket lämnade genom beslut i februari 2023 tillstånd att verkställa fusionen mellan Dambi AB och Metsä Tissue AB. Dambi ABs samtliga tillgångar flyttades över till Metsä Tissue AB i februari.

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Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer
Metsä Tissue informerade i februari 2024 om en investering av tre nya toppmoderna konverteringslinjer för vikta och rullade mjukpapper vid Framtidsfabriken i Mariestad. Investeringen möjliggör storskalig produktion av högkvalitativa pappershanddukar i Skandinavien. Dessutom innebär den effektivitets- och energivinster, samt förbättrad arbetsmiljö och säkerhet. Investeringarna är en del av företagets expansion och modernisering i Mariestad och det strategiska programmet Future Mill, som syftar till miljö- och driftprestanda i världsklass.

Valmet Tissue Converting S.p.A. har fått i uppdrag att leverera två nya konverteringslinjer för tillverkning av rullade mjukpapper för konsumentmarknaden och C.G Bretting Manufacturing Co, Inc. har fått i uppdrag att leverera en konverteringslinje för vikta pappershanddukar för professionell användning.

De nya konverteringslinjerna har en total kapacitet på 70 000 ton mjukpapper och linjerna är planerade att tas i drift under andra halvan av 2025.

Hållbarhetsrapport
Hållbarhetsrapport har ej upprättats med hänvisning till ÅRL 6 kap 10§ 2 stycket. Metsä Tissue AB ingår i Metsä Group och hållbarhetsrapport för koncernen har upprättats av Metsäliitto Osuuskunta (0116300-4) med säte i Esbo, Finland.

Tillstånds- eller anmälningspliktig verksamhet enligt miljöbalken
Bolaget bedriver tillståndspliktig verksamhet enligt Miljöbalken för utsläpp till luft och vatten (100% av verksamheten). Några gränsvärden har under året ej överskridits.

Ägarförhållanden
Bolaget var i inledningen av 2023 ett helägt dotterbolag till Dambi Aktiebolag med organisationsnummer 556348-1935 med säte i Mariestad. Efter fusionen med Dambi AB i februari 2023 ägs bolaget direkt av Metsä Tissue Oyj, organisationsnummer 1867831-1.

Flerårsöversikt (TSEK)	**2023**	**2022**	**2021**	**2020**	**2019**
Nettoomsättning	3 894 162	3 421 535	2 731 267	2 871 565	2 896 481
Resultat efter finansiella poster	726 025	-54 172	59 509	344 172	161 618
Balansomslutning	3 274 806	2 059 379	1 948 288	1 840 963	1 575 574
Avkastning på eget kap. (%)	52,7	Neg	6,2	36,6	23,1
Avkastning på totalt kap. (%)	22,6	Neg	3,4	19,1	10,7
Soliditet (%)	42,0	43,0	49,2	51,0	44,5
Antal anställda	545	544	532	538	532

För definitioner av nyckeltal, se Redovisnings- och värderingsprinciper.

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Förändringar i eget kapital (TSEK)

	Aktie-kapital	Uppskriv-ningsfond	Balanserat resultat	Årets resultat	Totalt
Belopp vid årets ingång	200 000	40 000	349 476	-43 609	**545 867**
Disposition enligt beslut av årsstämman:					
Balanseras i ny räkning			-43 609	43 609	**0**
Fusion			-117 931		**-117 931**
Årets resultat				479 183	**479 183**
Belopp vid årets utgång	**200 000**	**40 000**	**187 936**	**479 183**	**907 120**

Förslag till vinstdisposition
Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	187 936 331
årets vinst	479 183 250
	667 119 581
disponeras så att	
i ny räkning överföres	667 119 581
	667 119 581

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med noter.

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Resultaträkning
TSEK

	Not	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Nettoomsättning	3	3 894 162	3 421 535
Förändring av lager av produkter i arbete, färdiga varor och pågående arbete för annans räkning		-29 284	24 758
Övriga rörelseintäkter	2	53 324	28 971
		3 918 202	**3 475 264**
Rörelsens kostnader			
Råvaror och förnödenheter		-1 583 692	-1 701 777
Handelsvaror		-616 675	-557 917
Övriga externa kostnader	4, 5	-556 113	-788 247
Personalkostnader	6	-430 649	-431 599
Av- och nedskrivningar av materiella och immateriella anläggningstillgångar		-53 838	-54 249
		-3 240 967	**-3 533 789**
Rörelseresultat	7	**677 235**	**-58 525**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	8	46 850	6 585
Övriga ränteintäkter och liknande resultatposter	9	15 920	4 720
Räntekostnader och liknande resultatposter	10	-13 980	-6 952
		48 790	**4 353**
Resultat efter finansiella poster		**726 025**	**-54 172**
Bokslutsdispositioner	11	-131 583	-850
Resultat före skatt		**594 442**	**-55 022**
Skatt på årets resultat	12	-115 259	11 413
Årets resultat		**479 183**	**-43 609**

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Balansräkning TSEK	**Not**	**2023-12-31**	**2022-12-31**
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Balanserade utgifter för utvecklingsarbeten och liknande arbeten	13	281	0
		281	**0**
Materiella anläggningstillgångar			
Byggnader och mark	14	103 729	108 902
Maskiner och andra tekniska anläggningar	15	309 122	343 478
Inventarier, verktyg och installationer	16	50 853	12 411
Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar	17	1 122 839	243 542
		1 586 543	**708 333**
Finansiella anläggningstillgångar			
Andelar i dotterföretag	18, 19	12 264	5 038
Fordringar hos koncernföretag	20	0	96 091
Andelar i intresseföretag	21, 22	250	250
Fordringar hos intresseföretag	23	20 950	20 950
Uppskjuten skattefordran	24	198	13 753
		33 661	**136 081**
Summa anläggningstillgångar		**1 620 486**	**844 415**
Omsättningstillgångar			
Varulager m m			
Råvaror och förnödenheter		117 707	119 660
Varor under tillverkning		42 247	55 044
Färdiga varor och handelsvaror		86 895	103 382
		246 849	**278 087**
Kortfristiga fordringar			
Kundfordringar		432 742	443 324
Fordringar hos koncernföretag		923 246	429 283
Aktuella skattefordringar		0	40 699
Övriga kortfristiga fordringar		42 753	16 832
Förutbetalda kostnader och upplupna intäkter	25	8 730	6 739
		1 407 472	**936 878**
Summa omsättningstillgångar		**1 654 320**	**1 214 965**
SUMMA TILLGÅNGAR		**3 274 806**	**2 059 379**

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Balansräkning TSEK	**Not**	**2023-12-31**	**2022-12-31**
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital	27	200 000	200 000
Reservfond		40 000	40 000
		240 000	**240 000**
Fritt eget kapital			
Balanserad vinst eller förlust		187 936	349 476
Årets resultat		479 183	-43 609
	28	**667 120**	**305 867**
Summa eget kapital		**907 120**	**545 867**
Obeskattade reserver	29	592 777	429 093
Avsättningar			
Avsatt för pensioner och likande förpliktelser enligt tryggandelagen	30	211 875	191 523
Summa avsättningar		**211 875**	**191 523**
Långfristiga skulder	31		
Skulder till koncernföretag		575 000	0
Summa långfristiga skulder		**575 000**	**0**
Kortfristiga skulder			
Leverantörsskulder		273 293	210 067
Skulder till koncernföretag		168 668	266 505
Skulder till intresseföretag		0	3 354
Aktuella skatteskulder		63 270	0
Övriga kortfristiga skulder		102 962	121 975
Upplupna kostnader och förutbetalda intäkter	32	379 843	290 995
Summa kortfristiga skulder		**988 035**	**892 896**
SUMMA EGET KAPITAL OCH SKULDER		**3 274 806**	**2 059 379**

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Kassaflödesanalys TSEK	**Not**	**2023-01-01 -2023-12-31**	**2022-01-01 -2022-12-31**
Den löpande verksamheten			
Resultat efter finansiella poster		726 025	-54 172
Justeringar för poster som inte ingår i kassaflödet	33	74 575	81 996
Betald skatt		3 192	-5 951
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**803 792**	**21 873**
Kassaflöde från förändring av rörelsekapitalet			
Förändring av varulager och pågående arbete		31 238	-54 232
Förändring av kortfristiga fordringar		-509 186	-7 319
Förändring av kortfristiga skulder		31 870	161 984
Kassaflöde från den löpande verksamheten		**357 714**	**122 306**
Investeringsverksamheten			
Investeringar i immateriella anläggningstillgångar		-281	0
Investeringar i materiella anläggningstillgångar		-932 433	-142 329
Utlåning till moderbolag		0	55 911
Kassaflöde från investeringsverksamheten		**-932 714**	**-86 418**
Finansieringsverksamheten			
Upptagna lån		575 000	0
Utbetalt koncernbidrag		0	-35 888
Kassaflöde från finansieringsverksamheten		**575 000**	**-35 888**
Årets kassaflöde		**0**	**0**
Likvida medel vid årets slut	26	**0**	**0**

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Noter
TSEK

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Värderingsprinciper
Fordringar har värderats till det lägsta av anskaffningsvärde och det belopp varmed de beräknas bli reglerade. Övriga tillgångar och skulder har värderats till anskaffningsvärde om annat ej anges.

Intäktsredovisning
Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Försäljning av varor redovisas vid leverans till kund. Som försäljningsintäkter redovisas fakturerad försäljning exklusive mervärdesskatt, lämnade rabatter, bonus och reklamationer.

Rapportering av segment
Bolaget har en egentlig rörelsegren; tillverkning och försäljning av mjukpappersprodukter. Intäkter, kostnader, tillgångar och skulder för hela rörelsegrenen framgår av årsredovisningens resultat- och balansräkning.

Materiella anläggningstillgångar
Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med avskrivningar. Avskrivningar sker systematiskt över den bedömda nyttjandeperioden. För byggnader anskaffade före 1988-12-31 baseras avskrivningarna på köpeskillingen vid bolagets bildande per 1988-12-31.

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Komponentindelning
Materiella anläggningstillgångar har delats upp på komponenter när komponenterna är betydande och när komponenterna har väsentligt olika nyttjandeperioder. När en komponent i en anläggningstillgång byts ut, utrangeras eventuell kvarvarande del av den gamla komponenten och den nya komponentens anskaffningsvärde aktiveras. Utgifter för löpande reparationer och underhåll redovisas som kostnader.

Följande avskrivningstider tillämpas:
Kontorsbyggnader, 33 år
Industribyggnader, 10-40 år
Maskiner och andra tekniska anläggningar, 7-20 år
Inventarier, verktyg och installationer, 3-10 år

Finansiella instrument
Finansiella instrument värderas utifrån anskaffningsvärdet. Instrumentet redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten. Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Andelar i dotterföretag
Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer.

Kundfordringar/kortfristiga fordringar
Kundfordringar och kortfristiga fordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Låneskulder och leverantörsskulder
Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

Kvittning av finansiell fordran och finansiell skuld
En finansiell tillgång och en finansiell skuld kvittas och redovisas med ett nettobelopp i balansräkningen endast då legal kvittningsrätt föreligger samt då en reglering med ett nettobelopp avses ske eller då en samtida avyttring av tillgången och reglering av skulden avses ske.

Leasingavtal
Samtliga leasingavtal där företaget är leasetagare redovisas som operationell leasing (hyresavtal), oavsett om avtalen är finansiella eller operationella. Leasingavgiften redovisas som en kostnad linjärtöver leasingperioden.

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Varulager
Varulagret m.m. värderas, med tillämpning av först-in först-ut principen, till det lägsta av anskaffningsvärde och verkligt värde på balansdagen. För homogena varugrupper tillämpas kollektiv värdering. Skäligt avdrag för inkurans har gjorts efter individuell bedömning.

Inkomstskatter
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna metod redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

På grund av sambandet mellan redovisning och beskattning särredovisas inte den uppskjutna skatteskulden som är hänförlig till obeskattade reserver.

Avsättningar
Som avsättning har redovisats förpliktelser gentemot tredje man som är hänförliga till räkenskapsåret eller tidigare räkenskapsår och som på balansdagen antingen är säkra eller sannolika till sin förekomst men oviss till belopp eller till den tidpunkt då de ska infrias. Avsättningar för omstrukturering görs när en detaljerad och formell plan för åtaganden finns och en välgrundad förväntan har skapats hos dem som berörs.

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Obeskattade reserver
Obeskattade reserver redovisas med bruttobelopp i balansräkningen, inklusive den uppskjutna skatteskuld som är hänförlig till reserverna.

Eventualförpliktelser
Eventualförpliktelser redovisas i not när det finns:
- En möjlig förpliktelse till följd av inträffade händelser och vars förekomst endast kommer att bekräftas av att en eller flera osäkra framtida händelser, som inte helt ligger inom företagets kontroll, inträffar eller uteblir, eller
- En befintlig förpliktelse till följd av inträffade händelser, men som inte redovisas som skuld eller avsättning eftersom det inte är sannolikt att ett utflöde av resurser kommer att krävas för att reglera förpliktelsen eller förpliktelsens storlek inte kan beräknas med tillräcklig tillförlitlighet.

Bokslutsdispositioner
Förändringar av obeskattade reserver redovisas som bokslutsdispositioner i resultaträkningen. Koncernbidrag redovisas som bokslutsdispositioner. Koncernbidrag som lämnas till ett dotterföretag redovisas dock som en ökning av andelens redovisade värde.

Ersättningar till anställda
Ersättningar till anställda avser alla former av ersättningar som företaget lämnar till de anställda. Kortfristiga ersättningar utgörs av bland annat löner, betald semester, betald frånvaro, bonus och ersättning efter avslutad anställning (pension). Kortfristiga ersättningar redovisas som kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning till följd av en tidigare händelse och en tillförlitlig uppskattning av beloppet kan göras.

Pensioner
I företaget finns såväl avgiftsbestämda som förmånsbestämda pensionsplaner. Utgifter för avgiftsbestämda planer redovisas som kostnad under den period de anställda utför de tjänster som ligger till grund för förpliktelsen. Företagets övriga planer klassificeras som förmånsbestämda och beräknas enligt Tryggandelagen och redovisas i enlighet med förenklingsreglerna i BFNAR 2012:1.

Uppsägning
Ersättningar vid uppsägning, i den omfattningen ersättningen inte ger företaget några framtida ekonomiska fördelar, redovisas som en skuld och en kostnad när företaget har en legal eller informell förpliktelse att lämna ersättningar till anställda som avslutar sin anställning.

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Nyckeltalsdefinitioner

Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Balansomslutning
Företagets samlade tillgångar.

Avkastning på eget kap. (%)
Resultat efter finansiella poster i procent av justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt).

Avkastning på totalt kap. (%)
Rörelseresultat plus finansiella intäkter i procent av balansomslutningen.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Antal anställda
Medelantal anställda under räkenskapsåret.

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Not 2 Exceptionella intäkter

	2023	2022
Återbetalning från Afa Sjukförsäkringsaktiebolag avseende Avtalsgruppsjukförsäkring (AGS)	0	1 288
Elstöd till elintensiva företag	28 294	0
	28 294	**1 288**

Not 3 Nettoomsättningens fördelning

	2023	2022
Nettoomsättningen per verksamhetsgren		
Verksamhet tissue	3 894 162	3 421 535
	3 894 162	**3 421 535**
Nettoomsättningen per geografisk marknad		
Norden	3 882 745	3 412 722
Övriga marknader	11 417	8 813
	3 894 162	**3 421 535**

Not 4 Operationella leasingavtal

Framtida leasingavgifter, för icke uppsägningsbara leasingavtal, förfaller till betalning enligt följande:

	2023	2022
Inom ett år	14 413	13 777
Senare än ett år men inom fem år	10 533	18 172
Senare än fem år	0	0
	24 946	**31 950**
Under perioden kostnadsförda leasingavgifter	20 102	18 817
	20 102	**18 817**

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Not 5 Arvode till revisorer

Med revisionsuppdrag avses granskning av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

	2023	2022
KPMG AB		
Revisionsuppdrag	456	395
Revisionsverksamhet utöver revisionsuppdraget	48	20
	504	**415**

Not 6 Anställda och personalkostnader

	2023	2022
Medelantalet anställda		
Kvinnor	125	125
Män	420	419
	545	**544**
Löner och andra ersättningar		
Styrelse och verkställande direktör	2 784	2 258
Tantiem och liknande ersättning till styrelse och VD	0	220
Övriga anställda	271 489	270 781
	274 273	**273 259**
Sociala kostnader		
Pensionskostnader för styrelse och verkställande direktör	151	147
Pensionskostnader för övriga anställda	50 707	56 615
Övriga sociala avgifter enligt lag och avtal	105 519	101 578
	156 377	**158 340**
Totala löner, ersättningar, sociala kostnader och pensionskostnader	**430 649**	**431 599**
Könsfördelning bland ledande befattningshavare		
Andel kvinnor i styrelsen	33 %	33 %
Andel män i styrelsen	67 %	67 %
Andel kvinnor bland övriga ledande befattningshavare	20 %	20 %
Andel män bland övriga ledande befattningshavare	80 %	80 %

Avtal om avgångsvederlag

Några pensionsförpliktelser eller andra förpliktelser gentemot styrelseledamöter, VD och ledande befattningshavare föreligger inte utöver 6 månaders uppsägningslön för VD.

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Not 7 Inköp och försäljning mellan koncernföretag

	2023	2022
Andel av årets totala inköp som skett från andra företag i koncernen	40,19 %	38,22 %
Andel av årets totala försäljningar som skett till andra företag i koncernen	1,49 %	1,19 %

Not 8 Resultat från andelar i koncernföretag

	2023	2022
Erhållna utdelningar	46 850	6 585
	46 850	**6 585**

Not 9 Övriga ränteintäkter och liknande resultatposter

	2023	2022
Ränteintäkter från koncernföretag	15 465	4 645
Övriga ränteintäkter	428	75
Kursdifferenser	27	0
	15 920	**4 720**

Not 10 Räntekostnader och liknande resultatposter

	2023	2022
Räntekostnader till koncernföretag	-1 075	0
Övriga räntekostnader	-12 905	-6 952
	-13 980	**-6 952**

Not 11 Bokslutsdispositioner

	2023	2022
Avsättning periodiseringsfond	-167 000	0
Återföring periodiseringsfond	34 600	44 800
Förändring överavskrivning	817	-9 762
Koncernbidrag	0	-35 888
	-131 583	**-850**

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Not 12 Aktuell och uppskjuten skatt

	2023	2022
Skatt på årets resultat		
Aktuell skatt	-101 730	1 851
Justering avseende tidigare år	26	0
Förändring av uppskjuten skatt avseende temporära skillnader	-13 555	9 563
Totalt redovisad skatt	**-115 259**	**11 413**

Avstämning av effektiv skatt

	2023		2022	
	Procent	**Belopp**	**Procent**	**Belopp**
Redovisat resultat före skatt		594 442		-55 022
Skatt enligt gällande skattesats	20,60	-122 455	20,60	11 335
Ej avdragsgilla kostnader	0,09	-554	-0,87	-479
Ej skattepliktiga intäkter	-0,01	64		
Justering avseende skatter för föregående år	0,00	26	0,00	0
Schablonränta på periodiseringsfond	0,13	-800	-0,40	-219
Erhållen utdelning koncernföretag	-1,62	9 651	2,47	1 357
Återförd periodiseringsfond högre skattesats vid avsättning	0,07	-428	-1,01	-554
Uppskjuten skatt byggnader, ej aktiverad	0,02	-93	-0,05	-26
Uppskjuten skatt skattereduktion inventarier	0,00	-26	0,00	0
Justering föregående års underskott	0,11	-643	0,00	0
Redovisad effektiv skatt	**19,39**	**-115 259**	**20,74**	**11 413**

Not 13 Balanserade utgifter för utvecklingsarbeten och liknande arbeten

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	0	0
Inköp	281	0
Utgående ackumulerade anskaffningsvärden	**281**	**0**
Utgående redovisat värde	**281**	**0**

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Not 14 Byggnader och mark

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	332 191	334 140
Inköp	0	279
Försäljningar/utrangeringar	-7 086	-2 481
Omklassificeringar	0	253
Utgående ackumulerade anskaffningsvärden	**325 105**	**332 191**
Ingående avskrivningar	-223 288	-220 601
Försäljningar/utrangeringar	7 086	2 477
Årets avskrivningar	-5 173	-5 165
Utgående ackumulerade avskrivningar	**-221 376**	**-223 288**
Utgående redovisat värde	**103 729**	**108 902**

Omklassificering har skett från Pågående nyanläggningar under 2022.

Not 15 Maskiner och andra tekniska anläggningar

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	1 732 595	1 927 764
Inköp	4 537	9 786
Försäljningar/utrangeringar	-9 110	-212 040
Omklassificeringar	4 328	7 084
Utgående ackumulerade anskaffningsvärden	**1 732 350**	**1 732 595**
Ingående avskrivningar	-1 389 116	-1 556 310
Försäljningar/utrangeringar	9 110	211 862
Omklassificeringar	0	2
Årets avskrivningar	-43 221	-44 670
Utgående ackumulerade avskrivningar	**-1 423 228**	**-1 389 116**
Utgående redovisat värde	**309 122**	**343 478**

Omklassificering har skett från Pågående nyanläggningar under 2022 och 2023.

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Not 16 Inventarier, verktyg och installationer

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	93 819	95 660
Inköp	1 396	50
Försäljningar/utrangeringar	-882	-1 910
Omklassificeringar	42 874	20
Utgående ackumulerade anskaffningsvärden	**137 208**	**93 819**
Ingående avskrivningar	-81 408	-79 047
Försäljningar/utrangeringar	496	1 910
Årets avskrivningar	-5 443	-4 272
Utgående ackumulerade avskrivningar	**-86 355**	**-81 408**
Utgående redovisat värde	**50 853**	**12 411**

Omklassificering har skett från Pågående nyanläggningar under 2022 och 2023.

Not 17 Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	243 542	118 686
Inköp	926 500	132 215
Omklassificeringar	-47 202	-7 359
Utgående ackumulerade anskaffningsvärden	**1 122 839**	**243 542**
Utgående redovisat värde	**1 122 839**	**243 542**

Omklassificeringar har skett till Byggnader och mark, Maskiner och andra tekniska anläggningar samt Inventarier, verktyg och installationer under 2022 och 2023.

