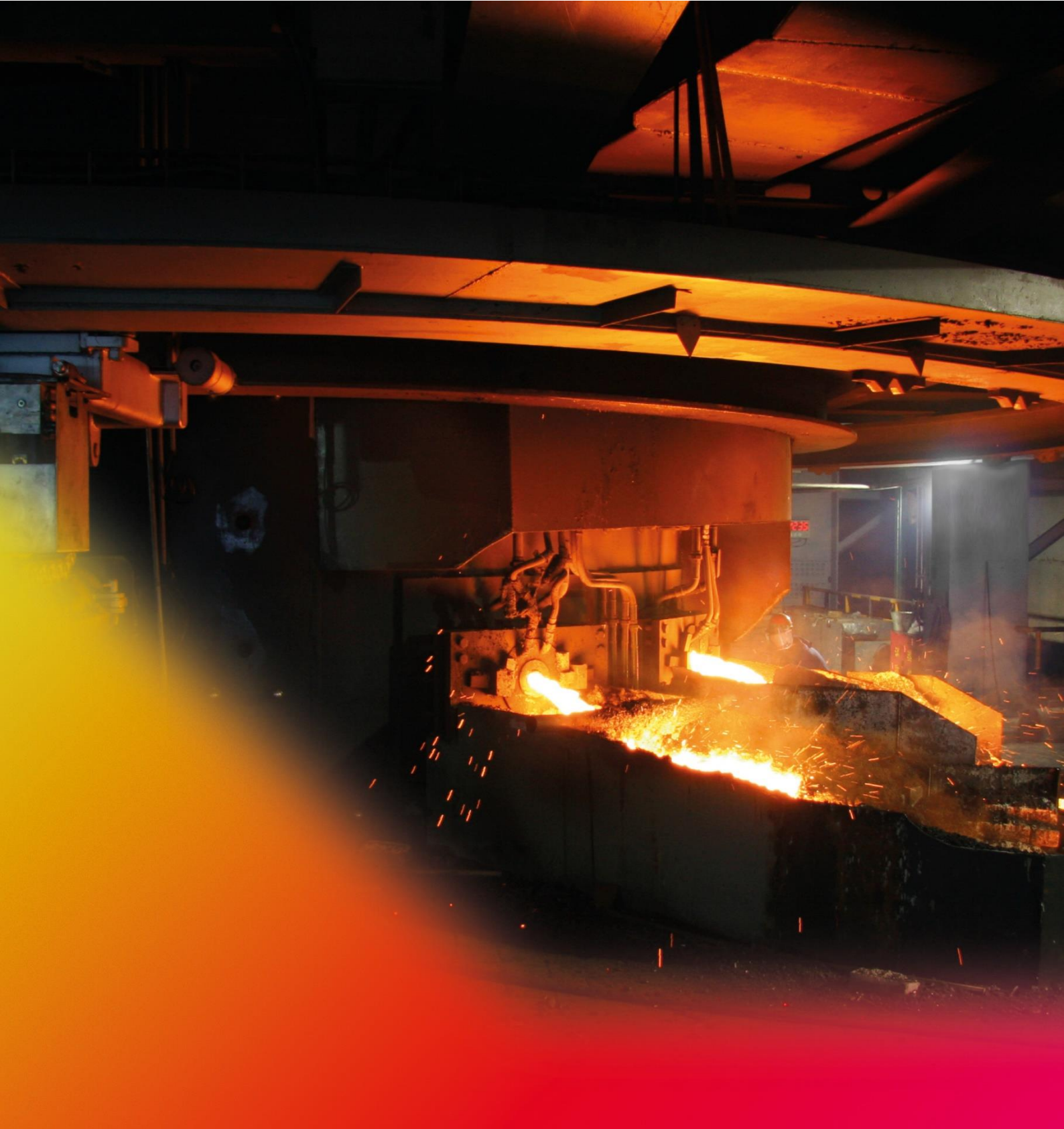




Financial Statements Review

January – December 2020

Metso:Outotec



Metso Outotec Financial Statements Review

January 1 – December 31, 2020

The demerger of Metso Corporation and the combination of Metso's Minerals business and Outotec was completed on June 30, 2020. In the transaction, the legal acquirer Outotec issued new shares to Metso shareholders and received all assets, rights, debts, and liabilities related to Metso's Minerals business.

This transaction is treated in IFRS reporting as a reverse acquisition, where Metso Minerals is the accounting acquirer and Outotec the accounting acquiree. The historical IFRS-based information for 2019 and January-June 2020 includes only Metso Minerals carve-out information.

In this Financial Statements Review, the segment reporting is based on the Metso Outotec organization, consisting of the Minerals, Aggregates, and Metals segments. On October 28, 2020, Metso Outotec announced its decision to divest its Recycling business. Therefore, the Recycling business has been classified as discontinued operations in 2020. All income statement, order intake and order backlog figures presented in this Financial Statements Review relate to continuing operations and the financial information for the comparison periods has been restated accordingly. Financial information related to the business divestments classified as discontinued operations is presented in note 9. The Metals and Recycling segment has been renamed as the Metals segment to reflect the changes in the continuing business.

Metso Outotec has prepared both illustrative and IFRS-based historical quarterly segment information for 2019 and January-June 2020. The illustrative historical segment information is presented as a combination of Metso Minerals carve-out information and Outotec information, according to the Metso Outotec segment structure. The Outotec information is based on Outotec's historical accounting principles; Outotec's Minerals Processing segment is included in Metso Outotec's Minerals segment, and Outotec's Metals Refining segment is included in Metso Outotec's Metals segment.

Figures in brackets refer to the corresponding period in 2019, unless otherwise stated.

Fourth-quarter 2020 in brief, IFRS (comparison period illustrative combined)

- Orders received EUR 1,304 million (EUR 1,045 million)
- Sales EUR 977 million (EUR 1,087 million)
- Adjusted EBITA EUR 103 million, or 10.6% of sales (EUR 138 million, or 12.7%)
- With Recycling, orders received were EUR 1,348 million, sales EUR 1,012 million, adjusted EBITA EUR 106 million
- EBIT EUR 44 million, or 4.5% of sales (EUR 103 million, or 9.4%)
- Earnings per share EUR 0.02
- EUR 65 million annual run rate of the Metso Outotec cost synergies realized by the end of the year

January-December 2020, IFRS and illustrative combined

- Orders received EUR 4,150 million (EUR 4,370 million)
- Sales EUR 3,897 million (EUR 4,030 million)
- Adjusted EBITA EUR 448 million, or 11.5% of sales (EUR 509 million, or 12.6%)
- EBIT EUR 253 million, or 6.5% of sales (EUR 423 million, or 10.5%)
- Earnings per share EUR 0.17 (based on outstanding shares)
- Cash flow from operations EUR 587 million (IFRS)
- Net debt EUR 799 million (IFRS) and gearing 39.2% (IFRS)
- The Board will propose an annual dividend of EUR 0.20 for 2020, to be paid in two installments

President and CEO Pekka Vauramo:



“I am confident that we have the right people, the best knowledge, and a value-adding service and product offering to achieve the position we are aiming for.”

After the Metso Outotec merger was completed on June 30, 2020, we have been busy carrying out the integration, realizing the synergies, and laying out the future direction of the new company. We proceeded swiftly and efficiently on all these fronts during the second half, and the initial results were visible already at the end of the year. The organizational restructuring is almost complete, and we reached a run rate of EUR 65 million cost synergies by the end of December. In addition, the first revenue synergies have been achieved and booked in the order intake of 2020. Several actions are still ongoing and will be finalized during 2021.

An important milestone for our new company was the launch of our strategy and financial targets in October. Metso Outotec's purpose is to enable sustainable modern life. Our aim is to be a top-tier supplier of products, technologies, and services in the aggregates and minerals industries and a top financial performer. The strategy is being implemented through four priorities: integration and financial performance, customer centricity, sustainability, and performance culture. These priorities will lead all of us in our everyday work and will generate value for all our stakeholders. I am confident that we have the right people, the best knowledge, and a value-adding service and product offering to achieve the position we are aiming for. The recognition of Metso Outotec ranking 8th on the list of the world's most sustainable companies proves that we have a strong basis for future development. I want to thank our entire personnel for their efforts in completing the merger and together building the new company in 2020.

Our overall performance in 2020 was good in a market environment affected by the Covid-19 pandemic. Our annual orders and sales were organically only 5% and 4% lower compared to 2019, despite restrictions and limitations impacting our customer industries. The profitability of the Aggregates and Minerals segments was healthy, whereas the Metals segment, where volumes

were severely impacted by the pandemic, reported a loss. This is being addressed in the ongoing turnaround program with results to be seen during 2021.

In the fourth quarter, we saw an uptick in orders received in both the Minerals and Metals segments and customer activity improved in the Aggregates segment. The strong order intake at the end of the year provides good support for early 2021, and we hope to be able to gradually return to normal with the easing of Covid-19 and related restrictions.

Covid-19 market update

After its outbreak during the first months of the year, the Covid-19 pandemic continued to affect Metso Outotec's end markets and customer operations throughout 2020. The most severe impact was seen during the second quarter, after which the situation stabilized and remained largely unchanged for the rest of the year. The most significant impacts resulted from restrictions on workforce mobility and limited access to customer sites. Metso Outotec's own operations were running with additional health and safety measures and without major disruptions since early June.

The aggregates business, which faced the most rapid and negative impacts during the second quarter, saw market activity normalizing towards the end of the year. In the minerals and metals markets, decision-making as well as commissioning related to bigger investments was hampered by mobility restrictions. However, positive news around Covid-19 vaccine development and high metal prices activated decision-making in the fourth quarter and resulted in a strong order intake for Metso Outotec. The services business continued to be affected by limited access to planning, preparing, and carrying out maintenance and modernization work at customer sites. The demand for spare parts and consumables continued to be good, supported by healthy utilization rates at mines thanks to high metal prices.

Market outlook

According to its disclosure policy, Metso Outotec's market outlook describes the expected sequential development of market activity during the following six-month period using three categories: improve, remain at the current level, or decline.

Metso Outotec expects the market activity to improve, subject to the development of the Covid-19 pandemic.

Key figures (Q4/2020 IFRS, other periods illustrative combined)

EUR million	IFRS Q4/2020	Restated Q4/2019	Change %	2020	Restated 2019	Change %
Orders received	1,304	1,045	25	4,150	4,370	-5
Orders received by services business	519	571	-9	2,071	2,304	-10
% of orders received	40	55	-	50	53	-
Order backlog	-	-	-	2,366	2,419	-2
Sales	977	1,087	-10	3,897	4,030	-3
Sales by services business	483	575	-16	2,017	2,179	-7
% of sales	50	53	-	52	54	-
Adjusted EBITA	103	138	-25	448	509	-12
% of sales	10.6	12.7	-	11.5	12.6	-
Operating profit	44	103	-58	253	423	-40
% of sales	4.5	9.4	-	6.5	10.5	-
Earnings per share, continuing operations, EUR (IFRS)	0.03	-	-	0.20*	-	-
Earnings per share, total, EUR	0.02	-	-	0.17**	-	-
Cash flow from operations (IFRS)	177	-	-	587	-	-
Gearing, % (IFRS)	-	-	-	39.2	-	-
Personnel at end of period	-	-	-	15,466	-	-

*based on average number of outstanding shares (737,413 thousand)

**based on the number of outstanding shares at the end of period (827,979 thousand)

The Group's financial performance in October – December, IFRS (comparison period illustrative combined)

Metso Outotec Group's orders received totaled EUR 1,304 million, compared to EUR 1,045 million in the fourth quarter of 2019. Orders increased 66% in the equipment business, thanks to a pickup of market activity in all segments. In the services business, orders declined 9%, due to weakened exchange rates in the key services markets and continued limitations and restrictions in access to customer sites related to the Covid-19 pandemic.

The Group's sales totaled EUR 977 million (EUR 1,087 million). Equipment sales were 4% lower and services sales 16% lower, compared to the fourth quarter of 2019. Both were affected by low order intake during the previous quarters.

Adjusted EBITA totaled EUR 103 million and adjusted EBITA margin was 10.6% of sales (EUR 138 million and 12.7%). The decline was largely due to the Metals segment turning from profit to loss. Profitability of the Aggregates and Minerals segments improved year-on-year.

The Group's operating profit (EBIT) was EUR 44 million and EBIT margin 4.5% (EUR 103 million and 9.4%). Operating profit included negative adjustments of EUR 22 million (EUR 24 million negative), the majority of which were related to the Metso Outotec transaction. PPA amortization totaled EUR 33 million.

Impacts of currency and structural changes

EUR million, %	Orders received		Sales	
	Q4	Q1-Q4	Q4	Q1-Q4
2019	1,045	4,370	1,087	4,030
Organic growth in constant currencies, %	32%	-5%	-4%	-4%
Impact of changes in exchange rates, %	-7%	-5%	-6%	-5%
Structural changes, %	0%	5%	0%	5%
Total change, %	25%	-5%	-10%	-3%
2020	1,304	4,150	977	3,897

The Group's financial performance in January – December, illustrative combined

Orders received in 2020 totaled EUR 4,150 million, compared to EUR 4,370 million in 2019. Sales totaled EUR 3,897 million (EUR 4,030 million). Lower order and sales volumes resulted from the negative impact of the Covid-19 pandemic on market activity.

Adjusted EBITA totaled EUR 448 million (EUR 509 million) and adjusted EBITA margin was 11.5% (12.6%). The weaker profitability year-on-year resulted from lower volumes due to Covid-19, which affected especially the Metals segment, turning it from profit to loss. Operating profit (EBIT) was affected by negative adjustments of EUR 97 million (EUR 46 million negative), which were related to the Metso Outotec transaction and integration costs. In addition, PPA amortization totaled EUR 71 million. EBIT totaled EUR 253 million (423 million) and EBIT margin was 6.5% (10.5%).

Profit before taxes totaled EUR 201 million (IFRS), and profit for the period totaled EUR 138 million (IFRS). Earnings per share were EUR 0.17 based on the number of outstanding shares at the end of the year of 827,979,202.

The Group's financial position

The Group's net interest-bearing liabilities were EUR 799 million at the end of 2020, gearing was 39.2% and the debt-to-capital ratio 37.2%. The equity-to-assets ratio was 39.9%.

