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Metso Outotec Sweden AB
Org nr 556216-5653

Årsredovisning för räkenskapsåret 2022

Styrelsen och verkställande direktören för Metso Outotec Sweden AB avger härmed följande årsredovisning.

Innehåll

	Sida
- förvaltningsberättelse	2
- resultaträkning	6
- balansräkning	7
- förändring eget kapital	9
- kassaflödesanalys	10
- noter	11

Om inte annat särskilt anges, redovisas alla belopp i tusental kronor.
Uppgifter inom parentes avser föregående år.

Undertecknad styrelseledamot och verkställande direktör i Metso Outotec Sweden AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2022-06-20. Årsstämman beslöt att godkänna styrelsens förslag beträffande den uppkomna vinsten.

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

Trelleborg 2023-06-20

Ulf Kendrup

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Förvaltningsberättelse

Information om verksamheten

Metso Outotec Sweden AB, med säte i Trelleborg, är en del av Metso Outotec-koncernen. Metso Outotec i Sverige arbetar i huvudsak med tillverkning, försäljning, kundservice, produktsupport och distribution av produkter för berg- och mineral-bearbetning, inklusive hantering av system- leveranser till gruvindustrin. Produkter och tjänster till kunder för Smelting & Metals & Chemical Processing och Hydrometallurgy ingår också. Bolaget har verksamhet på tio orter i Sverige, från Kiruna i norr till Trelleborg i söder, varav två orter (Trelleborg och Sala) utgör tillverkningsenheter och övriga utgör sälj- och serviceenheter av varierande storlek och komplexitet.

I Trelleborg tillverkas produkter i gummi och polyuretan vilka används som slitdelar i utrustning som levereras från andra Metso Outotec-enheter globalt. Marknaden för dessa produkter är främst Europa, Mellanöstern och Afrika (EMEA).

Enheten i Sala producerar och levererar pumpar och därtill hörande slit- och reservdelar, samt processutrustning och reservdelar till dessa. I Sala återfinns även den del av organisationen som arbetar med systemleveranser till gruvindustrin. Marknaden för pumpar är i huvudsak EMEA, medan marknaden för processutrustning och systemleveranser är global.

Vår svenska sälj-och serviceorganisation förser den lokala marknaden med produkter inte bara från de svenska tillverkningsenheterna utan även med produkter från våra övriga fabriker inom koncernen. Dessutom tillhandahålls service av maskiner och utrustning som återfinns hos våra kunder på den svenska marknaden.

Ägarförhållanden

Metso Outotec Sweden AB är ett helägt dotterbolag till Metso Outotec Finland Oy. Koncernredovisning upprättas av moderbolaget i koncernen, Metso Oyj, registreringsnummer 0828105-4, med säte i Helsingfors, Finland.

Finansiella instrument och risker

Metso Outotec Sweden AB tillämpar säkringsredovisning (kassaflödessäkring av valutarisk i prognosticerade inbetalningar och utbetalningar) i enlighet med K3 kapitel 11 punkt 39 och punkt 40.

Målsättning med säkringsstrategin är att reducera osäkerheten beträffande bolagets framtida inbetalningar och utbetalningar i utländsk valuta. Osäkerheten är hänförlig till förändringar i valutakurser gentemot den svenska kronan (SEK). Riskhanteringen är avsedd att ske genom affärsmässiga beslut om valutasäkring kopplade till underliggande kundfordringar, leverantörs-lskulder, bindande avtal avseende orderstock och inköp och banktillgodohavanden utan att valutaspekulera. Säkringsinstrumenten utgörs av valutaterminer som handlas med koncernmodern Metso Oyj.

Resultateffekter som uppkommer när säkringen upphör redovisas i resultaträkningen, för mer information se not 37 "Upplysningar om finansiella instrument".

Metso Outotec Sweden AB bedömer att de finansiella riskerna utgörs av prisrisker och kreditrisker.

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Väsentliga händelser under räkenskapsåret

År 2022 blev ett väldigt annorlunda år med konflikten emellan Ryssland och Ukraina som påverkade marknaden och dess efterfrågan till följd av restriktioner och att aktiviteterna till Ryssland och Vitryssland upphörde. Även höstens kraftig ökade inflation och stigande räntenivåer inom både Sverige och omvärlden hade en dämpande effekt på marknaden.