Not 18 Andelar i dotterföretag

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	5 038	5 038
Övertagande vid fusion	7 226	0
Utgående ackumulerade anskaffningsvärden	**12 264**	**5 038**
Utgående redovisat värde	**12 264**	**5 038**

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Not 19 Specifikation andelar i dotterföretag

Namn	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde
Metsä Tissue AS, Norge	100 %	100 %	6 020	2 995
Metsä Tissue A/S, Danmark	100 %	100 %	1 000	2 042
Metsä Tissue Immobilien, Tyskland	100%	100%	1	7 226
				12 264

	Org.nr	Säte
Metsä Tissue AS, Norge	NO913524683	Oslo
Metsä Tissue A/S, Danmark	DK50629414	Köpenhamn
Metsä Tissue Immobilien, Tyskland	HRB2858	Kreuzau

Not 20 Fordringar hos koncernföretag

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	96 091	152 002
Avgående fordringar	-96 091	-55 911
Utgående ackumulerade anskaffningsvärden	**0**	**96 091**
Utgående redovisat värde	**0**	**96 091**

Not 21 Andelar i intresseföretag och gemensamt styrda företag

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	250	250
Utgående ackumulerade anskaffningsvärden	**250**	**250**
Utgående redovisat värde	**250**	**250**

Not 22 Specifikation andelar i intresseföretag och gemensamt styrda företag

Namn	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde
Katrinefors Kraftvärme AB	50 %	50 %	250	250
				250

	Org.nr	Säte
Katrinefors Kraftvärme AB	556533-4611	Mariestad

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Not 23 Fordringar hos intresseföretag och gemensamt styrda företag

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	20 950	20 950
Utgående ackumulerade anskaffningsvärden	**20 950**	**20 950**
Utgående redovisat värde	**20 950**	**20 950**

Not 24 Uppskjuten skatt på temporära skillnader

Uppskjuten skatt på temporära skillnader
2023-12-31

Temporära skillnader	Uppskjuten skattefordran	Netto
Avdragsgilla temporära skillnader	198	198
	198	**198**

2022-12-31

Temporära skillnader	Uppskjuten skattefordran	Netto
Avdragsgilla temporära skillnader	13 753	13 753
	13 753	**13 753**

Förändring av uppskjuten skatt

	Belopp vid årets ingång	Redovisas i resultaträk.	Belopp vid årets utgång
Avdragsgilla temporära skillnader	13 753	-13 555	198
	13 753	**-13 555**	**198**

Not 25 Förutbetalda kostnader och upplupna intäkter

	2023-12-31	2022-12-31
Förutbetalda hyror	2 156	1 483
Förutbetald pension	5 353	5 156
Övriga poster	1 222	100
	8 730	**6 739**

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Not 26 Likvida medel

	2023-12-31	2022-12-31
Likvida medel		
Banktillgodohavanden	0	0
	0	**0**

Not 27 Aktiekapital

Bolagets aktiekapital utgörs av 2 000 000 aktier med kvotvärde 100 kronor.

Not 28 Disposition av vinst eller förlust

	2023-12-31
Förslag till vinstdisposition	
Styrelsen föreslår att till förfogande stående vinstmedel (kronor):	
balanserad vinst	187 936 331
årets vinst	479 183 250
	667 119 581
disponeras så att	
i ny räkning överföres	667 119 581
	667 119 581

Not 29 Obeskattade reserver

	2023-12-31	2022-12-31
Ackumulerade överavskrivningar	260 077	260 893
Periodiseringsfonder	332 700	168 200
	592 777	**429 093**

Not 30 Avsättningar

	2023-12-31	2022-12-31
Avsättningar enligt tryggandelagen PRI-pensioner	211 875	191 523
	211 875	**191 523**

Not 31 Långfristiga skulder

	2023-12-31	2022-12-31
Förfaller senare än fem år efter balansdagen		
Metsä Tissue Oyj	575 000	0
	575 000	**0**

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Not 32 Upplupna kostnader och förutbetalda intäkter

	2023-12-31	2022-12-31
Upplupna bonusskulder till kunder	246 127	196 091
Upplupna löner	11 532	13 612
Upplupna semesterlöner	19 232	18 523
Upplupna sociala avgifter	16 585	15 421
Upplupna kostnader energi och energiskatt	15 645	38 366
Övriga poster	70 722	8 982
	379 843	**290 995**

Not 33 Justering för poster som inte ingår i kassaflödet

	2023-12-31	2022-12-31
Avskrivningar	53 838	54 249
Förändring av pensionsskuld PRI	20 352	27 746
Förlust vid utrangerade tillgångar	386	0
	74 575	**81 996**

Not 34 Väsentliga händelser efter räkenskapsårets slut

Metsä Tissue informerade i februari 2024 om en investering av tre nya toppmoderna konverteringslinjer för vikta och rullade mjukpapper vid Framtidsfabriken i Mariestad. Investeringen möjliggör storskalig produktion av högkvalitativa pappershanddukar i Skandinavien. Dessutom innebär den effektivitets- och energivinster, samt förbättrad arbetsmiljö och säkerhet. Investeringarna är en del av företagets expansion och modernisering i Mariestad och det strategiska programmet Future Mill, som syftar till miljö- och driftprestanda i världsklass.

Valmet Tissue Converting S.p.A. har fått i uppdrag att leverera två nya konverteringslinjer för tillverkning av rullade mjukpapper för konsumentmarknaden och C.G Bretting Manufacturing Co, Inc. har fått i uppdrag att leverera en konverteringslinje för vikta pappershanddukar för professionell användning.
De nya konverteringslinjerna har en total kapacitet på 70 000 ton mjukpapper och linjerna är planerade att tas i drift under andra halvan av 2025.

Not 35 Ställda säkerheter

	2023-12-31	2022-12-31
Aktier i Katrinefors Kraftvärme AB	250	250
	250	**250**

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Not 36 Eventualförpliktelser

	2023-12-31	2022-12-31
Garantiförbindelser	88	88
Garantiförbindelse PRI	4 237	3 830
	4 325	**3 918**

Not 37 Hållbarhetsrapport
Bolaget upprättar inte någon hållbarhetsrapport med hänvisning till 6 kap. 10 § 2 st. ÅRL.

Hållbarhetsrapport för koncernen upprättas av Metsäliitto Osuuskunta med organisationsnummer 0116300-4 med säte i Esbo, Finland. Metsä Groups hållbarhetsrapport finns publicerad på www.metsagroup.com.

Not 38 Uppgifter om moderföretag

Moderföretag i den minsta koncern där företaget ingår och som upprättar koncernredovisning är Metsä Tissue Oyj med organisationsnummer 1867831-1 med säte i Espo, Finland.

Moderföretag i den största koncern där företaget ingår och som upprättar koncernredovisning är Metsäliitto Osuuskunta med organisationsnummer 0116300-4 med säte i Espo, Finland.

Företaget är anslutet till Metsä Groups koncernkontosystem (cash pool). Det innebär att banktillgodohavanden inom koncernsystemet redovisas som fordran hos koncernföretag.

Not 39 Koncernredovisning
Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2 § upprättas ingen egen koncernredovisning.

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Mariestad den 30 maj 2024

Esa Kaikkonen
Ordförande

Juha Pilli-Sihvola

Johanna Fägerlind

Marjo Pekkala

Gabriel Jöngren
Arbetstagarrepresentant

Conny Bengtsson
Arbetstagarrepresentant

Jani Sillanpää
Verkställande direktör

Vår revisionsberättelse har lämnats 2024-06-07.

KPMG AB

Mattias Eriksson
Auktoriserad revisor

20240704133669

Revisionsberättelse

Till bolagsstämman i Metsä Tissue AB, org. nr 556272-3675

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Metsä Tissue AB för år 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Metsä Tissue ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Metsä Tissue AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Metsä Tissue AB för år 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Metsä Tissue AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.
Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Karlstad den 7 juni 2024

KPMG AB

Mattias Eriksson
Auktoriserad revisor

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Metsä

METSÄ TISSUE OYJ

FINANCIAL STATEMENTS AND BOARD OF DIRECTORS' REPORT

2023

This is an unofficial translation of the original financial statements in Finnish language

Metsä Tissue Oyj
Revontulenpuisto 2
02100 Espoo
Business ID 1867831-1

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* part of the annual report.

Board of Directors' Report for 1 January – 31 December 2023

Overview

Metsä Tissue is one of Europe's leading producers of tissue paper products for households and professional market, and one of the world's leading producers of greaseproof paper products. Our tissue papers are essential security of supply products that help tens of millions of people take care of their daily hygiene. We make sustainable high-quality toilet papers, as well as household and paper hand towels, and develop services to make everyday life more hygienic, easy and clean in an environmentally sustainable way.

The greaseproof paper products developed for cooking, baking and food packaging are designed for the changing needs of the global food and packaging industry and for home cooking.

The company's strong position in the consumer market is based on the reliable Lambi, Serla, Mola, Tento and SAGA brands. In the professional market, Metsä Tissue operates under the Katrin brand. In addition to its own brands, Metsä Tissue develops and manufactures private-label products for leading European retailers.

Metsä Tissue's value proposition is to make everyday life cleaner, and its vision is to be the preferred partner in sustainable business operations. The cornerstones of the company's strategy are operating close to customers and providing them with local services by offering them the hygiene solutions of the future, based on the sustainable use of renewable northern wood. The continuous improvement of industrial and material efficiency and the environmental performance of mills is sought in operations. The company's competitive edge lies in a sustainable value chain, extending from forests and responsibly produced wood raw material to the end products. It also relies on the company's own strong brands and premium products, reliable deliveries and trustworthy customer service. Metsä Tissue is committed to developing a diverse, equal and inclusive culture in which everyone has the opportunity to succeed at work and be an equal member of the workplace community. Equality and non-discrimination are important principles and an integral part of an ethical operating culture.

Metsä Tissue's production units are located in Finland, Sweden, Germany, Poland and Slovakia. The company is part of Metsä Group, which produces recyclable products from northern wood for the needs of the global population.

Sales and result

Sales for the whole year amounted to EUR 1,250.2 million (2022: 1,197.0). The comparable operating result was EUR 188.6 million (2022: -3.4). Sales volumes for the whole year were lower than in the previous year. At the beginning of the year, sales prices remained at the same level as at the end of the previous year, but took a downward turn in the second half of the year and were 5% lower in the last quarter than in the same period of the previous year. Market-based limitation of production continued throughout the year. The result improved year-on-year thanks to improvements in internal efficiency and cost control. The result was also positively affected by energy subsidies applied retroactively to the previous year.

During the period, items totalling EUR 10.0 million affecting comparable operating profit were reported in relation to the sale of the old mill property in Konstancin, Poland and the closure of production lines in Zilina in Slovakia and Raubach in Germany.

Key figures

	2023	2022	2021
Sales, EUR million	1,250.2	1,197.0	946.7
Operating result, EUR million	198.7	-3.0	-9.7
comparable, EUR million	188.6	-3.4	-9.7
Operating result, % of sales	15.9	-0.2	-1.0
comparable, % of sales	15.1	-0.3	-1.0
Return on equity, %	24.4	-0.1	-3.2
comparable, %	23.1	-0.1	-3.2
Return on capital employed, %	28.8	-0.3	-1.6
comparable, %	27.4	-0.4	-1.6
Equity ratio 1), %	65.3	50.7	55.4

1) at the end of the period

Financial position

At the end of the year, Metsä Tissue's net interest-bearing liabilities amounted to EUR -184.5 million (2022: 41.4, 2021: -36.1). Metsä Tissue's external interest-bearing liabilities are limited to lease liabilities and small loan items in associated companies. Interest income is internal to the Group and relates to cash lending through a treasury cash pooling arrangement. An amount corresponding to the interest cost on external liabilities has been capitalised at Group level as a construction interest cost related to the Mariestad investment. The equity ratio was 65.3% (2022: 50.7 and 2021: 55.4). Net financing items totalled EUR -2.5 million (2022: 2.1 and 2021: 10.1). The share of interest expenses related to lease liabilities accounted for EUR 0.9 million of financial expenses in 2023 (2022: 0.9 and 2021: 1.1).

Investments and other important developments

Metsä Tissue continued to invest in the development of its business with the aim of improving the product portfolio of tissue and greaseproof papers and production efficiency in accordance with its strategy. In 2023, the implementation of the Future Mill programme continued. The programme aims for world-class environmental performance in tissue paper production. Metsä Tissue decided to invest EUR 370 million in the expansion and modernisation of its Mariestad tissue paper mill in Sweden. The investment will increase the availability of locally and sustainably produced tissue paper products on the Scandinavian market, where around 40% of consumption is currently covered by imports. The investment is one of the largest in the tissue paper industry in Europe and the largest of Metsä Tissue's investments.

In September 2023, Metsä Tissue announced the selection of Goole in the East Riding of Yorkshire in the UK as the site where it plans to build a tissue paper mill. The mill would increase the UK's self-sufficiency in tissue paper products by more than 30%. The new tissue paper machine would have an annual production capacity of 240,000 tonnes, and it is planned to build it in phases over a period of ten years.

The operating environment for the tissue paper business continued to be unstable and challenging to predict due to cost inflation, particularly in energy prices. During the year, the company implemented market-based production shutdowns, and continued contingency investments to ensure the security of supply in the event of potential energy availability challenges.

In 2023, total investments, including leasing items, were EUR 127.3 million (2022: 50.6 and 2021:63.3).

Sustainability

Sustainability and responsibility play a key role in Metsä Tissue's business. In June, Metsä Tissue achieved the highest Platinum-level recognition in EcoVadis's sustainability and corporate social responsibility assessment for the fourth consecutive year. Metsä Tissue is ranked in the top 1% of all companies assessed by EcoVadis.

In the spring of 2023, Metsä Group announced its updated strategic sustainability objectives, extending to 2030. They are divided into environmental, social responsibility and governance objectives, in line with the ESG framework. Metsä Tissue's sustainability objectives are in line with Metsä Group's. Through its environmental objectives, the company aims to contribute to climate change management with fossil free mills and raw materials. Metsä Tissue also strives to reduce emissions from logistics. Resource efficiency is pursued through the elimination of landfill waste, the efficient use of process water and energy efficiency measures. In the area of social responsibility, the objectives are a safe and accident-free working environment, high job satisfaction, ethical operations, the use of anonymous recruitment and an increase in the proportion of female leaders. Sustainability objectives for corporate governance include ensuring traceability of raw materials, a high proportion of certified wood, and sustainability in the supply chain through commitment to the ethical code of conduct, supplier audits and commitment to common sustainability objectives with key suppliers. In 2023, Metsä Tissue advanced its target of fossil free mills by switching from fossil brown coal to the use of renewable wood pellets in heat production at the Kreuzau mill, for example. To continue the transparency of its climate work, Metsä Tissue participated for the second time in the CDP (Carbon Disclosure Project) environmental data scoring and disclosure process for climate information.

In the development of safety at work, Metsä Tissue's goal is zero accidents. During 2023, systematic safety work continued, with positive results. All the company's mills focused especially on the prevention of hand-related injuries and continued the implementation of a lock-out-tagout procedure (LOTO) to prevent accidental start-ups at all Metsä Tissue mills.

Metsä Tissue uses fresh and recycled fibre and a combination of the two for tissue paper products to meet customer needs for product quality and functionality. In recent years, fresh fibre has accounted for as much as 70% of the fibre used. In greaseproof paper products, only fresh fibre is used. The majority of fresh fibre comes from Metsä Group companies that purchase their wood from the Group's owner-members. This ensures the supply of responsibly produced, pure premium raw material from local sources, making Metsä Tissue a unique player in the European tissue paper market. The wood we use is always traceable, and it comes from sustainably managed and certified or controlled forests. The sources of recycled fibre include office wastepaper. Metsä Tissue requires its suppliers to commit to Metsä Group's Code of Conduct. Metsä Tissue will intensify its focus on increasing fresh fibre-based production to ensure security of supply for its customers amid decreasing availability of recycled fibres and to produce tissue paper as energy efficiently as possible in an unstable energy market.

Metsä Tissue's strong position as a responsible local producer will continue to be an important success factor. The company's mills are located close to its main markets. The products are made as close to the customers as possible, decreasing the carbon dioxide emissions and transport costs. The product portfolio is also being harmonised to make storage and transportation as efficient as possible.

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The main raw materials used in Metsä Tissue's tissue and greaseproof paper products are renewable. The products are biodegradable, and they can be composted or sorted into waste-to-energy containers. Tissue and greaseproof papers are safe for the people and the environment. Substances suitable with respect to the end use of the products are used in the production processes under the relevant restrictions. Metsä Tissue's products meet the EU's requirements for food contact paper, which state that the paper must not release any substances that are detrimental to human health or change the sensory properties of food. This is ensured by observing process hygiene, performing regular product tests and verifying the acceptability of the raw materials from suppliers. Metsä Tissue only buys chemicals from responsible suppliers who observe Metsä Group's Supplier Code of Conduct. The mill personnel have been trained to handle chemicals safely and appropriately.

Most Metsä Tissue products carry the Nordic Swan Ecolabel, the EU Ecolabel or the German Blauer Engel ecolabel, which are indications that the products meet strict environmental criteria throughout their life-cycles. The production processes of ecolabelled products also account for any requirements the labels set for chemicals, for example.

All Metsä Tissue mills have quality, environmental and energy efficiency systems certified in accordance with the criteria of the ISO 9000, ISO 14001 and ISO 50001 standards. Most of the mills also have the occupational health and safety management system certificate OHSAS 18001 or ISO 45001. Management systems for the chain of custody of fibre raw material, certified according to the requirements of the PEFC and FSC forest certification standards, are used at all mills to ensure the traceability of wood-based raw material.

Metsä Tissue's key sustainability figures are reported as part of Metsä Group's sustainability reporting.

Product development and marketing

Metsä Tissue's own strong brands play an important role in its strategy. Long-term marketing activities are being carried out to increase the value of the brands and their additional value to customers. In 2023, the focus in consumer brands was on reaching consumers through media and in-store visibility. For the professional brand Katrin, the implementation of the Katrin Academy customer training concept continued, as well as the development of digital visibility and tools.

The sales of all brands developed positively in terms of value compared to the previous year.

Lambi continued to be the most popular tissue paper brand in the Nordic countries in 2023. "Natural softness" marketing was aimed at a broad consumer base in the Nordic and Baltic countries. Serla continued to develop positively, using the "Smart Choice" message in its marketing communications. The Polish market was served by both the Lambi and Mola brands, and south-eastern Europe by Tento and Family by Tento.

The demand situation for greaseproof papers varied during the year, but normalised towards the end of the year in most markets. Product development focused on new products in the food packaging segment. Production costs remained significantly above the long-term average due to cost inflation.

Business risks

At Metsä Tissue, risk management means systematic and proactive measures that analyse and manage opportunities and threats related to business. Strategic, operational, financial and damage risks are assessed in accordance with Metsä Group's risk management policy. Identified risks are prepared for appropriately. Metsä Tissue bears part of the risks itself, and part is covered selectively through insurance and derivative contracts and other contractual terms, for example.

Metsä Tissue's most significant strategic risks involve the development of the competitive environment and the success of key investments. The war in Ukraine has also increased political risk, mainly related to the availability of raw materials and price increases. The most important operational risks are related to the availability and price of key production inputs such as raw materials and energy and the ability to attract and retain skilled personnel. Significant increases in raw materials and energy prices, which started in 2021, levelled off in 2023.

The most notable financial risks are changes in exchange rates and interest rates, and customers' credit risks. At present, Metsä Tissue's external financing arrangements are limited, so the company's financial risks are low. Damage risks that pose a threat to Metsä Tissue's operations include natural phenomena, fires, and safety-at-work and environmental risks as well as infectious disease risks.

Organisation and personnel

The number of Metsä Tissue's employees in 2023 remained at the previous year's level. In 2023, Metsä Tissue employed an average of 2,514 people (2022: 2,512 and 2021: 2,541). At the end of the year, the personnel numbered 2,488 (2022: 2,449 and 2021: 2,480). The parent company had an average of 430 employees (2022: 430 and 2021: 432). At the end of the year, the parent company's personnel numbered 419 (2022: 397 and 2021: 412).

Salaries and remuneration paid to the Group's personnel totalled EUR 118.4 million (2022: 118.1 and 2021: 112.9). Salaries and remuneration paid by the parent company totalled EUR 21.9 million (2022: 24.4 and 2021: 21.7).

In 2023, all the development measures determined based on the results of the 2022 ethics barometer were implemented as planned. The development measures increased employee awareness of the Code of Conduct, created practices to support its implementation in day-to-day activities and increased employee awareness of how to report unethical behaviour. Metsä Tissue conducted an employee survey in the autumn of 2023, and the results were completed in November. The response rate to the survey was good, at 76.7% (2021: 77.3%). Metsä Tissue's overall result was at the level of the European benchmark group. The PeoplePower® index, which describes the overall survey score, was 73.0, equalling a satisfactory A+ level (2021: 74.9, good AA level). Based on the employee survey, Metsä Tissue's greatest strengths are related to the work community: efficiency, work organisation and team spirit. The most important areas for development

were confidence in the company's future and the opportunity to influence operational development. The analysis of the results of the employee survey and identification of development measures started in late 2023 and will continue in 2024. Metsä Tissue's Management Team regularly monitors the measures' implementation. Metsä Tissue aims to achieve the AAA level by 2030.

The efforts to develop safety at work continued on the basis of previous years' work. In 2023, the total recordable incident frequency (TRIF) fell from the previous year 3.4 to 2.2. Sickness absence (6.1%) remained unchanged (6.1%).

Metsä Tissue's European Works Council and Working Committee both convened twice during the year. The main themes of the meetings were health and safety at work, well-being at work, the employee survey and its results, and the business situation. In October 2023, Metsä Tissue's European Works Council visited the Krapkowice mill.

In the summer of 2023, Metsä Tissue carried out a trainee programme abroad in Metsä Tissue's foreign mill units, for which six university students from Finland were selected. A similar traineeship programme is planned for 2024.

Changes in the Management Team

There were no changes in Metsä Tissue's Management Team in 2023. The Management Team's members are: Esa Kaikkonen, CEO; Jari Tiura, Senior Vice President, Operations and Technology; Jani Sillanpää, Senior Vice President, Nordics; Tobias Lüning, Senior Vice President, Central Europe; Mika Paljakka, Senior Vice President, UK & Ireland; Johanna Kesti, Senior Vice President, Marketing, Communications and Sustainability; Mariusz Jedrzejewski, Senior Vice President, Business Development; Juha Pilli-Sihvola, CFO; and Jukka Oinonen, Senior Vice President, HR.

Board of Directors and auditors

Metsä Tissue Corporation was established on 10 December 2003. The members of the company's Board of Directors are Ilkka Hämälä (Chair) and Vesa-Pekka Takala. Authorised Public Accountants KPMG Oy Ab serve as the company's auditor, with Kirsi Jantunen as the principal auditor.

Board of Directors' proposal for the distribution of profit

The company's distributable funds are EUR 461,257,245.02. The Board of Directors proposes that no dividend be distributed for the 2023 financial period.

Breakdown of Metsä Tissue Corporation's Share capital

	2023	2022	2021
A-shares*	9,118,588	9,118,588	9,118,588
B-Shares*			
Total	9,118,588	9,118,588	9,118,588

* 1 vote/shares

Outlook for 2024

The operating environment for the tissue paper business remains unstable, as core inflation remains high. If necessary, the company will extend commercial shutdowns to ensure adequate product profitability as demand normalises.

Events after the period

No events after the period.