Metso Outotec's liquidity position is solid. In addition to liquid funds amounting to EUR 537 million, the Group had committed and undrawn revolving credit facilities of EUR 790 million at the end of the year. A syndicated EUR 600 million revolving credit facility has a maturity in 2025 with one one-year extension option. To be prepared for any Covid-19-related liquidity needs, Metso Outotec arranged further liquidity buffers during 2020, of which the EUR 100 million revolving credit facilities mature in 2021 and EUR 90 million in 2022. Metso Outotec also has a EUR 600 million Finnish commercial paper program, under which EUR 60 million were issued at the end of the year.

The Group has a Euro Medium Term Note Program (EMTN) of EUR 2 billion, under which EUR 689 million at carrying value were outstanding at the end of 2020 (EUR 388 million in 2019). EUR 589 million (EUR 288 million) of the outstanding amount were public bonds and EUR 100 million (EUR 100 million) private placements.

During the year, a EUR 100 million bank loan was drawn for general corporate purposes, and a EUR 40 million loan was drawn for research, development, and innovation purposes from the European Investment Bank. In July 2020, Metso Outotec repaid Outotec's EUR 150 million hybrid bond, using a bank term loan of EUR 150 million with a maturity until 2022 with a one-year extension option.

In addition, Metso Outotec repaid Outotec's EUR 150 million bond in September 2020 with a bank term loan with a maturity until 2022. In November, Metso Outotec issued a public bond amounting to EUR 300 million with a maturity of 7.5 years under its EMTN Program. The proceeds were used to repay a EUR 300 million bank term loan.

The average interest rate of total loans and derivatives was 1.21% (1.45%), on December 31, 2020. The duration of medium- and long-term interest-bearing debt was 2.1 years (1.7 years) and the average maturity 3.7 years (2.9 years).

Moody's Investor Service has assigned Metso Outotec a 'Baa2' long-term issuer rating with stable outlook and S&P Global Ratings a 'BBB-' preliminary long-term issuer credit rating with negative outlook.

Update on the integration and synergy process

The Metso Outotec integration, which started on July 1 after the transaction was completed on June 30, 2020, proceeded quickly during the second half of the year.

In early August, Metso Outotec announced an updated timetable and scope of the cost synergies to be realized from the merger. The cost synergy target was raised to EUR 120 million of annual pre-tax cost synergies, and the implementation will be accelerated so that the run rate of the synergies is expected to be realized by the end of 2021. Procurement is estimated to represent about 25% of the total cost synergies, and the rest will come from personnel, functional and other cost synergies.

The realization of the cost synergies is proceeding according to plan: by the end of 2020, an annual run rate of EUR 65 million had been reached, exceeding the earlier announced plan to achieve about EUR 50 million by the end of the year. The main source of the realized synergies has been the restructuring of the organization.

Also in August, the company maintained its original EUR 150 million annual revenue run-rate synergy target by the end of 2022 but noted that the Covid-19 situation creates uncertainty about the market development. The first revenue synergies were achieved and booked in orders received during the second half of the year.

The realization of cost and revenue synergies is expected to result in one-off, pre-tax costs of approximately EUR 75 million, which is below the original estimate of EUR 100 million. Around EUR 33 million of this was booked in 2020 and the majority of the remaining is expected to be incurred by the end of 2021.

The initial synergy targets, published in July 2019, were EUR 100 million of run rate pre-tax cost synergies and EUR 150 million of additional revenue synergies. Both targets were initially expected to materialize in three years after completion of the merger.

Aggregates

July – December 2020 based on IFRS, full year 2020 and 2019 illustrative combined figures

- **Strong equipment order growth in Q4**
- **Profitability improved in Q4**
- **Annual organic orders and sales affected by Covid-19**

EUR million, %	Orders received		Sales	
	Q4	Q1-Q4	Q4	Q1-Q4
2019	274	967	271	928
Organic growth in constant currencies, %	38%	-3%	-2%	-10%
Impact of changes in exchange rates, %	-6%	-3%	-5%	-3%
Structural changes, %	0%	21%	0%	20%
Total change, %	32%	15%	-7%	7%
2020	363	1,107	251	992

Operating environment and orders received

Customer activity in the equipment business improved strongly during the final quarter of the year from the earlier Covid-19 impacted level of around 75-80% of normal. Improvement was seen in all market areas and both in direct sales and in distribution. The demand continued to be especially strong in China, supported by strong infrastructure investments in the country initiated after the Covid-19 outbreak early in the year.

Orders received totaled EUR 363 million in the fourth quarter (274 million). The growth was driven by the equipment business, which reported 53% higher orders than in same quarter in 2019.

Key figures

EUR million	Q4/2020	Q4/2019	Change %	2020	2019	Change %
Orders received	363	274	32	1,107	967	15
Orders received by services business	83	91	-9	319	355	-10
% of orders received	23	33	-	29	37	-
Order backlog	-	-	-	402	338	19
Sales	251	271	-7	992	928	7
Sales by services business	73	81	-10	312	336	-7
% of sales	29	30	-	32	36	-
Adjusted EBITA	31	30	1	107	112	-4
% of sales	12.2	11.2	-	10.8	12.0	-
Operating profit	31	25	23	95	98	-3
% of sales	12.2	9.2	-	9.5	10.6	-

Financial performance

Sales declined 7% in the fourth quarter, due to a low order intake in the previous quarters. Adjusted EBITA of EUR 31 million (EUR 30 million) and adjusted EBITA margin of 12.2% (11.2%) were supported by various business improvement measures taken throughout the year to balance the impact of Covid-19. In addition, the realized synergies from the McCloskey acquisition became visible as the workload started to improve with the better order intake during the quarter.

January-December in brief

Orders increased 15% and sales grew 7%, thanks to the McCloskey acquisition, which was included only in the fourth quarter in 2019. Covid-19 had a negative impact on organic orders for the first nine months of the year and on sales throughout the year. The actions to protect profitability were successful and enabled adjusted EBITA to total EUR 107 million and adjusted EBITA margin 10.8% of sales (EUR 112 million and 12.0%).

Minerals

July – December 2020 based on IFRS, full year 2020 and 2019 illustrative combined figures

- **Strong order intake in Q4**
- **Sales flat organically**
- **Good profitability development**

EUR million, %	Orders received		Sales	
	Q4	Q1-Q4	Q4	Q1-Q4
2019	716	2,870	696	2,627
Organic growth in constant currencies, %	11%	-3%	0%	2%
Impact of changes in exchange rates, %	-9%	-7%	-8%	-6%
Structural changes, %	0%	0%	0%	0%
Total change, %	2%	-9%	-8%	-4%
2020	730	2,601	640	2,523

Operating environment and orders received

The activity related to small and brownfield-driven equipment investments continued to be healthy during the year, but Covid-19 uncertainties resulted in slow decision-making in larger and more complex investments. Nevertheless, order intake in the equipment business strengthened towards the end of the fourth quarter. High metal prices and utilization rates at mines supported healthy demand for spare parts and consumables, while Covid-19 related restrictions in access to customer sites limited opportunities for upgrades, modernizations, and expert services. The segment's quarterly orders increased 2% to EUR 730 million (716 million). Equipment orders increased 23% year-on-year, while services orders declined 10%. Exchange rates had a clear negative impact on both annual and fourth quarter figures as currencies in most key mining markets depreciated, some even significantly, during the year.

Key figures

EUR million	Q4/2020	Q4/2019	Change %	2020	2019	Change %
Orders received	730	716	2	2,601	2,870	-9
Orders received by services business	410	455	-10	1,673	1,788	-6
% of orders received	56	64	-	64	62	-
Order backlog	-	-	-	1,426	1,547	-8
Sales	640	696	-8	2,523	2,627	-4
Sales by services business	394	452	-13	1,603	1,680	-5
% of sales	62	65	-	64	64	-
Adjusted EBITA	85	84	1	365	349	4
% of sales	13.3	12.1	-	14.5	13.3	-
Operating profit	49	74	-34	291	319	-9
% of sales	7.6	10.7	-	11.5	12.1	-

Financial performance

Sales declined 8% to EUR 640 million, because of a lower order intake in the previous quarters and a negative currency impact. Equipment sales were at the same level, while services sales declined 13% year-on-year. Covid-19 continued to affect the services business through limited access to planning, preparing, and carrying out maintenance and modernization work at customer sites. Adjusted EBITA was EUR 85 million (EUR 84 million) and adjusted EBITA margin improved to 13.3% (12.1%). Profitability was supported by improved operational efficiency and integration synergies, while issues related to the ramp-up of the new consumables manufacturing footprint had a short-term negative impact.

January-December in brief

Orders received totaled EUR 2,601 million (EUR 2,870 million). Sales were EUR 2,523 million (EUR 2,627 million). Orders and sales both were affected by the weaker market environment and the negative foreign exchange impact. Adjusted EBITA improved to EUR 365 million from EUR 349 million and adjusted EBITA margin to 14.5% from 13.3%. The higher margin resulted from improved operational efficiency and integration synergies.

Metals

July – December 2020 based on IFRS, full year 2020 and 2019 illustrative combined figures. These figures do not include the Recycling business, which is reported under discontinued operations.

- **Large orders received in Q4**
- **Weak profitability due to low volumes and high fixed costs**
- **Turnaround program ongoing**

EUR million, %	Orders received		Sales	
	Q4	Q1-Q4	Q4	Q1-Q4
2019	55	534	121	475
Organic growth in constant currencies, %	295%	-15%	-26%	-18%
Impact of changes in exchange rates, %	-7%	-2%	-3%	-2%
Structural changes, %	0%	0%	0%	0%
Total change, %	288%	-17%	-29%	-20%
2020	212	443	86	382

Operating environment and orders received

Customer activity was low in 2020, affected by the Covid-19 related impact on decision-making regarding large projects and modernization services. The fourth quarter, however, saw a pickup in the market resulting in a strong order intake.

Key figures

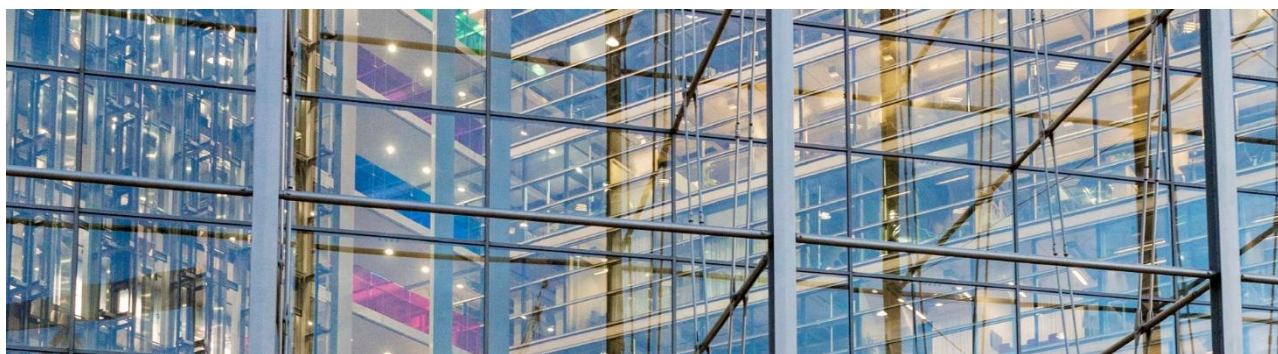
EUR million	Q4/2020	Q4/2019	Change %	2020	2019	Change %
Orders received	212	55	288	443	534	-17
Orders received by services business	26	25	3	78	160	-51
% of orders received	12	46	-	18	30	-
Order backlog	-	-	-	538	533	0
Sales	86	121	-29	382	475	-20
Sales by services business	17	42	-60	101	162	-37
% of sales	19	35	-	27	34	-
Adjusted EBITA	-9	21	-	-2	58	-
% of sales	-10.1	17.7	-	-0.6	12.2	-
Operating profit	-14	18	-	-23	48	-
% of sales	-15.7	15.2	-	-6.1	10.1	-

Financial performance

Fourth-quarter sales were EUR 86 million, which is 29% lower compared to the same period in 2019. The decline resulted from a low order intake during the first three quarters of the year, which caused under-absorption of fixed costs. This resulted in a negative adjusted EBITA of EUR -9 million and adjusted EBITA margin of -10.1% (EUR 21 million and 17.7%). The comparison period included positive one-off items relating to project deliveries. Restructuring and turnaround actions were initiated in Metals during the fourth quarter. Restructuring is estimated to lead to a maximum 160 redundancies in the Metals operations globally, corresponding to targeted savings of EUR 15 million.

January-December in brief

Orders totaled EUR 443 million (EUR 534 million) and sales were EUR 382 million (EUR 475 million). The significant drop in volumes, combined with a high fixed cost base, pushed the business into a loss. Adjusted EBITA was EUR -2 million (EUR 58 million) and adjusted EBITA margin -0.6% (12.2%).



Capital expenditure and investments

Gross capital expenditure, excluding business acquisitions, was EUR 86 million in 2020. The investments included the renewal of the footprint of the Consumables business, in which manufacturing operations were closed in Ersmark, Sweden, and a new production plant for high-quality rubber and poly-met wear parts for the mining industry was established in Lithuania.

Research and development

Research and development (R&D) expenses and investments were EUR 92 million, or 2.4% of sales in 2020.

Inventions and patents

	2020
Invention disclosures	104
Priority patent applications	46
Individual granted patents in force, as of December 31	6,381
Inventions protected by patents, as of December 31	981

Metso Outotec launched several products during the second half of 2020.

The next-generation Courier® 6G SL on-stream analyzer is designed for direct measurement of gold, platinum and other valuable metal concentrations from ore feed, concentrate, and tailings streams. The new analyzer enables accurate, real-time elemental analysis measurement, which is critical for establishing efficient process control to improve process stability and maximize recovery.

The next evolution of the high-pressure grinding roll, the HRC™e brings energy efficiency, lower circulating loads, and increased throughput. It comes with a decreased installation capex, compared to the existing HRC. Changes in design allow for maximum productivity with proven technology that leads to superior grinding efficiency.

The mechanical skew control HPGR (High Pressure Grinding Roll) retrofit kit was launched for improved throughput and energy efficiency on the heels of the new HRC™e HPGR release. The new retrofit kit takes the key components responsible for minimizing skew from HRC™ and makes the technology more accessible without the major investment or need to acquire a new machine.

A full line of mill discharge pumps was introduced for reliable and efficient slurry handling in minerals processing. The Metso Outotec MD Series pumps offer outstanding uptime and sustained efficiencies. They have been designed for efficient operation and longest wear life to match the mill's uptime.

