ANNEX 1

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Basis of Compilation of the Unaudited Pro Forma Financial Information

Introduction

The following unaudited pro forma combined financial information (the "**Unaudited Pro Forma Financial Information**") is presented for illustrative purposes only to give effect to the Demerger and the acquisition of McCloskey (the "**Transactions**") by the Metso Minerals Business to Outotec's historical financial information.

The unaudited pro forma combined statements of income for the six months ended June 30, 2019, and for the year ended December 31, 2018, give effect to the Transactions as if they had occurred on January 1, 2018. The unaudited pro forma combined balance sheet as at June 30, 2019, gives effect to the Transactions as if they had occurred on that date.

The Unaudited Pro Forma Financial Information has been prepared in accordance with the Annex 20 to the Commission Delegated Regulation (EU) 2019/980, as amended. The Unaudited Pro Forma Financial Information has not been compiled in accordance with Article 11 of Regulation S-X under the Securities Act or the guidelines established by the American Institute of Certified Public Accountants.

The Unaudited Pro Forma Financial Information has been presented for illustrative purposes only. Therefore, the hypothetical financial position and results of operations included in the Unaudited Pro Forma Financial Information may differ from the Combined Company's actual financial position and results of operations. The Unaudited Pro Forma Financial Information is not intended to be indicative of any anticipated financial position or future results of operations as of any future date. In addition, the Unaudited 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 Demerger or the acquisition of McCloskey.

The Unaudited Pro Forma Financial Information reflects pro forma adjustments that are preliminary and based on available information and certain assumptions described below in the accompanying notes to this Unaudited Pro Forma Financial Information and, that Outotec and Metso believe to be reasonable under the circumstances considering the ongoing regulatory approval processes, which restricts access to detailed data. There can be no assurance that the assumptions used in the preparation of the Unaudited Pro Forma Financial Information will prove to be correct.

Combination of Outotec and the Metso Minerals Business through the Demerger

The Boards of Directors of Outotec and Metso have, on July 4, 2019, approved the Combination Agreement and the Demerger Plan pursuant to which all such assets, rights, debts and liabilities of Metso which relate to, or primarily serve the Metso Minerals Business shall transfer, without liquidation of Metso, to Outotec creating the Combined Company, named Metso Outotec Corporation. The Board of Directors of Outotec and Metso have, on September 11, 2019, proposed that the EGM of Outotec and EGM of Metso, respectively, convened to be held on October 29, 2019, resolve on the Demerger in accordance with the Demerger Plan and approve the Demerger. For information on the conditions to the completion of the Demerger in the Combination Agreement and the Demerger Plan, see "*Partial Demerger of Metso—Combination Agreement—Conditions to the Completion of the Demerger*" in the Offering Circular as well as the Demerger Plan. The completion of the Demerger is expected to be registered with the Finnish Trade Register in the second quarter of 2020 (i.e., on the Effective Date), provided that the conditions for the completion of the Demerger have been fulfilled. However, for the purposes of the Unaudited Pro Forma Financial Information, the Effective Date has assumed to be April 1, 2020.

The shareholders of Metso shall receive as demerger consideration 4.3 new shares in Outotec for each share owned in Metso, corresponding to an ownership in the Combined Company following the completion of the Demerger of 22 percent for the shareholders of Outotec and 78 percent for the shareholders of Metso (excluding treasury shares held by Outotec and Metso and assuming that none of Metso's shareholders demand at the EGM of Metso resolving on the Demerger that their Demerger Consideration be redeemed in cash). For pro forma purposes, the total number of the Demerger Consideration Shares is expected to be 645,327,522 shares, and the total number of outstanding shares in the Combined Company is expected to be 827,177,386 shares on the Effective Date.

For financial reporting purposes, the Demerger will be accounted for as a reverse acquisition using the acquisition method of accounting under IFRS with the Metso Minerals Business determined as the accounting acquirer and Outotec as the acquiree. Thus, the Unaudited Pro Forma Financial Information reflects the assets and liabilities of the Metso Minerals Business recognized and measured at their carve-out based carrying amounts, and the assets and liabilities of Outotec recognized and measured at fair value as of the acquisition date. Legally Outotec Oyj is the acquirer and it will issue new shares to the shareholders of Metso. Therefore, following the completion of the Demerger, the consolidated financial statements of the Combined Company will be prepared as the continuation of the carve-out financial statements of the Metso Minerals Business with the exception of equity, which is adjusted to reflect the legal capital structure of the legal parent company Outotec Oyj.

For the purpose of estimating the purchase consideration transferred in the reverse acquisition whereby the Metso Minerals Business acquires Outotec, the acquisition-date fair value consideration is calculated as the number of equity interests the Metso Minerals Business would have had to issue to give the owners of Outotec the same percentage equity interest in the Combined Company multiplied by the fair value of Outotec's share price. For pro forma purposes, the number of equity interests calculated amounts to 181,849,864 shares (representing the number of Outotec's outstanding shares as at the date of the Offering Circular) and the preliminary estimate of the fair value of consideration transferred in exchange for Outotec has been calculated by using the closing price of Outotec's shares on August 23, 2019, at EUR 5.00 per share. In accordance with IFRS, the fair value of consideration transferred will be measured on the Effective Date at the then current market price and accordingly, will likely result in a value differing from the amount assumed in the Unaudited Pro Forma Financial Information and which may be materially different. For the effect of a 10 percent increase or decrease in Outotec's share price on goodwill and equity of the Combined Company, see note 3a to the Unaudited Pro Forma Financial Information below.

The allocation of the purchase consideration reflected in the Unaudited Pro Forma Financial Information is preliminary. The final allocation will be based on the actual value of the purchase consideration and the fair values of Outotec's assets acquired and liabilities assumed on the Effective Date. In addition, subsequent to the Effective Date, there may be further refinements of the allocation of the purchase consideration as additional information becomes available. Therefore, the final allocation of the consideration may materially differ from the pro forma adjustments reflected in the Unaudited Pro Forma Financial Information.

Acquisition of McCloskey

In June 2019, Metso signed an agreement to acquire McCloskey, a Canadian mobile crushing and screening equipment manufacturer. The acquisition was completed on October 1, 2019. The enterprise value of the transaction is CAD 420 million (EUR 279 million) payable at closing with an additional profitability-based earn-out consideration of up to CAD 35 million (EUR 23 million) for the two-year period after the closing of the acquisition.

In August 2018, McCloskey completed the acquisition of Lippmann-Milwaukee Inc ("**Lippmann**"), a Milwaukee-based mobile crushing machinery manufacturer. Lippmann has been consolidated to the accounts of McCloskey starting from the September 1, 2018. For pro forma purposes, income statement information for Lippmann for the 11 month period ended August 31, 2018, has been included in the unaudited combined statement of income for the year ended December 31, 2018, as part of McCloskey information see note 2 to the Unaudited Pro Forma Financial Information below.

The acquisition of McCloskey has been accounted for as business combinations at consolidation using the acquisition method of accounting under IFRS with the Metso Minerals Business determined as the accounting acquirer of McCloskey. The purchase consideration and fair value measurement for McCloskey's assets acquired and liabilities assumed presented herein are preliminary and have been made solely for the purpose of preparing the Unaudited Pro Forma Financial Information. Therefore, the final purchase price allocation may materially differ from the pro forma adjustments reflected in the Unaudited Pro Forma Financial Information.

Metso Minerals Business' Other Minor Acquisitions

Metso has made several minor acquisitions during 2018 and the first half of 2019 that have affected the Metso Minerals Business' results of operations. The Unaudited Pro Forma Financial Information does not reflect the impact of these immaterial acquisitions.

On July 2, 2018, Metso acquired the Swedish mobile crushing and screening provider AB P.J. Jonsson och Söner. The acquired business contributed sales of EUR 20 million to the Metso Minerals Business for the period from July 2, 2018, to December 31, 2018, with sales for the 12 month period ended August 31, 2017, amounting to EUR 33 million. On December 4, 2018, Metso acquired an UK-based combustion solutions and technology provider Kiln Flame Systems Ltd. ("**KFS**") with sales for the 12 month period ended August 31, 2018, amounting to approximately EUR 4 million. On May 3, 2019, Metso acquired Industrial Support Company SpA in Chile, which used to form the service division of the Chilean mining engineering, construction and technology company HighService Corp. The acquired business contributed sales of EUR 9 million to the Metso Minerals Business for the period from May 3, 2019, to June 30, 2019, with sales for the 12 months ended December 31, 2018, amounting to EUR 57 million.

Demerger and Related Refinancing Considerations

This Unaudited Pro Forma Financial Information includes Demerger-related adjustments to illustrate the impact of the Demerger, which are not presented in the historical carve-out financial information of the Metso Minerals Business. The Unaudited Pro Forma Financial Information also takes into account the effects of certain intra-group arrangements that have been or will be undertaken by Metso prior to the Demerger in order to achieve the planned legal group structure of the Metso Minerals Business and the effects of certain refinancing measures including a settlement of intra-group net debt items between the Metso Minerals Business and remaining Metso group that are planned to take place prior to the Demerger.

In connection with the proposed Demerger, Metso has entered into a backup and term loan facilities agreement with Nordea Bank Abp for the purposes of supporting the transaction. For more information on the new financing agreements, see "*Information about the Combined Company—New Financing Agreements*" in the Offering Circular.