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Consolidated statement of comprehensive income

1000 EUR	Note	2023	2022
Sales	2.2, 7.3	1,250,228	1,197,014
Change in stocks of finished goods and work in progress		-22,163	32,961
Other operating income	2.3, 7.3	41,436	11,542
Material and services	2.4, 7.3	-740,765	-919,828
Employee costs	2.4, 3	-167,288	-167,337
Depreciation, amortisation and impairment losses	2.4, 4.1, 4.2	-44,514	-44,680
Other operating expenses	2.4	-118,284	-112,633
Operating result		198,650	-2,961
Share of profit from associated companies and joint ventures	7.1	175	87
Net exchange gains and losses	5.2	-67	-289
Other financial income	5.2, 7.3	5,144	851
Interest and other financial expenses	5.2, 7.3	-2,618	-2,685
Result before tax		201,285	-4,996
Income taxes	6.	-46,623	4,618
Result for the period		154,662	-379
Other comprehensive income			
Items that will not be reclassified to profit or loss	5.1, 6.		
Actuarial gains/losses on defined benefit pension plans		-4,163	15,729
Income tax relating to items that will not be reclassified		936	-3,729
Total		-3,212	12,000

1000 EUR	Note	2023	2022
Items that may be reclassified to profit or loss	5.1, 6.		
Cash flow hedges		-4,097	-4,966
Translation differences		6,890	-16,411
Income tax relating to items that may be reclassified		819	1,000
Total		3,612	-20,377
Other comprehensive income, net of tax		385	-8,377
Total comprehensive income for the period		155,047	-8,756
Result for the period attributable to			
Shareholders of parent company		154,662	-379
Total		154,662	-379
Total comprehensive income for the period attributable to			
Shareholders of parent company		155,047	-8,756
Total		155,047	-8,756

Consolidated balance sheet

1000 EUR	Note	2023	2022
ASSETS			
Non-current assets			
Goodwill	4.1	22,378	22,121
Other intangible assets	4.1	136,227	131,710
Tangible assets	4.2	451,226	370,662
Investments in associated companies and joint ventures	7.1	2,882	2,587
Other investments	4.3	7	5
Other non-current financial assets	5.3	2,601	2,590
Deferred tax receivables	6.	4,061	13,583
Total		619,382	543,257
Current assets			
Inventories	4.4	148,582	175,451
Accounts receivable and other receivables	4.5, 7.3	176,970	193,395
Current income tax receivables		1,182	6,284
Derivative financial instruments	5.7	1,985	6,794
Cash and cash equivalent	5.4, 7.3	216,890	72,676
Total		545,608	454,600
Total assets		1,164,990	997,856

1000 EUR	Note	2023	2022
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to shareholders of parent company			
Share capital		91,186	91,186
Share premium account		88,242	88,242
Translation differences		-10,193	-17,083
Fair value and other reserves		-1,229	2,048
Reserve for invested unrestricted equity		325,000	225,000
Retained earnings		267,684	116,072
Total shareholders' equity		760,690	505,465
Total shareholders' equity	5.1	760,690	505,465
Non-current liabilities			
Deferred tax liabilities	6.	44,758	39,480
Post employment benefit obligations	3.5	40,373	37,160
Provisions	4.7	2,772	3,109
Borrowings	5.5, 5.6, 5.7	24,544	28,865
Total		112,447	108,613
Current liabilities			
Provisions	4.7	513	127
Current borrowings	5.5, 5.6, 5.7	10,444	87,809
Accounts payable and other liabilities	4.7, 7.3	263,279	286,708
Current income tax liabilities		13,509	4,942
Derivative financial instruments	5.7	4,109	4,193
Total		291,854	383,779
Total liabilities		404,301	492,391
Total shareholders' equity and liabilities		1,164,990	997,856

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Statement of changes in shareholders' equity

1000 EUR	Note	Share capital	Share premium account	Translation differences	Fair value and other reserves	Reserve for invested unrestricted equity	Retained earnings	Equity attributable to shareholders of parent company
Shareholders' equity, 1 Jan 2023		91,186	88,242	-17,083	2,048	225,000	116,072	505,465
Result for the period							154,662	154,662
Other comprehensive income net of tax	5.1, 6.			6,890	-3,277		-3,227	385
Comprehensive income total				6,890	-3,277		151,435	155,047
Related party transactions								
Other changes in equity	5.1					100,000		100,000
Share based payments	3.3						178	178
Shareholders' equity, 31 Dec 2023		91,186	88,242	-10,193	-1,229	325,000	267,684	760,690

Shareholders' equity, 1 Jan 2022		91,186	88,242	-672	6,014	225,000	104,987	514,757
Result for the period							-379	-379
Other comprehensive income net of tax	5.1, 6.			-16,411	-3,966		12,000	-8,377
Comprehensive income total				-16,411	-3,966		11,621	-8,756
Related party transactions								
Share based payments	3.3						-536	-536
Shareholders' equity, 31 Dec 2022		91,186	88,242	-17,083	2,048	225,000	116,072	505,465

Consolidated cash flow statement

1000 EUR	Note	2023	2022
Cash flow from operating activities			
Result for the period		154,662	-379
Adjustments to the result, total 1)		75,001	39,440
Interest received		5,144	775
Interest paid		-2,649	-2,682
Dividends received			82
Other financial items, net		797	-578
Income tax paid		-16,785	-1,031
Change in working capital 2)		26,746	-60,748
Net cash flow from operations		242,915	-25,121
Cash flow from investing activities			
Acquisition of shares in join ventures			-81
Investments in tangible and intagible assets		-117,981	-43,575
Proceeds from disposal of other shares		-2	1,282
Proceeds from sale of tangible and intangible assets		6,337	494
Change in non-current receivables		0	-1,719
Net cash flow from investing activities		-111,646	-43,598
Cash flow from financing activities			
Payment of non-current liabilities		-9,837	-10,844
Change in current liabilities	5.5	-78,658	57,350
Change in current interest-bearing receivables	5.5	-7	2
Other changes in equity	5.1	100,000	
Net cash flow from financing activities		11,498	46,508
Change in cash and cash equivalents		142,766	-22,210

1000 EUR	Note	2023	2022
Change in cash and cash equivalents			
Cash and cash equivalents at beginning of period		72,676	98,805
Translation adjustments		1,448	-3,919
Change in cash and cash equivalents		142,766	-22,210
Cash and cash equivalents at end of period	5.4	216,890	72,676
Additional information on the group's cash flow statement			
1) Adjustments to the result, total			
Taxes		46,623	-4,618
Depreciation, amortisation and impairment charges		44,514	44,680
Share of result from associated companies and joint ventures		-175	-87
Gains and losses on sale of non-current assets		-13,917	-883
Finance costs, net		-2,459	2,123
Post-employment benefit obligations and provisions		238	-2,153
Other adjustments		178	378
Adjustments to the result, total		75,001	39,440
2) Change in working capital			
Inventories		28,758	-51,698
Accounts receivables and other receivables		25,346	-54,992
Accounts payable and other liabilities		-27,358	45,942
Change in working capital		26,746	-60,748

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Notes to the consolidated financial statements

Accounting principles

General information

Metsä Tissue Oyj is a Finnish public company and have been owned by Metsäliitto Cooperative in the end of reporting period 31.12.2023. The company is domiciled in Helsinki.

Metsä Tissue is a growing consumer goods company that manufactures tissue and greaseproof papers for individual consumers and bulk buyers. The company is the world's leading manufacturer of greaseproof paper products. The company holds a strong position in both consumer and bulk buyer markets serving as a supplier of its own brands – Lambi, Serla, Mola, Tento, Katrin and SAGA – as well as those of customers. The company's production units are located in Finland, Sweden, Germany, Poland and Slovakia.

Metsä Tissue Oyj is Group's parent company that is domiciled in Helsinki. The registered address of the company is Revontulenpuisto 2A, 02100 Espoo.

The copy of the annual report can be obtained in company's head office Revontulenpuisto 2A, 02100 Espoo Finland.

The Group consolidated financial statements were authorized for issue by the Board of Directors on 8 February 2024. According to Finnish Companies Act shareholders have possibility to accept or reject the financial statements in General Meeting of shareholders after date of publication. General Meeting of shareholders also has the possibility to decide to change financial statements.

Accounting principles

Metsä Tissue's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), applying the standards and interpretations that had been approved by the EU and were effective on 31 December 2023. The notes to the consolidated financial statements also comply with the requirements of Finnish accounting and Community legislation supplementing the IFRS rules.

The consolidated financial statements are presented in thousands of euros.

These financial statements have been prepared based on original acquisition costs, excluding financial assets and liabilities recognized at fair value, hedged items in fair value hedging, assets and obligations related to defined benefit plans and share-based payments measured at fair value.

Mitigating climate change and reducing emissions

Transitioning to fully fossil free energy in production, abandoning fossil-based raw materials, using energy and water more efficiently, and safeguarding strong forest growth and carbon storage are at the core of Metsä Group's sustainability targets. The Group aims for fully fossil free mills and raw materials by the end of 2030. The achievement of ambitious targets requires investment, operational development and the use of the best available technology. Climate-related targets have an impact on the useful lives of property, plant and equipment (Note 4.2) and the preparation of future cash flow estimates in connection with goodwill impairment testing (Note 4.1).

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 initial recognition exemption and clarify that the exemption does not apply to transactions such as leases and decommissioning obligations which give rise to equal and offsetting temporary differences. The amendments will impact the notes to be presented. Further information can be found in the note: 6 Income taxes.

Amendments to IAS 12 Income taxes - International Tax Reform — Pillar Two Model Rules. The amendments give relief from accounting for deferred taxes arising from the OECD's (Organisation for Economic Co-operation and Development) international tax reform and require new disclosures to compensate for the potential loss of information resulting from the relief. Further information can be found in the note: 6 Income taxes.

Other standard changes do not have a significant impact on the group's financial statements.

Adoption of new and amended standards in future financial years

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures * (effective for financial years beginning on or after 1 January 2024, early

application is permitted). The amendments enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. Amendments require to disclose quantitative and qualitative information about supplier finance programs.

* = Amendment has not been approved to be applied by the EU by 31.12.2023.

Other standard changes do not have a significant impact on the group's financial statements.

Transactions in foreign currency

The items included in the financial statements of Group companies are presented in the currency that is used in each company's primary operating environment. The consolidated financial statements are presented in euros, which is the parent company's functional and presentation currency.

Business transactions denominated in foreign currencies are recognised in the operating currency using the exchange rate on the transaction date. At the end of the financial period, open receivables and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate on the balance sheet date. Since March 2022, the rate used for the Russian ruble is the closing rate for EUR/RUB published by Refinitiv, which management considers to best represent the market rate for the time. Any gains or losses resulting from transactions in foreign currencies and from the translation of monetary items are recognised in financial income and expenses.

More information about currency hedging is provided in Note 5.6 Management of financial risks.

The income statements of Group companies whose functional currency is not the euro are translated into euros using the average exchange rates of the financial period, and their balance sheets are translated using the exchange rates on the balance sheet date. Changes in translation differences arising from the translation of Group companies' income statements and balance sheets and from the translation of net investments in foreign entities are recognized in the consolidated comprehensive income statement. In conjunction with divestments of Group companies, either by selling or by dissolving, translation differences accumulated by the time of the divestment are recognized in the income statement as part of the gain or loss from the divestment.

Other accounting principles

Other accounting principles are presented as part of the relevant notes.

Key estimates and judgements

The preparation of financial statements requires the use of the management's estimates, assumptions and judgement-based decisions that affect the amount of assets and liabilities, the presentation of contingent assets and liabilities in the financial statements, and the amount of income and expenses. Even though such estimates and assumptions are based on the management's best knowledge at the time they were made, it is possible that the actual values differ from those used in the financial statements. In terms of the financial statements, the key areas that involve the management's estimates and judgement-based decisions are presented in the following notes:

Management's judgement-based decisions

Estimates and assumptions

The Group's key uncertainties related to assumptions and estimates that carry a significant risk of the book values of assets and liabilities changing during the following financial period include the following:

Item	Note	Nature of estimates and assumptions
Pension obligations	3.5 Pension obligations	Actuarial assumptions used as the basis for determining the current value of pension obligations arising from defined benefit plans and the obligation items recognised as expenses during the financial period
Property, plant and equipment and leases	4.2 Property, plant and equipment	Estimates of the useful lives of property, plant and equipment, and of lease extension options
Inventory	4.4 Inventory	Estimates of the sales prices of products measured at net realisable value, the costs of completion and the costs necessary for making the sale
Provisions	4.7 Provisions	Estimates of the date and amount of costs from the obligation
Income taxes	6. Income taxes	Estimates of the date and amount of tax liabilities arising in tax audits and deferred tax assets recognised for losses
Legal obligations	8.1 Contingent liabilities	Estimates of the date and amount of costs from obligations related to disputes and legal proceedings

2. Profitability

2.1 Segment information

Metsä Group's operating segments are comparised of the Group's business areas. Metsä Tissue is Metsä Group's tissue and greaseproof papers operating segment.

Tissue and greaseproof papers

Metsä Tissue innovates tissue paper products and services that make everyday life softer, easier and cleaner in an environmentally sustainable way. Metsä Tissue is one of the Europe's leading producers of tissue paper for homes and professional customers and the world's leading supplier of greaseproof papers used in cooking and serving food. The company's brands are Lambi, Serla, Mola, Tento, Katrin and SAGA.

2.2 Sales

Accounting principles

Performance obligations arising from the Group's sales contracts are mainly order-driven customer deliveries related to the sale of forest industry goods. Services mostly have an ancillary role in the Group's business operations, or they complement deliveries of goods.

The transaction price is the amount that the Group expects to receive in exchange for a fulfilled performance obligation. This amount, less sales-based value added taxes and sales taxes, is presented as the Group's sales. The prices received by the Group are divided into a fixed part and a variable part. The variable part consists of various discounts based on, among other things, payment terms and purchased quantities, and is allocated by the Group as deductions from sales revenue in line with estimates of the extent of the discount the customer is deemed to be entitled to. The Group's sales contracts mostly include obligations solely related to deliveries of goods, to which the allocation of the transaction price is uncomplicated. The terms of payment applied in the Group's sales invoicing vary to some degree geographically and in different business areas, but the term of payment provided is nonetheless always clearly less than a year, and the transaction price does not include a financing component.

The Group recognises revenue from the sale of goods in the period during which the control of the delivered products passes to the customer, i.e. when the risks and benefits related to the sold products transfer to the customer. Services are recognised as income over time.

Control to products transfers at the point of time when the products have been delivered in accordance with the agreed term of delivery. The Incoterms 2010 delivery terms most commonly applied by the Group and the corresponding times of sales income recognition are:

D terms:	Delivery of goods to the buyer at the agreed destination at the agreed time.
C terms:	Handing over the goods to be transported to the agreed destination by a carrier arranged for by the seller.
F terms:	Handing over the goods to a carrier arranged for by the buyer.

The Group sees geographical distribution of sales as describing best the nature, amount, timing and uncertainty of sales revenue.

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Geographical distribution of sales

1000 EUR	2023	2022
EMEA		
Finland	147,248	120,836
Other EU countries	*868,944*	*845,007*
Other Europe countries	190,730	184,333
Middle East and Africa	4,568	6,295
EMEA total	1,211,490	1,156,470
APAC	17,759	20,183
Americas	20,979	20,361
Total	1,250,228	1,197,014

2.3 Other operating income

1000 EUR	2023	2022
Service revenue	3,069	3,655
Gains on disposal	13,951	883
Rental income	295	291
Government grants and allowances	21,356	5,035
Scrap and waste sale	471	729
Other	2,295	950
Total	41,436	11,542

Gains on disposal

1000 EUR	2023	2022
Konstancin land area in Poland	12,929	
Measurement of Encore Ympäristöpalvelut Oy		481
Emission rights (note 4.1)	469	233
Other	553	169
Total	13,951	883

The government grants and compensations relate to the compensation for training, healthcare and research costs, insurance indemnities and energy aid.

In 2023 other operating income includes EUR 12,929 thousand gain on sale of land area located in Konstancin, Poland.

2.4 Operating expenses

1000 EUR	2023	2022
Materials and services		
Raw materials and consumables		
Purchases during the financial period	634,856	828,087
Change in inventories	6,667	-18,740
External services		
Logistic expenses	68,848	83,302
Other external services	30,395	27,179
Material and services, total	740,765	919,828
Employee costs	167,288	167,337
Depreciations and inpairment charges	44,514	44,680
Other operating expenses		
Purchased services	74,788	69,306
Rents and other property costs	5,614	7,766
Losses on sale of non-current assets	34	
Other operating expenses	37,848	35,561
Other operating expenses, total	118,284	112,633

Information on employee costs is presented in Note 3.1 and information on depreciations and impairment charges in Notes 4.1 and 4.2.

Among other operating expenses are energy costs, marketing and advertising costs and administrative expenses.

The Group's research and development expenses recorded as an expense were EUR 2,446 thousand (2,019).

Audit fees

The fees of the group's auditor KPMG

1000 EUR	2023	2022
Audit fees	484	418
Auditors' opinions	45	2
Tax services		4
Other services	215	53
Total	743	477

Fees to other auditors than KPMG amounted to EUR 206 thousand (379).

3. Remuneration

3.1 Personnel costs

1000 EUR	2023	2022
Salaries and other remuneration	113,810	114,102
Share-based payments	178	378
Other long-term remunerations	4,439	3,633
Pension costs		
Defined benefit plans	330	771
Defined contribution plans	10,051	8,679
Other indirect employee costs	38,479	39,774
Total	167,288	167,337
Number of employees at the end of financial year	2,488	2,449

3.2 Salaries, remuneration and pension costs paid to the key management

The Group's key management includes members of the parent company's Board of Directors as well as the Executive Team, including the CEO of the parent company.

Salaries, remuneration and pension costs paid to the key management

1000 EUR	2023	2022
The CEO		
Wages and salaries	549	505
Share-based payments (long-term remuneration)		348
Pension costs		
Defined benefit plans	167	154
Defined contribution plans	93	98
Board members and executive group		
Wages and salaries	1,890	1,804
Share-based payments (long-term remuneration)		807
Pension costs		
Defined benefit plans	15	14
Defined contribution plans	234	234
Total	2,948	3,964

The CEO of Metsä Tissue's parent company Esa Kaikkonen has a separate defined benefit pension plan, according to which the age of retirement is 62 years. Based on the supplementary pension plan, the CEO's pension level is a maximum of 60 percent of the total salary under the Employment Pension Act calculated on the basis of the five-year period preceding retirement. If the employment relationship with Metsä Group ends before retirement age, the CEO is entitled to a paid-up policy. In the event of termination and change of control of the company, the CEO is entitled to receive a compensation equal to his 12-month salary. The period of notice is 6 months.

The amount of the defined benefit pension is the paid pension and not the recognized IAS 19 figure.

Key management had no loans outstanding from the company and there were no guarantees given on behalf of key management.

3.3 Share-based payments

Accounting principles

Share-based incentive programmes in which the payments are made with equity instruments and cash have been established for the company's top executives. The Group's share-based incentive schemes are treated in full as arrangements to be taken care of in shares. The incentives granted are measured at fair value on the grant date, and recognised as expenses in the income statement and equity evenly over the vesting period.

The effect on profit of the incentive programmes is presented in personnel expenses.

The Group had one incentive scheme during the review period: Performance-based share incentive scheme 2017-2021 which Board of Directors decided to adopt 10.1.2017 as part of key personnel's incentive and commitment arrangement. The effect of the share incentive scheme on net result 2023 was EUR 178 thousand.

Performance-based share-based incentive scheme 2017-2021

The arrangement offers the target group an opportunity to receive Metsä Board Corporation's B shares in three performance periods of three calendar years each as a reward for achieving the targets set for the periods' performance criteria. The performance periods are the calendar years 2017-2019, 2018-2020 and 2019-2021. The reward for an performance period is paid based on the achievement of the targets set for the performance criteria in March (estimate) following the performance period. In addition to the shares, the reward includes a cash portion, which covers the taxes and tax-like payments resulting from the reward to the key employees. The reward will not be paid if the person's employment is terminated before the end of the earning period. In addition, the scheme includes a two-year commitment period. If the key employee's employment ends during the commitment period, the key person must, as a rule, return the delivered shares to the company free of charge.

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Basic information and events of share-based incentive

31 Dec 2023	Performance based share incentive scheme 2017–2021 2017-2021
Key characteristics	
Maximum number of shares	198,750
Criteria	Omavaraisuusaste, ROCE ja EBIT
Personnel (31 December 2023)	10
Factors used to determine fair value	
Fair value on balance sheet date, 1000 EUR	829
Effect on result and financial position, 1000 EUR	
Expense in share-based payments settled as equity	178
Number of shares 1 January 2023 *	
Outstanding at the beginning of the period	75,900
Changes during the year	
Shares exercised	75,900
Shares expired	
Number of shares 31 December 2023	
Outstanding at the end of the period	

* The amounts of share rewards shown in the table are net amounts, i.e. they reflect the number of shares granted on the basis of share bonuses. In addition, the reward includes a cash portion, which covers the taxes and tax-like charges resulting from the reward to the key employees at the time of payment.

3.4 Other long-term remuneration

Accounting principles

Other long-term remuneration is treated in the Group in the same manner as the bonuses included in other long-term fringe benefits.

The long-term remuneration scheme of Metsä Group for 2020–2024 is based on three-year earning periods (2020–2022, 2021–2023 and 2022–2024), each followed by a one-year restriction period. Similarly, Metsä Group's long-term remuneration system for 2023-2027 is based on three-year earning periods (2023-2025, 2024-2026 and 2025-2027), each followed by a one-year restriction period. The earning criteria, the targets set for them at the beginning of each earning period and the executives covered by the scheme are decided by the Board of Directors. The attainment of the targets established for an earning period determines the proportion of the remuneration to be paid to the executives. The Board is furthermore entitled to cut, partly or in full, the remuneration based on the system, provided that certain criteria related to the development of the Group's result and equity ratio are not met, or if the amount of remuneration would exceed the maximum remuneration specified for the executive concerned. In addition to meeting the earning criteria, rewarding is based on a synthetic share, whose value is calculated on the basis of the total value of Metsä Group. The maximum level of remuneration of the CEO of Metsä Tissue is 140 % of his fixed annual salary (cutter level 180 % of fixed annual salary). The maximum level of other members of the Executive Management Team of Metsä Tissue is 100 % of fixed salary (cutter level 130 % fixed annual salary).

The possible remuneration is paid in cash after the restriction period, and it includes all statutory taxes and any other tax-like payments. If an executive's service or employment contract terminates during the earning or restriction period, the executive forfeits, as a rule, his/her right to the remuneration.

During the earning period of 2021-2023, Metsä Tissue's the long-term remuneration scheme covers 10 persons (December 2023), including all members of Metsä Tissue's Group Management Team and other executives in key positions of the group. Based on the scheme, a total of 158,836 synthetic shares (gross) can be earned for the earning period 2020-2022, a total of 170,187 synthetic shares (gross) can be earned for the earning period 2021-2023, a total of 168,481 synthetic shares (gross) can be earned for the earning period 2022-2024 and a total of 136,737 synthetic shares (gross) can be earned for the earning period 2023-2025. The value of the remuneration includes taxes and other charges at the time of payment. The impact of other long-term remuneration schemes on the 2023 consolidated income statement was EUR 4,4 million.