The innovative Filter Optimizer further boosts the performance of Metso Outotec's Larox® PF filter in the mining and chemical industry processes. The Filter Optimizer improves the PF filter performance by enabling more precise control over the solid/liquid separation process. The new optimizer stabilizes the effect of upstream process variations, provides tools for improved process control, and reduces the need for manual intervention.

An extension was launched to Metso Outotec's primary gyratory crusher range: the SUPERIOR™ MKIII 6275UG. The new crusher, which can be used in different types of applications both above and underground, provides large capacity with significant savings in capex and operating costs.

Metso Outotec's mill relining equipment offering was extended with a high-capacity Mill Relining Machine (MRM). The new MRM enables easy and safe replacement of steel lining systems inside even the largest grinding mills.

Metso Outotec's line of mobile and modular stationary crushing solutions was complemented with a sizer option specially designed for soft ore and aggregate applications. The new additions to the mobile Lokotrack® product line are equipped with Komatsu's sizer technology and are available in five models ranging from 500 to 4,500 tons per hour.

Metso Outotec launched a full range of overland conveyor solutions that provide economic and reliable material transportation for both open-pit and underground operations at the lowest total cost of ownership. The conveyors come with the patented Energy Saving Idlers® (ESI), which bring significant energy savings.

Sustainability

Metso Outotec is a forerunner in sustainable products, end-to-end solutions and aftermarket services for aggregates, minerals processing, and metals refining industries globally. Metso Outotec was ranked 8th on the Corporate Knights 2021 Global 100 Index of the world's most sustainable companies. Metso Outotec's sustainability agenda comprises of two focus areas: Sustainable offering and innovations, and Responsible and trusted partner. The company has established targets and key performance indicators for all the material topics to steer its sustainability activities.

Metso Outotec reports its economic, social, and environmental performance annually in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The Annual Report 2020, which includes a GRI Supplement 2020, will be published in March 2021.

Health and safety

A new health and safety organization was established, a new safe working behavior model called Modus Operandi was introduced, and a safety training program focusing on safety roles and responsibilities was implemented throughout the organization in 2020. The Covid-19 pandemic posed significant challenges around the world, and Metso Outotec's first priority has been to secure the health and safety of its employees, customers and partners by doing its best to control the virus from spreading.

Metso Outotec's key indicators for safety are lost-time injuries per million working hours (LTIF), which was 1.6 in 2020, and total recordable incident frequency (TRIF), which was 4.1 in 2020. The LTIF and TRIF reporting covers Metso Outotec's premises, employees, and contractors working under Metso Outotec's direct supervision, as well as project sites. Employee safety, risk observations, safety conversations, and safety training hours are continuously measured.

Environment

Metso Outotec's most significant environmental impact materializes in the use of its products and processes delivered to customers. The company has a commitment to limit the increase in global average temperature to 1.5 °C, and this is one of its financial targets to measure value creation.

Metso Outotec has long-term targets related to the environmental performance of its products and services with the aim of doubling the CO₂ handprint by 2035 compared to the 2019 baseline. In 2020, Metso Outotec's CO₂ handprint was 8.2 million tons less CO₂ equivalents in sixteen technology areas. The company also aims to set energy-efficiency, emission, or water efficiency targets for 90% of R&D-projects from 2021 onwards.

Metso Outotec also aims to reduce the impacts of its own operations and has set new science-based CO₂ emission targets aiming to halve the emissions of its own production by 2030, reduce emissions from logistics by 20% by 2025, increase the positive impact of the product use phase by 20% by 2025, and work with suppliers and encourage them to set their own science-based CO₂ emission targets. The Science Based Targets initiative has validated Metso Outotec's climate targets. The combined CO₂ emissions of Metso Outotec's footprint, including own operations, logistics and suppliers, was 1,036,590 tons of CO₂ in 2020.

Code of Conduct

New Code of Conduct training was implemented in 2020 to mitigate risks and to ensure compliance. 96.1% of Metso Outotec employees completed the training by the end of 2020. Going forward, mandatory training will be part of the annual process. The Code of Conduct training is also a part of the induction program for new employees. In addition, all Metso Outotec's senior managers are required to confirm their compliance with Metso Outotec's Code of Conduct requirements.

Compliance management

Regarding data privacy, Metso Outotec has developed practices and processes related to personal data processing, specifically focusing on harmonizing the privacy-related processes in the company.

In the second half of 2020, Metso Outotec received ten reports of suspected financial misconduct and ten reports of suspected non-financial misconduct via its Whistleblower channel. In addition to the Whistleblower reports, seven reports were investigated after they had been submitted directly to Compliance or Internal Audit. All cases were investigated, and none had significant financial implications on Metso Outotec.

Metso Outotec has an audit framework in place to support risk management by ensuring compliance and continuous business development. In total, 19 internal audits were performed during the second half of the year.

Personnel

Metso Outotec had 15,466 employees at the end of December 2020.

Personnel by area on December 31, 2020

	Share, %
Europe	37
North and Central America	13
South America	26
Asia Pacific and Greater China	13
Africa, Middle East, and India	11
Total	100

Outotec Annual General Meeting 2020

Outotec Oyj's Annual General Meeting (AGM) was held on March 11, 2020, in Helsinki, Finland. The AGM adopted the parent company and consolidated Financial Statements and discharged the members of the Board of Directors and the CEO from liability for the financial year 2019.

The AGM resolved that a dividend of EUR 0.10 per share, i.e. EUR 18,212,825.40 in total, be paid for the financial year 2019. The dividend was paid on March 31, 2020.

The AGM resolved to adopt the Remuneration Policy for the governing bodies (including the members of the Board of Directors and the President and CEO).

The AGM authorized the Board of Directors to decide on the repurchase of an aggregate maximum of 18,312,149 of the company's own shares. The number of shares corresponds to approximately 10 percent of all shares prior to the merger. However, the company together with its subsidiaries cannot at any moment own more than 10 percent of all the shares of the company.

Authorized Public Accountants Ernst & Young Oy was chosen as the company's Auditor for a term commencing on the completion of the merger and ending at the end of the next annual general meeting of Metso Outotec. The Auditor will be paid remuneration against the Auditor's reasonable invoice approved by the company.

Metso Outotec Board of Directors

Outotec Oyj's Annual General Meeting resolved to increase the number of members of the Board of Directors by two, i.e. to a total of ten Board members, upon completion of the merger. The AGM elected Matti Alahuhta, Ian W. Pearce, Klaus Cawén, and Hanne de Mora, each previously members of the Outotec Board, to serve on the Board of Metso Outotec. From the Board of Directors of Metso, the AGM elected Mikael Lilius, Christer Gardell, Antti Mäkinen, Kari Stadigh, and Arja Talma as new members of the Board of Metso Outotec. In addition, Emanuela Speranza was elected as a member of the Board of Metso Outotec, conditional upon her election to Metso's Board of Directors at Metso's AGM 2020. Mikael Lilius was elected as the Chair of the Board of Metso Outotec and Matti Alahuhta as the Vice Chair. The Board's term commenced on June 30, 2020, and will end at the end of the next annual general meeting of Metso Outotec.

On July 1, 2020, after the registration of the demerger of Metso Corporation, Metso Outotec's Board of Directors established an Audit Committee and a Remuneration and HR Committee.

Arja Talma was elected Chair and Klaus Cawén and Antti Mäkinen as members of the Audit Committee. Antti Mäkinen was elected Chair and Christer Gardell and Hanne de Mora as members of the Remuneration and HR Committee.

The following annual remunerations were decided to be paid to the members of the Board as well as to the members of the Board committees:

- EUR 150,000 for Chair of the Board
- EUR 80,000 for Vice Chair of the Board
- EUR 65,000 for each member of the Board
- EUR 23,000 for Chair of the Audit Committee
- EUR 10,000 for each member of the Audit Committee
- EUR 12,000 for Chair of the Remuneration and HR Committee
- EUR 5,000 for each member of the Remuneration and HR Committee

The Board's annual remuneration has been paid pro rata to the length of the term of office commencing on July 1, 2020, until the end of the company's next Annual General Meeting of Metso Outotec.

In addition, the Annual General Meeting resolved that meeting fees for attendance at each board and committee meeting be paid to members of the Board of Metso Outotec as follows: EUR 900 for each member residing in the Nordic

countries, EUR 1,800 for each member residing in other European countries, and EUR 2,700 for each member residing outside Europe. In addition, Board members shall be reimbursed for direct costs arising from Board work.

Metso Outotec Executive Team

Metso Outotec's Executive Team consists of the following members:

Pekka Vauramo, President and CEO
Eeva Sipilä, CFO, Deputy CEO
Markku Simula, President, Aggregates
Stephan Kirsch, President, Minerals
Jari Ålgars, President, Metals
Uffe Hansen, President, Recycling
Markku Teräsvasara, President, Services, Deputy CEO
Sami Takaluoma, President, Consumables
Nina Kiviranta, General Counsel
Piia Karhu, Senior Vice President, Business Development
Carita Himberg, Senior Vice President, Human Resources

Shares and share trading

Before the combination of Metso's Minerals business and Outotec was completed, Outotec's share capital was EUR 17,186,442.52 and the total number of shares was 183,121,492. After the transaction was completed on June 30, 2020, a total of 645,850,948 new Outotec shares were issued as demerger consideration to Metso's shareholders based on their shareholdings in Metso on the same day. Trading in the new shares on the official list of Nasdaq Helsinki commenced on July 1, 2020. After the transaction was completed, the total number of Metso Outotec shares was 828,972,440 and its share capital was EUR 107,186,442.52. Treasury shares totaled 993,238 on December 31, 2020.

Metso Outotec share performance on Nasdaq Helsinki

EUR	July 1 to December 31, 2020
Closing price	8.18
Highest share price	8.20
Lowest share price	4.47
Volume-weighted average trading price	6.28

Flagging notifications

On July 2, 2020, Cevian Capital Partners Ltd. flagged its 8.5% holding and Varma Mutual Insurance Company flagged its less than 5% holding in Metso Outotec. Metso Outotec is not aware of any shareholders' agreements regarding the ownership of the company's shares and voting rights.

Strategy and financial targets

On October 28, 2020, Metso Outotec announced its new strategy and financial targets. According to its strategy, the company will focus on growth and improving profitability. It aims to become a top-tier supplier of products, technologies, and services in the aggregates and minerals industries and a top financial performer.

The strategy will be implemented through four priorities: integration and financial performance, customer centricity, sustainability, and performance culture

As a result of the strategy work, Metso Outotec decided to divest its Recycling business, which sells products and services for metal and waste recycling. Its sales in 2020 were EUR 125 million, and it reported an adjusted EBITA margin of approximately 3%. The business has around 300 employees and its main locations are Horsens, Denmark; Düsseldorf, Germany; and San Antonio, Texas.

The Board of Directors approved the following financial targets for the company:

- Adjusted EBITA margin of >15% over the cycle
- Maintaining an 'investment-grade' credit rating
- Dividend pay-out of at least 50% of earnings per share
- Progress in sustainability in alignment with the 1.5 °C commitment

Metso Outotec aims to be a sustainability leader in its industry. The company strives for a net positive impact on the planet and is committed to the 1.5 °C journey, with targets that are validated by the Science Based Targets initiative. This will be implemented through a focus on sustainable offerings and innovations and by being a responsible and trusted partner.

Metso Outotec has set targets to reduce the emissions of its own operations by 50% by 2030, compared to the 2019 baseline, and to reduce the emissions of logistics by 20% by 2025. It is also targeting that 30% of the supplier spend by the end of 2025 is with partners who have set a CO₂ target.

Metso Outotec will continuously develop sustainable solutions for its customers, with a focus on energy and emission efficiency, water efficiency, circular solutions, and safety. Over 90% of the company's R&D projects are targeted to have energy, emissions, or water targets.

Other main events between July 1 and December 31, 2020

On July 1, 2020, the Board of Directors of Metso Outotec decided on the establishment of new share-based, long-term incentive programs for the Company's management and selected key employees. The programs include a Performance Share Plan (also "PSP") for the top management, a Deferred Share Plan (also "DSP") for other senior management and selected key employees, and a Restricted Share Plan (also "RSP") as a complementary structure for specific situations.

On July 1, 2020, Metso Outotec announced that it will redeem Outotec's EUR 150,000,000 Hybrid Bond issued on March 24, 2016. The redemption was made on July 31, 2020, for the amount equal to 101 per cent of the principal amount, in whole, together with any accrued interest.

On August 3, 2020, Metso Outotec closed the acquisition of the Australia-based fastener and wear monitoring technology provider Davies Wear Plate Systems. The acquired company will extend Metso Outotec's wear lining portfolio and capabilities. Its sales in fiscal year 2020 were around AUD 17 million, or EUR 10 million, and it has approx. 30 employees.

On September 28, 2020, Metso Outotec started operations at its new manufacturing site in the region of Šiauliai (Šiauliai län) in northern Lithuania. The new plant further strengthens the company's capability to produce high-quality rubber and poly-met wear parts for its mining customers. The investment was announced in March 2020.

On October 28, 2020, it was announced that Pekka Vauramo will continue as the President and CEO of Metso Outotec until the end of 2023.

On November 3, 2020, Metso Outotec announced the divestment of the fabrication, machining and assembly operations and the closure or rearrangement of the rest of operations at its site in Vereeniging, South Africa. The unit in Vereeniging has provided pumps, spare parts, consumables, and repair services for the mining industry. The unit has had approximately 200 employees.

On November 11, 2020, Metso Outotec issued its first bond under its EMTN (Euro Medium Term Note) program, which was established on November 13. The EUR 300 million bond matures in May 2028 and pays a fixed coupon of 0.875%. The issue price was 99.167% and is equal to EUR-swaps + 135 basis points. There are no financial covenants attached.

On December 9, 2020, Metso Outotec published a plan to reorganize its Metals business as part of the turnaround program. The target is to create an operational model for Metals capital and services that suits the scale and nature of the business today and meets the specific demands of the Metals refining segment customer base. Approximately 1,100 employees working with the Metals capital and services business around the world are within the scope of the restructuring program. Restructuring is estimated to lead to a maximum 160 redundancies in the Metals operations globally, corresponding to targeted savings of EUR 15 million.