The Unaudited Pro Forma Financial Information also takes into account the estimated direct costs related to the Demerger and the Listing as well as Demerger-related refinancing transactions.

Accounting Principles Applied

As the consolidated financial statements of the Combined Company will be prepared as a continuation of the carve-out financial statements of the Metso Minerals Business following to the Demerger, the Unaudited Pro Forma Financial Information has been prepared on a basis consistent with the IFRS accounting principles applied by the Metso Minerals Business in its carve-out financial statements.

Outotec and the Metso Minerals Business adopted the "*IFRS 16 – Leases*" on January 1, 2019, using the modified retrospective approach, where comparative figures were not restated. Accordingly, the Combined Company's Unaudited Pro Forma Financial Information for the six months ended June 30, 2019, is not comparable with the Unaudited Pro Forma Financial Information for the year ended December 31, 2018. For more information on the adoption of the new "*IFRS 16 – Leases*," see "*Certain Matters—Presentation of Financial Information—Historical Financial Statements of Outotec—New Standards Adopted*" in the Offering Circular, notes to the Metso Minerals Business' unaudited interim carve-out financial information as at and for the six months ended June 30, 2019, included in the F-pages to the Offering Circular and notes to Outotec's unaudited consolidated financial information as at and for the six months ended June 30, 2019, incorporated by reference into the Offering Circular.

Outotec and Metso have performed a preliminary alignment of Outotec's and McCloskey's accounting policies with the Metso Minerals Business' accounting policies to ensure comparability in the Unaudited Pro Forma Financial Information. Based on the information available, Outotec is not aware of any accounting policy differences that could have a material impact on the Unaudited Pro Forma Financial Information. However, certain reclassifications have been made to amounts reflected in Outotec's and McCloskey's historical financial information to align with the Metso Minerals Business' financial statement presentation as described further in note 1 and note 2 to the Unaudited Pro Forma Financial Information. Upon the completion of the Demerger and the acquisition of McCloskey, the Combined Company will conduct a detailed review of Outotec's and McCloskey's accounting policies and estimates applied as compared with the Metso Minerals Business' accounting policies and estimates. As a result of that review, the Combined Company may identify additional accounting policy differences between the companies that, when conformed, could have further impact on the Combined Company's financial information. In addition, the accounting policies to be applied by the Combined Company in the future may differ from the accounting policies applied in the Unaudited Pro Forma Financial Information.

Historical Financial Information

The Unaudited Pro Forma Financial Information has been derived from the following historical financial information, which is included in or incorporated by reference to the Offering Circular:

- the Metso Minerals Business' audited carve-out financial statements as at and for the year ended December 31, 2018, and unaudited interim carve-out financial information as at and for the six months ended June 30, 2019; and
- Outotec's audited consolidated financial statements as at and for the year ended December 31, 2018, and unaudited consolidated financial information as at and for the six months ended June 30, 2019.

As the Metso Minerals Business has not formed a separate legal group of entities during the periods presented, the historical carve-out financial information of the Metso Minerals Business is, therefore, not necessarily indicative of the results of operations and financial position of the Metso Minerals Business that would have occurred had the Metso Minerals Business been an independent stand-alone group during the periods presented or of the Metso Minerals Business' future performance.

The following historical financial information included in the Unaudited Pro Forma Financial Information have been derived from financial information not included in or incorporated by reference to the Offering Circular:

- McCloskey's unaudited combined income statement information for the 12 months ended September 30, 2018, and for the six months ended March 30, 2019, and the unaudited combined balance sheet information as at March 30, 2019, derived from the company's Canadian GAAP management accounting records; and
- Lippmann's unaudited income statement information for the 11 months ended August 31, 2018, derived from the company's management accounting records.

Historical financial information for McCloskey used in the Unaudited Pro Forma Financial Information is unaudited and has been prepared on a combined basis for the financial year ended September 30, 2018, and for the six months ended March 31, 2019. The presented periods represent the financial accounting periods of the seller's predecessor group.

Other Considerations

The Unaudited Pro Forma Financial Information is presented in millions of euros, unless otherwise indicated. The Unaudited Pro Forma Financial Information set forth herein has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total amount given for that column or row.

Independent auditor's report concerning the Unaudited Pro Forma Financial Information is included as Annex B to the Offering Circular.

Unaudited Pro Forma Combined Statement of Income for the Six Months Ended June 30, 2019

	For the six months ended June 30, 2019						
	Metso Minerals Business historical	**Outotec historical reclassified**	**McCloskey historical reclassified**	**Outotec acquisition**	**McCloskey acquisition**	**Demerger and related refinancing**	**Metso Outotec pro forma**
		(note 1)	**(note 2)**	**(note 3)**	**(note 4)**	**(note 5)**	
			(EUR in millions, unless otherwise indicated)				
Sales	1,416	581	157	–	–	–	2,155
Cost of sales	(1,001)	(428)	(134)	(17)	0	–	(1,580)
Gross profit	415	153	23	(17)	0	–	575
Selling and marketing expenses	(126)	(61)	(5)	(8)	(4)	–	(205)
Administrative expenses	(101)	(37)	(5)	0	2	2	(140)
Research and development expenses	(16)	(30)	(1)	(1)	(0)	–	(48)
Other income and expenses, net	(6)	(1)	1	–	–	–	(7)
Share of results of associated companies	0	0	–	–	–	–	1
Operating profit	166	24	12	(26)	(2)	2	176
Finance income and expenses							
Finance income	2	3	–	–	–	–	5
Finance income, Metso group	2	–	–	–	–	(2)	0
Foreign exchange gain/losses	0	(1)	1	–	–	–	0
Finance expenses	(21)	(6)	(2)	–	1	(1)	(29)
Finance expenses, Metso group	0	–	–	–	–	–	0
Net finance income and expenses	(17)	(5)	(1)	–	1	(3)	(25)
Profit before taxes	149	19	11	(26)	(1)	(1)	151
Income taxes	(28)	(6)	(2)	6	0	0	(29)
Profit for the period	121	14	9	(20)	(1)	(1)	122
Attributable to:							
Shareholders of the parent company	121	14	9	(20)	(1)	(1)	122
Non-controlling interests	0	(0)	–	–	–	–	0
Profit for the period	121	14	9	(20)	(1)	(1)	122
Basic earnings per share, EUR							0.15

Refer to the Accompanying notes to Unaudited Pro Forma Financial Information

Unaudited Pro Forma Combined Statement of Income for the Year Ended December 31, 2018

	For the year ended December 31, 2018						
	Metso Minerals Business historical	**Outotec historical reclassified**	**McCloskey pro forma reclassified**	**Outotec acquisition**	**McCloskey acquisition**	**Demerger and related refinancing**	**Metso Outotec pro forma**
	(audited)	**(note 1)**	**(note 2)**	**(note 3)**	**(note 4)**	**(note 5)**	
			(EUR in millions, unless otherwise indicated)				
Sales	2,581	1,276	302	–	–	–	4,159
Cost of sales	(1,867)	(1,080)	(250)	(43)	(6)	–	(3,246)
Gross profit	714	196	52	(43)	(6)	–	913
Selling and marketing expenses	(222)	(116)	(8)	(16)	(9)	–	(370)
Administrative expenses	(185)	(74)	(16)	1	(3)	(48)	(325)
Research and development expenses	(23)	(57)	(2)	(3)	(1)	–	(86)
Other income and expenses, net	(16)	(16)	0	–	–	–	(32)
Share of results of associated companies	0	0	–	–	–	–	0
Operating profit	268	(66)	26	(60)	(18)	(48)	101
Finance income and expenses							
Finance income	4	6	–	–	–	–	10
Finance income, Metso group	5	–	–	–	–	(5)	(0)
Foreign exchange gain/losses	0	(2)	1	–	–	–	(1)
Finance expenses	(36)	(13)	(3)	–	0	(5)	(56)
Finance expenses, Metso group	0	–	–	–	–	(0)	(0)
Net finance income and expenses	(26)	(9)	(1)	–	0	(10)	(47)
Profit before taxes	242	(75)	25	(60)	(18)	(59)	54
Income taxes	(72)	8	(5)	14	4	12	(40)
Profit for the period	169	(67)	19	(46)	(14)	(47)	14
Attributable to:							
Shareholders of the parent company	170	(67)	19	(46)	(14)	(47)	15
Non-controlling interests	(1)	(0)	–	–	–	–	(1)
Profit for the period	169	(67)	19	(46)	(14)	(47)	14
Basic earnings per share, EUR							0.02