3.5 Pension obligations

Accounting principles

The Group's arrangements concerning benefits following the termination of employment are either defined benefit pension plans or defined contribution pension plans. A defined contribution plan is a pension arrangement in which fixed contributions are made to a separate unit, and the Group does not have legal or constructive obligations to make additional contributions if the fund has insufficient funds to pay all benefits to all employees in accordance with its obligations in the future. All arrangements that do not meet these requirements are considered to be defined benefit plans. A defined benefit plan defines the pension benefit that the employee will receive upon retiring, the amount of which depends on factors including the employee's age, years of service and salary level, for example.

With defined benefit plans, the current value of the obligations on the end date of the reporting period, less the fair value of the assets included in the arrangement, is recognised on the balance sheet as a liability. The amount of the obligation arising from the plan is based on annual calculations by independent actuaries using the projected unit credit method. The current value of the obligation is determined using the interest rate equalling the interest rate of high-quality bonds issued by the companies as the discount rate for the estimated future cash flows. The bonds used in determining the interest rate have been issued in the same currency as the benefits to be paid, and their maturity is approximately the same as that of the corresponding pension obligation.

Actuarial gains and losses from experience verifications and changes in actuarial assumptions are recognised through items of other comprehensive income as a reimbursement or charge in equity for the period during which they have been incurred. Past service costs are recognised immediately through profit and loss.

Apart from contributions related to pension insurance, the Group does not have any other payment obligations in defined contribution plans. Obligation-based payments are allocated as expenses in accordance with accrual accounting.

Key estimates and judgements

The determination of the current value of pension obligations arising from defined benefit plans and the obligation items to be recognised as expenses during the financial period is based on the use of actuarial assumptions. These assumptions include the discount rate, the expected rise in salary levels, and life expectancy.

Post-employment benefits

1000 EUR	2023	2022
Liabilities recognised in balance sheet		
Defined benefit pension plans	39,948	36,834
Defined contribution pension plans	425	325
Total	40,373	37,160

Defined pension plans

The Group has defined pension benefit plans in Germany and Sweden.

Sweden

The defined benefit pension plan in Sweden concerns officials born in 1978 or earlier. The arrangement grant old-age pension, complementary old-age pension, family pensions and disability pensions. The amount of pension depends on the salary in which the future salary increases, length of service and other important factors like changes in the labour market are considered. The defined benefit plan in Sweden is unfunded. The obligation has a guarantee liability.

Germany

Metsä Tissue has several pension schemes in Germany that are treated as defined benefit pension plans. The arrangements grant old-age pensions, disability pensions and family pensions exceeding the statutory pension security for eligible employees, officials, senior management and former owners of the local entities. The retirement age is usually 67 years, and the amount of pension depends on the length of service. Officials and senior management are required to have a service history of minimum 10 years to receive a full pension. The employees are eligible for the pension after reaching the age of 35. The pension plans are closed. The defined benefit plans in Germany are unfunded.

The Group also has defined pension benefit plans in Norway and Slovakia.

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Amounts in balance sheet

1000 EUR	2023	2022
Present value of funded obligations	7,662	8,463
Fair value of plan assets	-5,689	-5,860
Deficit (+) / surplus (-)	1,973	2,603
Present value of unfunded obligations	37,975	34,231
Deficit (+) / surplus (-) of defined benefit pension plans, total	39,948	36,834
Defined benefit-based pension liabilities on the balance sheet, net	39,948	36,834

Change in defined benefit pension obligations in 2023

1000 EUR	Present value of obligation	Fair value of plan assets	Total
1 Jan 2023	42,694	-5,860	36,834
Current service cost	330		330
Interest expense (+) or interest income (-)	1,517	-166	1,350
Gains (-) / losses (+) on settlements	1		1
Total amount recognised in profit and loss	1,847	-166	1,681
Remeasurements in other comprehensive Remeasurements in other comprehensive income			
Return on plan assets, excluding amounts included in interest income or expense		262	262
Gains (-) and losses (+) from change in demographic assumptions	219		219
Gains (-) and losses (+) from change in financial assumptions	1,198		1,198
Experience gains (-) and losses (+)	2,475		2,475
Total remeasurements in other comprehensive income	3,893	262	4,154
Translation differences	-474	376	-98
Contributions			
Employers		-544	-544
Payments from plans			
Benefit payments	-2,322	243	-2,079
31 Dec 2023	45,637	-5,689	39,948

Change in defined benefit pension obligations in 2022

1000 EUR	Present value of obligation	Fair value of plan assets	Total
1 Jan 2022	62,439	-6,159	56,280
Current service cost	832		832
Interest expense (+) or interest income (-)	877	-82	796
Gains (-) / losses (+) on settlements	-61		-61
Total amount recognised in profit and loss	1,649	-82	1,567
Remeasurements in other comprehensive Remeasurements in other comprehensive income			
Return on plan assets, excluding amounts included in interest income or expense		311	311
Gains (-) and losses (+) from change in financial assumptions	-13,443		-13,443
Experience gains (-) and losses (+)	-2,099		-2,099
Total remeasurements in other comprehensive income	-15,541	311	-15,230
Translation differences	-3,087	311	-2,776
Contributions			
Employers		-416	-416
Payments from plans			
Benefit payments	-2,766	174	-2,591
31 Dec 2022	42,694	-5,860	36,834

Defined benefit pension obligation and plan assets by country in 2023

1000 EUR	*Sweden*	*Germany*	*Other Countries*	*Total*
Present value of obligation	24,041	13,430	8,166	45,637
Fair value of plan assets			-5,689	-5,689
Total	24,041	13,430	2,477	39,948

Defined benefit pension obligation and plan assets by country in 2022

1000 EUR	Sweden	Germany	Other Countries	Total
Present value of obligation	20,580	13,268	8,846	42,694
Fair value of plan assets			-5,860	-5,860
Total	20,580	13,268	2,986	36,834

Significant actuarial assumptions 2023

	Sweden	Germany	Other countries
Discount rate, %	3.20	3.07	3.70
Salary growth rate, %	2.35	3.00	3.75
Pension growth rate, %	1.60	2.20	3.50

Significant actuarial assumptions 2022

	Sweden	Germany	Other countries
Discount rate, %	4.00	3.66	3.20
Salary growth rate, %	2.75	3.00	3.75
Pension growth rate, %	2.00	2.20	3.50

Sensitivity of benefit obligation to changes in essential weighted assumptions 2023

	Impact on benefit obligation	
Change in assumption	**Increase**	**Decrease**
Discount rate, 0,5%-points	7.52% decrease	7.24% increase
Salary growth rate, 0,5%-points	1.41% increase	2.42% decrease
Pension growth rate, 0,5%-points	5.78% increase	6.35% decrease
	Increase in assumption in one year	Decrease in assumption in one year
Life expectancy	5.41% increase	5.46% decrease

The afore mentioned sensitivity analyses are based on a situation where all other assumptions remain unchanged when one assumption changes. The sensitivity of a defined benefit obligation to changes in significant actuarial assumptions has been calculated using the same method as is used in calculating the pension obligation entered in the balance sheet.

Plan assets comprised as follows

1000 EUR	2023	2022
Investments funds	5,689	5,860
Total	5,689	5,860

The most significant risks related to defined benefit plans are as follows:

Changes in the return on bonds

Liabilities arising from the arrangements have been calculated using a discount rate based on the return on high-quality bonds issued by the companies. A decline in the discount rate increases the arrangement's liabilities.

Inflation risk

The majority of the plans' benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities although, in most cases, caps on the level of inflationary increases are inplace to protect the plan against extreme inflation.

Life expectancy

The majority of the arrangement obligations is related to producing lifetime benefits for members, so the expected increase in life expectancy will increase the arrangement obligations.

The contribution made to defined benefit plans following the termination of employment is expected to be EUR 2,850 thousand in the 2024 financial period.

In 2023, the weighted average duration of the defined benefit obligation is 13.5 years (13.6).

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4. Capital employed

4.1 Intangible assets

Accounting principles

Goodwill

Goodwill arising from the merging of business operations is recognised as the amount by which the sum of the consideration paid, the non-controlling interests' share in the object of the acquisition and the previous holding exceed the fair value of the acquired net assets.

Depreciation of goodwill is not recognised. Instead, it is tested annually for impairment and always when there is an indication of a decrease in value. Goodwill is therefore allocated to cash-generating units for impairment testing. Goodwill is recognised at original acquisition cost less accumulated impairment losses.

Other intangible assets

Intangible assets are initially recognised at their original acquisition cost on the balance sheet if the acquisition cost can be determined reliably and it is probable that the expected financial benefit from the asset will be to the benefit of the Group.

Intangible assets with limited useful lives are recognised as expenses over their known or estimated useful lives, using the straight-line depreciation method. Intangible assets for which a useful life cannot be determined, such as brands acquired in the context of corporate acquisitions or trademarks, are not subject to depreciation, but tested annually for impairment.

The residual value of an asset, the useful life and depreciation method are checked at least annually, at the end of each financial period, and adjustments are made when necessary to reflect changes in the expected financial benefit of the asset.

Research and development costs

Research costs are recognised as expenses at the time they are incurred. Development costs are capitalised and amortised over their useful lives if the research project is likely to generate financial benefits and the costs can be measured reliably. Research and development cost recognised as expenses are presented in Note 2.4 Other operating expenses. No development costs were capitalised during the review and comparison periods.

Computer software

Costs related to developing and building significant new computer software are recognised as intangible assets on the balance sheet and depreciated on a straight-line basis over its estimated useful life, which is not to exceed seven years. Maintenance and operating costs related to computer software are recorded as expenses in the reporting period during which they have been incurred.

Configuration and customisation costs in the deployment of cloud services are recognised as expenses if they do not result in intangible assets. If the services received by the group are separable, the costs are recognised as expenses when the supplier modifies the application. If the services received by the group are not separable, the costs are recognised as expenses when the supplier provides access to the application during the term of the agreement.

Patents, licences and trademarks

The cost of patents, licences and trademarks with finite useful lives are capitalised on the balance sheet under intangible assets and depreciated on a straight-line basis over their useful lives, over 5–20 years.

Emission allowances

The Group has received emission allowances in accordance with the European Union Emissions Trading System. Allowances are treated as intangible assets and are measured at the lower of the acquisition cost or fair value at the end of the financial period. The acquisition cost of emission allowances received without consideration is zero. Emission allowances are used simultaneously with the carbon dioxide emissions generated during their validity period. Earnings from emission allowances sold are recognised in other operating income. If the emission allowances received without consideration are not sufficient to cover the amount of the actual emissions, the Group purchases additional allowances from the market. The allowances purchased are recognised in intangible rights at the fair value on the acquisition date. The provision to fulfil the obligation to return the emission allowances is recognised at fair value on the closing date of the reporting period if the emission allowances received without consideration and purchased are not sufficient to cover the amount of the actual emissions.

Intangible assets 2023

1000 EUR	Goodwill	Other intangible assets	Construction in progress	Total
Acquisition cost, 1 Jan. 2023	22,121	210,307		232,427
Translation differences	258	64	1	323
Additions		8,586	25	8,611
Decrease		-2,201		-2,201
Acquisition cost, 31 Dec. 2023	22,378	216,756	25	239,160
Accumulated depreciation and impairment charges 1 Jan. 2023		-78,597		-78,597
Translation differences		-40		-40
Accumulated depreciation on deductions and transfers		1,501		1,501
Depreciations for the period		-3,418		-3,418
Accumulated depreciation and impairment charges 31 Dec. 2023		-80,554		-80,554
Book value, 1 Jan. 2023	22,121	131,710		153,830
Book value, 31 Dec. 2023	22,378	136,202	25	158,606

Intangible assets 2022

1000 EUR	Goodwill	Other intangible assets	Total
Acquisition cost, 1 Jan. 2022	31,504	213,018	244,521
Translation differences	-9,383	-16	-9,399
Additions		952	952
Decrease		-3,647	-3,647
Acquisition cost, 31 Dec. 2022	22,121	210,307	232,427
Accumulated depreciation and impairment charges 1 Jan. 2022		-77,467	-77,467
Translation differences		12	12
Accumulated depreciation on deductions and transfers		1,405	1,405
Depreciations for the period		-2,546	-2,546
Accumulated depreciation and impairment charges 31 Dec. 2022		-78,597	-78,597
Book value, 1 Jan. 2022	31,504	135,550	167,054
Book value, 31 Dec. 2022	22,121	131,710	153,830

In 2023 and 2022, no impairments were recognized.

In 2023, the Group received 176 thousand tonnes of emission allowances free of charge (182). In addition, the Group has purchased 0 thousand tonnes (8) of emission allowances from the market and sold 5 thousand tonnes to the market (3) in 2023.

In 2023, capital gains from the sale of emission allowances recognised in other operating income totalled EUR 469 thousand (233) and the costs recognised in materials and services arising from emission allowances were EUR 0 thousand (641). The balance sheet at the end of the period includes EUR 0 thousand (0) in provisions related to emission allowances. At the end of the period, the market value of the emission allowances was EUR 67.51 per tonne (80.76) and the market values of emission possessed was EUR 12,631 thousand (16,581).

Other capitalized expenditures include brands and trademarks of EUR 122,648 thousand (122,648) which have unlimited useful life. These are tested annually for impairment. In addition these include customer relationships of EUR 7 thousand (2,467), computer software, patents and licenses.

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Impairment testing

Accounting principles

Depreciation is not recognised for assets with indefinite useful lives. Instead, such assets are tested for impairment annually. Assets that are subject to depreciation are always tested for impairment when events or changes in conditions indicate that it is possible that the monetary amount corresponding to the book value of the assets might not be recoverable.

Cash-generating units are reporting segments or smaller units for which a utility value can be defined.

The recoverable amount is the higher of the fair value of an asset less the cost of sale, and its value in use. Value in use is the estimated future net cash flows, discounted to their present value, expected to be derived from said asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of the asset is higher than its recoverable amount. If the impairment loss concerns a cash-generating unit, it is first allocated to decrease the goodwill of the cash-generating unit, and thereafter to decrease the other assets of the unit symmetrically. In connection with the recognition of the impairment loss, the useful life of the depreciated asset is re-evaluated. An impairment loss recognised for an asset other than goodwill is reversed if a change has taken place in the estimates used to determine the recoverable amount of the asset. However, the maximum reversal of an impairment loss amounts to no more than the carrying amount of the asset if no impairment loss had been recognised. An impairment loss recognised on goodwill is not reversed under any circumstances.

Metsä Tissue carries out impairment testing once a year, during the fourth quarter, based on the situation on 30 September, or more frequently if signs of a possible impairment are detected.

The recoverable amounts of the cash-generating units being tested are based on five-year forecasts and the resulting, steadily growing cash flows. The initial value used for the key assumptions of the cash flows – prices and variable costs – after the forecast period is the average of the five-year forecast period. The value used for delivery volumes and fixed costs is the value of the forecast period's fifth year. The key testing assumptions are management estimates and forecasts obtained from external sources of information.

The discount rate used is the weighted average cost of capital (WACC). When calculating the WACC, the cost of debt takes into account the market-based view of the credit risk premium.

The group's impairment testing and assumptions in the situation on 30 September 2023:

Cash-generating unit	Goodwill 1000 EUR	Brand 1000 EUR	Discount rate after taxes 30 Sep. 2023 (%)	Discount rate after taxes 30 Sep. 2022 (%)	Long-term growth rate 30 Sep. 2023 (%)	Long-term growth rate 30 Sep. 2022 (%)
Tissue and greaseproof papers						
Tissue papers	14,950	122,648	7.91	7.21	2.00	2.00
Greaseproof papers	3,243		7.91	7.21	2.00	2.00

4.2 Tangible assets

Accounting principles

Property, plant and equipment are measured at acquisition cost less accumulated depreciation and impairment losses.

The acquisition cost includes costs that are directly incurred in the acquisition of an item of property, plant or equipment. External capital expenses resulting directly from the acquisition, construction or manufacture of an item of property, plant or equipment that meet the conditions are activated as part of the acquisition cost of property, plant and equipment.

If a piece of property, plant or equipment consists of several parts with differing useful lives, each part is handled as a separate item. In that case, the expenses related to replacing the part are capitalised, and any book value remaining at the time of replacement is derecognised on the balance sheet.

Spare parts, spare equipment and maintenance supplies are recognised in property, plant and equipment if their useful life is expected to exceed 12 months. Otherwise, such commodities are classified as inventories.

Significant investments in renovations and improvements are capitalised on the balance sheet and depreciated over the remaining useful life of the main commodity related to such investments. Repair and maintenance costs are recognised as expenses when they are realised.

Property, plant and equipment is depreciated on a straight-line basis over the following estimated useful lives. Owned land and water areas are not subject to depreciations.

Estimated useful lives	
Buildings and constructions	20–40 years
Machinery and equipment	
Heavy power plant machinery	20–40 years
Other heavy machinery	15–20 years
Lightweight machinery and equipment	5–15 years
Other tangible assets	5–20 years

The financial useful life of an asset is checked at least at the end of each financial period, and adjustments are made when necessary to reflect changes in the expected financial benefit of the asset. According to management's estimates, property, plant and equipment have no residual value.

Gains and losses arising from the sale and decommissioning of items of property, plant and equipment are recognised in other operating income and expenses. Sales gains or losses are calculated as the difference between the sales price and the remaining acquisition cost.

Public subsidies related to the acquisition of commodities are presented as adjustments of the acquisition cost on the balance sheet and recognised as income in the form of lower depreciation during the useful life of the asset.

Leases

The Group has leased various land areas, properties, equipment and vehicles. When the leased asset is available for the Group's use, the right-of-use asset and the corresponding liability of the lease is recognised. Paid rents are divided into liabilities and finance costs. The finance cost is included in profit or loss over the lease term in such a way that the interest rate of the remaining debt balance is the same during each period. The leased right-of-use asset is subject to straight-line depreciations over the asset's economic life or the lease term, depending on which of them is shorter.

Assets and liabilities arising from leases are initially measured at the present value. Lease liabilities include fixed payments, less any lease incentives receivable; amounts expected to be payable by the lessee under residual value guarantees; the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or the Group's incremental borrowing rate. Leased right-of-use assets are measured at cost, which includes the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date, less any lease incentives received; any initial direct costs incurred; and any costs incurred by restoring the site on which it is located.

Some of the leases include options to extend or terminate, which are largely available only for the Group, not the lessor.

Payments related to short-term leases or leases where the value of the underlying asset is low are recognised as costs on a straight-line basis. A lease with a lease term of 12 months or less is considered a short-term lease. Assets of a low value include mainly ICT and office equipment.

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Key estimates and judgements

Property, plant and equipment

The determination of the useful life of property, plant and equipment requires an evaluation by management. For example, allocating the value of a large mill investment across various asset groups has a significant impact on annual depreciation costs due to the differences in straight-line depreciation periods used for different assets.

Leases

When determining the lease term, the management accounts for all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease, or not to exercise the option to terminate the lease. Options to extend the lease (or the time subsequent to an option to terminate) are accounted for in the lease term only if the extension of the lease (or the decision not to terminate the lease) is reasonably certain. The possible future cash flows of EUR 30.7 million have not been included in the lease liability because the extension of the lease (or the decision not to terminate it) is not reasonably certain.

The Group will conduct a reassessment upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee and affects the assessment.

Tangible assets 2023

	Land and water areas		Buildings and constructions		Machinery and equipment	
1000 EUR	Owned	Leased	Owned	Leased	Owned	Leased
Acquisition cost, 1 Jan. 2023	17,875	137	189,055	32,643	715,850	15,566
Translation differences	8	0	1,682	1,053	5,503	156
Additions	0		3,981	2,316	10,382	3,959
Decrease	-11	-7	-1,800	-2,537	-19,376	-2,413
Transfers between items			6,292		15,056	
Acquisition cost, 31 Dec. 2023	17,873	130	199,210	33,475	727,414	17,268
Accumulated depreciation and impairment charges 1 Jan. 2023	-10	-49	-142,758	-14,461	-485,112	-8,436
Translation differences	0	0	-693	-493	-3,313	-120
Accumulated depreciation on deductions and transfers	11	7	1,766	2,533	19,289	2,117
Depreciations for the period		-38	-4,663	-4,994	-26,001	-4,166
Impariments			-30		-807	
Accumulated depreciation and impairment charges 31 Dec. 2023		-80	-146,377	-17,415	-495,944	-10,605
Book value, 1 Jan. 2023	17,865	88	46,297	18,182	230,737	7,130
Book value, 31 Dec. 2023	17,873	50	52,833	16,060	231,471	6,664

Tangible assets 2023

1000 EUR	Other tangible assets Owned	Constructions in progress Owned	Total Owned	Total Leased	Total
Acquisition cost, 1 Jan. 2023	11,249	47,668	981,697	48,346	1,030,043
Translation differences	164	2,699	10,057	1,209	11,266
Additions	3	95,255	109,621	6,275	115,897
Decrease	-739	-359	-22,286	-4,958	-27,243
Transfers between items		-21,348	0		0
Acquisition cost, 31 Dec. 2023	10,677	123,915	1,079,090	50,873	1,129,962
Accumulated depreciation and impairment charges 1 Jan. 2023	-8,554		-636,435	-22,946	-659,381
Translation differences	-104		-4,110	-613	-4,723
Accumulated depreciation on deductions and transfers	739		21,805	4,658	26,463
Depreciations for the period	-397		-31,060	-9,199	-40,259
Impariments			-836		-836
Accumulated depreciation and impairment charges 31 Dec. 2023	-8,316		-650,637	-28,100	-678,737
Book value, 1 Jan. 2023	2,695	47,668	345,262	25,400	370,662
Book value, 31 Dec. 2023	2,361	123,915	428,453	22,773	451,226

Tangible assets 2022

	Land and water areas		Buildings and constructions		Machinery and equipment	
1000 EUR	Owned	Leased	Owned	Leased	Owned	Leased
Acquisition cost, 1 Jan. 2022	17,942	131	185,738	32,800	752,981	14,598
Translation differences	-333	-1	-3,003	-496	-16,867	-435
Additions	367	123	1,523	3,597	8,714	4,079
Decrease	-106	-117	-305	-3,259	-41,392	-2,676
Transfers between items	5		5,102		12,413	
Acquisition cost, 31 Dec. 2022	17,875	137	189,055	32,643	715,850	15,566
Accumulated depreciation and impairment charges 1 Jan. 2022	-11	-116	-139,309	-12,367	-512,625	-6,839
Translation differences	0	0	2,200	185	12,684	248
Accumulated depreciation on deductions and transfers		117	209	2,672	41,484	2,346
Depreciations for the period		-50	-5,858	-4,951	-26,656	-4,191
Accumulated depreciation and impairment charges 31 Dec. 2022	-10	-49	-142,758	-14,461	-485,112	-8,436
Book value, 1 Jan. 2022	17,932	16	46,429	20,433	240,356	7,759
Book value, 31 Dec. 2022	17,865	88	46,297	18,182	230,737	7,130

Tangible assets 2022

1000 EUR	Other tangible assets Owned	Constructions in progress Owned	Total Owned	Total Leased	Total
Acquisition cost, 1 Jan. 2022	11,597	34,716	1,002,975	47,530	1,050,504
Translation differences	-222	-1,516	-21,941	-932	-22,873
Additions	23	31,996	42,623	7,799	50,422
Decrease	-156		-41,959	-6,051	-48,010
Transfers between items	7	-17,528			
Acquisition cost, 31 Dec. 2022	11,249	47,668	981,697	48,346	1,030,043
Accumulated depreciation and impairment charges 1 Jan. 2022	-8,407		-660,352	-19,322	-679,674
Translation differences	124		15,008	434	15,442
Accumulated depreciation on deductions and transfers	156		41,849	5,135	46,984
Depreciations for the period	-427		-32,941	-9,193	-42,134
Accumulated depreciation and impairment charges 31 Dec. 2022	-8,554		-636,435	-22,946	-659,381
Book value, 1 Jan. 2022	3,190	34,716	342,623	28,207	370,830
Book value, 31 Dec. 2022	2,695	47,668	345,262	25,400	370,662

In 2023 the impairment charge of EUR 836 thousand related to future tissue mill in Slovakia was recongised (0).