On December 28, 2020, Metso Outotec announced that it will sell its aluminum business to REEL International. The aluminum business has been reported under discontinued operations since late 2019, when it was announced to be on sale. The business comprises green anode plants, anode rodshops, and casthouses used in aluminum smelters, as well as related equipment and services. Approximately 120 Metso Outotec employees will join REEL upon closing, which is expected to take place during the first quarter of 2021. The value of the transaction has not been disclosed. The sale will have no material impact on Metso Outotec's financial result.

Events after the reporting period

Shareholders' Nomination Board's proposals regarding the composition and remuneration of the Board of Directors of Metso Outotec

On January 22, 2021, the Shareholders' Nomination Board published its proposals regarding the composition and remuneration of the Board of Directors of Metso Outotec Corporation.

The Shareholders' Nomination Board proposes that the Board of Directors should have seven members and that Klaus Cawén, Christer Gardell, Antti Mäkinen, Ian W. Pearce, Kari Stadigh, Emanuela Speranza, and Arja Talma should be re-elected as Board members. Mikael Lilius, Matti Alahuhta, and Hanne de Mora were not available for re-election.

The Nomination Board proposes that Kari Stadigh should be elected Chair of the Board and Klaus Cawén Vice Chair.

All the Board member candidates have given their consent to be elected and have been assessed to be independent of the company and its significant shareholders, except for Antti Mäkinen, who has been assessed to be independent of the company but not independent of its significant shareholder.

The Nomination Board proposes the same fixed annual remuneration to the Board members as in the previous term:

- Chair EUR 150,000
- Vice Chair EUR 80,000
- Other members EUR 65,000 each

The same additional remuneration as in the previous term is proposed for the Board members that are elected as members of the Audit Committee and the Remuneration and HR Committee:

- Chair of the Audit Committee EUR 23,000
- Members of the Audit Committee EUR 10,000
- Chair of the Remuneration and HR Committee EUR 12,000
- Member of the Remuneration and HR Committee EUR 5,000

The Nomination Board proposes that, as a condition for the annual remuneration, the Board members should be obliged, directly based on the Annual General Meeting's decision, to use 20% or 40% of their fixed total annual remuneration for purchasing Metso Outotec shares from the market at a price formed in public trading, and that the purchase will be carried out within two weeks from the publication of the interim report for January 1 – March 31, 2021.

The Nomination Board proposes the same meeting fees as in the previous term as follows: a fee of EUR 900 be paid to the members residing in the Nordic countries, a fee of EUR 1,800 be paid to the members residing in other European countries and a fee of EUR 2,700 be paid to the members residing outside Europe.

Composition of the Nomination Board

Metso Outotec's Shareholders' Nomination Board comprises Annareetta Lumme-Timonen (Investment Director, Solidium Oy) as the Chair and Niko Pakalén (Partner, Cevian Capital Partners Ltd.), Risto Murto (President and CEO, Varma Mutual Pension Insurance Company), Mikko Mursula (Deputy CEO, Ilmarinen Mutual Pension Insurance Company), and Mikael Lilius (Chair of Metso's Board of Directors). The Shareholders' Nomination Board consists of the representatives of the four largest registered shareholders of the company based on the ownership situation as of August 15 annually.

Mikael Lilius did not participate in the decision-making concerning the remuneration of the Board members.

Metso Outotec ranked 8th on the Global 100 list of the world's most sustainable companies

On January 25, 2021, it was announced that Metso Outotec is ranked 8th on the Corporate Knights 2021 Global 100 Index of the most sustainable companies in the world, and places as a top-ranking company among its peers.

Corporate Knights analyzed 8,080 companies on various indicators relative to industry peers.

Short-term business risks and market uncertainties

Covid-19 continues to pose significant short-term risks and uncertainties to Metso Outotec's market and operations. The development and longevity of the pandemic and its impact on economic growth is difficult to predict. Further possible abrupt measures taken by various national and local governments to restrict the spread may impact the demand for Metso Outotec's products and services as well as Metso Outotec's operations, which could restrict our ability to provide services at customer sites and to run our manufacturing sites. The company may also, to protect its personnel, need to take abrupt measures that are likely to affect the efficiency of its operations and customer deliveries.

The pandemic can continue to reduce the investment appetite and spending among our customers, weaken the demand for Metso Outotec's products and services as well as affect our business operations. Trade imbalances caused by the pandemic have, for example, caused challenges in availability of containers globally and could, when continued, impact supply chain efficiency.

There are also risks and uncertainties related to a more positive outcome in the pandemic: a rapid increase in demand to compensate for Covid-19 induced restraint could create inflationary pressures and challenges in the supply chain's ability to react quickly enough.

There are also other market- and customer-related risks that could cause on-going projects to be postponed, delayed, or discontinued.

Uncertain market conditions could adversely affect our customers' payment behavior and increase the risk of lawsuits, claims and disputes taken against Metso Outotec in various countries related to, among other things, Metso Outotec's products, projects, and other operations.

Tariffs or other trade barriers could pose challenges to our supply chain and price management, impacting our capability to secure customer deliveries and margins.

Exchange rate fluctuations and changes in commodity prices could affect our orders received, sales and financial position. Metso Outotec hedges currency exposure linked to firm delivery and purchase agreements.

Information security and cyber threats could disturb or disrupt Metso Outotec's businesses and operations.

Metso Outotec has identified a significant risk related to its ilmenite smelter project in Saudi Arabia in line with earlier disclosures. Provisions have been made against this risk. The contractual position and other factual circumstances will ultimately determine the eventual liability and financial impact.

Disputes related to project execution and resulting in extra costs and/or penalties are a risk for Metso Outotec. In the contracts related to the delivery of major projects, the liquidated damages attributable to, for instance, delayed delivery or non-performance may be significant. Even though provisions are provided for, in accordance with accounting principles, there is no certainty that additional liabilities would not materialize.

Metso Outotec is involved in a few disputes that may lead to arbitration and court proceedings. Differing interpretations of international contracts and laws may cause uncertainties in estimating the outcome of these disputes. The enforceability of contracts in certain market areas may be challenging or difficult to foresee.

Market outlook

According to its disclosure policy, Metso Outotec's market outlook describes the expected sequential development of market activity during the following six-month period using three categories: improve, remain at the current level, or decline.

Metso Outotec expects the market activity to improve, subject to the development of the Covid-19 pandemic.

Board of Directors' proposal on the use of profit

The Company's distributable funds on December 31, 2020, amounted to EUR 940,868,438.01 million.

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.20 per share be paid based on the balance sheet to be adopted for the financial year ended December 31, 2020, and that the remaining part of the profit for the financial year be retained and carried forward in unrestricted equity.

The Company's dividend policy states that at least 50% of annual earnings per share will be distributed as dividend. In its proposal, the Board has considered the impact of the significant one-off adjustments related to the Metso Outotec transaction and related integration on the earnings per share for 2020.

The dividend is proposed to be paid in two installments, i.e. EUR 0.10 in May and EUR 0.10 in November.

Corporate Governance Statement and Remuneration Report

Metso Outotec will publish separate Corporate Governance Statement and Remuneration Report for 2020, which comply with the recommendations of the Finnish Corporate Governance Code for listed companies and covers other central areas of corporate governance. The documents will be published on our website, separately from the Board of Directors' Report, during the week commencing March 15, 2021, at the latest.

Non-financial information

Metso will publish non-financial information that complies with the Finnish Accounting Act, as part of the Board of Directors' Report, during the week commencing March 15, 2021, at the latest.

Annual General Meeting 2021

Metso Corporation's Annual General Meeting 2021 is planned to be held on Friday, April 23, 2021. The Board will convene the meeting by a separate invitation.

Helsinki, February 15, 2021

Metso Outotec Corporation's Board of Directors

Metso Outotec Financial statements review January 1 – December 31, 2020: Tables

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Consolidated statement of income, IFRS

EUR million	Metso Outotec 10-12/2020	Metso Minerals combined, restated 10-12/2019	Metso Outotec 1-12/2020	Metso Minerals combined, restated 1-12/2019
Sales	977	751	3,319	2,819
Cost of sales	-746	-548	-2,429	-1,998
Gross profit	232	204	889	821
Selling and marketing expenses	-81	-67	-283	-249
Administrative expenses	-92	-51	-303	-204
Research and development expenses	-21	-9	-53	-28
Other operating income and expenses, net	8	-2	-10	-25
Share of results of associated companies	0	0	0	1
Operating profit	44	76	239	316
Finance income	1	2	5	6
Foreign exchange gains/losses	-6	-2	0	1
Finance expenses	-14	-11	-44	-41
Finance income and expenses, net	-19	-11	-38	-33
Profit before taxes	26	65	201	282
Income taxes	-2	-16	-52	-66
Profit for the period for continuing operations	24	49	149	217
Profit from discontinued operations	-9	1	-11	7
Profit for the period	15	50	138	223
Profit from continuing operations attributable to				
Shareholders of the parent company	16	50	138	224
Non-controlling interests	-1	0	0	-1
Earnings per share, EUR ¹⁾	0.02	0.08	0.19	0.35
Earnings per share for continuing operations, EUR ¹⁾	0.03	0.08	0.20	0.34

¹⁾ More information on side Key figures

Consolidated statement of comprehensive income, IFRS

EUR million	Metso Outotec 10-12/2020	Metso Minerals combined 10-12/2019	Metso Outotec 1-12/2020	Metso Minerals combined restated 1-12/2019
Continuing and discontinued operations				
Profit for the period	15	50	138	223
Other comprehensive income				
Cash flow hedges, net of tax	8	1	9	3
Currency translation on subsidiary net investment	14	-7	-58	2
Items that may be reclassified to profit or loss in subsequent periods	22	-6	-49	4
Defined benefit plan actuarial gains and losses, net of tax	-6	-3	-6	-3
Items that will not be reclassified to profit or loss	-6	-3	-6	-3
Other comprehensive income	16	-10	-56	1
Total comprehensive income	31	40	82	224
Attributable to				
Shareholders of parent company	32	41	83	225
Non-controlling interests	-1	0	0	-1

Consolidated Balance Sheet – Assets, IFRS

EUR million	Metso Outotec Dec 31, 2020	Metso Minerals combined Dec 31, 2019
Non-current assets		
Intangible assets		
Goodwill	1,052	556
Other intangible assets	942	167
Total intangible assets	1,994	723
Property, plant and equipment		
Land and water areas	42	43
Buildings and structures	116	98
Machinery and equipment	157	128
Assets under construction	41	46
Total property, plant and equipment	356	315
Right-of-use assets	132	89
Other non-current assets		
Investments in associated companies	10	8
Non-current financial assets	4	3
Loan receivables	6	31
Derivative financial instruments	3	2
Deferred tax asset	157	108
Other non-current receivables	43	130
Total other non-current asset	223	282
Total non-current assets	2,705	1,409
Current assets		
Inventories	1,038	975
Trade receivables	556	588
Customer contract assets	298	87
Loan receivables	2	42
Derivative financial instruments	43	16
Income tax receivables	36	44
Other current receivables	147	139
Deposits and securities, maturity more than three months	-	0
Cash and cash equivalents	537	156
Liquid funds	537	156
Total current assets	2,658	2,048
Assets held for sale	145	-
TOTAL ASSETS	5,508	3,457

Consolidated Balance Sheet – Equity and liabilities, IFRS

EUR million	Metso Outotec Dec 31, 2020	Metso Minerals combined Dec 31, 2019
Equity		
Share capital	107	-
Share premium fund	20	-
Cumulative translation adjustments	-210	-151
Fair value and other reserves	1,136	0
Retained earnings	983	1,403
Equity attributable to shareholders	2,037	1,252
Non-controlling interests	3	3
Total equity	2,040	1,254
Liabilities		
Non-current liabilities		
Borrowings	1,129	801
Lease liabilities	106	69
Post-employment benefit obligations	102	61
Provisions	73	33
Derivative financial instruments	2	2
Deferred tax liability	223	66
Other non-current liabilities	4	8
Total non-current liabilities	1,639	1,040
Current liabilities		
Borrowings	78	110
Lease liabilities	32	21
Trade payables	539	386
Provisions	122	71
Advances received	161	189
Customer contract liabilities	236	63
Derivative financial instruments	29	13
Income tax liabilities	40	47
Other current liabilities	445	263
Total current liabilities	1,682	1,163
Total liabilities	3,320	2,202
Liabilities held for sale	148	-
TOTAL EQUITY AND LIABILITIES	5,508	3,457

Consolidated statement of changes in shareholders' equity, IFRS

EUR million	Share capital	Share premium fund	Cumulative translation adjustments	Fair value and other reserves	Retained earnings	Equity attributable to shareholders	Non-controlling interests	Total equity
Jan 1, 2019	-	-	-153	-3	1,325	1,170	10	1,180
Profit for the period	-	-	-	-	224	224	-1	223
Other comprehensive income								
Cash flow hedges, net of tax	-	-	-	3	-	3	-	3
Measurement at fair value, net of tax	-	-	-	0	-	0	-	0
Currency translation on subsidiary net investments	-	-	2	-	-	2	0	2
Defined benefit plan actuarial gains (+) / losses (-), net of tax	-	-	-	-	-3	-3	-	-3
Total comprehensive income	-	-	2	3	221	225	-1	224
Dividends	-	-	-	-	-144	-144	0	-144
Dividends to related party	-	-	-	-	-4	-4	-	-4
Share-based payments, net of tax	-	-	-	-	1	1	-	1
Changes in invested equity	-	-	-	-	10	10	-	10
Net change from winding up the consolidated tax groups	-	-	-	-	1	1	-	1
Other items	-	-	-	0	-1	-1	0	-1
Changes in non-controlling interests	-	-	-	-	-7	-7	-7	-13
Dec 31, 2019	-	-	-151	0	1,403	1,252	3	1,254
Jan 1, 2020	-	-	-151	0	1,403	1,252	3	1,254
Profit for the period	-	-	-	-	138	138	0	138
Other comprehensive income								
Cash flow hedges, net of tax	-	-	-	9	-	9	-	9
Measurement at fair value, net of tax	-	-	-	0	-	0	-	0
Currency translation on subsidiary net investments	-	-	-58	-	-	-58	0	-58
Defined benefit plan actuarial gains (+) / losses (-), net of tax	-	-	-	-	-6	-6	-	-6
Total comprehensive income	-	-	-58	9	132	83	0	82
Dividends	-	-	-	-	-177	-177	0	-177
Dividends to related party	-	-	-	-	-2	-2	-	-2
Share-based payments, net of tax	-	-	-	2	-4	-2	-	-2
Changes in invested equity	-	-	-	-	-19	-19	-	-19
Net change from winding up the consolidated tax groups	-	-	-	-	-	0	-	-
Demerger effect	90	-	-	265	-355	-	-	-
Reverse acquisition	17	20	-	860	-	898	1	898
Other items	-	-	-	-	6	6	0	6
Changes in non-controlling interests	-	-	-	-	-	0	-	-
Dec 31, 2020	107	20	-210	1,136	983	2,037	3	2,040