Refer to the Accompanying notes to Unaudited Pro Forma Financial Information

Unaudited Pro Forma Combined Balance Sheet as at June 30, 2019 – Assets

	As at June 30, 2019						
	Metso Minerals Business historical	**Outotec historical reclassified**	**McCloskey historical reclassified**	**Outotec acquisition**	**McCloskey acquisition**	**Demerger and related refinancing**	**Metso Outotec pro forma**
		(note 1)	**(note 2)**	**(note 3)**	**(note 4)**	**(note 5)**	
				(EUR in millions)			
ASSETS							
Non-current assets							
Intangible assets							
Goodwill	481	224	–	147	70	–	923
Other intangible assets	65	106	7	700	103	–	981
Total intangible assets	547	330	7	847	173	–	1,904
Property, plant and equipment	263	52	35	5	3	–	357
Right-of-use assets	68	66	3	–	–	–	136
Other non-current assets							
Investments in associated companies	5	1	–	–	–	–	6
Non-current financial assets	3	2	–	–	–	–	4
Loan receivables	5	4	–	–	–	–	10
Loan receivables, Metso group	25	–	–	–	–	(25)	–
Derivative financial instruments	4	2	–	–	–	–	6
Deferred tax assets	88	89	–	–	–	–	178
Other non-current receivables	40	2	–	–	–	–	42
Other non-current receivables, Metso group	138	–	–	–	–	(138)	0
Total other non-current assets	308	100	–	–	–	(163)	246
Total non-current assets	1,186	548	44	852	176	(163)	2,644
Current assets							
Inventories	849	225	112	2	6	–	1,193
Trade receivables	541	171	65	–	–	–	778
Trade receivables, Metso group	8	–	–	–	–	–	8
Customer contract assets	127	204	–	–	–	–	331
Loan receivables	1	–	–	–	–	–	1
Loan receivables, Metso group	29	–	–	–	–	(29)	–
Cash pool receivables, Metso group	18	–	–	–	–	(18)	–
Income tax receivables	34	8	–	–	–	11	53
Derivative financial instruments	16	4	–	–	–	–	20
Other receivables	106	57	3	–	–	3	169
Deposits and securities, maturity more than three months	40	–	–	–	–	–	40
Cash and cash equivalents	194	241	10	–	4	(61)	388
Liquid funds	234	241	10	–	4	(61)	428
Total current assets	1,965	910	191	2	9	(95)	2,981
Disposal group assets classified as held for sale	–	6	–	–	–	–	6
Total assets	3,150	1,463	235	854	185	(258)	5,631

Refer to the Accompanying notes to Unaudited Pro Forma Financial Information

Unaudited Pro Forma Combined Balance Sheet as at June 30, 2019 – Equity and Liabilities

	As at June 30, 2019						
	Metso Minerals Business historical	**Outotec historical reclassified**	**McCloskey historical reclassified**	**Outotec acquisition**	**McCloskey acquisition**	**Demerger and related refinancing**	**Metso Outotec pro forma**
		(note 1)	**(note 2)**	**(note 3)**	**(note 4)**	**(note 5)**	
				(EUR in millions)			
EQUITY AND LIABILITIES							
EQUITY							
Equity attributable to shareholders	1,145	369	70	540	(71)	(103)	1,952
Non-controlling interests	11	3	–	–	–	–	14
Total equity	1,156	372	70	540	(71)	(103)	1,965
LIABILITIES							
Non-current liabilities							
Borrowings	388	153	28	–	271	150	989
Other non-current liabilities, Metso group	6	–	–	–	–	(6)	–
Lease liabilities	52	52	2	–	–	–	106
Post-employment benefit obligations	58	65	–	–	–	–	123
Provisions	31	50	–	–	–	–	81
Derivative financial instruments	3	0	–	–	–	–	3
Deferred tax liabilities	35	6	3	151	26	–	221
Other non-current liabilities	2	7	–	–	18	–	27
Total non-current liabilities	574	333	33	151	315	144	1,550
Current liabilities							
Borrowings	217	53	59	163	(59)	(163)	270
Cash pooling liabilities, Metso group	80	–	–	–	–	(80)	0
Lease liabilities	17	14	1	–	–	–	32
Trade payables	375	129	51	–	–	–	555
Trade payables, Metso group	4	–	–	–	–	–	4
Provisions	54	114	2	–	–	–	170
Advances received	227	227	1	–	–	–	456
Customer contract liabilities	79	103	–	–	–	–	182
Derivative financial instruments	18	8	–	–	–	–	25
Income tax liabilities	65	17	7	–	(0)	3	92
Other current liabilities	285	92	12	–	–	(60)	329
Other current liabilities, Metso group	0	–	–	–	–	–	0
Total current liabilities	1,420	757	133	163	(59)	(299)	2,115
Total liabilities	1,994	1,090	165	314	256	(155)	3,665
Liabilities directly associated with assets classified as held for sale	–	1	–	–	–	–	1
Total equity and liabilities	3,150	1,463	235	854	185	(258)	5,631

Refer to the Accompanying notes to Unaudited Pro Forma Financial Information

Notes to the Unaudited Pro Forma Financial Information

The following unaudited pro forma adjustments will have continuing impact on the Combined Company's results or financial position, unless otherwise indicated.

Note 1 – Reclassified Historical Financial Information of Outotec

Outotec's Unaudited Reclassified Statement of Income for the Six Months Ended June 30, 2019 and for the Year Ended December 31, 2018

	For the six months ended June 30, 2019			For the year ended December 31, 2018		
	Outotec historical	**Reclassi-fications**	**Outotec historical reclassified**	**Outotec historical**	**Reclassi-fications**	**Outotec historical reclassified**
	(note 1a)	**(note 1b)**	**(note 1)**	**(audited) (note 1a)**	**(note 1b)**	**(note 1)**
			(EUR in millions)			
Sales	581	–	581	1,276	–	1,276
Cost of sales	(428)	–	(428)	(1,080)	–	(1,080)
Gross profit	153	–	153	196	–	196
Other income	1	(1)	–	1	(1)	–
Selling and marketing expenses	(61)	–	(61)	(116)	–	(116)
Administrative expenses	(37)	–	(37)	(74)	–	(74)
Research and development expenses	(30)	–	(30)	(57)	–	(57)
Other expenses	(2)	2	–	(17)	17	–
Other income and expenses, net	–	(1)	(1)	–	(16)	(16)
Share of results of associated companies	0	–	0	0	–	0
Operating profit	24	–	24	(66)	–	(66)
Finance income	3	–	3	6	–	6
Foreign exchange gain/losses	–	(1)	(1)	–	(2)	(2)
Finance expenses	(6)	–	(6)	(13)	–	(13)
Market price gains and losses	(1)	1	–	(2)	2	–
Net finance income and expenses	(5)	–	(5)	(9)	–	(9)
Profit before taxes	19	–	19	(75)	–	(75)
Income taxes	(6)	–	(6)	8	–	8
Profit for the period	14	–	14	(67)	–	(67)

Outotec's Unaudited Reclassified Balance Sheet as at June 30, 2019 – Assets

	As at June 30, 2019		
	Outotec historical	**Reclassi-fications**	**Outotec historical reclassified**
	(note 1a)	**(note 1b)**	**(note 1)**
		(EUR in millions)	
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	–	224	224
Intangible assets	330	(330)	–
Other intangible assets	–	106	106
Total intangible assets	330	–	330
Property, plant and equipment	52	–	52
Right-of-use assets	66	–	66
Other non-current assets			
Investments in associated companies	1	–	1
Other shares and securities	2	(2)	–
Non-current financial assets	–	2	2
Loan receivables	4	–	4
Trade and other receivables	2	(2)	–
Derivative financial instruments	2	–	2
Deferred tax assets	89	–	89
Other non-current receivables	–	2	2
Total other non-current assets	100	–	100
Total non-current assets	548	–	548
Current assets			
Inventories	225	–	225
Trade receivables	–	171	171
Customer contract assets	–	204	204
Income tax receivables	8	–	8
Trade and other receivables	432	(432)	–
Derivative financial instruments	4	–	4
Other receivables	–	57	57
Cash and cash equivalents	241	–	241
Liquid funds	–	241	241
Total current assets	910	–	910
Disposal group assets classified as held for sale	6	–	6
Total assets	1,463	–	1,463

Outotec's Unaudited Reclassified Balance Sheet as at June 30, 2019 – Equity and Liabilities

	As at June 30, 2019		
	Outotec historical	**Reclassi-fications**	**Outotec historical reclassified**
	(note 1a)	**(note 1b)**	**(note 1)**
		(EUR in millions)	
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to shareholders	369	–	369
Non-controlling interests	3	–	3
Total equity	372	–	372
LIABILITIES			
Non-current liabilities			
Borrowings	153	–	153
Lease liabilities	52	–	52
Post-employment benefit obligations	65	–	65
Provisions	50	–	50
Trade and other payables	7	(7)	–
Derivative financial instruments	0	–	0
Deferred tax liabilities	6	–	6
Other non-current liabilities	–	7	7
Total non-current liabilities	333	–	333
Current liabilities			
Borrowings	53	–	53
Lease liabilities	14	–	14
Trade payables	–	129	129
Provisions	114	–	114
Trade and other payables	552	(552)	–
Advances received	–	227	227
Customer contract liabilities	–	103	103
Derivative financial instruments	8	–	8
Income tax liabilities	17	–	17
Other current liabilities	–	92	92
Total current liabilities	757	–	757
Total liabilities	1,090	–	1,090
Liabilities directly associated with assets classified as held for sale	1	–	1
Total equity and liabilities	1,463	–	1,463

Note 1a – Outotec Historical Financial Information

Outotec's historical financial information has been derived from the audited consolidated financial statements for the year ended December 31, 2018, and from the unaudited interim financial information as at and for the six months ended June 30, 2019, both incorporated by reference to the Offering Circular.

Note 1b – Reclassification of Outotec's Financial Information

Certain reclassifications have been made to align Outotec's historical financial information with the Metso Minerals Business' financial statement presentation. Upon the completion of the Demerger, the Combined Company will conduct a detailed review of Outotec's financial statement presentation. As a result of that review, the Combined Company may identify additional presentation differences between the two companies that, when conformed, could have further impact on the presentation of the Combined Company's financial information.