In 2023 Metsä Tissue capitalised EUR 1,942 thousand to Property Plant and Equipment. Average capitalisation interest rate was 3.98 % (0 %).

Leases

1000 EUR	2023	2022
Costs related to short-term leases	1,047	1,235
Costs of leases in which the underlying asset is of low value	3,246	2,980
Interest expenses	925	937
Cash outflow for leases	9,934	10,068

Disclosures on lease liabilities are presented in Note 5.5 (Financial liabilities and net liabilities) and 5.6 (Management of financial risks).

4.3 Other investments

Accounting principles

Other investment consist of listed and unlisted equity investments. They are measured at fair value. Metsä Tissue classifies its equity financial assets as financial assets at fair value through profit and loss.

The fair values of publicly quoted shares are based on the share price on the balance sheet date. The fair values of shares other than publicly quoted shares are determined using various valuation models, such as the price levels or recent transactions and valuation methods based on the current value of discounted cash flows. As far as possible, the valuation methods are founded on market-based valuation factors.

Key estimates and judgements

Fair value measurement

The application of valuation models to measuring fair value requires judgement concerning the selection of the method to be applied, as well as valuation factors required by the chosen method that are based on the price and interest levels prevailing in the market on the end of date of each reporting period

1000 EUR	2023	2022
Non-quoted equity investments	7	5
Total	7	5

Shares in other companies are among others insurance and energy companies.

4.4 Inventory

Accounting principles

Inventories are measured at the lower of acquisition cost or net realisable value. In measuring inventories, the FIFO principle (first in, first out) is observed or, alternatively, the weighted average price method, depending on the nature of the inventories. The acquisition cost of finished products acquired comprises all purchase costs, including direct transport, handling and other expenses. The acquisition cost of finished and semi-finished products of own manufacture includes raw materials, direct production costs, and the systematically allocated portion of variable manufacturing overheads and fixed overheads at the normal level of operation. The cost of debt is not included in the acquisition cost.

Net realisable value is the estimated sales price in ordinary business operations less the estimated cost of production and the necessary sales costs.

Key estimates and judgements

The Group regularly reviews its inventories for situations where the inventories contain downgraded items or their net realisable value falls below the acquisition cost. When necessary, the Group reduces the book value of the inventories accordingly. This review requires the management's estimates of the sales prices of products, the cost of completion and the costs necessary to make the sale. Any changes in these estimates might lead to an adjustment in the book value of the inventories in future periods.

1000 EUR	2023	2022
Raw materials and consumables	85,436	91,055
Work in progress	22,390	27,437
Finished goods	40,755	56,960
Total	148,582	175,451

In 2023, EUR 1,181 thousand was recorded as a cost (2022: 4,418) when the book value of inventories was reduced to match their net realisation value.

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4.5 Accounts receivables and other receivables

Accounting principles

Accounts receivables are initially measured at fair value and later at amortised cost, taking into account impairment.

The Group applies a model based on expected credit losses to the determination of the impairment of trade receivables. Provisions are furthermore set up on a case by case basis when there is a justifiable reason to assume that the Group will not receive payment for the invoiced amount according to the original terms.

1000 EUR	2023	2022
Accounts receivable from affiliated companies	613	516
Accounts receivable from associated companies and joint ventures	94	72
Accounts receivable from others		
Accounts receivable	168,067	184,788
Impairment	-103	-105
Total	167,964	184,682
Other receivables	7,345	5,905
Prepayments and accrued income	954	2,219
Total	176,970	193,395

Receivables from affiliated companies are receivables from parent company and other companies in Metsä Group.

Case-specific impairments and impairments determined by applying the model based on expected credit losses are deducted from accounts receivables.

1000 EUR	2023	2022
Value 1 Jan	-105	-288
Increase	-2	-146
Decrease	5	329
Value 31 Dec	-103	-105

Age distribution of accounts receivable less impairments

1000 EUR	2023	2022
Not overdue	157,347	178,138
Overdue		
Less than 90 days	9,683	6,397
Between 90 and 180 days	-23	166
Between 181 and 365 days	-103	-31
Over 365 days	1,060	12
Total	167,964	184,682

Expected credit losses of account receivable are allocated to not overdue items.

4.6 Accounts payable and other liabilities

1000 EUR	2023	2022
Advance payments received	909	1,468
Accounts payable	122,703	137,861
Accounts payable, Supply Chain Finance schemes	19,889	33,335
Other liabilities	13,504	17,083
Accruals and deferred income		
Customer discounts	38,924	33,551
Purchase-related items	25,267	31,413
Employee costs	26,307	23,047
Other accrued expenses	15,775	8,950
Total	263,279	286,708

With financing banks, Metsä Group has established Supply Chain Finance (SCF) schemes aimed at a few key suppliers. In the schemes, the suppliers are offered the option of selling their Metsä Tissue receivables to a bank providing the SCF scheme. The SCF schemes partly replace the earlier advance payment arrangements, and their aim is not to cause a significant deviation from Metsä Group's normal payment terms.

4.7 Provisions

Accounting principles

A provision is recognised when, as a result of an earlier event, the Group has a legal or actual obligation, the realisation of a payment obligation is likely, and the amount of the obligation can be reliably estimated. Any reimbursement from a third party is presented as an asset separate from the provision if it is practically certain that reimbursement will be received.

Restructuring

A restructuring provision is recorded when the Group has incurred a legal or constructive obligation to make a payment. Termination payments are recorded when a detailed plan has been made for the restructuring and the Group has raised valid expectations in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. If the Group makes an offer to employees concerning voluntary resignation against benefits determined in the offer, the liability arising from this is recorded when the Group can no longer withdraw its offer. The obligations arising from such an offer is based on the number of employees that the Group expects to accept the offer. Benefits falling due in twelve months' time or later are measured at their current value.

Environmental obligations

An environmental obligation is recognised if, based on the current interpretation of environmental legislation, an obligation has likely arisen and its amount can be reliably estimated. The obligation is recorded at the current value of estimated future expenses. A sum corresponding to the obligation is also recognised in property, plant and equipment.

Other provisions

Other provisions include mainly liabilities resulting employment affairs as well as other contractual obligations.

Key estimates and judgements

The determination of the criteria for the recognition of provisions involves the management's judgement. The amounts recognised as provisions are based on the management's best assessment of the expenses required to handle the obligation. As the timing and amount of these expenses are not fully certain, the actual expenses may differ significantly from the original estimate. The book value of provisions is regularly reviewed and adjusted as required, taking into account changes in cost assessments, regulation, technology and conditions.

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Provisions 2023

1000 EUR	Restructuring	Environmental	Other	Total
1 Jan. 2023	139	966	2,132	3,236
Translation differences		26		26
Increases		9	491	500
Utilised during the year	-4	-35	-428	-467
Unused amounts reversed	-11			-11
31 Dec. 2023	124	966	2,195	3,285
Non-current	124	959	1,689	2,772
Current		7	506	513
Total	124	966	2,195	3,285

Provisions 2022

1000 EUR	Restructuring	Environmental	Other	Total
1 Jan. 2022	144	1,392	2,409	3,946
Translation differences		-6		-6
Increases	43	9	255	306
Utilised during the year	-37	-429	-532	-998
Unused amounts reversed	-11			-11
31 Dec. 2022	139	966	2,132	3,236
Non-current	128	925	2,057	3,109
Current	11	41	75	127
Total	139	966	2,132	3,236

The Group companies have environmental responsibilities related to former industrial activities at sites that have since been closed, sold or leased, and from decommissioned landfill sites. Provisions for the costs of land rehabilitation work have been made in cases where it has been possible to measure the Group's liability for land contamination and any post-treatment obligations.

The non-current part of provisions is estimated to be released mainly by the end of 2030.

5. Capital structure and financial risks

5.1 Shareholders' equity

Changes in shareholders' equity

	2023	2022
Number of shares 1.1.	9,118,588	9,118,588
Number of shares 31.12.	9,118,588	9,118,588
Share capital, 1000 EUR, 31.12.	91,186	91,186
Share capital, 1000 EUR, 31.12.	91,186	91,186
Share premium account, 1000 EUR, 1.1.	88,242	88,242
Share premium account, 1000 EUR, 31.12.	88,242	88,242
Total, 1000 EUR, 31.12.	179,427	179,427

According to the Articles of Association, Metsä Tissue Corporation's minimum share capital is EUR 50 million and its maximum share capital EUR 300 million. All shares have a nominal value of EUR 10. All issued shares have been paid in full. Metsä Tissue Corporation did not own its own shares on 31 December 2023 nor on 31 December 2022.

Translation differences

Translation differences include translation differences arising on translation of subsidiaries in other currencies than euro and gains and losses arising on hedging of net investments in these subsidiaries, when requirements of hedge accounting have been fulfilled. Hedge of net investments in foreign operations has ended.

	Cumulative translation differences		Translation differences in other comprehensive income	
1000 EUR	2023	2022	2023	2022
SEK	-18,323	-20,560	2,237	-15,250
GBP	97	-61	158	-418
NOK	335	357	-21	116
DKK	-3,263	-235	-3,028	
PLN	-221	-7,768	7,547	-859
CZK	88	115	-27	50
HUF	-51	-74	24	-47
UAH	-20	-19		-3
SKK	11,164	11,164		
Total	-10,193	-17,082	6,890	-16,411

There were EUR 0 thousand posted to income statement from accumulated translation differences in 2023 (0).

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Fair value and other reserves

1000 EUR	2023	2022
Fair value reserve	-1,269	2,008
Revaluation reserve	40	40
Reserve for invested unrestricted equity	325,000	225,000
Total	323,771	227,048

Fair value reserve

The changes of the fair values of derivative instruments used as cash flow hedged less deferred tax are recognized in the fair value reserve.

Revaluation reserve

Revaluation of land and bonds in non-current assets are recognised in the revaluation reserve.

Reserve for invested unrestricted equity

The reserve for invested unrestricted equity includes other investments in equity and the share issue price to a sum especially decided not to be recognised in the share capital.

Other comprehensive income after taxes 2023

	Equity attributable to members of parent company			
1000 EUR	**Translation differences**	**Fair value and other reserves**	**Retained earnings**	**Total**
Items that will not be reclassified to profit or loss				
Actuarial gains/losses on defined benefit pension plans			-4,163	-4,163
Income tax relating to items that will not be reclassified			936	936
Total			-3,227	-3,227
Items that may be reclassified to profit or loss				
Cash flow hedges				
Currency hedges				
gains and losses recorded in equity		1,149		1,149
transferred to adjust sales		-3,668		-3,668
Transferred to adjust purchases		-758		-758
Interest hedges				
Commodity hedges				
Cash flow hedges total		-3,277		-3,277
Translation differences	6,890			6,890
Total	6,890	-3,277		3,612
Other comprehensive income, net of tax	6,890	-3,277	-3,227	385

Other comprehensive income after taxes 2022

	Equity attributable to members of parent company			
1000 EUR	*Translation differences*	*Fair value and other reserves*	Retained earnings	Total
Items that will not be reclassified to profit or loss				
Actuarial gains/losses on defined benefit pension plans			15,729	15,729
Income tax relating to items that will not be reclassified			-3,729	-3,729
Total			12,000	12,000
Items that may be reclassified to profit or loss				
Cash flow hedges				
Currency hedges				
gains and losses recorded in equity		9,250		9,250
transferred to adjust sales		1,060		1,060
transferred to adjust purchases		-10,970		-10,970
Interest hedges				
Commodity hedges				
gains and losses recorded in equity		5,196		5,196
transferred to adjust purchases		-8,502		-8,502
Cash flow hedges total		-3,966		-3,966
Translation differences	-16,411			-16,411
Total	-16,411	-3,966		-20,377
Other comprehensive income, net of tax	-16,411	-3,966	12,000	-8,377

5.2 Financial income and expenses

Accounting principles

Interest income and costs are recognised in amortised cost with the effective interest rate method.

Dividend yield is recognised when the right to a dividend has arisen.

Borrowing costs are generally recognised as an expense in the period in which they are incurred. When an item of property, plant or equipment is involved in a major and long-term investment project, the borrowing costs directly due to the acquisition, construction or production of the asset are included in the asset's acquisition cost.

The Group presents net interest income and expenses related to defined benefit plans as financial income and expenses.

1000 EUR	2023	2022
Exchange differences		
Commercial items	-93	-475
Hedging, hedge accounting not applied	526	247
Other items	-500	-61
Exchange differences total	-67	-289
Other financial income		
Interest income on loans, other receivables and cash and cash equivalents	5,144	769
Dividend income		82
Other financial income total	5,144	851
Interest expenses on financial liabilities	-2,618	-2,679
Other financial expenses		-6
Other financial expenses total	-2,618	-2,685
Financial income and expenses total	2,459	-2,123

Tulosvaikutteisesti kirjatut korkokulut rahoitusveloista ovat alentuneet vuotena 2023 aiemmasta, kun käynnissä olevien investointien korkokuluja on aktivoitu osaksi investointien hankintamenoa.

5.3 Other financial assets

1000 EUR	2023	2022
Loan receivables	2,521	2,515
Other receivables and accrued income	80	74
Total	2,601	2,590

5.4 Cash and cash equivalents

Accounting principles

Cash and cash equivalents consist of cash and other short-term, highly liquid investments that can be easily converted into an amount of cash known in advance and that carry a minimal risk of value changes. Metsä Tissue has classified as cash and cash equivalents the short-term money market investments made in accordance with its treasury policy and interest-bearing receivables comparable to cash funds and available immediately from Metsä Group's internal bank Metsä Group Treasury Oy. When determining the impairment of monetary assets, a model based on expected credit losses is applied. The expected credit losses are reviewed for the following 12 months.

1000 EUR	2023	2022
Cash at hand and in bank	1,434	1,067
Deposits to Metsä Group Treasury Oy	215,455	71,609
Total	216,890	72,676

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5.5 Financial liabilities and net liabilities

Accounting principles

Financial liabilities are initially recognised at fair value. The Group has classified all financial liabilities under "Amortised cost". Transaction costs are included in the original book value of financial liabilities measured at amortised cost. Subsequently, all financial liabilities are measured at amortised cost using the effective interest method.

Interest-bearing liabilities

1000 EUR	2023	2022
Non-current interest-bearing financial liabilities		
Loans from financial institutions	7,589	8,426
Lease liabilities	16,955	20,439
Total	24,544	28,865
Current interest-bearing financial liabilities		
Current portion of non-current debt	10,444	8,444
Current liabilities to group companies		79,365
Total	10,444	87,809
Interest-bearing financial liabilities total	34,988	116,673

Interest-bearing assets

1000 EUR	2023	2022
Non-current interest-bearing financial assets		
Loan receivables	2,521	2,515
Other receivables	80	74
Current interest-bearing financial assets		
Cash at hand and in bank	1,434	1,067
Deposits to Metsä Group Treasury Oy	215,455	71,609
Total	216,890	72,676
Interest-bearing financial assets total	219,491	75,265
Interest-bearing net debt	-184,503	41,408

Changes in liabilities and current interest-bearing receivables reported in the cash flow from financing activities in 2023

			Non-cash changes			
1000 EUR	1 Jan 2023	Cash flows	Changes in foreign exchange rates	Finance lease changes	Other	31 Dec 2023
Non-current interest-bearing liabilities incl. Current portion						
Loans from financial institutions	9,280	-828	-7			8,445
Finance lease liabilities	28,029	-9,009	665	5,889		25,574
Total	37,309	-9,837	658	5,889		34,019
Non-current non-interest bearing liabilities						
Current interest-bearing liabilities						
Total	79,365	-78,658	263			969
Current interest-bearing receivables		7	0	0		8
Total	116,674	-88,488	921	5,889		34,996

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Changes in liabilities and current interest-bearing receivables reported in the cash flow from financing activities in 2022

			Non-cash changes			
1000 EUR	1 Jan 2022	Cash flows	Changes in foreign exchange rates	Finance lease changes	Other	31 Dec 2022
Non-current interest-bearing liabilities incl. Current portion						
Loans from financial institutions	10,996	-894	-822			9,280
Finance lease liabilities	30,816	-9,131	-521	6,865		28,029
Total	41,812	-10,025	-1,343	6,865		37,309
Non-current non-interest bearing liabilities	819	-819				
Current interest-bearing liabilities						
Short-term liabilities	37	-36	-1			
Other liabilities, internal	21,975	57,386	4			79,365
Total	22,012	57,350	3			79,365
Current interest-bearing receivables	2	-2				
Total	64,645	46,504	-1,340	6,865		116,674

5.6 Management of financial risks

The financial risks associated with business operations of Metsä Tissue Group are managed in accordance with the financial policy endorsed by the Board of Directors and the senior management of the Group. The policy defines focal instructions on the management of foreign currency, interest rate, liquidity and counterparty risks, and for the use of derivative financial instruments. Correspondingly, commodity risks are managed according to the Group's commodity risk policy. The purpose is to protect the company against major financial and commodity risks, to balance the cash flow and to allow the business units time to adjust their operations to changing conditions.

Metsä Group Treasury Oy is specialized in finance and functions as Metsä Group's internal bank. Metsä Tissue's financial operations have been centralized to Metsä Group Treasury, which is in charge of managing Metsä Tissue's financial positions according to the strategy and financial policy, providing necessary financial services in Metsä Tissue Group and acting as an advisor in financial matters.

Foreign currency risk

The Group's foreign currency exposure consists of the risks associated with foreign currency flows, translation risk of net investments in foreign entities and economic currency exposure. Large portion of the Group's costs are incurred in the euro zone and in Sweden, but a significant part of the sales is in other currencies. Sales revenue may therefore vary because of changes in exchange rates, while production costs remain unchanged. Product and raw material prices are also often quoted in currencies other than the company's transaction currency. The exposure is including foreign currency denominated balance sheet exposure consisting of accounts receivable and accounts payable and 50 percent share of the annual contracted or estimated net currency cash flow.

The main currencies of the Group's foreign currency transaction exposure are the US dollar, the British pound and the Norwegian, Danish and Swedish krona. A strengthening of the pound and Norwegian and Danish krona has a positive impact on the financial result and a weakening a negative impact. A weakening of the dollar and the Swedish krona has a positive impact on the result. The hedging policy is to keep an amount corresponding to the balance sheet exposure and 50 percent of the annual cash flows of contracted or estimated currency flows consistently hedged. The amount of hedging may deviate from the normal level by 40 percent in either direction. The Board of Directors of Metsä Tissue is deciding on hedging levels significantly deviating from the norm set out in the financial policy. The amount of currency-specific hedging depends on current exchange rates and market expectations, on the interest rate differences between the currencies and the significance of the exchange rate risk for the financial result. The transaction exposure is mainly hedged by forward transactions but also by the use of foreign currency loans and currency options.

At the end of the financial period, the foreign exchange transaction exposure had been hedged 5.1 months on average (4.6) being 78 percent of the hedging norm (72). During the financial period, the hedging level has varied between 4 and 5 months (4-5). At the end of financial period the dollar's hedging level was 4.9 months (4.2) being 84 percent of the norm (71). Norwegian krona's hedging level was 5.9 months (5.4) being 85 percent of the norm (83). Hedge accounting has been applied to hedging of transaction exposure and forwards allocated to hedge accounting have been used to hedge the portion of highly probable forecast sales of the currency transaction exposure. Metsä Tissue does not apply hedging the translation risk of a net investment in a foreign entity.

The Group has applied average deviation vs. hedging norm key figure to assess the risk of its open foreign currency positions. The Metsä Tissue Group average deviation vs. hedging norm was 21.8 percentage (1.4 months) at the end of financial period and has been on average 19.5 percentage (1.5 months) during year 2023.

Interest rate risk

The interest rate risk is related to interest bearing receivables and loans and currency hedging. The most significant currencies in risk management are the euro, the US dollar and the Swedish krona. The objective of the interest rate risk policy is to minimise the negative impact of interest rate changes on the result and the financial position, and to optimise financing costs within the framework of risk limits. The effect of interest rate changes on financial costs depends on the average interest fixing time of interest bearing assets and liabilities, which is measured in the Group by duration. As duration diminishes the rise of interest rates affects more quickly the interest expenses of financial liabilities. The maturity of the loan portfolio can be influenced by adjusting between floating-rate and fixed-rate loans and by using interest rate swaps.

The average interest duration norm based on the Group's financial policy is 24 months. The duration can, however, deviate between 6 to 36 months from the hedging policy norm so that the decision of a larger deviation has to be made by the Board of Directors. The average duration of loans was 11.8 months (5.8) at the end of the year. During the financial period duration has varied between 7 and 12 months (6-12). Of interest-bearing liabilities 51 percent (82) is subjected to variable rates and the rest to fixed rates and the average interest rate at the end of 2023 was 4.2 percent (3.7). At the end of 2023, an increase of one percent in interest rates would decrease interest rate costs of the next 12 months by EUR 1.75 million (increase 0.40).

The Metsä Tissue Oyj has no external loans or interest rate hedges at the end of reporting period year 2023.

Commodity risk

In the hedging of commodity risks the Group applies separately defined risk management policy. According to the policy, the management of commodity risks with regard to financial

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hedges is accomplished centralized by Metsä Group Treasury based on the strategy approved by Board of Directors of Metsä Tissue. According to the commodity hedging policy an 80 percent hedge level of the estimated net position during the first 12 month period has been set as a hedging norm and the hedge ratio can vary by 20 percent in either direction.

Metsä Tissue is hedging of natural gas in Central Europe through physical hedging.