Condensed consolidated statement of cash flows, IFRS

EUR million	Metso Outotec 1-12/2020	Metso Minerals combined 1-12/2019
Operating activities		
Profit for the period	138	223
Adjustments:		
Depreciation and amortization	160	71
Financial expenses, net	38	34
Income taxes	58	69
Other items	0	-7
Change in net working capital	193	-216
Net cash flow from operating activities before financial items and taxes	587	173
Interests paid	-29	-35
Interests received	5	5
Other financing items, net	-11	-1
Financial income and expenses paid, net	-35	-31
Income taxes paid	-62	-100
Net cash flow from operating activities	491	43
Investing activities		
Capital expenditures on intangible and tangible assets	-88	-87
Proceeds from sale of intangible and tangible assets	3	8
Proceeds from sale of intangible and tangible assets, Metso Group	6	-
Proceeds from and investments in financial assets, net	0	31
Business acquisitions, net of cash acquired	209	-214
Business acquisitions, net of cash acquired, Metso Group	-6	-
Proceeds from sale of businesses, net of cash sold	-	9
Proceeds from sale of businesses, net of cash sold, Metso Group	87	50
Investments in associated companies	-	-3
Net cash flow from investing activities	211	-207
Financing activities		
Dividends paid	-177	-144
Dividends paid, Metso group	-2	-4
Increase in loan receivables	-1	-
Transactions with non-controlling interests	-	-13
Proceeds from increases in non-current debt	836	414
Repayment of non-current debt	-400	-175
Proceeds from and repayment of current debt, net	-395	-91
Proceeds from and repayment of debt, net, Metso Group	-139	31
Repayment of lease liabilities	-31	-24
Net cash flow from financing activities	-309	-5
Net change in liquid funds	393	-169
Effect from changes in exchange rates	-6	0
Cash classified as assets held for sale	-6	-
Liquid funds equivalents at beginning of period	156	325
Liquid funds at end of period	537	156

Voluntary Unaudited Pro Forma Financial Information

Metso Outotec presents unaudited pro forma financial information for the twelve months ended December 31, 2020 and for the year ended December 31, 2019 to illustrate the impacts of the combination of Metso Minerals and Outotec on the business performance of Metso Outotec. The pro forma financial information has been presented for illustrative purposes only and addresses a hypothetical situation as if the combination took place on January 1, 2019 and therefore, does not represent the Metso Outotec's actual historical results of operations and does not purport to project the operating results of Metso Outotec.

For financial reporting purposes, the combination is accounted for as a reverse acquisition using the IFRS acquisition method of accounting where the Metso Minerals has been defined to be the accounting acquirer and Outotec the acquiree. As the consolidated financial statements of Metso Outotec are prepared as a continuation of the carve-out financial statements of the Metso Minerals following the completion of the combination, the pro forma financial information has been prepared in accordance with the accounting principles of Metso Outotec which are consistent with the accounting principles applied by Metso Minerals in its carve-out financial statements.

Outotec's net assets have been identified and recognized at their fair values as of the acquisition date on June 30, 2020 and the pro forma statements of income for the periods presented illustrate the P&L impact on these fair values. The pro forma financial information also takes into account the effects of the demerger on the financial information, estimated direct transaction costs related to the demerger and combination, certain accounting policy alignments between Metso Minerals and Outotec as well as certain refinancing transactions. Certain reclassifications have also been made to Outotec's historical financial information to align to Metso Outotec's financial statements presentation. The pro forma financial information does not reflect any cost savings, synergy benefits or future integration costs that are expected to be generated or may be incurred as a result of the combination.

Pro forma adjustments

The pro forma financial information reflects the application of pro forma adjustments that are based upon certain assumptions, described below, that management believes are reasonable under the circumstances.

Fair valuation of Outotec's net assets

Upon the completion of the combination, Metso Outotec prepared the detailed valuation of all assets and liabilities of Outotec as of the acquisition date. As a result, aggregate fair value adjustment of EUR 810 million of intangible assets related to customer relationships, marketing, technology and order backlog were recognized in the acquisition balance sheet. Amortization period for these intangible assets varies from 0,5 to 20 years. Respectively fair value adjustment of EUR 5 million of property, plant and equipment were recognized to the acquisition balance sheet. Depreciation period is 5,5 years. The depreciations and amortizations from the fair value adjustments have been recognized to pro forma periods accordingly. In addition, historical amortizations for certain intangible assets written off in the combination have been eliminated from the pro forma periods.

Demerger impact and accounting alignment

The existing interest-bearing intra-group receivables and liabilities including cash pool receivables and liabilities between the Metso Minerals and Metso Group have been settled on the date of combination. Impact of arising intra-group finance income and expenses has been eliminated from pro forma statements of income as a demerger impact.

Transaction costs of EUR 71 million have been expensed in connection with the demerger and combination primarily comprise financial, legal and advisory costs (excluding financing transaction costs and costs related to issuance of Demerger Consideration Shares) as well as certain employee benefits to be paid to the management and personnel in connection with the completion of the demerger. These transactions costs have been recorded as Administrative expenses in the pro forma statement of income as if they have been incurred as at January 1, 2019. For pro forma purposes, the costs already recorded as an expense of EUR 47 million for the twelve months ended December 31, 2020, have been eliminated. In addition, tax expense of EUR 1 million recorded by Metso Minerals in connection with the demerger for the twelve months ended December 31, 2020 have been eliminated and recorded as tax expense in the pro forma statement of income as if incurred at January 1, 2019.

In connection with the accounting policy alignment, Sales related to certain Outotec's current receivables written off in the combination have been eliminated from the pro forma periods.

Refinancing

On July 1, 2020 Metso Outotec redeemed Outotec's EUR 150 million hybrid bond. To refinance the hybrid bond, the Company has drawn up the EUR 150 million term loan. Impact of refinancing is recorded in the pro forma statement of income as finance expense. The pro forma adjustment reflects the interest calculated using the effective interest rate method for the EUR 150 million term loan assumed to be drawn for pro forma purposes as at January 1, 2019 including estimated impact of transaction costs and fees.

The pro forma adjustment for income taxes has been calculated based on the tax deductibility of the pro forma adjustments in the jurisdiction and accordingly, tax rates used for pro forma purposes differ depending on the nature of the underlying pro forma adjustment. Tax rate used for the fair value adjustments has been the Finnish statutory tax rate of 20 percent or the blended tax rate of 22.9 percent as applicable.

Pro forma Income Statement 1–12/2020, Continuing Operations

EUR million	Metso Outotec, IFRS 1-12/2020	Outotec historical reclassified 1-6/2020	Metso Outotec combined 1-12/2020	Pro forma adjustments 1-12/2020	Metso Outotec pro forma 1-12/2020
Sales	3,319	579	3,897	1	3,899
Cost of sales	-2,429	-433	-2,863	35	-2,828
Gross profit	889	146	1,035	36	1,071
Selling and marketing expenses	-283	-52	-336	-7	-343
Administrative expenses	-303	-30	-334	48	-286
Research and development expenses	-53	-26	-79	-4	-83
Other operating income and expenses, net	-10	-24	-34	-	-34
Share of results of associated companies	0	0	1	-	1
Operating profit	239	14	253	73	326
Finance income	5	2	8	-	8
Finance income, Metso Group	-	-	-	-	-
Foreign exchange gains/losses	0	-3	-3	-	-3
Finance expenses	-44	-5	-49	0	-49
Profit before taxes	201	8	209	73	282
Income taxes	-52	2	-50	-14	-64
Profit for the period, continuing operations	149	10	159	59	218

ADJUSTED EBITDA, EBITA AND OPERATING PROFIT

EUR million	Metso Outotec, IFRS 1-12/2020	Outotec historical reclassified 1-6/2020	Metso Outotec combined 1-12/2020	Pro forma adjustments 1-12/2020	Metso Outotec pro forma 1-12/2020
Adjusted EBITDA	468	62	530	1	532
% of sales	14.1	10.7	13.6		13.6
Depreciation of tangible and right-of-use assets	-71	-11	-82	0	-84
Adjusted EBITA	397	51	448	1	449
% of sales	11.9	8.9	11.5		11.5
Amortization of intangible assets	-85	-12	-98	25	-72
Adjustment items	-72	-26	-97	47	-51
Operating profit	239	14	253	73	326
% of sales	7.2	2.4	6.5		8.3
Amortization on intangible assets	-85	-12	-98	25	-72
Depreciation on tangible assets	-41	-4	-45	0	-45
Depreciation on right-of-use assets	-30	-7	-38	-	-38
Amortization and depreciation total	-157	-23	-180	25	-156
Capacity adjustment costs	-38	-2	-41	-	-41
Acquisition costs	5	0	5	-	6
Gain / loss on disposal	-	-	-	-	-
Metso Outotec integration costs	-14	-2	-16	-	-16
Metso Outotec transaction costs	-25	-21	-46	47	0
Adjustment items total	-72	-26	-97	47	-51

Pro forma Adjustments 1–12/2020

EUR million	Fair valuation of Outotec's net assets 1-12/2020	Demerger impact and accounting alignment 1-12/2020	Refinancing 1-12/2020	Pro forma adjustments 1-12/2020
Sales	-	1	-	1
Cost of sales	35	-	-	35
Gross profit	35	1	0	36
Selling and marketing expenses	-7	-	-	-7
Administrative expenses	1	47	-	48
Research and development expenses	-4	-	-	-4
Other operating income and expenses, net	-	-	-	-
Share of results of associated companies	-	-	-	-
Operating profit	25	48	0	73
Finance income	-	-	-	-
Finance income, Metso Group	-	-	-	0
Foreign exchange gains/losses	-	-	-	-
Finance expenses	-	-	0	0
Profit before taxes	25	48	0	73
Income taxes	-6	-8	0	-14
Profit for the period, continuing operations	19	40	0	59

Pro forma Income Statement 1–12/2019, Continuing Operations

EUR million	Metso Minerals carve-out historical ¹⁾ 1-12/2019	Outotec historical reclassified 1-12/2019	Metso Outotec combined 1-12/2019	Pro forma adjustments 1-12/2019	Metso Outotec pro forma 1-12/2019
Sales	2,819	1,210	4,030	-54	3,976
Cost of sales	-1,998	-850	-2,848	-47	-2,895
Gross profit	821	360	1,181	-101	1,080
Selling and marketing expenses	-249	-117	-366	-14	-381
Administrative expenses	-204	-77	-280	-45	-326
Research and development expenses	-28	-55	-84	-7	-91
Other operating income and expenses, net	-25	-4	-29	-	-29
Share of results of associated companies	1	1	2	-	2
Operating profit	316	107	423	-168	255
Finance income	4	6	10	-	10
Finance income, Metso Group	3	0	3	-3	0
Foreign exchange gains/losses	1	-3	-2	-	-2
Finance expenses	-41	-17	-59	-1	-60
Profit before taxes	282	93	376	-173	203
Income taxes	-66	-21	-86	35	-52
Profit for the period, continuing operations	217	73	289	-138	151

ADJUSTED EBITDA, EBITA AND OPERATING PROFIT

EUR million	Metso Minerals carve-out historical ¹⁾ 1-12/2019	Outotec historical reclassified 1-12/2019	Metso Outotec combined 1-12/2019	Pro forma adjustments 1-12/2019	Metso Outotec pro forma 1-12/2019
Adjusted EBITDA	421	165	586	-54	532
% of sales	14.9	13.7	14.5		13.4
Depreciation of tangible and right-of-use assets	-53	-24	-77	-1	-77
Adjusted EBITA	368	142	509	-55	455
% of sales	13.0	11.7	12.6		11.4
Amortization of intangible assets	-16	-24	-40	-67	-107
Adjustment items	-36	-10	-46	-47	-93
Operating profit	316	107	423	-168	255
% of sales	11.2	8.9	10.5		6.4
Amortization on intangible assets	-16	-24	-40	-67	-107
Depreciation on tangible assets	-31	-9	-40	-1	-41
Depreciation on right-of-use assets	-22	-15	-37	-	-37
Amortization and depreciation total	-69	-48	-117	-67	-184
Capacity adjustment costs	-15	1	-14	-	-14
Acquisition costs	-4	1	-3	-	-3
Gain / loss on disposal	-2	-	-2	-	-2
Metso Outotec integration costs	-3	-1	-4	-	-4
Metso Outotec transaction costs	-12	-11	-23	-47	-70
Adjustment items total	-36	-10	-46	-47	-93

¹⁾ Restated

Pro forma adjustments 1–12/2019

EUR million	Fair valuation of Outotec's net assets 1-12/2019	Demerger impact and accounting alignment 1-12/2019	Refinancing 1-12/2019	Pro forma adjustments 1-12/2019
Sales	-	-54	-	-54
Cost of sales	-47	-	-	-47
Gross profit	-47	-54	0	-101
Selling and marketing expenses	-14	-	-	-14
Administrative expenses	1	-47	-	-45
Research and development expenses	-7	-	-	-7
Other operating income and expenses, net	-	-	-	-
Share of results of associated companies	-	-	-	-
Operating profit	-67	-101	0	-168
Finance income	-	-	-	-
Finance income, Metso Group	-	-3	-	-3
Foreign exchange gains/losses	-	-	-	-
Finance expenses	-	-	-1	-1
Profit before taxes	-67	-104	-1	-173
Income taxes	15	20	0	35
Profit for the period, continuing operations	-52	-85	-1	-138

Key figures, pro forma for continuing operations

EUR million	1-12/2020	1-12/2019
Sales	3,899	3,976
Adjusted EBITDA	532	532
% of sales	13.6	13.4
Adjusted EBITA	449	455
% of sales	11.5	11.4
Operating profit	326	255
% of sales	8.3	6.4
Profit for the year	218	151
Earnings per share, EUR	0.26	0.18
Outstanding shares at end of period (thousand)	827,979	827,979