Note 2 – Reclassified Historical Financial Information of McCloskey

The following tables set forth McCloskey's historical financial information for the 12 months ended September 30, 2018, and six months ended March 31, 2019, as included in the Unaudited Pro Forma Financial Information.

McCloskey's historical financial information presented in Canadian dollars has been translated into euros using the average CAD to EUR foreign exchange rate of 1.5307 for the 12 months ended September 30, 2018, the average exchange rate of 1.512 for the six months ended March 31, 2019, and an exchange rate of 1.4893 for the balance sheet as at March 31, 2019. The exchange rates used in the Unaudited Pro Forma Financial Information deviate from the exchange rates used in note 6.3. "*Events after the reporting period ended December 31, 2018 – Acquisition of McCloskey*" of the audited carve-out financial statements as at and for the year ended December 31, 2018, and in note 12 "*Events After the Reporting Period – Acquisition of McCloskey*" of the unaudited interim carve-out financial information as at and for the six months ended June 30, 2019, of the Metso Minerals Business included in the F-pages of the Offering Circular.

McCloskey Unaudited Reclassified Statement of Income for the Six Months Ended March 31, 2019

	For the six months ended March 31, 2019			
	McCloskey historical combined	**Excluded items and reclassi-fications**	**McCloskey reclassified**	**McCloskey reclassified**
	(note 2a)	**(note 2b)**	**(notes 2a and 2b)**	**(note 2)**
		(CAD in millions)		**(EUR in millions)**
Sales	238	–	238	157
Cost of sales	(204)	1	(203)	(134)
Gross profit	34	1	35	23
Selling and marketing expenses	(8)	(0)	(8)	(5)
Administrative expenses	(8)	(1)	(8)	(5)
Research and development expenses	(1)	–	(1)	(1)
Other income and expenses, net	2	(1)	1	1
Operating profit	19	(1)	18	12
Finance income and expenses				
Foreign exchange gains/losses	1	–	1	1
Finance expenses	(3)	0	(3)	(2)
Net finance income and expenses	(2)	0	(2)	(1)
Profit before taxes	17	(1)	16	11
Income taxes	(3)	0	(3)	(2)
Profit for the period	14	(0)	13	9

McCloskey's Unaudited Pro Forma Reclassified Statement of Income for the Twelve Months Ended September 30, 2018

	For the twelve months ended September 30, 2018				
	McCloskey historical combined	**Excluded items and reclassi-fications**	**Lippmann historical**	**McCloskey pro forma**	**McCloskey pro forma reclassified**
	(note 2a)	**(note 2b)**	**(note 2c)**	**(notes 2a, 2b and 2c)**	**(note 2)**
		(CAD in millions)			**(EUR in millions)**
Sales	414	–	48	462	302
Cost of sales	(344)	–	(39)	(383)	(250)
Gross profit	70	–	9	79	52
Selling and marketing expenses	(10)	–	(2)	(12)	(8)
Administrative expenses	(21)	1	(5)	(25)	(16)
Research and development expenses	(3)	–	–	(3)	(2)
Other income and expenses, net	0	–	0	0	0
Operating profit	36	1	2	40	26
Finance income and expenses					
Foreign exchange gains/losses	2	–	–	2	1
Finance expenses	(4)	0	(0)	(4)	(3)
Net finance income and expenses	(2)	0	(0)	(2)	(1)
Profit before taxes	34	1	2	38	25
Income taxes	(7)	(0)	(1)	(8)	(5)
Profit for the period	27	1	1	30	19

McCloskey's Unaudited Reclassified Balance Sheet as at March 31, 2019

	As at March 31, 2019			
	McCloskey historical combined	**Excluded items and reclassi-fications**	**McCloskey reclassified**	**McCloskey reclassified**
	(note 2a)	**(note 2b)**	**(notes 2a and 2b)**	**(note 2)**
		(CAD in millions)		**(EUR in millions)**
ASSETS				
Non-current assets				
Intangible assets				
Other intangible assets	11	–	11	7
Total intangible assets	11	–	11	7
Property, plant and equipment	54	(2)	52	35
Right-of-use assets	–	4	4	3
Other non-current asset				
Other non-current receivables	4	(4)	–	–
Total other non-current assets	4	(4)	–	–
Total non-current assets	68	(2)	66	44
Current assets				
Inventories	167	–	167	112
Trade receivables	100	(3)	98	65
Other receivables	2	3	4	3
Cash and cash equivalents	15	–	15	10
Liquid funds	15	–	15	10
Total current assets	284	–	284	191
Total assets	352	(2)	351	235
EQUITY AND LIABILITIES				
EQUITY				
Equity attributable to shareholders	110	(6)	104	70
Non-controlling interests	–	–	–	–
Total equity	110	(6)	104	70
LIABILITIES				
Non-current liabilities				
Borrowings	42	–	42	28
Lease liabilities	–	3	3	2
Deferred tax liabilities	4	–	4	3
Total non-current liabilities	46	3	49	33
Current liabilities				
Borrowings	88	–	88	59
Lease liabilities	–	1	1	1
Trade payables	97	(21)	76	51
Provisions	–	3	3	2
Advances received	2	–	2	1
Income tax liabilities	10	–	10	7
Other current liabilities	–	18	18	12
Total current liabilities	197	1	198	133
Total liabilities	242	4	246	165
Total equity and liabilities	352	(2)	351	235

Note 2a – McCloskey Historical Combined Financial Information

McCloskey has not historically prepared standalone audited consolidated financial statements for the acquisition perimeter that will be acquired by Metso. The historical financial information of McCloskey presented in the Unaudited Pro Forma Financial Information has been derived from the unaudited combined financial information of McCloskey which are based on the company's management accounting records prepared in accordance with Canadian Generally Accepted Accounting Principles ("**GAAP**") which represent McCloskey's historical financial accounting periods.

Note 2b – Excluded Items and Accounting Policy Alignments

The Unaudited Pro Forma Financial Information excludes all assets and liabilities, and related income statement impact of assets and liabilities that will not be acquired in the acquisition perimeter pursuant to the share purchase agreement ("**Excluded items**" as presented in tables).

A preliminary analysis of accounting policies applied by McCloskey has been performed in order to determine whether any adjustments are necessary to ensure comparability with the accounting policies applied for pro forma purposes. As a result, certain minor adjustments have been made to the historical McCloskey's unaudited combined financial information mainly relating to recording the right of use assets in the balance sheet as at March 31, 2019, and aligning the presentation of financial information.

Note 2c – Lippmann Historical Financial Information

McCloskey acquired the Lippmann business on August 31, 2018. In order to illustrate the full year income statement impact of the McCloskey acquisition, the 11 months period of Lippmann's income statement information not included in the historical McCloskey's unaudited combined financial information for the 12 months ended September 30, 2018, has been added to the Unaudited Pro Forma Financial Information.

The Lippmann unaudited historical financial information for the 11 months ended August 31, 2018, has been derived from the company's management accounting records and presented herein aligned with the pro forma presentation of statement of income. Based on preliminary analysis of the accounting policies of Lippmann and the Metso Minerals Business, no material differences have been identified.

Note 3 – Outotec Acquisition

Outotec and the Metso Minerals Business have made a preliminary purchase consideration allocation based upon estimates that are believed to be reasonable. As the Demerger has not yet been completed, all of the detailed valuation studies necessary to arrive at the required estimates of fair value for all of Outotec's assets to be acquired and liabilities to be assumed have not been completed. Upon the completion of the Demerger, the Combined Company will conduct a detailed valuation of all assets and liabilities as of the acquisition date at which point the fair value of acquired assets and assumed liabilities may materially differ from the amounts presented herein. Outotec's unaudited consolidated statement of financial position information as at June 30, 2019, was used in the preliminary purchase price allocation presented below and accordingly, the final fair values will be determined on the basis of assets acquired and liabilities assumed at the Effective Date. The following tables set forth the pro forma adjustments made for Outotec acquisition for the six months ended June 30, 2019, for the year ended December 31, 2018, and as at June 30, 2019.

Pro Forma Adjustments for Outotec Acquisition to the Unaudited Pro forma Combined Statement of Income

		For the six months ended June 30, 2019			**For the year ended December 31, 2018**		
	Note 3b	**Fair valuation of net assets**	**Purchase consideration**	**Outotec acquisition**	**Fair valuation of net assets**	**Purchase consideration**	**Outotec acquisition**
		(note 3b)	**(note 3a)**	**(note 3)**	**(note 3b)**	**(note 3a)**	**(note 3)**
				(EUR in millions)			
Sales		–	–	–	–	–	–
Cost of sales	(ii), (iii), (iv)	(17)	–	(17)	(43)	–	(43)
Gross profit		(17)	–	(17)	(43)	–	(43)
Selling and marketing expenses	(ii), (iii)	(8)	–	(8)	(16)	–	(16)
Administrative expenses	(iii)	0	–	0	1	–	1
Research and development expenses	(ii), (iii)	(1)	–	(1)	(3)	–	(3)
Operating profit		(26)	–	(26)	(60)	–	(60)
Net finance income and expenses		–	–	–	–	–	–
Profit before taxes		(26)	–	(26)	(60)	–	(60)
Income taxes	(v)	6	–	6	14	–	14
Profit for the period		(20)	–	(20)	(46)	–	(46)

Pro Forma Adjustments for Outotec Acquisition to the Unaudited Pro Forma Combined Balance Sheet