Liquidity risk

Liquidity risk is defined as the risk that funds and available funding become insufficient to meet business needs, or that extra costs are incurred in arranging the necessary financing. Liquidity risk is monitored by estimating the need for liquidity needs 12 - 24 months ahead and ensuring that the total liquidity available will cover a main part of this need. According to the financial policy, the liquidity reserve must at all times cover 100% of the Group´s liquidity requirement for the first 12 months and 50–100% of the following 12–24 months liquidity requirement. The objective is that at the most 20 percent of the Group's loans, including committed credit facilities, is allowed to mature within the next 12 months and at least 25 percent of the total debt must have a maturity in excess of four years. Another target is to avoid keeping extra liquidity as liquid funds and instead maintain a liquidity reserve as committed credit facilities outside the balance sheet.

The cornerstone of liquidity risk management is to manage the Group's operative decisions in such a way that targets concerning indebtedness and sufficient liquidity reserve can be secured in all economic conditions. Liquidity risk is also managed by diversifying the use of capital and money markets to decrease dependency on any single financing source and the optimization of the maturity structure of loans is also emphasized in financial decisions.

The available liquidity at the end of the reporting period consists of liquid funds EUR 216,9 million (72,6). Metsä Tissue liquidity reserve is supplemented by Metsä Group of EUR 50,0 million short-term internal funding limit (68,3) and undrawn pension premium (TyEL) funds of EUR 49,7 million (48,7).

Counterpart risk

Financial instruments carry the risk that the Group may incur losses should the counterparty be unable to meet its commitments. The Group is managing this risk by entering into financial transactions only with most creditworthy counterparties and within pre-determined limits. During the reporting period, credit risks of financial instruments did not result in any losses. The Group has applied expected credit loss model to calculate the impairment of financial assets.

The Group's sales receivables carry a counterparty risk that the Group may incur losses should the counterparty be unable to meet its commitments. Credit risk attached to sales receivables is managed on the basis of the credit risk management policies approved by operative management. Credit quality of customers is assessed at regular intervals based on the customers' financial statements, payment behavior, credit agencies and credit ratings agencies. Individual credit limits are reviewed at least annually. From time to time, as deemed necessary by management, Letters of Credits, bank and parent company guarantees and Credit insurance are used to mitigate credit risk. Credit limits are approved according to credit risk management policy with approval limits of varying values across the Group. Credit Control reviews and sets all major credit limits which are not supported by credit insurance and/ or other security. Expected credit losses on accounts receivables are calculated by using a provision matrix. Expected credit loss expense is recognized by applying expected credit loss percentages based on five-year historic losses on accounts receivables from external debtors outstanding at period end. The expected credit loss percentages are business area specific.

Managing the capital

Terms capital and capital structure are used to describe investments made in the company by its owners and retained earnings (together equity) and debt capital (liabilities) as well as the relation between them. In managing its capital structure, the Group aims at maintaining an efficient capital structure that ensures the Group's operational conditions in financial and capital markets in all circumstances despite the fluctuations typical to the sector. Certain central target values, which correspond to standard requirements set by financing and capital markets, have been defined for the capital structure. The Group's capital structure is regularly assessed by the Group's Board of Directors. The Group monitors the development of its capital structure through a key ratio that describes net gearing and equity ratio.

Financial covenants of external loans

Metsä Tissue has no financial agreements including covenants existing at the end of year 2023.

Market risk scenarios

1000 EUR	Impact on financial assets and liabilities	
	2023	2022
FX risk (USD -10%)		
Effect on profit	-212	-245
Effect on other change in equity	-10,617	-12,018
FX risk (GBP - 10 %)		
Effect on profit	155	-61
Effect on other change in equity	2,354	2,068
FX risk (SEK - 10 %)		
Effect on profit	-215	418
Effect on other change in equity	-	0

Items with + sign = positive effect = increase of asset / decrease of liabilities
Items with - sign = negative effect = decrease of assets / increase of liabilities

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Cash flows of installments and interest payments of financial liabilities 2023

1000 EUR	2024	2025	2026	2027	2028	2029-	Total
Loans from financial institutions	856	856	856	5,877			8,445
Lease liabilities *)	9,349	7,127	4,217	3,514	3,163		27,371
Non-current interest-bearing liabilities, total	10,206	7,983	5,073	9,391	3,163		35,817
Current interest-bearing liabilities	969						969
Financial liabilities total	11,175	7,983	5,073	9,391	3,163		36,786
Financial costs total	512	458	403	133			1,506
Financial liabilities and financial costs total	11,687	8,441	5,477	9,524	3,163		38,292
Guarantees agreements		15	33			39	88
Derivative financial instruments							
Currency derivatives, liabilities	372,653						372,653
Currency derivatives, assets	-370,529						-370,529
Derivatives, net	2,124						2,124

Cash flows of installments and interest payments of financial liabilities 2022

1000 EUR	2023	2024	2025	2026	2027	2028-	Total
Loans from financial institutions	854	854	854	854	5,863		9,279
Lease liabilities *)	8,375	7,028	5,491	3,422	3,138	2,883	30,337
Non-current interest-bearing liabilities, total	9,229	7,882	6,345	4,276	9,001	2,883	39,616
Financial liabilities total	9,229	7,882	6,346	4,276	9,001	2,883	39,617
Financial costs total	427	397	354	311	101		1,590
Financial liabilities and financial costs total	9,656	8,279	6,700	4,587	9,102	2,883	41,206
Guarantees agreements		273	49			39	361
Derivative financial instruments							
Currency derivatives, liabilities	347,201						347,201
Currency derivatives, assets	-349,803						-349,803
Derivatives, net	-2,602						-2,602

*) The cash flows of lease liabilities include both payments and the finance costs.

On 31 December 2023, the balance of lease liabilities were EUR 25,574 thousand (28,029). On 31 December 2023, the balance of currency derivative liabilities were EUR 4,109 thousand (4,193) and currency derivative receivables EUR 1,985 thousand (6,794).

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5.7 Financial assets and liabilities classification and fair values

Classification and fair values of financial assets and liabilities 2023

1000 EUR	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
Financial assets					
Other non-current investments	4.3	7			7
Other non-current financial assets	5.3			2,601	2,601
Accounts receivable and other receivables	4.5			176,087	176,087
Cash and cash equivalents	5.4			216,890	216,890
Derivative financial instruments	5.7	18	1,967		1,985
Total carrying amount		25	1,967	395,578	397,570
Total fair value		25	1,967	395,578	397,571
Financial liabilities					
Non-current interest-bearing financial liabilities	5.5			24,544	24,544
Current interest-bearing financial liabilities	5.5			10,444	10,444
Accounts payable and other liabilities	4.6			236,237	236,237
Derivative financial instruments	5.7	556	3,554		4,110
Total carrying amount		556	3,554	271,225	275,335
Total fair value		556	3,554	271,238	275,347

Classification and fair values of financial assets and liabilities 2022

1000 EUR	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
Financial assets					
Other non-current investments	4.3	5			5
Other non-current financial assets	5.3			2,590	2,590
Accounts receivable and other receivables	4.5			191,229	191,229
Cash and cash equivalents	5.4			72,676	72,676
Derivative financial instruments	5.7	161	6,633		6,794
Total carrying amount		166	6,633	266,495	273,294
Total fair value		166	6,633	266,494	273,293
Financial liabilities					
Non-current interest-bearing financial liabilities	5.5			28,865	28,865
Current interest-bearing financial liabilities	5.5			87,809	87,809
Accounts payable and other liabilities	4.6			262,193	262,193
Derivative financial instruments	5.7	70	4,123		4,193
Total carrying amount		70	4,123	378,867	383,060
Total fair value		70	4,123	378,884	383,077

Accounts receivables and other receivables do not include advance payments, current income tax receivables and periodisation of employee costs (Note 4.5). Accounts payable and other financial liabilities do not include advance payments, current income tax liabilities and periodisation of employee costs (Note 4.6).

In Metsä Tissue, all interest-bearing liabilities are valued in the balance sheet at amortised cost based on effective interest method. Fair values in the table are based on present value of cash flow of each liability or assets calculated by market rate. The discount rates applied are between 4.3 - 6.2 percent (2022: 2.2 - 4.8). The fair values of accounts and other non-interest bearing receivables and accounts payable and other liabilities do not materially deviate from their carrying amounts in the balance sheet.

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Fair value hierarchy of financial assets and liabilities

Accounting principles

Financial assets and liabilities measured at fair value have been categorised as follows:

Level 1 Fair value is based on quoted prices in active markets.

Level 2 Fair value is determined by using valuation techniques that use observable price information from market.

Level 3 Fair value are not based on observable market data, but on company's own assumptions.

The fair value measurement of financial assets at fair value recognised under other items of comprehensive income is described in Note 4.3.

The fair values of natural gas and fuel oil derivatives are determined by using public price quotations in an active market (Level 1).

The fair values of currency forwards and options are determined by using the market prices *of the closing date of the reporting period. The fair values of interest rate swaps are* determined by using the present value of expected payments, discounted using a risk adjusted discount rate, supported by market interest rates and other market data of the closing date of the reporting period (Level 2).

For financial instruments not traded on an active market, the fair value is determined by valuation techniques. Judgment is used when choosing the different techniques and making assumptions, which are mainly based on circumstances prevailing in the markets on each closing date of the reporting period (Level 3).

Fair value hierarchy of financial assets and liabilities 2023

		31 Dec 2023			
1000 EUR	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value					
Other non-current investments	4.3			7	7
Derivative financial assets	5.7		1,985		1,985
Financial liabilities measured at fair value					
Derivative financial liabilities	5.7		4,109		4,109
Financial assets not measured at fair value					
Cash and cash equivalents	5.4		216,890		216,890
Financial liabilities not measured at fair value					
Non-current interest-bearing financial liabilities	5.5		24,555		24,555
Current interest-bearing financial liabilities	5.5		10,446		10,446

Fair value hierarchy of financial assets and liabilities 2022

		31 Dec 2022			
1000 EUR	Note	Level 1	Level 2	Level 3	Total
Financial assets at fair value					
Other non-current investments	4.3			5	5
Derivative financial assets	5.7		6,794		6,794
Financial liabilities measured at fair value					
Derivative financial liabilities	5.7		4,193		4,193
Financial assets not measured at fair value					
Cash and cash equivalents	5.4		72,676		72,676
Financial liabilities not measured at fair value					
Non-current interest-bearing financial liabilities	5.5		28,880		28,880
Current interest-bearing financial liabilities	5.5		87,811		87,811

Other non-current investments measured at fair value based on level 3 valuation

1000 EUR	2023	2022
Value 1 Jan	5	775
Total gains and losses in profit or loss		498
Purchases	2	
Sales		-1,268
Value 31 Dec	7	5

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Financial derivatives and hedge accounting

Accounting principles

Derivative contracts are initially recognised on the balance sheet at fair value at cost, and thereafter during their term-to-maturity revalued at their fair value at each reporting date. The fair value of derivatives is presented in non-interest-bearing receivable or liabilities. Gains and losses resulting from recognition at fair value are treated in accounting as required with regard to the intended use of the derivative contract in question. Derivatives are initially classified as either 1) Hedges of the exposure to changes in fair value of receivables, liabilities or firm commitments; 2) Hedges of the cash flow from a highly probable forecast transaction; 3) Hedges of a net investment in a foreign entity; or 4) Derivatives to which has been decided not to apply hedge accounting.

Metsä Tissue currently applies hedge accounting only to cash flows. When applying hedge accounting at the inception of a hedging relationship, the Group has documented the relationship between the hedged item and the hedging instruments, as well as the hedging strategy observed. To meet the requirements of hedge accounting, the Group has also continuously carried out effectiveness testing to verify that changes in the fair value of the hedging instrument for each hedging relationship cover any changes in the fair value of the hedged item effectively enough, with respect to the hedged risk. Changes in the fair value of the effective portion of derivative instruments that meet the criteria for cash flow hedging are recognised in other items of comprehensive income. The gains and losses recognised in equity are transferred to the income statement when the forecast sale or purchase is realised, and are recognised as an adjustment to the hedged item. If the forecast transaction is no longer expected to occur, the gain or loss accrued in equity is recognised immediately in the income statement. Derivatives not subject to hedge accounting, as well as the ineffective portion of derivatives subject to hedge accounting, are measured at fair value, and changes in the value of interest rate and currency derivatives are recognised in financial items and changes in the value of commodity derivatives are recognised in other income and expenses.

Hedge accounting is applied as cash flow hedging to highly probable cash flows from sales denominated in foreign currencies and contractual cash flows from floating interest rates of loans. In the management of price risks related to commodities, hedge accounting is applied to cash flows from highly probable purchases of natural gas. The fair values of forward foreign exchange contracts are based on the forward prices prevailing on the balance sheet date, and currency options are measured at fair value in accordance with the Black–Scholes model. Interest rate swaps are measured at the current value of cash flows, with the calculation being based on the market interest rate yield curve. The fair values of commodity derivatives are measured on the basis of publicly quoted market prices.

Management of financial risks and effectiveness of hedging

The management of the Group's currency, interest rate and commodity risks is described in more detail in Note 5.6, Management of financial risks. Note 5.7, Fair values of financial assets and liabilities, includes the fair values and grouping of derivatives. Note 5.1, Equity, includes itemisations of hedge accounting entries in the fair value reserve.

The hedging of the currency flow position is effective, given that there is a direct financial relationship between the hedged sale and the hedging derivative. The spot rate component of a forward contract or the reference value component of a currency option has been determined as the hedged item, and the forward points or the option's time value are treated as hedging costs subject to amortisation based on the period. Currency flow forecasts are fairly stable, invoicing steady within quarters and months, and forward deals are allocated to each month, due to which the ineffectiveness of hedging usually remains very low. Changes in production or the structure of sales may sometimes lead to ineffectiveness during the validity of a hedging relationship, in which case the hedging is adjusted accordingly.

The hedge accounting of the cash flow from interest rates is primarily effective, given that there is a direct financial relationship between the long-term loans subject to hedging and the hedging interest rate swaps. Ineffectiveness in the hedge relationship derives from any possible differences between the loans and the swaps' interest rate periods as well as from differences in the reference rates of contract terms. The ineffective portion of interest rate hedging is recognised through profit and loss. The premature repayment of loans may result in a state of ineffectiveness, in which case the hedging interest rate swaps are reversed or derecognised from hedge accounting, and the change in fair value is recognised in financial items under income.

The hedging of commodity purchases is effective, given that, in lieu of the total purchase price, the hedged item is the same, identical risk component of pricing applied in the hedging derivative. In the hedging of the price risk of electricity, the hedged item is what is referred to as the portion of the system price and the hedging takes place with a system-priced electricity swap. Correspondingly, the price components of the purchases and the hedging derivative in the hedging of natural gas and propane are identical. Commodity purchases are fairly steady and hedges are allocated to each month, due to which the ineffectiveness of the hedging usually remains low. Changes in the use of various commodities may sometimes lead to ineffectiveness during the validity of a hedging relationship, in which case the hedging is adjusted accordingly.

Derivatives 2023

	Nominal value	Fair value				
1000 EUR		**Derivative assets**	**Derivative liabilities**	**Fair value net**	**Fair value through profit and loss**	**Fair value through other comprehensive income**
Currency forward contracts	368,544	1,985	4,109	-2,124	-538	-1,586
Currency derivatives	368,544	1,985	4,109	-2,124	-538	-1,586
Derivatives total	368,544	1,985	4,109	-2,124	-538	-1,586

Derivatives 2022

	Nominal value	Fair value				
1000 EUR		**Derivative assets**	**Derivative liabilities**	**Fair value net**	**Fair value through profit and loss**	**Fair value through other comprehensive income**
Currency forward contracts	343,009	6,794	4,193	2,601	91	2,510
Currency derivatives	343,009	6,794	4,193	2,601	91	2,510
Derivatives total	343,009	6,794	4,193	2,601	91	2,510

The changes in the value of hedge accounting and profit and loss are presented in Note 5.1 Shareholders' Equity.

Financial impact of netting for instruments subject to an enforceable master netting agreements

	2023			2022		
1000 EUR	Derivatives on-balance sheet	Assets and liabilities related to master netting agreements	Net risk	Derivatives on-balance sheet	Assets and liabilities related to master netting agreements	Net risk
Derivative assets	1,985		1,985	6,794		6,794
Derivative liabilities	-4,109		-4,109	-4,193		-4,193

The derivative arrangements made by the Group with each counterparty are subject to master netting arrangements. In the event of an unlikely credit event all transactions based on the arrangement are cancelled and only one net sum will fall due in terms of all transactions for each counterparty.

Cash flow hedge maturities 2023

1000 EUR	1–6 months	7–12 months	1–5 years	Over 5 years	Hedged cash flow total
Currency derivatives subject to hedge accounting	107,780	98,245			206,025
Currency derivatives not subject to hedge accounting	21,763				21,763

Cash flow hedge maturities 2022

1000 EUR	1–6 months	7–12 months	1–5 years	Over 5 years	Hedged cash flow total
Currency derivatives subject to hedge accounting	110,241	108,544			218,785
Currency derivatives not subject to hedge accounting	16,960				16,960

6. Income taxes

Accounting principles

Tax expenses in the income statement consist of taxes based on the taxable income for the period, taxes for previous periods, and deferred tax assets and liabilities. Taxes are recognised in the income statement, unless they are related to other comprehensive income items, in which case taxes are recognised in the said items. Taxes based on the taxable income for the period are calculated based on taxable income in accordance with the tax rate as it stands in each country at that time. Deferred tax assets and liabilities are calculated on the temporary differences between the carrying amount and the tax base in accordance with the tax rates issued as at the balance sheet date.

No deferred taxes are recognised for non-deductible goodwill, and no deferred taxes are recognised for subsidiaries' undistributed profits to the extent that the difference will not likely realise in the predictable future. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes are related to the same taxation authority.

The most significant temporary differences arise from depreciation of property, plant and equipment; the measurement of other investments and derivatives contracts at fair value; defined benefit plans; unused tax losses; and measurement at fair value in conjunction with acquisitions of business operations.

Key estimates and judgements

The management's judgement is required for determining the taxes based on the result for the period, deferred tax assets and liabilities, and the extent to which deferred tax assets are recorded. Tax audits are conducted annually in various group companies. If required, tax liabilities are recognised in connection with the audits. Their measurement often involves considerable uncertainty concerning the estimated taxes to be paid. If the associated final tax differs from the originally recorded amounts, the difference has an effect on both the taxes based on the taxable income for the period, and on deferred tax receivables and liabilities.

EUR 1000	2023	2022
Income taxes for the financial period	-30,088	-6,598
Income taxes from previous periods	-44	-29
Deferred taxes	-16,444	11,279
Other taxes	-46	-35
Total	-46,623	4,618

Income tax reconciliation

EUR 1000	2023	2022
Result before taxes	201,285	-4,996
Computed tax at Finnish statutory rate	-40,257	999
Tax rate differences of Finnish and foreign subsidiaries'	-5,288	4,401
Tax exempt income	1,198	627
Non-deductible expenses	-920	-1,217
Restatement of deferred taxes recognised for temporary differences and tax losses in previous years	-1,024	416
Unrecognised deferred tax receivables from tax losses and temporary differences	-230	-637
Share of profit from associated companies and joint ventures	34	17
Income taxes for previous periods	-44	-29
Other	-92	41
Income tax expense	-46,623	4,618
Effective tax rate, %	23.2	92.4

Pillar II, prepared by the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting, concerns the global minimum taxation of international corporate income. The change concerns a new supplementary tax for large groups, which aims to ensure a minimum level of taxation of at least 15% worldwide. If the combined effective rate of taxation in one of the Group's countries of operation is less than 15%, calculated according to the minimum taxation rules, an additional tax is required to increase the effective rate to 15%. The change will apply to financial periods

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starting after 31 December 2023. According to Metsä Group's current estimate, the global minimum taxation in accordance with Pillar II will either have no effect, or will not materially affect taxes paid by the Group.

Income tax relating to components of other comprehensive income 2023

1000 EUR	Before taxes	Taxes	After taxes
Items that will not be reclassified to profit or loss			
Actuarial gains/losses on defined benefit pension plans	-4,163	936	-3,227
Total	-4,163	936	-3,227
Items that may be reclassified to profit or loss			
Cash flow hedges total	-4,097	819	-3,277
Translation differences	6,890		6,890
Total	2,793	819	3,612

Income tax relating to components of other comprehensive income 2022

1000 EUR	Before taxes	Taxes	After taxes
Items that will not be reclassified to profit or loss			
Actuarial gains/losses on defined benefit pension plans	15,729	-3,729	12,000
Total	15,729	-3,729	12,000
Items that may be reclassified to profit or loss			
Cash flow hedges total	-4,966	1,000	-3,966
Translation differences	-16,411		-16,411
Total	-21,377	1,000	-20,377

Deferred tax assets and liabilities 2023

EUR 1000	1 Jan 2023	Charged in income statement	Charged to other items of comprehensive income	Translation differences and others	31 Dec 2023
Deferred tax assets in balance sheet					
Leases	4,768	-435		2	4,335
Pension obligations and provisions	2,719	-350	936	-30	3,276
Intercompany margins	579	-21		16	574
Unused tax loss carry-forwards	24,956	-9,975		-9	14,972
Fianncial instruments	824		-114		711
Other temporary differences	2,500	-330		25	2,195
Total	36,346	-11,110	822	5	26,063
Netting against liabilities	-22,762	761			-22,001
Deferred tax assets in balance sheet	13,583	-10,349	822	5	4,062
Deferred tax liabilities in balance sheet					
Leases	4,169	-415		28	3,782
Depreciation differences and appropriations	50,312	5,785		120	56,216
Other investments recognised at fair value	6,013	-442			5,571
Financial instruments	1,327		-933		393
Net investments in foreign operations		48		-48	
Other temporary differences	421	358		17	796
Total	62,242	5,334	-933	116	66,759
Netting against receivables	-22,762	761			-22,001
Deferred tax liabilities in balance sheet	39,480	6,095	-933	116	44,758

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Deferred tax assets and liabilities 2022

EUR 1000	1 Jan 2022	Charged in income statement	Charged to other items of comprehensive income	Translation differences and others	31 Dec 2022
Deferred tax assets in balance sheet					
Leases	4,830	-64		2	4,768
Pension obligations and provisions	7,179	-482	-3,729	-249	2,719
Intercompany margins	603	-21		-3	579
Unused tax loss carry-forwards	11,662	13,352		-58	24,956
Fianncial instruments	904		383	-464	824
Other temporary differences	2,712	-152		-61	2,500
Total	27,891	12,633	-3,346	-833	36,346
Netting against liabilities	-23,045	282			-22,762
Deferred tax assets in balance sheet	4,846	12,915	-3,346	-833	13,583

Deferred tax liabilities in balance sheet					
Leases	4,227	-59		1	4,169
Depreciation differences and appropriations	49,953	1,103		-744	50,312
Other investments recognised at fair value	6,455	-442			6,013
Financial instruments	1,944		-617		1,327
Net investments in foreign operations		795		-795	
Other temporary differences	484	-43		-20	421
Total	63,063	1,354	-617	-1,558	62,242
Netting against receivables	-23,045	282			-22,762
Deferred tax liabilities in balance sheet	40,018	1,637	-617	-1,558	39,480

On 31 December 2023 the tax loss carry-forwards amounted EUR 46,532 thousand (81,713), for which EUR 14,972 thousand (24,956) deferred tax assets have been recognised. Out of these tax loss carry-forwards EUR 45,958 thousand (2022: 71,111) have incurred in Germany and they do not have expiration date, and EUR 574 thousand (2022: 3,089) in Poland with expiration period of five years. Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable, considering expiry dates, if any. Where there is a recent history of loss, the Group assesses if that loss arises from factors which are likely to recur in the future. The recognition of deferred tax assets is supported by offsetting deferred tax liabilities and where applicable an assessment of earnings history and profit projections in the relevant jurisdictions.