Key figures, IFRS

EUR million, %	Metso Outotec Dec 31, 2020
Profit for the period for continuing operations	149
Profit for the period	138
Earnings per share for continuing operations, EUR ¹⁾	0.20
Earnings per share, EUR ¹⁾	0.19
Earnings per share, EUR ²⁾	0.17
Equity / share at end of period, EUR	2.46
Number of shares at Jun 30, 2020 (thousand)	183,121
New shares issued as demerger consideration to Metso's shareholders (thousand)	645,851
The total number of shares at end of period (thousand)	828,972
Own shares held by Parent Company	993
The number of outstanding shares at end of period (thousand)	827,979
Average number of outstanding shares (thousand)	737,413
Net debt	799
Gearing, %	39.2
Equity to asset ratio, %	39.9
Debt to capital, %	37.2
Debt to equity, %	59.1
Net working capital (NWC)	421

¹⁾ based on average number of outstanding shares of 737,413 thousand

²⁾ based on outstanding shares of 827,979 thousand

Net debt and gearing

EUR million	Metso Outotec Dec 31, 2020
Borrowings	1,206
Lease liabilities	138
Total interest bearing debt	1,345
Loan receivables	8
Liquid funds	537
Net debt	799
Gearing	39.2 %

Formulas for key figures

Earnings before financial expenses, net, taxes and amortization, adjusted (adjusted EBITA)	=	Operating profit + adjustment items + amortization	
Earnings per share, basic	=	$\frac{\text{Profit attributable to shareholders}}{\text{Average number of outstanding shares during the period}}$	
Equity/share	=	$\frac{\text{Equity attributable to shareholders}}{\text{Number of outstanding shares at the end of the period}}$	
Gearing, %	=	$\frac{\text{Net interest bearing liabilities}}{\text{Total equity}} \times 100$	
Equity to assets ratio, %	=	$\frac{\text{Total equity}}{\text{Balance sheet total - advances received}} \times 100$	
Debt to capital, %	=	$\frac{\text{Interest bearing liabilities} - \text{lease liabilities}}{\text{Total equity} + \text{interest bearing liabilities} - \text{lease liabilities}} \times 100$	
Debt to equity, %	=	$\frac{\text{Interest bearing liabilities} - \text{lease liabilities}}{\text{Total equity}} \times 100$	
Interest bearing liabilities (Gross debt)	=	Interest bearing liabilities, non-current and current + lease liabilities, non-current and current	
Net interest bearing liabilities (Net debt)	=	Interest bearing liabilities - non-current financial assets - loan and other interest bearing receivables (current and non-current) - liquid funds	
Net working capital (NWC)	=	Inventories + trade receivables + other non-interest bearing receivables + customer contract assets and liabilities, net - trade payables - advances received - other non-interest bearing liabilities	

Alternative Performance Measures

Metso Outotec presents certain key figures (alternative performance measures) as additional information to the financial measures presented in the consolidated statements of comprehensive income, consolidated balance sheet and cash flows prepared in accordance with IFRS. In Metso Outotec's view, alternative performance measures provide meaningful supplemental information on its operational results, financial position and cash flows and are widely used by analysts, investors and other parties.

To improve the comparability between periods, Metso Outotec presents adjusted EBITA, being earnings before interest, tax and amortization adjusted by capacity adjustment costs, acquisition costs, gains and losses on business disposals as well as Metso Outotec transaction and integration costs. Their nature and net effect on cost of goods sold, selling, general and administrative expenses, as well as other income and expenses are presented in the segment information. Net debt, gearing, equity-to-asset ratio, debt-to-capital ratio, debt-to-equity ratio are presented as complementing measures because, in Metso Outotec's view, they are useful measures of Metso Outotec's ability to obtain financing and service its debts. Net working capital provide additional information concerning the cash flow needs of Metso Outotec's operations.

Alternative performance measures should not be viewed in isolation or as a substitute to the IFRS financial measures. All companies do not calculate alternative performance measures in a uniform manner, and therefore Metso Outotec's alternative performance measures may not be comparable with similarly named measures presented by other companies.

Notes to the financial statements review

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Appendix - Illustrative Historical Financial Information

1. Basis of preparation

This financial statement review has been prepared in accordance with IAS 34 'Interim Financial Reporting', applying the accounting policies of Metso Outotec which are consistent with the accounting policies of Metso Minerals carve-out Financial Statements 2019. New accounting standards have been adopted as described in note 2. This financial statements review is audited.

All figures presented have been rounded and consequently the sum of individual figures might differ from the presented total figure.

The partial demerger of Metso Corporation and the combination of Metso's Minerals business and Outotec was completed on June 30, 2020. In the consolidated financial statements according to IFRS this transaction is treated as a reverse acquisition, where Metso Minerals is the accounting acquirer and Outotec the accounting acquiree. The historical IFRS based statement of income and cash flow for 2019 and January-June 2020 include only Metso Minerals carve-out data. July-December 2020 consolidated statement of income and cash flows include Metso Outotec group financial data.

The consolidated statement of income and statement of cash flows for January-June 2020 present Metso Minerals as a single economic entity and are based on historical financial information of the relevant entities and business by using the same accounting principles and carrying amounts as in Metso Group. Metso Minerals carve-out financial statements have been prepared on a basis that combined financial statements of the legal entities and operating units attributable to the Minerals business are combined to Outotec Group.

On October 28,, 2020 Metso Outotec announced its decision to divest Recycling business. Recycling business has been classified as discontinued operations in 2020. Consequently, the figures for 2020 related to the consolidated statement of income are presented for continuing operations and comparative figures for 2019 have been restated accordingly. The assets and liabilities held for sale have been transferred to separate lines in the consolidated balance sheet. The comparative figures for 2019 related to the consolidated balance sheet have not been restated. The divestments are closed under "acquisitions and business disposals".

Reporting segments

Metso Outotec Group is a global supplier of sustainable technologies, end-to-end solutions and services for the minerals processing, aggregates, metals refining industries. Metso Outotec has a broad offering in terms of equipment, solutions and various type of aftermarket services. Reportable segments of Metso Outotec are based on end customer groups, which are differentiated by both offering and business model: Aggregates, Minerals and Metals.

The segments are reported in a manner consistent with the internal reporting provided to the Board of Directors, Metso Outotec's chief operating decision-maker and responsible for allocating resources and assessing the performance of the segments, deciding on strategy, selecting key employees, as well as deciding on major development projects, business acquisitions, investments, organizational structure and financing. The accounting principles applied to the segment reporting are the same as those used in preparing the consolidated financial statements.

Aggregates offers a wide range of equipment, aftermarket parts and services for quarries, aggregates contractors and construction companies. Minerals supplies a wide portfolio of process solutions, equipment and aftermarket services, as well as plant delivery capability for mining operations. Metals provides sustainable solutions for processing virtually all types of ores and concentrates to refined metals. Group Head Office and other segment is comprised of the parent company with centralized group functions, such as treasury and tax, as well as shared service centers and holding companies.

Segment performance is measured with operating profit/loss (EBIT). In addition, Metso uses alternative performance measures to reflect the underlying business performance and to improve comparability between financial periods: Earnings before interest, tax and amortization (EBITA), adjusted and net working capital. Adjustment items comprise

capacity adjustment costs, acquisition costs, gains and losses on business transactions as well as Metso Outotec transaction and integration costs. Their nature and net effect on cost of goods sold, selling, general and administrative expenses, as well as other income and expenses are presented in the segment information. Alternative performance measures, however, should not be considered as a substitute for measures of performance in accordance with the IFRS.

2. New accounting standards

New and amended standards adopted 2020

Metso Outotec has applied the following revised IFRS Standards that have been effective since January 1, 2020. These amendments have not had a material impact on the reported figures.

- Amendments to IFRS 3 Definition of a business
- Amendments to IAS 1 and IAS 8 Definition of material
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform

3. Disaggregation of sales

SALES BY SEGMENTS

EUR million	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Aggregates	251	271	992	928
Minerals	640	467	2,112	1,828
Metals	86	13	215	64
Sales	977	751	3,319	2,819

EXTERNAL SALES BY CATEGORY

EUR million	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Sales of service	483	429	1,793	1,628
Aggregates	73	81	312	336
Minerals	394	349	1,430	1,292
Metals	17	-	51	-
Sales of projects, equipment and goods	493	322	1,526	1,191
Aggregates	178	190	680	592
Minerals	246	119	682	535
Metals	69	13	164	64
Sales	977	751	3,319	2,819

EXTERNAL SALES BY TIMING OF REVENUE RECOGNITION

EUR million	10-12/2020	Restated 10-12/2019	1-12/2020	Restated 1-12/2019
At a point in time	742	599	2,613	2,329
Over time	235	152	706	491
Sales	977	751	3,319	2,819

EXTERNAL SALES BY DESTINATION

EUR million	10-12/2020	Restated 10-12/2019	1-12/2020	Restated 1-12/2019
Europe	259	208	879	732
North and Central America	192	168	721	589
South America	160	145	569	543
APAC	204	144	669	575
Africa, Middle East & India	162	86	481	379
Sales	977	751	3,319	2,819

4. Financial risk management

As a global company, Metso Outotec is exposed to a variety of business and financial risks.

Covid-19 continues to pose significant short-term risks and uncertainties to Metso Outotec's market and operations. The development and longevity of the pandemic and its impact on economic growth is difficult to predict. Further possible abrupt measures taken by various national and local governments to restrict the spread may impact the demand for Metso Outotec's products and services as well as Metso Outotec's operations, which could restrict our ability to provide services at customer sites and to run our manufacturing sites. The company may also, to protect its personnel, need to take abrupt measures that are likely to affect the efficiency of its operations and customer deliveries.

The pandemic can continue to reduce the investment appetite and spending among our customers, weaken the demand for Metso Outotec's products and services as well as affect our business operations. Trade imbalances caused by the pandemic have for example caused challenges in availability of containers and efficient logistics globally and could when continued impact supply chain efficiency. There are also risks and uncertainties related to a more positive outcome in the pandemic, as demand may quickly rise to catch-up on pent-up demand, which may cause inflationary pressures and challenges for our supply chain to react quickly enough to.

Financial risks are managed centrally by the Group Treasury under annually reviewed written policies approved by the Board of Directors. Treasury operations are monitored by the Treasury Management Team chaired by the CFO. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the operating units. Group Treasury functions as counterparty to the operating units, manages centrally external funding and is responsible for the management of financial assets and appropriate hedging measures. The objective of financial risk management is to minimize potential adverse effects on Metso Outotec's financial performance.

Liquidity and refinancing risk, capital structure management

The liquidity position of Metso Outotec remained good supported by the operative cash flow, maturity structure of the funding, and available back up credit facilities. Liquid funds consisted of cash and cash equivalents amounted to EUR 537 million. In addition, the company had committed and undrawn revolving credit facilities of EUR 790 million at the end of the year. A syndicated EUR 600 million revolving credit facility has a maturity in 2025 with one one-year extension option.

In order to be prepared for any Covid-19 related liquidity needs, Metso Outotec arranged further liquidity buffers during the reporting period. EUR 100 million revolving credit facilities mature in 2021 and EUR 90 million in 2022.

Metso Outotec also has a EUR 600 million Finnish commercial paper program, under which EUR 60 million were issued at the end of the period.

Metso Outotec issued a public bond amounting to EUR 300 million with a maturity of 7.5 years under the Euro Medium Term Note Program (EMTN Program) in November 2020. The proceeds were used to repay EUR 300 million bank term loan.

Metso Outotec repaid Outotec's EUR 150 million hybrid bond in July 2020. The refinancing of the hybrid bond was done with a bank term loan of EUR 150 million with a maturity until 2022 with a one-year extension option.

Metso Outotec repaid Outotec's EUR 150 million bond in September 2020 with a bank term loan with a maturity until 2022.

Metso Outotec's refinancing risk is managed by balancing the proportion of short-term and long-term debt as well as the average remaining maturity of long-term debt.

Capital structure is assessed regularly by the Board of Directors and managed operationally by the Group Treasury. Capital structure management in Metso Outotec comprises both equity and interest-bearing debt. As of December 31, 2020, the equity attributable to shareholders was EUR 2,037 million (EUR 1,252 million in 2019) and the amount of interest-bearing debt was EUR 1206 million (EUR 1,001 million in 2019). Metso Outotec has a target to maintain an investment grade credit rating.

Moody's Investor Service has assigned a 'Baa2' long-term issuer rating with stable outlook and S&P Global Ratings a 'BBB-' preliminary long-term issuer credit rating with negative outlook to Metso Outotec.

There are no prepayment covenants in Metso Outotec's financial contracts which would be triggered by changes in credit rating. Covenants included in some financing agreements refer to a combination of certain credit rating level and Metso Outotec's capital structure. Metso Outotec is in compliance with all covenants and other terms of its debt instruments.

5. Borrowings and lease liabilities

EUR million	Dec 31, 2020
Bonds	689
Loans from financial institutions	440
Total borrowings	1,129
Lease liabilities	106
Total long-term interest bearing debt	1,235
Loans from financial institutions	18
Certificates of deposit	60
Total short-term borrowings	78
Lease liabilities	32
Total short-term interest bearing debt	110
Total interest bearing debt	1,345

BONDS

EUR million	Nominal interest rate	Effective interest rate	Outstanding carrying value	
	Dec 31, 2020	Dec 31, 2020	Dec 31, 2020	Dec 31, 2019
Public bond 2017-2024	1.125%	2.33%	292	288
Public bond 2020-2028	0.875%	1.04%	297	-
Private placements maturing 2022	3.80%	3.80%	100	100
Bonds total			689	388

CONTRACTUAL MATURITIES OF INTEREST BEARING DEBT AT DEC 31, 2020

EUR million	Borrowings	of which repayments	of which interests	Lease liabilities ¹⁾
2021	89	78	11	36
2022	511	500	11	26
2023	5	-	5	21
2024	305	300	5	17
2025	43	40	3	13
Later	308	300	8	43
Metso Outotec total	1,262	1,218	44	156

¹⁾ Future lease payments at nominal value

6. Fair value estimation

For those financial assets and liabilities which have been recognized at fair value in the balance sheet, the following measurement hierarchy and valuation methods have been applied:

- Level 1 Quoted unadjusted prices at the balance sheet date in active markets. The market prices are readily and regularly available from an exchange, dealer, broker, market information service system, pricing service or regulatory agency. The quoted market price used for financial assets is the current bid price. Level 1 financial instruments include debt and equity investments classified as financial instruments at fair value through profit and loss.
- Level 2 The fair value of financial instruments in Level 2 is determined using valuation techniques. These techniques utilize observable market data readily and regularly available from an exchange, dealer, broker, market information service system, pricing service or regulatory agency. Level 2 financial instruments include:
- Over-the-counter derivatives classified as financial assets/liabilities at fair value through profit and loss or qualified for hedge accounting
 - Debt securities classified as financial instruments at fair value through profit and loss
 - Fixed rate debt under fair value hedge accounting
- Level 3 A financial instrument is categorized into Level 3 if the calculation of the fair value cannot be based on observable market data. There were no such instruments on December 31st in 2020.