	As at June 30, 2019			
	Fair valuation of net assets	**Note 3b**	**Purchase consideration**	**Outotec acquisition**
	(note 3b)		**(note 3a)**	**(note 3)**
	(EUR in millions)			
ASSETS				
Non-current assets				
Intangible assets				
Goodwill	147	(i)	–	147
Other intangible assets	700	(ii)	–	700
Total intangible assets	847		–	847
Property, plant and equipment	5	(iii)	–	5
Total non-current assets	852		–	852
Current assets			–	
Inventories	2	(iv)	–	2
Total current assets	2		–	2
Total assets	854		–	854
EQUITY AND LIABILITIES				
EQUITY				
Equity attributable to shareholders	(369)	(vi), (vii)	910	540
Non-controlling interests	–		–	–
Total equity	(369)		910	540
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	151	(v)	–	151
Total non-current liabilities	151		–	151
Current liabilities				
Borrowings	163	(vi)	–	163
Total current liabilities	163		–	163
Total liabilities	314		–	314
Total equity and liabilities	(56)		910	854

Preliminary Purchase Price Allocation to Acquired Assets and Assumed Liabilities

Note 3a – Preliminary Estimate of the Fair Value of the Purchase Consideration

For the purpose of estimating the purchase consideration transferred in the reverse acquisition whereby the Metso Minerals Business acquires Outotec, the acquisition-date fair value is calculated as the number of equity interests the Metso Minerals Business would have had to issue to give the owners of Outotec the same percentage equity interest in the Combined Company multiplied by the fair value of Outotec's share price. For pro forma purposes, the number of equity interests calculated amounts to 181,849,864 shares (representing the number of Outotec's outstanding shares on the date of the Offering Circular) and the preliminary estimate of the fair value of consideration transferred in exchange for Outotec has been calculated by using the closing price of Outotec's shares on August 23, 2019, at EUR 5.00 per share.

The following table sets forth the preliminary estimate of the purchase consideration transferred to acquire Outotec as if the acquisition of Outotec occurred on June 30, 2019:

Preliminary estimate of purchase consideration	
Number of Outotec shares outstanding as at the date of the Offering Circular	181,849,864
Share price, EUR	5.00
Preliminary fair value estimate of the consideration in the reverse acquisition, EUR in millions	910

The preliminary purchase consideration reflected in the Unaudited Pro Forma Financial Information does not purport to represent the actual consideration to be transferred upon the completion of the Demerger. In accordance with IFRS, the fair value of the purchase consideration will be measured on the Effective Date at the then-current market price (fair value) of the Outotec share. This requirement will likely result in a purchase consideration different from the amount used in the Unaudited Pro Forma Financial Information and that difference may be material. A 10 percent change in the Outotec share price would increase or decrease the purchase consideration to be transferred by approximately EUR 91 million, which would mainly be reflected in the Unaudited Pro Forma Financial Information as an increase or decrease of goodwill and equity.

Note 3b – Fair Valuation of Net Assets

The following table sets forth the preliminary fair valuation of net assets acquired:

	Outotec historical reclassified (note 1)	Fair valuation of net assets (note 3b)	Note 3b	Acquired assets and assumed liabilities
	(EUR in millions)			
Non-current assets				
Other intangible assets	106	700	(ii)	806
Property, plant and equipment	52	5	(iii)	57
Right-of-use assets	66	–		66
Investments in associated companies	1	–		1
Non-current financial assets	2	–		2
Loan receivables	4	–		4
Derivative financial instruments	2	–		2
Deferred tax assets	89	–		89
Other non-current receivables	2	–		2
Current assets				
Inventories	225	2	(iv)	226
Trade receivables	171	–		171
Customer contract assets	204	–		204
Income tax receivables	8	–		8
Derivative financial instruments	4	–		4
Other receivables	57	–		57
Cash and cash equivalents	241	–		241
Disposal group assets classified as held for sale	6	–		6
Non-current liabilities				
Borrowings	(153)	–		(153)
Lease liabilities	(52)	–		(52)
Post-employment benefit obligations	(65)	–		(65)
Provisions	(50)	–		(50)
Derivative financial instruments	(0)	–		(0)
Deferred tax liabilities	(6)	(151)	(v)	(157)
Other non-current liabilities	(7)	–		(7)
Current liabilities				
Borrowings	(53)	(163)	(vi)	(216)
Lease liabilities	(14)	–		(14)
Trade payables	(129)	–		(129)
Provisions	(114)	–		(114)
Advances received	(227)	–		(227)
Customer contract liabilities	(103)	–		(103)
Derivative financial instruments	(8)	–		(8)
Income tax liabilities	(17)	–		(17)
Other current liabilities	(92)	–		(92)
Liabilities directly associated with assets classified as held for sale	(1)	–		(1)
Net assets acquired	**148**	**393**	–	**541**
Goodwill			(i)	**371**
Non-controlling interests				**(3)**
Purchase consideration			(note 3a)	**910**

Fair Valuation of Assets and Liabilities

(i) Goodwill recognized in the unaudited pro forma combined balance sheet as at June 30, 2019, represents the excess of the preliminary purchase consideration transferred over the preliminary fair value of identifiable net assets acquired. The preliminary goodwill of EUR 371 million arising in the combination is mainly attributable to synergies, assembled workforce and future products, technologies and customer relationships and it is expected that it will not be deductible for tax purposes.

For pro forma presentation purposes, the difference of EUR 147 million between Outotec's existing goodwill of EUR 224 million and the preliminary goodwill amount arising in the Demerger of EUR 371 million is adjusted in the unaudited pro forma combined balance sheet.

(ii) The preliminary fair values of other intangible assets have been determined primarily through the use of the "income approach" which requires an estimate or forecast of expected future cash flows. Either the multi-period excess earnings method or the relief-from-royalty method has been used as the income based valuation method. Customer related intangibles represent the fair value of the customer agreements and underlying relationships with Outotec's customers. Marketing related intangibles represents the fair value of Outotec's brand portfolio. Technology related intangibles represents the fair value of Outotec's patented and unpatented technology, development projects, trade secrets, databases and computer software. Contract based intangibles represents the fair value Outotec's order backlog.

The following table sets forth the preliminary fair values of the identifiable other intangible assets, estimated average useful lives representing the amortisation periods and adjustments to pro forma amortisation for the periods presented in this Unaudited Pro Forma Financial Information:

			Adjustment to pro forma amortisation expense	
	Preliminary fair values	**Estimated useful life**	**For the year ended December 31, 2018**	**For the six months ended June 30, 2019**
	(EUR in millions)	**(years)**	**(EUR in millions)**	
Customer related intangible assets	254	20	12	6
Marketing related intangible assets	87	20	3	1
Technology related intangible assets	415	20	13	6
Order backlog	43	1	30	12
Other intangibles	8	–	–	–
Total	806		58	26

(iii) A preliminary fair value adjustment of EUR 5 million has been recorded to Property, plant and equipment in the unaudited pro forma combined balance sheet as at June 30, 2019, to reflect the fair value of acquired assets of EUR 57 million, excluding right-of-use assets. The fair value adjustment is mainly based on the difference between the useful life used as basis of the historical depreciation and estimated economic useful life.

Based on the preliminary valuation, additional depreciation expense of EUR 0 million has been recorded to the unaudited pro forma combined statement of income for the six months ended June 30, 2019, and EUR 1 million for the year ended December 31, 2018. The weighted average remaining depreciation period for the acquired Property, plant and equipment adjusted for fair value is estimated to be 9.3 years.

(iv) A preliminary fair value adjustment of EUR 2 million has been recorded to Inventories in the unaudited pro forma combined balance sheet as at June 30, 2019, to reflect the preliminary fair value of acquired inventories of EUR 226 million. Outotec expects that the acquired inventory will turn over within 12 months and, accordingly, the fair value adjustment of EUR 2 million has been recorded to the unaudited pro forma combined statement of income as an expense for the year ended December 31, 2018. This adjustment will not have continuing impact on the Combined Company's results or financial position.

(v) The adjustments represents the estimated non-current deferred tax liability related to the fair value adjustments reflected in the unaudited pro forma combined balance sheet (excluding adjustments related to goodwill, which is assumed to be non-deductible). The resulting impact increases deferred tax liabilities by EUR 151 million. Deferred income tax impacts for non-financial assets were calculated based on an assumed blended tax rate of 23.9 percent except for Marketing-related intangible assets and technology related intangible assets tax impacts were calculated based on the Finnish nominal tax rate of 20.0 percent. Tax impacts for assumed financial liabilities were calculated based on nominal tax rate of 20.0 percent representing the tax rate in Finland. The tax rates are based on preliminary assumptions related to the underlying jurisdictions in which the income or expense will be recorded. The effective tax rate of the Combined Company could be significantly different depending on the post-acquisition activities, including cash needs, geographical mix of net income and tax planning strategies.

(vi) Outotec's hybrid bond of EUR 150 million historically classified by Outotec within equity at consolidation has been reclassified from Equity to Current borrowings since, from an acquirer's perspective, the hybrid bond is accounted for as an assumed liability. Further, it has been fair valued at the price of EUR 163 million for the Unaudited Pro Forma Financial Information purposes, representing the redemption price plus the accrued interest for the hybrid bond at the assumed Effective Date.

(vii) Outotec's equity attributable to shareholders amounting to EUR 369 million, including the hybrid bond (see note 3b(vi) above), has been eliminated from the unaudited pro forma combined balance sheet as at June 30, 2019.