The operating loss carry-forwards for which deferred tax assets have not been recognised due to uncertainty of the utilization of these loss carry-forwards amounted EUR 1,357 thousand (3,158). The unrecognised deferred tax assets for these losses amounted EUR 215 thousand (557).

7. Group structure

7.1 Group companies

Subsidiaries and joint operations

Accounting principles

Subsidiaries

In addition to the parent company, Metsä Tissue Oyj, the financial statements include all of the companies controlled by the Group. Group has control in a company when it, through its association with the company, is exposed to the company's changing income or has a right to its changing income and can influence this income by exercising the power it has in the company. Intra-Group shareholding is eliminated using the acquisition method. Intra-Group business transactions, receivables, liabilities and unrealized gains, as well as internal distribution of profits, are eliminated on consolidation. Unrealized gains arising from impairment are not eliminated. When necessary, the accounting principles applied by subsidiaries have been adjusted to comply with the Group's principles.

The parent company's owners' and non-controlling interests' shares of the result for the period and comprehensive income are presented in the comprehensive income statement.

Joint operations

A joint operation is a joint arrangement in which parties who have joint control in the arrangement have rights concerning the assets related to the arrangement and obligations concerning liabilities. The Group consolidates its proportion of the assets, liabilities, income and expenses of the joint operation in its financial statements.

Subsidiaries and joint operations 31 December 2023

Subsidiary shares	Country	Ownership, %
Owned by Metsä Tissue Corp.		
Metsä Tissue AB	Sweden	100.00
Metsä Tissue GmbH	Germany	100.00
Metsa Tissue Poland Sp z.o.o.	Poland	100.00
Metsa Tissue Slovakia s.r.o.	Slovakia	100.00
Metsa Tissue Ukraine LCC	Ukraine	100.00
Metsä Tissue Ltd	Great Britain	100.00
Metsä Tissue Hungary Kft	Hungary	100.00
Metsa Tissue Krapkowice Sp. Z.o.o.	Poland	100.00
Metsa Tissue Czech s.r.o.	Czech Republic	100.00
Metsä Greaseproof Papers Oy	Finland	100.00
Owned by Metsä Tissue GmbH		
Metsä Greaseproof Papers GmbH	Germany	100.00
Owned by Metsä Tissue AB		
Metsä Tissue Immobilienverwaltungs GmbH	Germany	100.00
Metsä Tissue A/S	Denmark	100.00
Metsä Tissue AS	Norway	100.00
Joint operations		
Owned by Metsä Tissue AB		
Katrinefors Kraftvärme AB *)	Sweden	50.00

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*) The primary goal for the arrangement is to produce energy to the parties and the liabilities of the arrangement are actually paid from the cash flow arising from the produced energy bought.

Joint ventures and associates

Accounting principles

Associated companies include all companies over which the Group has considerable influence but no control. Significant influence is usually based on a shareholding conferring 20–50% of the voting rights. A joint venture is a joint arrangement in which the parties that have joint control of the arrangement have rights to its net assets.

Investments in associated companies and joint ventures are processed using the equity method, and they are initially recognised at cost. The Group's shares in associated companies and joint ventures also include the goodwill measured at the time of acquisition, less any impairment. The Group's share of the profits or losses of associated companies and joint ventures is recognised in the income statement after the operating profit, which reflects the operative nature of these companies. Correspondingly, the Group's share of changes in equity in associated companies and joint ventures is recognised in its items of other comprehensive income. A proportion corresponding to the Group's shareholding is eliminated from unrealised profits between the Group and its associated companies and joint ventures. Unrealised gains arising from impairment are not eliminated. When necessary, the accounting principles applied by associated companies and joint ventures have been adjusted to comply with the Group's principles.

Investments in joint ventures

1000 EUR	2023	2022
1 Jan	2,587	2,445
Share of result for the period	175	87
Increases		81
Translation differences	119	-26
31 Dec	2,882	2,587
Amounts recognised in income statement		
Joint ventures	175	87
Amounts recognised in income statement total	175	87
Amounts recognised in balance sheet		
Joint ventures	2,882	2,587
Amounts recognised in balance sheet total	2,882	2,587

The carrying amount of associated companies at 31 December 2023 includes goodwill of EUR 29 thousand (32).

Joint ventures 31 December 2023

Joint ventures	Country	Ownership, %
Owned by Metsä Tissue Corp.		
Mäntän Energia Oy	Finland	70.00
Mäntän Puhdistamo Oy	Finland	54.00
Owned by Metsä Tissue Poland Sp.z.o.o		
Biokrap Sp. z.o.o	Poland	50.00

Material joint ventures

Joint ventures	Industry	Country	Ownership, %
Mäntän Energia Oy	Electricity and heat distribution	Finland	70.00

Summarised financial information for material joint ventures

1000 EUR	2023	2022
Sales	17,777	16,769
Result for the period	6	46
Non-current assets	2,582	1,818
Current assets	2,258	1,795
Current liabilities	3,517	2,400
Net assets	1,322	1,212

Reconciliation of financial information against the value recognised in consolidated balance sheet

Group's share of net assets	1,065	978
Carrying value of joint venture in consolidated balance sheet	1,065	978

Mäntän Energia Oy been consolidated according to equity method based on its consolidated financial statements prepared under IFRS.

The other Group's joint ventures are not material in terms of the notes.

Financial information summary of immaterial joint ventures

1000 EUR	2023	2022
Group's share of result for the period	88	62
Carrying value in consolidated balance sheet	1,816	1,609

Transactions between the Group and joint ventures

1000 EUR	2023	2022
Sales	441	543
Purchases	15,893	15,339
Interest income	110	43
Receivables		
Current	175	90
Non-current	2,521	2,515
Liabilities		
Current	3,141	2,437

Associates

The Group does not have material associates.

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7.2 Acquired business activities and divestments

Accounting principles

Acquired business operations are consolidated from the time when control is transferred to the Group, and divested operations are consolidated until the time when control is transferred away from the Group.

The consideration paid, including the contingent sales price and the identifiable assets and liabilities of the acquired business operations, are measured at fair value at the time of acquisition. Expenses related to acquisition are recognised at costs. Depending on the acquistion, the non-controlling interest's share in the object of the acquisition is recognised at fair value or the amount that corresponds to the non-controlling interest's proportion of the net assets of the object of the acquisition.

The amount of which the sum of the consideration paid, the fair value of the non-controlling interest's share and the fair value of the assets previously owned in the object of the acquistion exceed the fair value of the identifiable net assets is recognised as goodwill.

Assets held for sale are recognised at the lower of the book value or fair value less expenses arising from the divestment. Depreciation is not recognised on assets held for sale after classification.

There were no material business acquisitions in 2023 or 2022.

7.3 Related party transactions

The related parties of Metsä Tissue include Metsäliitto Cooperative which owns 100% of shares and voting rights. The related parties also include Metsäliitto Cooperative's subsidiaries and associated companies, Metsä Tissue's Board of Directors and management team and their family members.

Metsä Tissue's finance agreements are handled by Metsä Group Treasury Oy, which is the Group's internal bank. Metsä Group Group Treasury Oy's interest rates are market based.

Metsä Tissue buys pulp from Metsä Fibre and Metsä Board at market prices, from which the defined transportation costs and other costs are deducted.

1000 EUR	2023	2022
Sales	856	859
Other operating income	2,985	2,659
Materials and services	258,632	339,161
Interest income	4,931	683
Interest expense	1,030	386
Receivables		
Current receivables	2,598	7,356
Cash equivalents	215,455	71,609
Liabilities		
Current liabilities	30,562	131,032

There are no doubtful receivables in the receivables from group companies. No bad debt was recognized during the period. The parent company has no commitments on behalf of the management nor receivables from the management.

Transactions with associates and joint ventures are presented in the Note 7.1

8. Other notes

8.1 Contingent liabilities

During the year 2019 business belonging to Metsä Tissue has acted as seller in asset sale transaction giving normal seller's securities. It is not impossible that demands against the company are made regarding the given securities and that these securities could result in extra costs for the company.

Contingent liabilities

1000 EUR	2023	2022
Own liabilities for which colleteral has been provided	7,501	8,426
Corporate mortages	451	450
Total colleteral provided for own liabilities	451	450
Other commitments given on own behalf	125	703
Commitments given on the behalf of associated companies and joint ventures	33	49
Total	608	1,201

Metsä Tissue AB's Mariestad mill in Sweden has a commitment until the year 2029 to purchase process steam from the local energy-generating plant Katrinefors Kraftvärme AB, of which Metsä Tissue AB owns 50 %.

Commitments related to property, plant and equipment

1000 EUR	2023	2022
Payments due in following 12 months	109,624	4,271
Payments due later	41,635	1,603
Total	151,259	5,874

Commitments related to property, plant and equipment mainly concern expantion and of renewal of Mariestad production facilities.

8.2 Events occurring after the closing of the accounts

No events after the closing of the accounts.

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Financial statements of the parent company

Parent company income statement

EUR	Note	2023	2022
Sales	2	194,973,417.23	192,416,981.14
Change in stocks of finished and unfinished products		-2,794,095.33	1,722,216.12
Production for own use			
Other operating income	4	49,632,145.24	47,733,132.33
Materials and services			
Materials, consumables and goods			
Purchases during the financial period		-87,330,044.11	-110,974,744.27
Changes in stocks		660,535.40	2,903,541.85
External services	5	-13,685,126.21	-15,326,539.21
Employee costs	5	-35,784,884.27	-38,224,779.73
Depreciations and impairment charges	6	-6,618,335.82	-5,684,970.17
Other operating expenses	5	-58,759,926.82	-53,669,924.44
		-201,517,781.83	-220,977,415.97
Operating profit/loss		40,293,685.31	20,894,913.62
Financial income and expenses	7		
Income from investments in other non-current assets		237,341.36	4,244,170.03
Other interest and financial income		9,556,753.52	3,414,568.74
Exchange differences		289,311.98	-3,713,448.78
Write-downs of non-current investments		0.00	-85,000,000.00
Interest expenses and other financial expenses		-621,270.54	-227,645.72
		9,462,136.32	-81,282,355.73
Profit/loss before appropriations and taxes		49,755,821.63	-60,387,442.11
Appropriations			
Change in depreciation differences	6	-5,586,192.63	-5,269,849.35
Group contribution		8,397,700.00	8,015,000.00
Income taxes	8	-10,452,353.50	-5,460,809.16
Profit/loss for the financial period		42,114,975.50	-63,103,100.62

Parent company balance sheet

Assets

EUR	Note	2023	2022
Non-current assets			
Intangible assets	9		
Intangible assets		7,654,880.40	1,492.50
Goodwill		0.00	832,519.02
Other intangible assets		249,829.25	329,267.06
		7,904,709.65	1,163,278.58
Tangible assets	9		
Land and water areas		2,719,183.41	2,718,863.41
Buildings and constructions		9,346,247.02	7,651,320.62
Machinery and equipment		39,341,267.40	35,567,756.83
Other tangible assets		613,687.34	714,408.40
Advance payments and construction in progress		2,993,047.93	11,498,595.48
		55,013,433.10	58,150,944.74
Investments	10		
Shares in group companies		364,732,119.90	322,008,944.71
Receivables from group companies		54,974,765.69	45,874,711.47
Shares in participating interests		989,256.89	989,256.89
Other shares and holdings		3,726.92	3,726.92
		420,699,869.40	368,876,639.99
Total non-current assets		483,618,012.15	428,190,863.31

EUR	Note	2023	2022
Current assets			
Inventories			
Materials and consumables		15,203,530.35	14,542,994.95
Semifinished products		1,835,999.00	2,471,610.33
Finished products		4,174,918.43	6,333,402.43
		21,214,447.78	23,348,007.71
Non-current receivables	11		
Receivables from group companies		83,000,000.00	37,000,000.00
Deferred tax assets	14	372,429.48	0.00
		83,372,429.48	37,000,000.00
Current receivables	11		
Accounts receivables		17,959,949.09	20,007,574.02
Receivables from group companies		118,995,835.77	134,409,614.56
Receivables from associated companies		130,877.79	61,859.43
Other receivable		515,818.99	1,409,226.51
Prepayments and accrued income		522,310.32	794,831.20
		138,124,791.96	156,683,105.72
Total receivables		221,497,221.44	193,683,105.72
Total current assets		242,711,669.22	217,031,113.43
Total assets		726,329,681.37	645,221,976.74

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Liabilities

EUR	Note	2023	2022
Shareholders' equity			
Share capital	12	91,185,880.00	91,185,880.00
Share premium account		88,241,531.97	88,241,531.97
Other reserves			
Reserve for invested unrestricted equity		325,000,000.00	225,000,000.00
Value adjustment reserve		-1,269,023.17	2,008,339.32
Profit/loss for previous financial periods		95,411,292.69	158,514,393.31
Profit/loss for the financial period		42,114,975.50	-63,103,100.62
		640,684,656.99	501,847,043.98
Appropriations	6		
Accumulated depreciation difference		25,797,682.61	20,211,489.98
Provisions	13	734,082.25	763,615.98

EUR	Note	2023	2022
LIABILITIES			
Non-current liabilities	15		
Deferred tax liabilities	8,15	0.00	404,695.40
		0.00	404,695.40
Current liabilities	16		
Advance payments		63,802.99	879.19
Accounts payable		19,530,017.38	26,430,356.37
Liabilities to group companies		14,064,618.38	67,778,019.44
Liabilities to participating interests		2,771,126.93	2,135,383.50
Other liabilities		837,556.44	790,822.27
Accruals and deferred income	16	21,846,137.40	24,859,670.63
		59,113,259.52	121,995,131.40
Total liabilities		59,113,259.52	122,399,826.80
Total shareholders' equity and liabilities		726,329,681.37	645,221,976.74

Parent company cash flow statement

Euro	2023	2022
Cash flow from operating activities		
Profit/loss before appropriations and taxes	49,755,821.63	-60,387,442.11
Adjustments to profit/loss a)	-3,102,328.15	84,897,922.88
Interest received	9,794,094.88	7,576,746.97
Interest paid	-621,270.54	-221,895.52
Dividends received	0.00	81,991.80
Other financial items, net	1,157,913.15	-81,393.55
Income taxes paid	-15,683,414.76	3,929,078.32
Change in net working capital b)	11,579,770.95	-8,774,158.88
Net cash flow from operating activities	52,880,587.16	27,020,849.91
Cash flow from investing activities		
Acquisition of shares in subsidiaries	0.00	-60,000,000.00
Acquisition of shares in joint ventures	0.00	-81,000.00
Investments in tangible and intangible assets	-11,843,035.33	-13,271,612.80
Proceeds from disposal of other shares	0.00	1,282,492.20
Proceeds from sale of tangible and intangible assets	1,849,774.00	5,093,976.84
Increase and decrease of non-current receivables, net	-98,062,943.70	56,017,273.16
Total cash flow from investing activities	-108,056,205.03	-10,958,870.60
Cash flow before financial activities	-55,175,617.87	16,061,979.31

Euro	2023	2022
Cash flow from financing activities		
Other changes in equity	100,000,000.00	0.00
Increase or decrease in interest bearing current liabilities, net	-51,485,353.60	45,588,431.72
Increase or decrease in interest bearing current receivables, net	6,660,971.47	-61,650,411.03
Cash flow from financing activities	55,175,617.87	-16,061,979.31

a) Adjustments to profit/loss

Depreciations and impairment charges	6,618,335.82	5,684,970.17
Financial income and expenses	-9,462,136.32	81,282,355.73
Gains or losses on sale of fixed assets	-228,993.92	-1,655,161.93
Change in provisions	-29,533.73	-414,241.09
Total	-3,102,328.15	84,897,922.88

b) Change in net working capital

Inventories	2,133,559.93	-4,625,757.97
Change in current receivalbles, non-interest bearing	15,886,495.87	-6,899,044.48
Change in current liabilities, non-interest bearing	-6,440,284.85	2,750,643.57
Total	11,579,770.95	-8,774,158.88

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PARENT COMPANY FINANCIAL STATEMENT NOTES

Accounting principles

Metsä Tissue Oyj belongs to Metsä Group, whose parent company is Metsäliitto Cooperative. Metsäliitto Cooperative's registered office is in Helsinki. Metsä Group prepares consolidated financial statements which are available at the Group's main office at Revontulenpuisto 2 A, FIN-02100 Espoo, Finland.

Metsä Tissue Oyj's financial statements have been prepared in accordance with Finnish Accounting Standards (FAS).

Metsä Tissue Oyj has business transactions with other companies within the same Group. More information about these transactions can be found in the Group's Note 7.3. Business transactions with other companies in the same Group are based on the market price.

Foreign currency transactions

Foreign currency transactions have been recognised at the exchange rate on the day of the transaction. At the balance sheet date, receivables and liabilities denominated in foreign currency have been translated into euros at the exchange rate quoted by the European Central Bank at the balance sheet date. Net exchange gains/losses have been recognised to financial income and expenses in the income statement.

Derivative financial instruments

The company uses derivatives only for hedging against currency, interest rate and commodity risks. The management of financial risks and the principles applied to derivatives are explained in Notes 5.6 and 5.7 of the consolidated financial statements.

Sales

Sales are calculated after deduction of indirect sales taxes, trade discounts and other items adjusting sales.

Long-term premiums

Share-based payments have been posted to fiscal year, where the employee has acquired an irreversible right to the granted shares. Starting from year 2022, other long-term premiums have been posted to the period where the right to those has been acquired.

Pension and pension funding

Statutory pension security is handled by pension insurance companies outside the Group. In addition to the statutory insurance, some employees have additional pension insurance, which is either insured or held under the company's own responsibility. Pension insurance premiums have been accrued to correspond to the accrual-based wages and salaries given in the financial statements.

Leasing

Lease payments are treated as rental expenses.

Income taxes

Tax expenses in the income statement consists of taxes based on the taxable income for the period, taxes for the previous periods and deferred tax assets and liabilities. Deferred tax assets and liabilities are calculated on the temporary differences between the carrying amount and the tax base in accordance with the tax rate issued as at the balance sheet date. Deferred taxes are calculated on the basis of the established tax rate.

Property, plant and equipment and depreciation

The carrying values of property, plant and equipment are based on original acquisition costs less depreciation according to plan and impairment losses.

Depreciation according to plan is based on the estimated useful life of the asset as follows:

Goodwill	20 years
Buildings and constructions	20-40 years
Machinery and equipment	3-20 years
Other items	3-10 years

Depreciation is not recorded on the purchase cost of land and water areas.

Inventories

Inventories are measured at the lower of cost or net realizable value. FIFO principle is observed in measuring inventories or, alternatively, the weighted average cost method. Value of finished and semi-finished goods comprises raw materials, direct wages and salaries, depreciation and amortisation and other direct cost as well as a reasonable share

of variable and fixed production overhead cost calculated at normal level of production. Net realizable value is the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale.

Mandatory provisions

Contingent costs and losses that are no longer generate similar income and for which the parent company is obliged or committed and whose monetary value can be reasonably estimated are recognized in the income statement in the nature of the expense item and in the mandatory provisions of the balance sheet.

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2. Sales by geographical areas

EUR	2023	2022
Finland	137,285,032.14	111,382,464.73
Other EU-countries	*53,318,195.07*	*75,907,894.56*
Other European countries	4,370,190.02	5,129,272.66
Other countries	0.00	-2,650.81
Total	194,973,417.23	192,416,981.14

3. Exceptional items

EUR	2023	2022
Other operating income		
Gains on sale of Encore Ympäristöpalvelut Oy shares	0.00	481,042.10
Value adjustments of financial investments		
Value adjustment of shares in Metsä Tissue GmbH	0.00	-60,000,000.00
Value adjustment of shares in Metsä Tissue Krapkowice Sp z.o.o.	0.00	-10,000,000.00
Value adjustment if shares in Metsä Tissue Slovakia s.r.o.	0.00	-15,000,000.00
Total	0.00	-84,518,957.90

4. Other operating income

EUR	2023	2022
Rental income	281,710.47	285,339.17
Service revenue	48,050,135.41	44,945,151.67
Others	1,300,299.36	2,502,641.49
Total	49,632,145.24	47,733,132.33

5. Operating expenses

EUR	2023	2022
External services		
Distribution costs	*8,804,769.03*	*11,418,273.22*
Other external services	4,880,357.18	3,908,265.99
Total	13,685,126.21	15,326,539.21
Employee costs		
Wages and salaries for working hours	18,956,159.09	22,128,588.72
Share based payments	0.00	-110,386.06
Other long-term renumeration	2,958,501.90	2,425,433.00
Social security expenses		
Pension expenses	5,120,979.64	5,640,380.99
Other social security expenses	8,749,243.64	8,140,763.08
Total	35,784,884.27	38,224,779.73
Salaries and fees paid to management		
Managing director	549,251.99	853,262.68
Total	549,251.99	853,262.68

Management's salaries, wages and pension commitments are presented in Group's Note 3.2. Additional information about share-based payments is presented in Group's Note 3.3 and about other long-term remuneration in Group's Note 3.4.

The President and CEO, the members of the Board of Directors and their deputies and other similar institutions
key persons have not been granted loans and no guarantees or other guarantees have been issued for them.

The average number of personnel	430	430

EUR	2023	2022
Other operating expenses		
Rental and other property costs	199,006.31	1,685,103.59
Purchases of services	48,794,666.27	43,698,769.55
Other expenses		
Voluntary social costs	1,122,932.30	1,478,847.37
Traveling expenses	887,034.91	849,552.86
Advertising and marketing expenses	4,083,157.99	4,032,039.55
Others	3,673,129.04	1,925,611.52
Total	58,759,926.82	53,669,924.44
Fees of principal auditor		
Audit fees	88,371.72	139,970.25
Auditor's opinions	0.00	1,850.00
Total	88,371.72	141,820.25

The principal auditor is KPMG Oy Ab.