The table below presents financial assets and liabilities that are measured at fair value. There have been no transfers between fair value levels during the presented period.

EUR million	Dec 31, 2020		
	Level 1	Level 2	Level 3
Assets			
Financial assets at fair value through profit and loss			
Derivatives not under hedge accounting	-	20	-
Financial assets at fair value through other comprehensive income			
Derivatives under hedge accounting	-	27	-
Total	-	47	-
Liabilities			
Financial liabilities at fair value through profit and loss			
Derivatives not under hedge accounting	-	21	-
Financial liabilities at fair value through other comprehensive income			
Derivatives under hedge accounting	-	10	-
Total	-	31	-

EUR million	Dec 31, 2019		
	Level 1	Level 2	Level 3
Assets			
Financial assets at fair value through profit and loss			
Derivatives not under hedge accounting	-	10	-
Financial assets at fair value through other comprehensive income			
Derivatives under hedge accounting	-	8	-
Total	-	18	-
Liabilities			
Financial liabilities at fair value through profit and loss			
Derivatives not under hedge accounting	-	11	-
Financial liabilities at fair value through other comprehensive income			
Derivatives under hedge accounting	-	5	-
Total	-	16	-

The carrying value of other financial assets and liabilities than those presented in this fair value level hierarchy table approximates their fair value. Fair values of other debt are calculated as net present values.

7. Notional amounts of derivative instruments

EUR million	Metso Outotec Dec 31, 2020	Metso Minerals Dec 31, 2019
Forward exchange rate contracts	1,638	1,488
Interest rate swaps	295	145
Cross currency swaps	-	-
Option agreements	-	-

8. Contingent liabilities and other commitments

EUR million	Metso Outotec Dec 31, 2020	Metso Minerals Dec 31, 2019
Guarantees		
External guarantees given by parent and group companies	1,260	268
Other commitments		
Repurchase commitments	0	1
Other contingencies	1	1
Total	1,262	270

9. Acquisitions and business disposals

It was announced on July 4, 2019, that Metso's Minerals business and Outotec will be combined through a partial demerger of Metso Corporation. The Extraordinary General Meetings of Metso and Outotec approved the demerger and combination on October 29, 2019. All regulatory approvals for the combination were received by June 18, 2020. The completion of Metso's partial demerger was registered with the Finnish Trade Register on June 30, 2020, and the name of the combined company was changed to Metso Outotec Corporation. Metso shareholders received 4.3 newly issued shares in Outotec for each share owned in Metso on the record date. Thus, a total of 645,850,948 new Outotec shares were issued as demerger consideration to Metso's shareholders based on their shareholdings in Metso on June 30, 2020. After the transaction was completed, the total number of Metso Outotec shares was 828,972,440 and its share capital was EUR 107,186,442.52.

The purpose of the combination is to create a leading company in process technology, equipment and services serving the minerals, metals and aggregates industries. The combination is expected to deliver a range of strategic, commercial, operational and financial benefits.

The combination of Metso Minerals and Outotec is highly complementary and creates a unique company in the industry. Metso Outotec leverages the strengths of both companies, including technology and R&D, product and process excellence, scale and global service offering footprint. The combination will deliver significant benefits to all stakeholders.

Metso Outotec expects to achieve material cost and revenue synergies. The cost synergies are expected to be realized from operations, with the balance from optimization of supply chain and procurement savings. The highly complementary product and service portfolio and the combined global footprint are expected to generate multiple cross-selling opportunities, leading to revenue synergies.

The partial demerger of Metso Corporation and combination of Metso's Minerals business and Outotec was completed on June 30, 2020. In the consolidated financial statements according to IFRS this transaction is treated as a reverse acquisition, where Metso Minerals is the accounting acquirer and Outotec the accounting acquiree. The acquisition of Outotec has been accounted for in the consolidated financial statements as business combination using the acquisition method. Outotec has been consolidated from the acquisition date June 30, 2020, onwards to Metso Minerals.

Consideration transferred

The consideration transferred amounted to EUR 899 million and was measured using the market price of Outotec share (EUR 4.91) as of June 30, 2020 and the number of Outotec share shares outstanding (183.1 million) before the completion of the transaction.

Recognized amounts of identifiable assets acquired and liabilities assumed

Outotec's net assets were identified and recognized at fair value as of the acquisition date on June 30, 2020. Based on new information about facts and circumstances at the acquisition date measurement period adjustments have been made on deferred tax assets of prior year losses EUR 7 million and increases in provisions related to discontinued operations EUR 11 million compared to the original fair value calculation. The following table summarizes the fair values of assets and liabilities assumed. The accounting of the acquisition is still provisional pending the finalization of the valuation of the assets and liabilities assumed. The provisional amounts recognized may be adjusted within 12 months after the date of acquisition, to reflect new information obtained about the facts and circumstances that existed at the date of the acquisition.

PRELIMINARY ASSETS AND LIABILITIES RECOGNIZED AS A RESULT OF THE ACQUISITION

EUR million	Outotec Fair value
Intangible assets	858
Property, plant and equipment	43
Right-of-use assets	61
Deferred tax assets	79
Other non-current assets	8
Inventory	219
Trade receivables	115
Customer contract assets	181
Income tax receivables	15
Other receivables	67
Liquid funds	215
Assets	1,862
Non-current interest bearing liabilities	-43
Deferred tax liability	-188
Other non-current liabilities	-124
Current interest bearing liabilities	-468
Trade payables	-126
Customer contract liabilities	-145
Accrued income taxes	-12
Other liabilities	-322
Liabilities	-1,428
Net liabilities, held for sale	-50
Net identifiable assets acquired at fair value	383
Goodwill	517
Purchase consideration	899

The acquired Outotec business was consolidated into the Minerals and Metals segments and contributed sales of EUR 534 million to Metso Outotec for the period from July 1, 2020, to December 31, 2020. The company's sales in fiscal year that ended on December 31, 2019, were EUR 1,210 million. The company employs 3,877 people.

The identified intangible assets relate to technology, customer relationships, Outotec trademark, and order backlog. Fair values for the intangible assets have been determined using appropriate valuation methods including multi-period excess earnings method (MEEM) for customer relationships and order backlog, Relief from royalty method (Rfr) for technology and Outotec trademark. The amortization period for these assets vary from 0.5 years to 20 years. Goodwill is attributable to market share, future products and technologies, geographical presence synergies and workforce. Goodwill will not be deductible for tax purposes. The fair value adjustments of acquired Outotec assets and liabilities as well the goodwill, have been allocated to Minerals and Metals segments.

FAIR VALUE ADJUSTMENTS OF THE IDENTIFIABLE ASSETS OF OUTOTEC

EUR million	Periods	Fair value adjustments	Amortization / depreciation 7-12/2020	2021
Customer related intangible assets	20 years	269	7	13
Marketing related intangible assets	20 years	53	1	3
Technology related intangible assets	20 years	449	11	22
Order backlog	0.5 year	39	39	-
Total intangible assets		810	58	38
Property, plant and equipment	5.5 years	5	0	1
Fair value adjustments total		815	58	38

The amount of the non-controlling interest in Outotec recognized at the acquisition date was EUR 1 million and was measured based on proportionate share of the value of net identifiable assets acquired.

IFRS based acquisition costs of EUR 26 million recognized by Metso Outotec and Metso Minerals during 2020 (EUR 12 million during the financial year of 2019) are expensed and included in administrative expenses in the income statement and in operating cash flow in the statement of cash flows. Outotec recognized EUR 33 million of transaction costs before the date of business combination June 30, 2020. For further detailed specification of transaction costs, please see section "Voluntary Unaudited Pro Forma Financial Information".

According to pro forma financial information on the combination the Group sales would have been EUR 3,897 million and operating profit EUR 253 million, if the combination had taken place at the beginning of the year. For more detailed description on pro forma financial information, please see section "Voluntary Unaudited Pro Forma Financial Information" in this financial statements review.

Other acquisitions 2020

On August 3, 2020, Metso Outotec acquired 100% share of Brian Investments Pty Ltd in Australia, which is the fastener and wear monitoring technology provider. The acquisition extends Metso Outotec's wear lining portfolio and capabilities. The acquired business was consolidated into the Minerals segment and contributed sales of EUR 5 million to Metso Outotec for the period from August 3, 2020, to December 31, 2020. The company's fiscal year sales is about EUR 10 million. The company employs about 30 people.

Assets and liabilities recognized as a result of the acquisitions

EUR million	Brian Investments Pty Ltd
Fixed assets	4
Inventory	1
Receivables	4
Liquid funds	1
Liabilities	-3
Net identifiable assets acquired at fair value	6
Goodwill	3
Purchase consideration	9

Goodwill is attributable to personnel knowhow and synergies. The goodwill is not deductible for tax purposes. The initial calculation of goodwill generated is based on the result of acquired companies, adjusted by changes in accounting principles and effects from the fair value adjustment of acquired assets and related tax adjustments.

Net cash flow impact of the acquisitions

EUR million	Brian Investments Pty Ltd	McCloskey International Ltd	Total 2020
Cash consideration paid	-9	1	-8
Cash and cash equivalents acquired	1	-	1
Net cash flow for the year	-8	1	-7
Contingent consideration	-	4	4
Cash considerations, total	-8	5	-3

Acquisition costs of EUR 0.2 million are expensed and included in administrative expenses in the income statement and in operating cash flow in the statement of cash flows.

As the contingent consideration of the McCloskey acquisition was reassessed, an amount of EUR 4 million was recognized as other income in the income statement.

Discontinued operations

On October 28, 2020, Metso Outotec announced its decision to divest its Recycling business. The Recycling business sells products and services for metal and waste recycling.

In late 2019, Outotec announced its decision to divest the businesses related to aluminum and waste-to-energy. The aluminum business to be divested includes green anode plant, rod shop and certain casthouse technologies as well as related service operations. The waste-to-energy business to be divested comprises of biomass, wood waste and various other fuel plants, including related service operations. On December 28, 2020, Metso Outotec announced that it has signed an agreement to sell its Aluminium business to REEL International. The agreement is expected to be effective during the first quarter of 2021.

The divested businesses have been classified as discontinued operations, including the transfer of assets and liabilities held for sale on separate lines in the consolidated balance sheet. The figures in the statement of income have been adjusted to show the discontinued operations separately from continuing operations.

Result from discontinued operations related to Recycling business was EUR -3 million (EUR 7 million in 2019). Recycling business related assets held for sale totaled EUR 109 million and the liabilities EUR 76 million on December 31, 2020. Profit from discontinued operations related to aluminium and waste-to-energy business was EUR -8 million (EUR 1 million) in 2020. Aluminium and waste-to-energy business related assets held for sale totaled EUR 36 million and the liabilities EUR 72 million on December 31, 2020.

Divestments of the businesses are expected to be implemented during 2021 through selling of the businesses.

10. Segment information, IFRS

Recycling business has been reclassified as discontinued operations and its figures are not included in the segment figures below.

ORDERS RECEIVED

EUR million	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Aggregates	363	274	1,107	967
Minerals	730	448	2,250	1,821
Metals	212	-	340	81
Metso Outotec total	1,304	722	3,696	2,869

ORDERS RECEIVED BY SERVICES BUSINESS

EUR million	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Aggregates	83	91	319	355
% of orders received	22.9	33.2	28.9	36.7
Minerals	410	341	1,485	1,368
% of orders received	56.2	76.2	66.0	75.1
Metals	26	-	35	-
% of orders received	12.1	-	10.4	-
Metso Outotec total	519	432	1,840	1,723
% of orders received	39.8	59.9	49.8	60.0

SALES

EUR million	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Aggregates	251	271	992	928
Minerals	640	467	2,112	1,828
Metals	86	13	215	64
Metso Outotec total	977	751	3,319	2,819

SALES BY SERVICES BUSINESS

EUR million	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Aggregates	73	81	312	336
% of sales	29.1	29.9	31.5	36.2
Minerals	394	349	1,430	1,292
% of sales	61.6	74.6	67.7	70.7
Metals	17	-	51	-
% of sales	19.3	-	23.7	-
Metso Outotec total	483	429	1,793	1,629
% of sales	49.5	57.1	54.0	57.8

ADJUSTED EBITA AND OPERATING PROFIT

EUR million, %	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Aggregates				
Adjusted EBITA	31	30	107	112
% of sales	12.2	11.2	10.8	12.0
Amortization of intangible assets	-3	-3	-13	-5
Adjustment items	3	-3	1	-9
Operating profit	31	25	95	98
% of sales	12.2	9.2	9.5	10.6
Minerals				
Adjusted EBITA	85	62	318	256
% of sales	13.3	13.2	15.0	14.0
Amortization of intangible assets	-29	-1	-55	-4
Adjustment items	-7	-5	-10	-13
Operating profit	49	56	253	239
% of sales	7.6	12.1	12.0	13.1
Metals				
Adjusted EBITA	-9	1	-10	4
% of sales	-10.2	4.4	-4.6	5.6
Amortization of intangible assets	-5	-	-14	-
Adjustment items	0,0	-	0,0	-
Operating profit	-14	1	-24	4
% of sales	-15.8	4.4	-11.2	5.6
Group Head Office and other				
Adjusted EBITA	-3	3	-18	-4
Amortization of intangible assets	-1	-1	-4	-7
Adjustment items	-18	-8	-63	-14
Operating profit	-22	-6	-84	-25
Metso Outotec total				
Adjusted EBITA	103	96	397	368
% of sales	10.6	12.8	11.9	13.0
Amortization of intangible assets	-38	-5	-85	-16
Adjustment items	-22	-15	-72	-36
Operating profit	44	76	239	316
% of sales	4.5	10.1	7.2	11.2