Note 4 – McCloskey Acquisition

The Metso Minerals Business has made a preliminary allocation of the preliminary purchase consideration for the McCloskey acquisition, which is based upon estimates that are believed to be reasonable. As at the date of the Offering Circular, the detailed valuation studies necessary have not been completed to arrive at the required estimates of fair value for all of McCloskey's assets to be acquired and liabilities to be assumed on the closing date. At completion, the Metso Minerals Business will conduct a detailed valuation of all assets and liabilities as of the acquisition date at which point the fair value of acquired assets and assumed liabilities may materially differ from the amounts presented herein. McCloskey's unaudited combined statement of financial position information as at March 31, 2019, has been used as the basis for the preliminary purchase price allocation presented herein. The final purchase price allocation will be based on the closing balance sheet at the acquisition date.

The following tables set forth the pro forma adjustments made for the McCloskey acquisition to the unaudited pro forma combined statements of income for the six months ended June 30, 2019, and the year ended December 31, 2018, and for the unaudited pro forma combined balance sheet as at June 30, 2019.

Pro Forma Adjustments for McCloskey Acquisition to the Unaudited Pro forma Combined Statement of Income

	For the six months ended March 31, 2019			
	Fair valuation of net assets	**Financing**	**Transaction costs**	**McCloskey acquisition**
	(note 4a)	**(note 4b)**	**(note 4c)**	**(note 4)**
	(EUR in millions)			
Sales	–	–	–	–
Cost of sales	0	–	–	0
Gross profit	0	–	–	0
Selling and marketing expenses	(4)	–	–	(4)
Administrative expenses	0	–	2	2
Research and development expenses	(0)	–	–	(0)
Operating profit	(3)	–	2	(2)
Finance income and expenses				
Finance expenses	(0)	1	–	1
Net finance income and expenses	(0)	1	–	1
Profit before taxes	(4)	1	2	(1)
Income taxes	1	(0)	(0)	0
Profit for the period	(3)	1	1	(1)

	For the year ended September 30, 2018			
	Fair valuation of net assets	**Financing**	**Transaction costs**	**McCloskey acquisition**
	(note 4a)	**(note 4b)**	**(note 4c)**	**(note 4)**
	(EUR in millions)			
Sales	–	–	–	–
Cost of sales	(6)	–	–	(6)
Gross profit	(6)	–	–	(6)
Selling and marketing expenses	(9)	–	–	(9)
Administrative expenses	0	–	(3)	(3)
Research and development expenses	(1)	–	–	(1)
Operating profit	(15)	–	(3)	(18)
Finance income and expenses				
Finance expenses	–	0	–	0
Net finance income and expenses	–	0	–	0
Profit before taxes	(15)	0	(3)	(18)
Income taxes	4	(0)	1	4
Profit for the period	(12)	0	(2)	(14)

Pro Forma Adjustments for McCloskey Acquisition to the Unaudited Pro forma Combined Balance Sheet

	As at March 31, 2019			
	Fair valuation of net assets	Financing	Transaction costs	McCloskey acquisition
	(note 4a)	(note 4b)	(note 4c)	(note 4)
	(EUR in millions)			
ASSETS				
Non-current assets				
Intangible assets				
Goodwill	70	–	–	70
Other intangible assets	103	–	–	103
Total intangible assets	173	–	–	173
Property, plant and equipment	3	–	–	3
Total other non-current assets	–	–	–	–
Total non-current assets	176	–	–	176
Current assets				
Inventories	6	–	–	6
Cash and cash equivalents	–	5	(1)	4
Total current assets	6	5	(1)	9
Total assets	182	5	(1)	185
EQUITY AND LIABILITIES				
EQUITY				
Equity attributable to shareholders	(70)	–	(1)	(71)
Non-controlling interests	–	–	–	–
Total equity	(70)	–	(1)	(71)
LIABILITIES				
Non-current liabilities				
Borrowings	–	271	–	271
Deferred tax liabilities	26	–	–	26
Other non-current liabilities	–	18	–	18
Total non-current liabilities	26	289	–	315
Current liabilities				
Borrowings	–	(59)	–	(59)
Income tax liabilities	–	–	(0)	(0)
Total current liabilities	–	(59)	(0)	(59)
Total liabilities	26	230	(0)	256
Total equity and liabilities	(44)	230	(1)	185

Note 4a – Fair Valuation of Net Assets

The following table sets forth the preliminary fair values of net assets acquired:

	McCloskey historical reclassified	Fair valuation of net assets	Note 4a	Acquired assets and assumed liabilities
	(note 2)	(note 4a)		
	(EUR in millions)			
Non-current assets				
Other intangible assets	7	103	(ii)	110
Property, plant and equipment	35	3	(iii)	38
Right-of-use assets	3	–		3
Current assets				
Inventories	112	6	(iv)	118
Trade receivables	65	–		65
Other receivables	3	–		3
Cash and cash equivalents	10	–		10
Non-current liabilities				
Borrowings non-current	(28)	–		(28)
Lease liabilities	(2)	–		(2)
Deferred tax liabilities	(3)	(26)	(v)	(29)
Current liabilities				
Borrowings current	(59)	–		(59)
Lease liabilities	(1)	–		(1)
Trade payables	(51)	–		(51)
Provisions	(2)	–		(2)
Advances received	(1)	–		(1)
Income tax liabilities	(7)	–		(7)
Other current liabilities	(12)	–		(12)
Net assets acquired				155
Goodwill			(i)	70
Purchase consideration			(note 4b)	225
Purchase consideration				
Cash consideration				208
Contingent consideration				18
Total purchase consideration			(note 4b)	225

Fair Valuation of Assets and Liabilities

(i) The adjustment reflects recognition of goodwill arising from the McCloskey acquisition. The goodwill recognised in the unaudited pro forma combined balance sheet as at June 30, 2019, represents the excess of the purchase consideration transferred over the provisional fair value of identifiable net assets acquired. The goodwill of EUR 70 million arising from the acquisition is attributable to assembled workforce, geographical presence, future customers and products and synergies. The goodwill will not be deductible for tax purposes.

(ii) Preliminary fair values of other intangible assets have been determined primarily through the use of the "income approach" which requires an estimate or forecast of expected future cash flows. Customer related intangible assets have been valued by using the multi-period excess earnings method and Marketing related intangible assets and Technology related intangible assets by using the relief-from-royalty method.

The following table sets forth the preliminary fair value adjustments of the identifiable other intangible assets, estimated average useful lives representing the amortisation periods and estimated amortisation for the periods presented in this Unaudited Pro Forma Financial Information:

	Preliminary fair values	Estimated useful life	Adjustment to pro forma amortisation expense: For the year ended December 31, 2018	Adjustment to pro forma amortisation expense: For the six months ended June 30, 2019
	(EUR in millions)	(years)	(EUR in millions)	
Customer related intangible assets	73	10	(7)	(3)
Marketing related intangible assets	16	10	(2)	(1)
Technology related intangible assets	21	10	(2)	(1)
Total	110		(11)	(5)

(iii) A preliminary fair value adjustment of EUR 3 million has been recognised to Property, plant and equipment in the unaudited pro forma combined balance sheet as at June 30, 2019, to reflect the fair value of acquired assets of EUR 38 million. The fair value adjustment is mainly based on the difference between the useful life used as basis of the historical depreciation and estimated economic useful life.

Based on the preliminary valuation and adjusted useful life, a reduction in depreciation expense of EUR 0 million has been recorded to the unaudited pro forma combined statement of income for the six months ended June 30, 2019, and EUR 0 million for the year ended December 31, 2018. The weighted average remaining useful life for the acquired Property, plant and equipment adjusted for fair value is estimated to be approximately 15 years.

(iv) A preliminary fair value adjustment of EUR 6 million has been recorded to Inventories in the unaudited pro forma combined balance sheet as at June 30, 2019, to reflect the preliminary fair value of acquired inventories of EUR 118 million. It is expected that the acquired inventory will turn over within 12 months and accordingly, the fair value adjustment of EUR 6 million has been recorded to the unaudited pro forma combined statement of income as an expense for the year ended December 31, 2018. This adjustment will not have a continuing impact on the Combined Company's results or financial position.

(v) The adjustment represents the estimated non-current deferred tax liability related to the fair value adjustments reflected in the unaudited pro forma combined balance sheet (excluding adjustments related to goodwill, which is assumed to be non-deductible). The resulting impact increases deferred tax liabilities by EUR 26 million. Income tax effects of the above pro forma adjustments assumes blended tax rate of 23.1 percent for the six months ended June 30, 2019, and for the year ended December 31, 2018, except for the valuation of technology-related intangible asset, where Canada's enacted tax rate of 26.5 percent has been utilized. The tax rates are based on preliminary assumptions related to the underlying jurisdictions in which the income or expense will be recorded. The effective tax rate of the Combined Company could be significantly different depending on the post-acquisition activities, including cash needs, geographical mix of net income and tax planning strategies.

Note 4b – Financing of McCloskey Acquisition

In connection with the McCloskey Acquisition, the Metso Minerals Business made a drawdown of EUR 300 million term loan to finance the payment of the purchase consideration and refinance the borrowings of McCloskey assumed in the acquisition.