6. Depreciation and impairment charges

EUR	2023	2022
Planned depreciations		
Intangible rights	900,492.34	17,012.41
Goodwill	832,519.02	832,519.03
Other intangible assets	79,437.81	101,655.22
Buildings and constructions	796,364.87	668,509.26
Machinery and equipment	3,908,800.72	3,958,257.58
Other tangible assets	100,721.06	107,016.67
Total	6,618,335.82	5,684,970.17
Depreciations and impairment charges total	6,618,335.82	5,684,970.17
Change in depreciation difference	5,586,192.63	5,269,849.35
Total depreciation	12,204,528.45	10,954,819.52
Depreciation difference at the beginning of the financial year	20,211,489.98	14,941,640.63
Change in deprciation differences	5,586,192.63	5,269,849.35
Depreciation difference at the end of the financial year	25,797,682.61	20,211,489.98

7. Financial income and expenses

EUR	2023	2022
Income from investments in non-current assets		
Dividend income		
From others	0.00	81,991.80
Total	0.00	81,991.80
Interest income on investments in non-current assets		
From Group companies	237,341.36	4,162,178.23
Total	237,341.36	4,162,178.23
Total income from investments in non-current assets	237,341.36	4,244,170.03
Other interest and financial income		
Interest income from Group companies	9,556,132.95	3,395,022.63
Other interest income	620.57	19,546.11
Total	9,556,753.52	3,414,568.74
Exchange differences recognised in financial income and expenses		
Exchange differences on sales	-775.67	-620.16
Exchange differences on purchases	3,437.48	15,483.69
Exchange differences on financing	286,650.17	-3,728,312.31
Total	289,311.98	-3,713,448.78
Write-downs		
Write-downs of non-current investments	0.00	-85,000,000.00
Total	0.00	-85,000,000.00
Interest and other financial expenses		
Interest expenses to Group companies	-433,811.21	-121,435.80
Other interest expenses	-187,459.33	-100,459.72
Other financial expenses	0.00	-5,750.20
Total interest expenses and other financial expenses	-621,270.54	-227,645.72
Financial income and expenses total	9,462,136.32	-81,282,355.73

8. Income taxes

EUR	2023	2022
Taxes for the financial year	10,407,893.42	5,425,970.43
Taxes for previous financial years	2,244.33	37,715.12
Deferred taxes	42,215.75	-2,876.39
Total	10,452,353.50	5,460,809.16

9. Intangible and tangible assets

EUR	2023	2022
Intangible rights		
Acquisition cost, 1 Jan.	28,191,243.06	29,210,194.22
Additions	10,174,660.32	3,843,000.00
Decrease	-3,020,099.72	-4,861,951.16
Acquisition cost, 31 Dec.	35,345,803.66	28,191,243.06
Accumulated depreciation and impairment charges 1 Jan.	-28,189,750.56	-29,191,689.31
Accumulated depreciation on deductions and transfers	1,399,319.64	1,018,951.16
Depreciations for the period	-900,492.34	-17,012.41
Accumulated depreciation and impairment charges 31 Dec.	-27,690,923.26	-28,189,750.56
Book value, 31 Dec.	7,654,880.40	1,492.50

EUR	2023	2022
Goodwill		
Acquisition cost, 1 Jan.	79,012,948.07	79,012,948.07
Acquisition cost, 31 Dec.	79,012,948.07	79,012,948.07
Accumulated depreciation and impairment charges 1 Jan.	-78,180,429.05	-77,347,910.02
Depreciations for the period	-832,519.02	-832,519.03
Accumulated depreciation and impairment charges 31 Dec.	-79,012,948.07	-78,180,429.05
Book value, 31 Dec.	0.00	832,519.02

EUR	2023	2022
Other intangible assets		
Acquisition cost, 1 Jan.	3,487,581.05	3,487,581.05
Acquisition cost, 31 Dec.	3,487,581.05	3,487,581.05
Accumulated depreciation and impairment charges 1 Jan.	-3,158,313.99	-3,056,658.77
Depreciations for the period	-79,437.81	-101,655.22
Accumulated depreciation and impairment charges 31 Dec.	-3,237,751.80	-3,158,313.99
Book value, 31 Dec.	249,829.25	329,267.06

EUR	2023	2022
Intangible assets total		
Acquisition cost, 1 Jan.	110,691,772.18	111,710,723.34
Additions	10,174,660.32	3,843,000.00
Decrease	-3,020,099.72	-4,861,951.16
Acquisition cost, 31 Dec.	117,846,332.78	110,691,772.18
Accumulated depreciation and impairment charges 1 Jan.	-109,528,493.60	-109,596,258.10
Accumulated depreciation on deductions and transfers	1,399,319.64	1,018,951.16
Depreciations for the period	-1,812,449.17	-951,186.66
Accumulated depreciation and impairment charges 31 Dec.	-109,941,623.13	-109,528,493.60
Book value, 31 Dec.	7,904,709.65	1,163,278.58

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EUR	2023	2022
Land and water areas		
Acquisition cost, 1 Jan.	2,718,863.41	2,428,994.42
Additions	320.00	366,726.00
Decrease	0.00	-76,857.01
Acquisition cost, 31 Dec.	2,719,183.41	2,718,863.41
Book value, 31 Dec.	2,719,183.41	2,718,863.41

EUR	2023	2022
Buildings and constructions		
Acquisition cost, 1 Jan.	24,399,244.15	21,388,393.03
Additions	1,958,584.18	420,415.76
Decrease	-393,281.93	-217,567.65
Transfers between items	532,707.09	2,808,003.01
Acquisition cost, 31 Dec.	26,497,253.49	24,399,244.15
Accumulated depreciation and impairment charges 1 Jan.	-16,747,923.53	-16,200,475.15
Accumulated depreciation on deductions and transfers	393,281.93	121,060.88
Depreciations for the period	-796,364.87	-668,509.26
Accumulated depreciation and impairment charges 31 Dec.	-17,151,006.47	-16,747,923.53
Book value, 31 Dec.	9,346,247.02	7,651,320.62

EUR	2023	2022
Machinery and equipment		
Acquisition cost, 1 Jan.	112,563,808.03	111,895,695.47
Additions	2,618,447.09	2,224,594.18
Decrease	-6,308,451.79	-7,510,459.71
Transfers between items	5,063,864.21	5,953,978.09
Acquisition cost, 31 Dec.	113,937,667.54	112,563,808.03
Accumulated depreciation and impairment charges 1 Jan.	-76,996,051.20	-80,644,760.10
Accumulated depreciation on deductions and transfers	6,308,451.79	7,606,966.48
Depreciations for the period	-3,908,800.72	-3,958,257.58
Accumulated depreciation and impairment charges 31 Dec.	-74,596,400.13	-76,996,051.20
Book value, 31 Dec.	39,341,267.41	35,567,756.83

EUR	2023	2022
Other tangible assets		
Acquisition cost, 1 Jan.	3,060,509.01	3,066,804.62
Decrease	0.00	-6,295.61
Acquisition cost, 31 Dec.	3,060,509.01	3,060,509.01
Accumulated depreciation and impairment charges 1 Jan.	-2,346,100.61	-2,245,379.55
Accumulated depreciation on deductions and transfers	0.00	6,295.61
Depreciations for the period	-100,721.06	-107,016.67
Accumulated depreciation and impairment charges 31 Dec.	-2,446,821.67	-2,346,100.61
Book value, 31 Dec.	613,687.34	714,408.40

EUR	2023	2022
Advance payments and work in progress		
Acquisition cost, 1 Jan.	11,498,595.48	13,843,699.72

Additions	2,457,986.38	6,416,876.86
Transfers between items	-10,963,533.93	-8,761,981.10
Acquisition cost, 31 Dec.	2,993,047.93	11,498,595.48

EUR	2023	2022
Total tangible assets		
Acquisition cost, 1 Jan.	154,241,020.08	152,623,587.26
Additions	1,668,375.02	9,428,612.80
Decrease	-6,701,733.72	-7,811,179.98
Acquisition cost, 31 Dec.	149,207,661.38	154,241,020.08
Accumulated depreciation and impairment charges 1 Jan.	-96,090,075.34	-99,090,614.80
Accumulated depreciation on deductions and transfers	6,701,733.72	7,734,322.97
Depreciations for the period	-4,805,886.65	-4,733,783.51
Accumulated depreciation and impairment charges 31 Dec.	-94,194,228.27	-96,090,075.34
Book value, 31 Dec.	55,013,433.11	58,150,944.74

10. Investments

EUR	2023	2022
Shares in Group companies		
Acquisition cost, 1 Jan.	322,008,944.71	285,676,455.25
Increases	42,723,175.19	121,332,489.46
Impairments	0.00	-85,000,000.00
Acquisition cost 31.12.	364,732,119.90	322,008,944.71
Shares in joint ventures		
Acquisition cost, 1 Jan.	989,256.89	908,256.89
Increases	0.00	81,000.00
Acquisition cost 31.12.	989,256.89	989,256.89
Other shares and holdings		
Acquisition cost, 1 Jan.	3,726.92	774,342.09
Increases	0.00	511,877.03
Decreases	0.00	-1,282,492.20
Acquisition cost 31.12.	3,726.92	3,726.92
Total investments and holdings		
Acquisition cost, 1 Jan.	323,001,928.52	287,359,054.23
Increases	42,723,175.19	121,925,366.49
Decreases	0.00	-1,282,492.20
Impairments	0.00	-85,000,000.00
Acquisition cost 31.12.	365,725,103.71	323,001,928.52

EUR	2023	2022
Receivables from Group companies		
Acquisition cost, 1 Jan.	45,874,711.47	107,495,017.21
Increases	9,100,054.22	
Decreases	0.00	-61,620,305.74
Acquisitions costs 31.12.	54,974,765.69	45,874,711.47
Total receivables		
Acquisition cost, 1 Jan.	45,874,711.47	107,495,017.21
Increases	9,100,054.22	0.00
Decreases	0.00	-61,620,305.74
Acquisitions costs 31.12.	54,974,765.69	45,874,711.47
Total investments and receivables		
Acquisition cost, 1 Jan.	368,876,639.99	394,854,071.44
Increases	51,823,229.41	121,925,366.49
Decreases	0.00	-62,902,797.94
Impairments	0.00	-85,000,000.00
Acquisitions costs 31.12.	420,699,869.40	368,876,639.99

11. Receivables

EUR	2023	2022
Non-current receivables		
Receivables from Group companies		
Loans receivables	83,000,000.00	37,000,000.00
Deferred tax assets	372,429.48	0.00
Total	83,372,429.48	37,000,000.00
Total non-current receivables	83,372,429.48	37,000,000.00
Current receivables		
Receivables from Group companies		
Accounts receivable	10,468,596.56	13,281,696.46
Other receivable, interest bearing	60,882,763.80	0.00
Other receivable	36,329,362.35	103,930,379.97
Prepayments and accrued income	11,315,113.06	17,197,538.13
Total	118,995,835.77	134,409,614.56
Receivables from participating companies		
Accounts receivable	80,877.79	61,859.43
Prepayments and accrued income	50,000.00	0.00
Total	130,877.79	61,859.43
Receivables from others		
Accounts receivable	17,959,949.09	20,007,574.02
Other receivables	515,818.99	1,409,226.51
Prepayments and accrued income	522,310.32	794,831.20
Total	18,998,078.40	22,211,631.73
Total current receivables	138,124,791.96	156,683,105.72

EUR	2023	2022
Accrued income from group companies, current, specification		
Derivatives	1,985,321.86	6,794,174.92
Others	9,329,791.20	10,403,363.21
Total	11,315,113.06	17,197,538.13
Accrued income from others, current, specification		
Tax accrual	400,306.58	0.00
Others	122,003.74	794,831.20
Total	522,310.32	794,831.20
Receivables total	221,497,221.44	193,683,105.72

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12. Shareholders' equity

EUR	2023	2022
Restricted equity		
Share capital 1.1	91,185,880.00	91,185,880.00
Share capital 1.1	91,185,880.00	91,185,880.00
Share premium reserve 1.1.	88,241,531.97	88,241,531.97
Share premium reserve 31.12.	88,241,531.97	88,241,531.97
Fair value reserve 1.1.	2,008,339.32	5,033,715.19
Change	-3,277,362.49	-3,025,375.87
Fair value reserve 31.12.	-1,269,023.17	2,008,339.32
Restricted equity total	178,158,388.80	181,435,751.29

EUR	2023	2022
Unrestricted equity		
Reserve for invested unrestricted equity 1.1.	225,000,000.00	225,000,000.00
Change	100,000,000.00	0.00
Reserve for invested unrestricted equity 31.12.	325,000,000.00	225,000,000.00
Retained earnings 1.1.	95,411,292.69	158,514,393.31
Retained earnings 31.12.	42,114,975.50	-63,103,100.62
Retained earnings 31.12.	137,526,268.19	95,411,292.69
Unrestricted equity total	462,526,268.19	320,411,292.69
Equity total	640,684,656.99	501,847,043.98
Distributable funds		
Fair value reserve	-1,269,023.17	0.00
Reserve for invested unrestricted equity	325,000,000.00	225,000,000.00
Profit from previous financial periods	95,411,292.69	158,514,393.31
Profit for the financial period	42,114,975.50	-63,103,100.62
Distributable funds	461,257,245.02	320,411,292.69

13. Mandatory provisions

EUR	2023	2022
Restructuring provisions		
1.1.	127,649.74	121,796.22
Increases	0.00	5,853.52
Utilised during the year	-3,836.00	0.00
31.12.	123,813.74	127,649.74
Provisions for environmental obligations		
1.1.	635,966.24	1,056,060.85
Increases	8,989.20	8,855.40
Utilised during the year	-34,686.93	-428,950.01
31.12.	610,268.51	635,966.24
Total provisions		
1.1.	763,615.98	1,177,857.07
Increases	8,989.20	14,708.92
Utilised during the year	-38,522.93	-428,950.01
31.12.	734,082.25	763,615.98

14. Deferred tax assets and liabilities

EUR	2023	2022
Deferred tax assets		
Financial instruments	710,722.48	824,514.89
Mandatory provisions	55,173.69	97,389.44
Total	765,896.17	921,904.33
Deferred tax liabilities		
Financial instruments	393,466.69	1,326,599.73
Total	393,466.69	1,326,599.73
Deferred tax assets (+) and liabilities (-), net	372,429.48	-404,695.40

The deferred tax liability for accrued depreciation in 2023 was EUR 5 million (4).

15. Non-current liabilities

EUR	2023	2022
Other liabilities		
Deferred tax liabilities	0.00	404,695.40
Total	0.00	404,695.40
Non-current liabilities total	0.00	404,695.40

16. Current liabilities

EUR	2023	2022
Liabilities from Group companies		
Accounts payable	6,448,305.83	9,803,410.33
Other liabilities, interest-bearing	0.00	51,485,353.60
Accruals and deferred income	7,616,312.55	6,489,255.51
Total	14,064,618.38	67,778,019.44
Liabilities from participating interests		
Accounts payable	1,871,126.93	2,135,383.50
Accruals and deferred income	900,000.00	0.00
Total	2,771,126.93	2,135,383.50
Liabilities from other		
Advance payments	63,802.99	879.19
Accounts payable	19,530,017.38	26,430,356.37
Other liabilities	837,556.44	790,822.27
Accruals and deferred income	21,846,137.40	24,859,670.63
Total	42,277,514.21	52,081,728.46
Total current liabilities	59,113,259.52	121,995,131.40

EUR	2023	2022
Accrued income from group companies, current, specification		
Derivatives	4,109,416.60	4,192,680.09
Others	3,506,895.95	2,296,575.42
Total	7,616,312.55	6,489,255.51
Accruals and deferred incometo others, current, specification		
Personnel expenses	12,355,661.32	11,292,952.51
Accruals of purchases	2,492,607.82	2,922,692.47
Discounts	5,310,454.57	4,716,678.05
Taxes	0.00	4,872,970.43
Others	1,687,413.69	1,054,377.17
Total	21,846,137.40	24,859,670.63

17. Financial instruments

Derivatives 2023

	Nominal value	Fair value				
EUR		**Derivative assets**	**Derivative liabilities**	**Fair value net**	**Fair value through profit and loss**	**Fair value through other comprehensive income**
Currency forward contracts	368,543,832.40	1,985,321.86	4,109,416.60	-2,124,094.74	-537,815.78	-1,586,278.96
Currency derivatives	368,543,832.40	1,985,321.86	4,109,416.60	-2,124,094.74	-537,815.78	-1,586,278.96
Derivatives total	368,543,832.40	1,985,321.86	4,109,416.60	-2,124,094.74	-537,815.78	-1,586,278.96

Derivatives 2022

	Nominal value	Fair value				
EUR		**Derivative assets**	**Derivative liabilities**	**Fair value net**	**Fair value through profit and loss**	**Fair value through other comprehensive income**
Currency forward contracts	343,008,635.27	6,794,174.92	4,192,680.09	2,601,494.83	91,070.67	2,510,424.16
Currency derivatives	343,008,635.27	6,794,174.92	4,192,680.09	2,601,494.83	91,070.67	2,510,424.16
Derivatives total	343,008,635.27	6,794,174.92	4,192,680.09	2,601,494.83	91,070.67	2,510,424.16

All derivative agreements of Metsä Tissue Oyj have been made in hedging purpose and cash flow hedge accounting has been applied in major part of the agreements within IFRS financial statements. Only the part of currency derivatives that is related to hedging of accounts receivables and accounts payable is not directed to hedge accounting. Currency derivatives have been made to hedge Metsä Tissue´s currency cash flow and they mature fully during 2024. More detailed description of management of financial risks and principles applied to derivatives is included in Management of financial risks in IFRS financial statements Notes 5.6 and 5.7.

Fair value hierarchy of financial assets and liabilities 2023

EUR	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Other shares and holdings			3,726.92	3,726.92
Derivative financial assets		1,985,321.86		1,985,321.86
Financial liabilities measured at fair value				
Derivative financial liabilities		4,109,416.60		4,109,416.60

Fair value hierarchy of financial assets and liabilities 2022

EUR	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Other shares and holdings			3,726.92	3,726.92
Derivative financial assets		6,794,174.92		6,794,174.92
Financial liabilities measured at fair value				
Derivative financial liabilities		4,192,680.09		4,192,680.09

The principles applied to classification of financial assets and liabilities valued at fair value are described in note 5.7 of the consolidated Group accounts.

18. Legal disputes and commitments

EUR	2023	2022
Commitments and contingencies		
For own and for affiliated companies		
Guarantees and counter-indemnities	63,554,910.00	49,807,711.00
For participating interests		
Guarantees and counter-indemnities	33,110.00	48,976.00
Leasing commitments		
Payments due in following 12 months	1,437,857.90	1,519,590.75
Payments due later than 1 year	1,767,704.64	2,127,852.30
Total		
Guarantees	63,588,020.00	49,856,687.00
Leasing commitments	3,205,562.54	3,647,443.05
Total commitments	66,793,582.54	53,504,130.05
Investment commitments		
Payments due in following 12 months	2,162,113.45	4,271,303.70
Payments due later than 1 year	837,176.56	1,603,076.28
Total	2,999,290.01	5,874,379.98

19. Shares

EUR	Country	Ownership %	Number of shares	Book value EUR
Subsidiary shares				
Metsä Tissue AB	Sweden	100.00	4,501,000	153,028,560.66
Metsä Tissue GmbH	Germany	100.00	1	80,000,000.00
Metsa Tissue Poland Sp z.o.o.	Poland	100.00	98,172	5,000,000.00
Metsa Tissue Slovakia s.r.o.	Slovakia	100.00		57,311,615.95
Metsa Tissue Ukraine LCC	Ukraine	100.00		33,200.00
Metsä Tissue Ltd	Great Britain	100.00	1	380,181.47
Metsä Tissue Hungary Kft	Hungary	100.00		1,622,719.25
Metsa Tissue Krapkowice Sp. Z.o.o.	Poland	100.00	2,300,000	62,723,175.19
Metsa Tissue Czech s.r.o.	Czech Republic	100.00		8,375.91
Metsä Greaseproof Papers Oy	Finland	100.00	10,100	4,624,291.47
Total subsidiary shares				364,732,119.90
Participating interests				
Mäntän Energia Oy	Finland	70.00	2,800	853,680.89
Mäntän Puhdistamo Oy	Finland	54.00	54	135,576.00
Total shares in participating interests				989,256.89

EUR	Country	Ownership %	Number of shares	Book value EUR
Other shares				
MW-Kehitys Oy	Finland			2,000.00
Yrke Kiinteistöt Oy	Finland			1,726.92
Total other shares	Total			3,726.92

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METSÄ TISSUE OYJ

The Board's proposal for the distribution of profits

The distributable funds of the company are EUR 461,527,245.02 of which retained earnings constitute EUR 95,411,292.69 and profit for the period EUR 42,114,975.50. Fair value reserve is EUR -1,269,023.17. Reserve for invested unrestricted equity is EUR 325,000,000.00.

The Board of Directors proposes to the Annual General Meeting that the result for the period will be transferred to the retained earnings and no dividend will be paid for the financial year 2023.

No material changes have been taken place in respect of the company's financial position after the balance sheet date.

Espoo 8th February 2024

Ilkka Hämälä

Vesa-Pekka Takala

Esa Kaikkonen
CEO

METSÄ TISSUE OYJ

THE AUDITOR'S NOTE

The auditor's report has been issued today.

Helsinki 8th February 2024

KPMG Oy Ab
Authorised Public Accountants

Kirsi Jantunen
Authorised Public Accountant

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METSÄ TISSUE OYJ

List of accounting books and document types

Accounting books	
Document journal	digital recording
General ledger	digital recording
Accounts receivable	digital recording
Accounts payable	digital recording
List of tangible and intangible assets	digital recording
Financial statements and board of directors' report	digital recording
Balance sheet specification	digital recording
Note documents	digital recording

The accounting records are kept in accordance with the provisions of Chapter 2 Section 10 of the Finnish Accounting Act. The documents are stored electronically (digital recording).

Document types

Cash documents	
SK	Cash Document
ZQ	Twin
ZP	Payment Posting

General ledger documents	
AA	Asset Posting
AB	Accounting Document
AF	Depreciation Pstngs
AA	Periodic Asset Posti
ML	Investment Settlment
S2	GL Document
S4	CO doc.frm local ERP
S6	Memo post.in loc ERP
SE	Ext Payroll System
S9	GL documents
SA	G/L Account Document
SC	Cost Ctr Distribut
SE	G/L Posting mult. pc
SG	Costs transf to inve
SL	G/L mult. PC w/ VAT
SU	Adjustment Document
SV	Recurring Entry
SX	G/L Posting in FSP
V9	Forest owners cumula
ZT	Valuation

Account receivable	
D1	Customer Invoice
D2	Customer Credit Invo
D3	Down Payment Request
DA	Customer Document
DG	Customer Credit Memo
DQ	Customer Interest In
DR	Customer Invoice
DZ	Customer Payment
RB	Reserve for Bad Debt
RC	Rec transfer posting
RV	Billing Doc.Transfer
RW	Billing Doc.Transfer
RX	BillDoc.Trans IC Cre
V6	TUPU sales invoice
ZV	Payment Clearing
RP	VAT proforma

Accounts Payable	
K1	Vendor Invoice
K2	Vendor Credit Memo

K3	Vendor DP Request
K4	Int.trans.inv
K5	JIP Vendor Invoice
K6	JIP Vendor Credit Me
K1	Travel Invoice
K8	Voyager Documents
K9	Supplier Financing
KA	Vendor Document
KC	Intercompany Credit
KD	Intercompany Debit
KG	Vendor Credit Memo
KR	Vendor Invoice
V1	Tupu advanced payment
V2	Tupu purch. Invoice
V3	Harvestin purch.in
V5	Otso