Metso Outotec Sweden AB har tagit konflikten emellan Ryssland och Ukraina på största allvar och följer de sanktioner och restriktioner som bl.a. Europeiska Unionen och USA har infört, liksom de förstärkta krav som Metso Outotec-koncernen har satt. Verksamhets- mässigt så påverkar konflikten främst vår Process- och Metals projektverksamhet liksom vår Pumpverksamhet och tillverkning i Trelleborg. Det har inneburit en nedgång i omsättning och flera utmaningar för verksamheten, och till följd av detta har det under året initerats ett flertal kompenserande aktiviteter.

Under hösten 2022 lades ett varsel om 18 tjänster i Trelleborg Det var med anledning av en minskat kundbehov och efterfrågan på Trelleborgsfabrikens produkter, men även på grund av avvecklingen av Rysslands verksamheten och efterföljande lägre produktionsvolym inom Gummi- och Poly-Met fabriken i Trelleborg.

Konflikten till trots så har ett antal stora underhålls- och investeringsprojekt påbörjats, likaså har omsättningen för service- och eftermarknadsprodukter inte minskat i volym. Positivt är våra volymer inom vår serviceverksamhet, där viktiga kunder såsom LKAB och Boliden på många områden bibehållit sina höga produktionsvolymer.

Under januari 2022 aviserade Metals affärsområde globalt en översyn av sin strategi och framtida ägarstruktur av verksamheten. En översyn som fortgått under hela året och som för den svenska verksamheten kommer att påverka ett 80-tal medarbetare och då främst i Skellefteå, men något beslut om den strategiska inriktningen gjordes inte under året.

Pandemin förklarades vara över i början av året och för Metso Outotec så innebar detta en succesiv återgång till våra kontor i enlighet med en verksamhetsanpassad hybrid-arbetsmodell.

Koncernen aviserade i slutet av 2020 avsikten att avyttra affärsområdet Recycling. Under senhösten 2021 så avyttrades Waste Recycling och kvarvarande del Metal Recycling avyttras den 1 juni 2022. För Metso Outotec Sweden AB så har detta haft en mindre påverkan då endast ett fåtal medarbetare var verksamma inom Recycling verksamheten.

Arbetet med att försälja fastigheterna i Ersmark fortskred under hela året.

Framtida utveckling

Den övergripande marknadsutveckling är mycket osäker beaktat konflikten emellan Ryssland och Ukraina samt effekten av den högre inflations- och räntenivåutvecklingen i stora delar av världen. Det förväntas en fortsatt efterfrågan på pumpar och eftermarknadsprodukter, medan kundernas investeringsvilja i Mining Capital Equipment och större investeringsprojekt förväntas bli mer osäker.

Den negativa påverkan av konflikten emellan Ryssland och Ukraina och införda sanktioner och restriktioner förväntas fortsätta under 2023. Det råder fortsatt osäkerhet kring hur länge koflikten kommer att fortgå.

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Miljöinformation

Miljöbelastning

Metso Outotec Sweden AB har produktionsverksamhet vid två av de tio enheterna i Sverige. Miljö- och arbetsmiljöfrågor utgör därför en central del av företagets ansvarsarbete och bedrivs både på central och på lokal nivå. Miljöarbetet innefattar proaktiva åtgärder i syfte att minska miljöpåverkan och miljörisker. Miljöbelastningen hos enskilda enheter varierar stort beroende på storlek och processer. De mest betydande miljöaspekterna rent generellt är dock förbrukning av energi och råvaror, utsläpp till luft och vatten samt avfall. Verksamheterna är också förknippade med omfattande transporter.

Miljöledning

En viktig hörnpelare i miljöarbetet är miljöledningsstandarden ISO 14001. Samtliga enheter inom Metso Outotec Sweden AB är miljöcertifierade.

Tillstånd

Bolagets enhet i Trelleborg är tillståndspliktigt enligt miljöbalken. Tillstånd för enheten avser tillverkning av gummiblandningar, gummivaror och polyuretanvaror samt behandling av uttjänta gummiprodukter.

Anmälningsplikt

Bolagets enheter i Sala och Gällivare är anmälningspliktiga. Anmälningsplikten för Sala avser tillverkning av maskiner för mineralberedning, avvattning och godspumpning. Verksamheten omfattar lagerhållning, maskinverkstad och montering samt försöksverksamhet i laboratorieskala vilket i huvudsak innebär avvattningsförsök.

Anmälningsplikten för Gällivare avser vulkning av gummi, blästring av metaller och förbrukning av lösningsmedel.