The pro forma adjustments to Borrowings and Cash and cash equivalents reflect the increase in non-current borrowings resulting from an assumed drawdown of EUR 300 million new term loan recorded net of transaction costs, and a decrease in Borrowings resulting from refinancing of the existing McCloskey borrowings (EUR 28 million under Non-current borrowings and EUR 59 million under Current borrowings).

The pro forma statement of income adjustment of EUR 1 million for the six months ended June 30, 2019, and EUR 0 million for the year ended December 31, 2018, reflect an increase in net finance expenses relating to the interest calculated with effective interest rate method for the EUR 300 million term loan and a reduction in finance expenses relating to existing McCloskey borrowings assumed to be refinanced. For pro forma purposes an effective interest rate of 0.73 percent is used for the term loan of EUR 300 million.

Purchase consideration for the shares of McCloskey is assumed to amount to EUR 225 million. The cash consideration of EUR 208 million expected to be paid at closing has been recognized as a decrease in Cash and cash equivalents in the unaudited pro forma combined balance sheet. The contingent consideration of EUR 18 million has been included in Other non-current liabilities. The contingent consideration will be determined based on cumulative EBITDA of McCloskey and is assumed to be paid out after two years.

Note 4c – Transaction Costs

Transaction costs of EUR 3 million are estimated to be incurred and expensed by the Metso Minerals Business in connection with the acquisition of McCloskey and primarily comprise financial, legal and advisory costs (excluding financing related transaction costs). These estimated transactions costs have been recorded as Administrative expenses in the unaudited pro forma statement of income for the year ended December 31, 2018. For pro forma purposes, the costs already recorded as an expense of EUR 2 million for the six months ended June 30, 2019, have been eliminated.

The income tax adjustment for tax deductible costs has been calculated based on the Finnish statutory tax rate of 20 percent. The transaction costs related to the acquisition will not have a continuing impact on the Combined Company's results of operations.

Note 5 – Demerger and Related Refinancing

Demerger and Related Refinancing Pro Forma Adjustments to Unaudited Pro Forma Combined Income Statements

	For the six months ended June 30, 2019				For the year ended December 31, 2018			
	Metso Minerals Business Demerger impacts	**Backup facilities and refinancing**	**Demerger costs**	**Total Demerger and related refinancing**	**Metso Minerals Business Demerger impacts**	**Backup facilities and refinancing**	**Demerger costs**	**Total Demerger and related refinancing**
	(note 5a)	**(note 5b)**	**(note 5c)**	**(note 5)**	**(note 5a)**	**(note 5b)**	**(note 5c)**	**(note 5)**
				(EUR in millions)				
Administrative expenses	–	–	2	2	–	–	(48)	(48)
Operating profit	–	–	2	2	–	–	(48)	(48)
Finance income and expenses								
Finance income, Metso group	(2)	–	–	(2)	(5)	–	–	(5)
Finance expenses	–	(1)	–	(1)	–	(5)	–	(5)
Finance expenses, Metso group	–	–	–	–	(0)	–	–	(0)
Net finance income and expenses	(2)	(1)	–	(3)	(5)	(5)	–	(10)
Profit before taxes	(2)	(1)	2	(1)	(5)	(5)	(48)	(59)
Income taxes	0	0	(0)	0	1	1	10	12
Profit for the period	(1)	(1)	1	(1)	(4)	(4)	(39)	(47)

Demerger and Related Refinancing Pro Forma Adjustments to Unaudited Pro Forma Combined Balance Sheet

	As at June 30, 2019				
	Metso Minerals Business Demerger impacts	**Backup facilities and refinancing**	**Demerger costs**	**Equity structure**	**Total Demerger and related refinancing**
	(note 5a)	**(note 5b)**	**(note 5c)**	**(note 5d)**	**(note 5)**
			(EUR in millions)		
ASSETS					
Non-current assets					
Other non-current assets					
Loan receivables, Metso group	(25)	–	–	–	(25)
Other non-current receivables, Metso group	(138)	–	–	–	(138)
Total other non-current assets	(163)	–	–	–	(163)
Total non-current assets	(163)	–	–	–	(163)
Current assets					
Loan receivables, Metso group	(29)	–	–	–	(29)
Cash pool receivables, Metso group	(18)	–	–	–	(18)
Income tax receivables	–	1	10	–	11
Other receivables	–	3	–	–	3
Cash and cash equivalents	10	(19)	(52)	–	(61)
Total current assets	(38)	(15)	(42)	–	(95)
Total assets	(200)	(15)	(42)	–	(258)
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to shareholders	(60)	(2)	(40)	–	(103)
Non-controlling interests	–	–	–	–	–
Total equity	(60)	(2)	(40)	–	(103)
LIABILITIES					
Non-current liabilities					
Borrowings	–	150	–	–	150
Other non-current liabilities, Metso group	(6)	–	–	–	(6)
Total non-current liabilities	(6)	150	–	–	144
Current liabilities					
Borrowings	–	(163)	–	–	(163)
Cash pooling liabilities, Metso group	(80)	–	–	–	(80)
Income tax liabilities	3	–	–	–	3
Other current liabilities	(58)	–	(2)	–	(60)
Total current liabilities	(135)	(163)	(2)	–	(299)
Total liabilities	(140)	(13)	(2)	–	(155)
Total equity and liabilities	(200)	(15)	(42)	–	(258)

Note 5a – the Metso Minerals Business Demerger Impacts

Metso will undertake certain intra-group arrangements prior to the Demerger to align the legal group structures of both the Metso Minerals Business and remaining Metso group to reflect the contemplated legal structures post-Demerger. The existing interest-bearing intra-group receivables and liabilities including cash pool receivables and liabilities between the Metso Minerals Business and remaining Metso group will be settled on the Effective Date.

The impact of these transactions on the Unaudited Pro Forma Financial Information has been reflected under this pro forma adjustment. These adjustments also includes the payment of Metso's dividends of EUR 72 million for the year 2018 allocated to the Metso Minerals Business in the carve-out financial information.

Note 5b – Backup Facilities and Refinancing

On July 4, 2019, Metso entered into a EUR 1.55 billion Backup and Term Loan Facilities Agreement with Nordea Bank Abp for the purposes of, among others, supporting the transaction and possible amendment and consent solicitation processes related to the EMTN program, refinancing existing debt, financing the potential cash redemption of Demerger Consideration up to EUR 500 million as well as providing backup liquidity to Metso (and subsequently, the Combined Company) in the form of a revolving credit facility amounting to EUR 500 million. On September 30, 2019, the amount of the Backup and Term Loan Facilities Agreement was decreased in the aggregated principal amount of EUR 500 million as a result of the New Revolving Credit Facility Agreement of EUR 600 million being entered into.

For pro forma purposes it has been assumed that EUR 150 million under the Backup and Term Loan Facilities Agreement has been drawn to refinance assumed debt of EUR 163 million. The new term loan assumed to be drawn has been recorded net of transaction costs to the unaudited pro forma balance sheet and the repaid amount exceeding the amount of the new term loan has been assumed to have been repaid using the existing cash and cash equivalents.

Pro forma adjustments to increase finance expenses of EUR 1 million for the six months ended June 30, 2019, and EUR 5 million for the year ended December 31, 2018, reflects the interest calculated using the effective interest rate method for EUR 150 million term loan assumed to be drawn for pro forma purposes, the transaction costs related to the New Revolving Credit Facility as well as the estimated impacts of transaction costs and fees to be paid for the Backup and Term Loan Facilities Agreement and for the consent solicitation processes. Of these adjustments, EUR 3 million for the year ended December 31, 2018, will not have a continuing impact on the Combined Company's finance expenses.

In the unaudited pro forma balance sheet the adjustment to the other receivables of EUR 3 million reflects the amount of transaction fees for the New Revolving Credit Facility assumed to be paid but to be amortized over the facility period.

Note 5c – Demerger Costs

Transaction costs estimated to amount to EUR 48 million to be incurred and expensed by Outotec and the Metso Minerals Business in connection with the Demerger 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 certain members of the Executive Board of Outotec and certain personnel representatives of Outotec and Metso other than members of the Executive Board of Outotec and Executive Team of Metso in connection with the completion of the Demerger.

These transactions costs have been recorded as Administrative expenses in the unaudited pro forma statement of income for the year ended December 31, 2018. For pro forma purposes, the costs already recorded as an expense of EUR 2 million for the six months ended June 30, 2019, have been eliminated.

In addition, the estimated amount of transaction costs of EUR 4 million directly related to the issuance of the Demerger Consideration Shares and the Listing, has been recorded directly to the equity (net of tax EUR 3 million), to decrease the proceeds from the issuance of shares recorded under reserve for invested non-restricted equity.

In the unaudited pro forma balance sheet the unpaid portion of these estimated transaction costs of EUR 52 million has been deducted from the cash and cash equivalents and the portion already recorded as other current liabilities of EUR 2 million has been eliminated.

The income tax adjustment for tax deductible transaction costs has been calculated using the Finnish statutory tax rate of 20 percent. The transaction costs related to the Demerger and issuance of the Demerger Consideration Shares will not have a continuing impact on the Combined Company's results of operations.

Note 5d – Equity Structure

Under IFRS, the Demerger is accounted for as a reverse acquisition and the consolidated financial statements of the Combined Company will be prepared under a name of the legal parent (accounting acquiree) but as a continuation of the financial statements of the legal subsidiary (accounting acquirer), with adjusting the accounting acquirer's legal capital to reflect the legal capital of the accounting acquiree.