ADJUSTING ITEMS BY CATEGORY

EUR million, %	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Capacity adjustment costs	-24	-6	-38	-15
Acquisition costs	5	-1	5	-4
Loss on disposal	-	-	-	-2
Metso Outotec Integration costs	-3	-3	-14	-3
Metso Outotec transaction costs	-1	-5	-25	-12
Adjustments items, total	-22	-15	-72	-36

Quarterly segment information, IFRS

ORDERS RECEIVED

EUR million	10-12/2020	7-9/2020	4-6/2020	1-3/2020	10-12/2019
Aggregates	363	232	222	290	274
Minerals	730	516	486	517	448
Metals	212	61	32	36	-
Metso Outotec total	1,304	809	739	844	722

SALES

EUR million	10-12/2020	7-9/2020	4-6/2020	1-3/2020	10-12/2019
Aggregates	251	244	253	244	271
Minerals	640	634	440	399	467
Metals	86	79	30	19	13
Metso Outotec total	977	957	722	662	751

Adjusted EBITA

EUR million	10-12/2020	7-9/2020	4-6/2020	1-3/2020	10-12/2019
Aggregates	31	26	34	16	30
Minerals	85	97	81	55	62
Metals	-9	-8	5	2	1
Group Head Office and other	-3	-5	-12	2	3
Metso Outotec total	103	111	108	75	96

Adjusted EBITA, % OF SALES

%	10-12/2020	7-9/2020	4-6/2020	1-3/2020	10-12/2019
Aggregates	12.2	10.7	13.5	6.6	11.2
Minerals	13.3	15.4	18.4	13.7	13.2
Metals	-10.1	-10.3	15.7	12.6	4.4
Group Head Office and other	n/a	n/a	n/a	n/a	n/a
Metso Outotec total	10.6	11.6	15.0	11.3	12.8

AMORTIZATION

EUR million	10-12/2020	7-9/2020	4-6/2020	1-3/2020	10-12/2019
Aggregates	-3	-3	-3	-3	-3
Minerals	-29	-24	-1	-1	-1
Metals	-5	-10	0	-	-
Group Head Office and other	-1	-1	-1	-1	-1
Metso Outotec total	-38	-37	-5	-6	-5

ADJUSTMENT ITEMS

EUR million	10-12/2020	7-9/2020	4-6/2020	1-3/2020	10-12/2019
Aggregates	3	-2	-1	0	-3
Minerals	-7	-2	0	0	-5
Metals	0	0	0	0	0
Group Head Office and other	-18	-18	-17	-9	-8
Metso Outotec total	-22	-22	-18	-10	-15

OPERATING PROFIT

EUR million	10-12/2020	7-9/2020	4-6/2020	1-3/2020	10-12/2019
Aggregates	31	21	30	13	25
Minerals	49	72	79	53	56
Metals	-14	-18	5	2	1
Group Head Office and other	-22	-24	-29	-9	-6
Metso Outotec total	44	51	85	59	76

OPERATING PROFIT, % OF SALES

%	10–12/2020	7–9/2020	4–6/2020	1–3/2020	10–12/2019
Aggregates	12.2	8.7	12.0	5.2	9.2
Minerals	7.6	11.3	18.0	13.3	12.1
Metals	-15.7	-22.3	15.5	12.6	4.4
Group Head Office and other	n/a	n/a	n/a	n/a	n/a
Metso Outotec total	4.5	5.4	11.8	8.9	10.1

ORDER BACKLOG

EUR million	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019
Aggregates	402	303	321	356	338
Minerals	1,426	1,341	962	916	926
Metals	538	405	102	102	85
Metso Outotec total	2,366	2,049	1,385	1,373	1,349

11. Exchange rates

Currency	1–12/2020	1–12/2019	Dec 31, 2020	Dec 31, 2019
USD (US dollar)	1.1452	1.1214	1.2271	1.1234
SEK (Swedish krona)	10.4789	10.5572	10.0343	10.4468
GBP (Pound sterling)	0.8864	0.8773	0.8990	0.8508
CAD (Canadian dollar)	1.5320	1.4882	1.5633	1.4598
BRL (Brazilian real)	5.8847	4.4195	6.3735	4.5157
CNY (Chinese yuan)	7.8916	7.7353	8.0225	7.8205
AUD (Australian dollar)	1.6523	1.6090	1.5896	1.5995

12. Events after reporting period

There were no events to highlight after reporting period.

It should be noted that certain statements herein which are not historical facts, including, without limitation, those regarding expectations for general economic development and the market situation, expectations for customer industry profitability and investment willingness, expectations for company growth, development and profitability and the realization of synergy benefits and cost savings, and statements preceded by “expects”, “estimates”, “forecasts” or similar expressions, are forward-looking statements. These statements are based on current decisions and plans and currently known factors. They involve risks and uncertainties that may cause the actual results to materially differ from the results currently expected by the company.

Such factors include, but are not limited to:

- (1) general economic conditions, including fluctuations in exchange rates and interest levels which influence the operating environment and profitability of customers and thereby the orders received by the company and their margins,
- (2) the competitive situation, especially significant technological solutions developed by competitors,
- (3) the company's own operating conditions, such as the success of production, product development and project management and their continuous development and improvement,
- (4) the success of pending and future acquisitions and restructuring.

Appendix - Illustrative Historical Financial Information

The following historical financial information is disclosed only for illustrative purposes. These are not part of the IFRS reporting. Metso Minerals data is presented based on carve-out accounting principles. The combined statement of income and combined statement of cash flows present Metso Minerals as a single economic entity and are based on historical financial information of the relevant entities and business by using the same accounting principles and carrying amounts as in Metso Group. Metso Minerals carve-out financial statements have been prepared on a basis that combined financial statements of the legal entities and operating units attributable to the Minerals business are combined to Outotec Group.

Outotec data is presented based on Outotec's accounting principles which are consistent with those used in the Outotec's annual financial statements for the year ended on 31 December 2019. Purchase price allocation adjustments are not reflected in the historical comparisons.

The illustrative historical segment information is presented as a combination of Metso Minerals carve-out information and Outotec information, according to the Metso Outotec segment structure. The Outotec information is based on Outotec's historical accounting principles, and Outotec's Minerals Processing segment is included in Metso Outotec's Minerals segment and Outotec's Metals Refining segment is included in Metso Outotec's Metals segment. The historical IFRS-based segment information for 2019 and January-June 2020 includes only Metso Minerals carve-out information.

Balance sheet historical comparisons - Assets

EUR million	Metso Minerals carve-out historical Dec 31, 2019	Outotec historical reclassified Dec 31, 2019
Non-current assets		
Intangible assets		
Goodwill	556	226
Other intangible assets	167	92
Total intangible assets	723	318
Property, plant and equipment		
Land and water areas	43	2
Buildings and structures	98	18
Machinery and equipment	128	20
Assets under construction	46	3
Total property, plant and equipment	315	42
Right-of-use assets	89	62
Other non-current asset		
Investments in associated companies	8	1
Non-current financial assets	3	2
Loan receivables	6	2
Loan receivables, Metso Group	25	-
Derivative financial instruments	2	1
Deferred tax asset	108	72
Other non-current receivables	42	2
Other non-current receivables, Metso Group	88	-
Total other non-current assets	282	79
Total non-current assets	1,409	502
Current assets		
Inventories	975	196
Trade receivables	577	222
Trade receivables, Metso Group	10	-
Customer contract assets	87	145
Loan receivables	1	0
Loan receivables, Metso Group	25	-
Cash pool receivables, Metso Group	17	-
Derivative financial instruments	16	6
Income tax receivables	44	10
Other current receivables	139	76
Other current receivables, Metso Group	1	-
Deposits and securities, maturity more than three months	-	-
Cash and cash equivalents	156	267
Liquid funds	156	267
Total current assets	2,048	923
Discontinued operations / Assets held for sale	-	57
TOTAL ASSETS	3,457	1,482

Balance sheet historical comparisons – Equity and Liabilities

EUR million	Metso Minerals carve-out historical Dec 31, 2019	Outotec historical reclassified Dec 31, 2019
Equity		
Share capital	-	17
Cumulative translation adjustments	-151	-26
Hybrid bond	-	150
Fair value and other reserves	0	70
Retained earnings	1,403	165
Equity attributable to shareholders	1,252	376
Non-controlling interests	3	3
Total equity	1,254	379
Liabilities		
Non-current liabilities		
Borrowings	801	1
Lease liabilities	69	48
Post-employment benefit obligations	61	69
Provisions	33	50
Derivative financial instruments	2	0
Deferred tax liability	66	8
Other non-current liabilities	2	7
Other non-current liabilities, Metso Group	6	-
Total non-current liabilities	1,040	183
Current liabilities		
Borrowings	24	225
Lease liabilities	21	14
Cash pool liabilities, Metso Group	86	0
Trade payables	385	148
Trade payables, Metso Group	1	-
Provisions	71	77
Advances received	189	0
Customer contract liabilities	63	200
Derivative financial instruments	13	8
Income tax liabilities	47	11
Other current liabilities	251	194
Other current liabilities, Metso Group	11	-
Total current liabilities	1,163	877
Total liabilities	2,202	1,059
Discontinued operations / Assets held for sale	-	43
TOTAL EQUITY AND LIABILITIES	3,457	1,482

Cash flow statements historical comparisons

EUR million	Metso Minerals carve-out historical 1-12/2019	Outotec historical 1-12/2019
Operating activities		
Profit for the period	223	27
Adjustments:		
Depreciation and amortization	71	52
Financial expenses, net	34	9
Income taxes	69	21
Other items	-7	-4
Change in net working capital	-216	-29
Net cash flow from operating activities before financial items and taxes	173	77
Interests paid	-35	-9
Interests received	5	6
Other financing items, net	-1	0
Financial income and expenses paid, net	-31	-2
Income taxes paid	-100	-6
Net cash flow from operating activities	43	68
Investing activities		
Capital expenditures on intangible and tangible assets	-87	-18
Proceeds from sale of intangible and tangible assets	8	-
Proceeds from and investments in financial assets, net	31	0
Business acquisitions, net of cash acquired	-214	-9
Proceeds from sale of businesses, net of cash sold	9	-
Proceeds from sale of businesses, net of cash sold, Metso group	50	-
Investments in associated companies	-3	-
Net cash flow from investing activities	-207	-27
Financing activities		
Dividends paid	-144	-
Dividends paid, Metso group	-4	-
Transactions with non-controlling interests	-13	-
Proceeds from and repayment of debt, net	148	-
Proceeds from and repayment of debt, net, Metso Group	31	-
Repayment of lease liabilities	-24	-14
Net borrowings (+), payments (-)	-	25
Interest on hybrid bond, Outotec group	-	-11
Other items	-	-1
Net cash flow from financing activities	-5	-1
Net change in liquid funds	-169	39
Effect from changes in exchange rates	0	-1
Liquid funds classified as assets held for sale	-	-4
Liquid funds equivalents at beginning of period	325	233
Liquid funds at end of period	156	267

Illustrative segment information

ORDERS RECEIVED

EUR million	10-12/2019	1-12/2019	10-12/2020	1-12/2020
Aggregates	274	967	363	1,107
Minerals	716	2,870	730	2,601
Metals	55	534	212	443
Metso Outotec total	1,045	4,370	1,304	4,150

ORDERS RECEIVED BY SERVICES BUSINESS

EUR million	10-12/2019	1-12/2019	10-12/2020	1-12/2020
Aggregates	91	355	83	319
% of orders received	33.2	36.7	22.9	28.9
Minerals	455	1,788	410	1,673
% of orders received	63.6	62.3	56.2	64.3
Metals	25	160	26	78
% of orders received	45.5	30.0	12.1	17.7
Metso Outotec total	571	2,304	519	2,071
% of orders received	54.7	52.7	39.8	49.9

SALES

EUR million	10-12/2019	1-12/2019	10-12/2020	1-12/2020
Aggregates	271	928	251	992
Minerals	696	2,627	640	2,523
Metals	121	475	86	382
Metso Outotec total	1,087	4,030	977	3,897

SALES BY SERVICES BUSINESS

EUR million	10-12/2019	1-12/2019	10-12/2020	1-12/2020
Aggregates	81	336	73	312
% of sales	29.9	36.2	29.1	31.5
Minerals	452	1,680	394	1,603
% of sales	65.0	64.0	61.6	63.5
Metals	42	162	17	101
% of sales	34.7	34.1	19.2	26.5
Metso Outotec total	575	2,179	483	2,017
% of sales	52.9	54.1	49.5	51.7

ADJUSTED EBITA AND OPERATING PROFIT

EUR million	10-12/2019	1-12/2019	10-12/2020	1-12/2020
Aggregates				
Adjusted EBITA	30	112	31	107
% of sales	11.2	12.0	12.2	10.8
Amortization of intangible assets	-3	-5	-3	-13
Adjustment items	-3	-9	3	1
Operating profit	25	98	31	95
% of sales	9.2	10.6	12.2	9.5
Minerals				
Adjusted EBITA	84	349	85	365
% of sales	12.1	13.3	13.3	14.5
Amortization of intangible assets	-4	-19	-29	-63
Adjustment items	-6	-12	-7	-11
Operating profit	74	319	49	291
% of sales	10.7	12.1	7.6	11.5
Metals				
Adjusted EBITA	21	58	-9	-2
% of sales	17.7	12.2	-10.1	-0.6
Amortization of intangible assets	-2	-10	-5	-19
Adjustment items	-1	-1	0	-2
Operating profit	18	48	-14	-23
% of sales	15.2	10.1	-15.7	-6.1
Group Head Office and other				
Adjusted EBITA	1	-10	-3	-22
Amortization of intangible assets	-1	-7	-1	-4
Adjustment items	-15	-25	-18	-85
Operating profit	-15	-41	-22	-110
Metso Outotec total				
Adjusted EBITA	138	509	103	448
% of sales	12.7	12.6	10.6	11.5
Amortization of intangible assets	-11	-40	-38	-98
Adjustment items	-24	-46	-22	-97
Operating profit	103	423	44	253
% of sales	9.4	10.5	4.5	6.5

ORDER BACKLOG

EUR million	Dec 31, 2019	Dec 31, 2020
Aggregates	338	402
Minerals	1,547	1,426
Metals	533	538
Metso Outotec total	2,419	2,366

Metso Outotec's information in 2021

Annual Report 2020 during the week commencing March 15, 2021

Annual General Meeting on April 23

Interim Review for January–March 2021 on April 23

Half-Year Review for 2021 on August 4

Interim Review for January – September 2021 on November 2

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