Övriga enheter i Sverige är inte tillstånds- eller anmälningspliktiga. Miljöpåverkan från dessa är i huvudsak från resor, övriga transporter samt utsläpp till luft av ringa omfattning.

Hållbarhetsrapport

Företaget upprättar enligt 7 kap 31 a§ inte någon lagstadgad hållbarhetsrapport. Moderbolaget i koncernen, Metso Oyj, registreringsnummer 0828105-4, med säte i Helsingfors, upprättar hållbarhetsrapport för koncernen där Metso Outotec Sweden AB ingår. Koncernens hållbarhetsrapport finns tillgänglig på www.metso.com.

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Flerårsjämförelse

Bolagets ekonomiska utveckling i sammandrag. Belopp i tusentals kronor.

	2022	2021	2020	2019	2018
Nettoomsättning	3 077 213	2 614 260	2 538 005	3 454 173	3 307 351
Resultat efter finansiella poster	297 748	311 283	362 331	311 023	504 302
Balansomslutning	2 234 834	1 957 555	1 755 282	2 069 594	2 205 096
Antal anställda	597	651	625	689	674
Soliditet	40,9%	50,5%	52,4%	30,7%	32,2%
Avkastning på totalt kapital	13,7%	16,4%	21,4%	15,2%	23,1%
Avkastning på eget kapital	32,6%	31,5%	39,4%	48,9%	71,0%

Nyckeltalsdefinitioner framgår av not 1.

Förslag till vinstdisposition

Till årsstämmans förfogande står följande vinstmedel:

Balanserade vinstmedel		602 648 358
Årets resultat		242 710 902
	Summa	845 359 259

Styrelsen och verkställande direktören föreslår att vinstmedlen disponeras enligt följande:

utdelning		338 200 000
i ny räkning överförs		507 159 259
	Summa	845 359 259

Resultat och ställning

För bolagets resultat och ställning hänvisas till efterföljande resultat- och balansräkning med tillhörande noter.

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Resultaträkning	**Not**	**2022**	**2021**
Nettoomsättning	2, 3	3 077 213	2 614 260
Kostnad för sålda varor	2, 4, 5, 6	-2 510 613	-1 998 127
Bruttoresultat		566 600	616 133
Försäljningskostnader	4, 5, 6	-222 061	-232 290
Administrationskostnader	4, 5, 6, 7	-37 867	-65 090
Forsknings- och utvecklingskostnader		-28 901	-22 989
Övriga rörelseintäkter	8	27 958	14 329
Övriga rörelsekostnader	9	-53 354	-31 108
Rörelseresultat		252 375	278 985
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	10	52 782	40 440
Resultat från andelar i intresseföretag	11	-	80
Övriga ränteintäkter och liknande resultatposter	12	791	1 012
Räntekostnader och liknande resultatposter	13	-8 200	-9 234
Summa resultat från finansiella poster		45 373	32 298
Resultat efter finansiella poster		297 748	311 283
Bokslutsdispositioner	14	3 233	-3 457
Skatt på årets resultat	15	-58 269	-56 404
Årets resultat		242 712	251 422

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Balansräkning	Not	2022-12-31	2021-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Balanserade utgifter för utvecklingsarbeten och liknande arb	16	32 745	22 512
Koncessioner, patent, licenser, varumärken samt liknande rättigheter	17	7 675	10 469
		40 421	32 981
Materiella anläggningstillgångar			
Byggnader och mark	18	29 719	33 368
Maskiner och andra tekniska anläggningar	19	124 697	130 845
Inventarier, verktyg och installationer	20	6 577	9 127
Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar	21	86 365	81 323
		247 358	254 664
Finansiella anläggningstillgångar			
Andelar i koncernföretag	22	301 128	301 131
Andelar långfristiga värdepappersinnehav			
Uppskjuten skattefordran	24	15 930	12 958
Andra långfristiga fordringar	25	8 173	11 068
		325 231	325 157
Summa anläggningstillgångar		613 010	612 802
Omsättningstillgångar			
Varulager m m			
Råvaror och förnödenheter		200	3 937
Varor under tillverkning		218 660	115 814
Färdiga varor och handelsvaror		681 198	478 988
Förskott till leverantör		37 031	73 932
		937 089	672 670
Kortfristiga fordringar			
Kundfordringar		246 027	180 963
Fordringar avseende pågående entreprenaduppdrag	26	117 980	63 961
Fordringar hos koncernföretag		265 755	369 595
Aktuella skattefordringar		17 882	21 758
Övriga fordringar		4 926	6 304
Förutbetalda kostnader och upplupna intäkter	27	28 741	28 202
		681 311	670 783
Kassa och bank	28	3 424	1 300
Summa omsättningstillgångar		1 621 824	1 344 753
SUMMA TILLGÅNGAR		2 234 834	1 957 555