The following table sets forth the reconciliation of pro forma equity and includes adjustments to reflect the impacts of the Demerger and the reverse acquisition to the formation of the capital structure of the Combined Company on the unaudited pro forma combined balance sheet as at June 30, 2019:

	As at June 30, 2019									
	Metso Minerals Business historical	**Metso Minerals Business Demerger impacts**	**Equity formation through Demerger**	**Metso Minerals Business after Demerger**	**Outotec acquisition**	**Outotec Oyj's legal capital**	**Outotec acquisition impact total**	**McCloskey acquisition**	**Demerger-related refinan-cing and costs**	**Total pro forma equity**
		(note 5a)	**(note 5d(i))**		**(notes 1 and 3)**	**(note 5d(ii))**		**(notes 2 and 4)**	**(notes 5a and 5c)**	
					(EUR in millions)					
EQUITY										
Share capital	–	-	90	90	–	17	17	–	–	107
Share premium fund	–	-	–	–	–	20	20	–	–	20
Treasury shares	–	-	–	–	–	(12)	(12)	–	–	(12)
Reserve for invested non-restricted equity	–	–	232	232	910	(25)	884	–	(3)	1,113
Other reserves	(3)	–	–	(3)	–	–	–	–	–	(3)
Hybrid bond	–	–	–	–	–	–	–	–	–	–
Cumulative translation differences	(148)	–	–	(148)	–	–	–	–	–	(148)
Retaining earnings	–	–	914	914	–	–	–	(1)	(40)	873
Invested equity and retained earnings	1,296	(60)	(1,236)	–	–	–	–	–	–	–
Equity attributable to shareholders	1,145	(60)	–	1,086	910	–	910	(1)	(43)	1,952

(i) In the Demerger, a portion of Metso Corporation's legal capital will be transferred to Outotec Oyj in accordance with the Demerger Plan. The formation of Metso Minerals Business' equity structure in accordance with the Demerger Plan is adjusted in the pro forma presentation of equity by splitting the line item "Invested equity and retained earnings" as presented in Metso Minerals Business historical carve-out financial information into the line items "Share capital," "Reserve for invested unrestricted equity" and "Retained earnings" in accordance with the Demerger Plan.

(ii) For pro forma presentation of equity, the Combined Company's capital structure is adjusted to reflect Outotec Oyj's historical legal capital structure.

Note 6 – Pro Forma Earnings per Share

Pro forma basic earnings per share is calculated by dividing the pro forma net result attributable to equity holders of the parent by the pro forma weighted average number of shares outstanding as adjusted for the Demerger Consideration Shares.

The following table sets forth the pro forma earnings per share attributable to parent company's shareholders for the periods indicated:

	For the six month ended June 30, 2019	**For the year ended December 31, 2018**
Result for the period attributable to parent company's shareholders, EUR in millions	122	15
Weighted average number of shares outstanding - basic – historical	181,633,929	181,546,715
Demerger Consideration Shares	645,327,522	645,327,522
Pro forma weighted average number of shares outstanding – basic	826,961,451	826,874,237
Pro forma earnings per share – basic, EUR	0.15	0.02

Note 7 – Unaudited Additional Pro Forma Information

Pro Forma Key Figures

	For the six months ended June 30, 2019	For the year ended December 31, 2018	As at June 30, 2019
	(EUR in millions, unless otherwise indicated)		
Sales	2,155	4,159	
EBITDA[(1)]	268	262	
share of sales, percent	12.4	6.3	
Adjusted EBITDA[(2)]	270	326	
share of sales, percent	12.5	7.8	
EBITA[(3)]	227	215	
share of sales, percent	10.5	5.2	
Adjusted EBITA[(4)]	229	279	
share of sales, percent	10.6	6.7	
Net working capital[(5)]			592
Net debt[(6)]			958
Gearing, percent[(7)]			48.8
Debt to capital, percent[(8)]			41.5
Equity to asset ratio, percent[(9)]			38.0

(1) EBITDA[(10)] = Operating profit + depreciations, amortizations and impairments in the pro forma income statement

(2) Adjusted EBITDA[(10)] = EBITDA + Adjusting items, which comprise of restructuring and capacity adjustment costs, costs related to mergers and acquisitions, outcome of material intellectual property rights disputes, gains and losses on business disposals

(3) EBITA[(10)] = Operating profit + amortizations and impairments on intangible assets in the pro forma income statement.

(4) Adjusted EBITA[(10)] = EBITA + Adjusting items, which comprise of restructuring and capacity adjustment costs, costs related to mergers and acquisitions, outcome of material intellectual property rights disputes, gains and losses on business disposals.

(5) Net working capital = Inventories + trade receivables + other non-interest bearing receivables (consisting of non-current and current derivative financial instruments (assets) and other non-current and current receivables) + customer contract assets and liabilities, net - trade payables - advances received - other non-interest bearing liabilities (consisting of post-employment benefit obligations, non-current and current provisions, non-current and current derivative financial instruments (liabilities) and other non-current and current liabilities).

(6) Net debt = Non-current and current borrowings + non-current and current lease liabilities - liquid funds - non-current and current loan receivables - net debt items classified as held for sale.

(7) Gearing $= \frac{\text{Net debt}}{\text{Total equity}} \times 100$

(8) Debt-to-capital ratio $= \frac{\text{Non-current and current borrowings + non-current and current lease liabilities}}{\text{Total equity + non-current and current borrowings + non-current and current lease liabilities}} \times 100$

(9) Equity-to-assets ratio $= \frac{\text{Total equity}}{\text{Total assets - advances received}} \times 100$

(10) The share of sales measure has been calculated by dividing the appropriate measure with sales in the pro forma income statement for the corresponding period.

Reconciliation of Pro Forma Adjusted EBITA and Pro Forma Adjusted EBITDA to Operating Profit

	For the six months ended June 30, 2019						
	Metso Minerals Business historical	**Outotec historical reclassified**	**McCloskey historical reclassified**	**Outotec acquisition**	**McCloskey acquisition**	**Demerger and related refinancing**	**Metso Outotec pro forma**
		(note 1)	**(note 2)**	**(note 3)**	**(note 4)**	**(note 5)**	
				(EUR in millions)			
Reconciliation of Adjusted EBITA							
Operating profit	166	24	12	(26)	(2)	2	176
Amortisation and impairments	6	14	1	26	5	–	52
EBITA	173	38	13	(0)	3	2	227
Adjusting items							
Restructuring and acquisition-related costs	4	0	–	–	(2)	–	2
Demerger-related cost	–	2	–	–	–	(2)	–
Total adjusting items	4	2	–	–	(2)	(2)	2
Adjusted EBITA	176	40	13	(0)	1	–	229
Reconciliation of Adjusted EBITDA							
Operating profit	166	24	12	(26)	(2)	2	176
Depreciation, amortisation and impairments	33	26	3	26	4	–	92
EBITDA	199	50	14	–	3	2	268
Adjusting items							
Restructuring and acquisition-related costs	4	0	–	–	(2)	–	2
Demerger-related cost	–	2	–	–	–	(2)	–
Total adjusting items	4	2	–	–	(2)	(2)	2
Adjusted EBITDA	203	52	14	–	1	–	270

	For the year ended December 31, 2018						
	Metso Minerals Business historical	**Outotec historical reclassified**	**McCloskey pro forma reclassified**	**Outotec acquisition**	**McCloskey acquisition**	**Demerger and related refinancing**	**Metso Outotec pro forma**
		(note 1)	**(note 2)**	**(note 3)**	**(note 4)**	**(note 5)**	
				(EUR in millions)			
Reconciliation of Adjusted EBITA							
Operating profit	268	(66)	26	(60)	(18)	(48)	101
Amortisation and impairments	16	30	0	58	11	–	114
EBITA	283	(36)	26	(2)	(8)	(48)	215
Adjusting items							
Restructuring and acquisition-related costs	1	13	–	–	3	–	16
Demerger-related cost	–	–	–	–	–	48	48
Total adjusting items	1	13	–	–	3	48	64
Adjusted EBITA	284	(24)	26	(2)	(5)	–	279
Reconciliation of Adjusted EBITDA							
Operating profit	268	(66)	26	(60)	(18)	(48)	101
Depreciation, amortisation and impairments	48	41	3	59	10	–	161
EBITDA	316	(26)	29	(2)	(8)	(48)	262
Adjusting items							
Restructuring and acquisition-related costs	1	13	–	–	3	–	16
Demerger-related cost	–	–	–	–	–	48	48
Total adjusting items	1	13	–	–	3	48	64
Adjusted EBITDA	316	(13)	29	(2)	(5)	–	326

Pro Forma Net Debt

	As at June 30, 2019
	(EUR in millions, unless otherwise indicated)
Non-current borrowings	989
Current borrowings	270
Non-current lease liabilities	106
Current lease liabilities	32
Loan receivables	(10)
Deposits and securities, maturity more than three months	(40)
Cash and cash equivalents	(388)
Net debt	958

Pro Forma Net Working Capital

	As at June 30, 2019
	(EUR in millions)
Inventories	1,193
Trade receivables	786
Derivative financial instruments	26
Other receivables	211
Other non-interest bearing receivables	237
Customer contract assets and liabilities, net	149
Trade payables	(559)
Advances received	(456)
Provisions	(252)
Post-employment benefit obligations	(123)
Derivative financial instruments	(29)
Other liabilities	(355)
Other non-interest bearing liabilities	(758)
Net working capital	592