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Balansräkning	Not	2022-12-31	2021-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		20 000	20 000
Bundna reserver		480	480
		20 480	20 480
Fritt eget kapital			
Balanserad vinst		602 648	666 226
Årets resultat		242 711	251 422
		845 359	917 648
Summa eget kapital		865 839	938 128
Obeskattade reserver	29	61 238	64 471
Avsättningar	30		
Avsättningar för pensioner och liknande förpliktelser		10 156	13 753
Övriga avsättningar		24 347	32 718
Summa avsättningar		34 503	46 472
Långfristiga skulder			
Skulder till koncernföretag	31	-	100 000
Summa långfristiga skulder		-	100 000
Kortfristiga skulder			
Förskott från kunder		119 926	52 246
Leverantörsskulder		388 095	331 065
Skulder avseende pågående entreprenaduppdrag	32	112 322	124 247
Skulder till koncernföretag		453 334	102 235
Aktuella skatteskulder			
Övriga skulder	33	10 763	9 664
Upplupna kostnader och förutbetalda intäkter	34	188 813	189 027
		1 273 254	808 484
SUMMA EGET KAPITAL OCH SKULDER		2 234 834	1 957 555

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Förändring av eget kapital

	Not	Aktie-kapital	Reserv-fond	Övrigt fritt eget kapital	Summa eget kapital
Eget kapital 2020-12-31		20 000	80	851 922	872 002
Fusionsvinst			400	35 357	35 757
Justering av föregående års resultat				-20 252	-20 252
Utdelning				-200 800	-200 800
Årets resultat				251 422	251 422
Eget kapital 2021-12-31		20 000	480	917 648	938 128
Utdelning				-315 000	-315 000
Årets resultat				242 711	242 711
Eget kapital 2022-12-31	35	20 000	480	845 359	865 839

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Kassaflödesanalys

		2022	2021
Den löpande verksamheten			
Rörelseresultat före finansiella poster		252 375	278 985
Avskrivningar	4	33 796	31 695
Justeringar för övriga poster som inte ingår i kassaflödet	36	-4 358	-33 665
Erhållen ränta		53	206
Erhållna utdelningar		52 782	40 440
Erlagd ränta		-8 200	-9 234
Erlagd utdelning		-315 000	-200 800
Inkomstskatt		-57 366	-87 334
		-45 918	20 293
Ökning(-)/Minskning(+) varulager		-264 420	-203 679
Ökning(-)/Minskning(+) kundfordringar		-65 064	-20 572
Ökning(-)/Minskning(+) övriga kortfristiga fordringar		50 660	79 634
Ökning(+)/Minskning(-) leverantörsskulder		57 030	77 041
Ökning(+)/Minskning(-) övriga kortfristiga skulder		407 739	217 529
Kassaflöde från den löpande verksamheten		140 027	170 246
Investeringar i finansiella anläggningstillgångar		-25	-
Investeringar i immateriella och materiella anläggningstillgångar		-44 774	-76 997
Anskaffning genom fusion materiella anläggningstillgångar			-3 892
Försäljning av materiella anläggningstillgångar		6 896	10 454
Kassaflöde från investeringsverksamheten		-37 903	-70 435
Försäljning av andelar i långfristiga värdepappersinnehav		-	25
Förändring av långfristig upplåning		-100 000	-100 000
Kassaflöde från finansieringsverksamheten		-100 000	-99 975
Årets kassaflöde		2 124	-164
Likvida medel vid årets början		1 300	1 464
Likvida medel vid årets slut	28	3 424	1 300

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Noter

Not 1 Redovisnings- och värderingsprinciper

Noter med redovisningsprinciper och bokslutskommentarer
Belopp i TSEK om inget annat anges.

Allmänna redovisningsprinciper

Årsredovisningen har upprättats enligt Årsredovisningslagen (1995:1554) och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Värderingsprinciper m m

Tillgångar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Intäkter
Försäljning av varor redovisas vid leverans av produkter till kunder i enlighet med försäljningsvillkoren. Försäljning redovisas netto efter moms, rabatter och kursdifferenser vid försäljning i utländsk valuta.

Principer för redovisning av intäkter från entreprenaduppdrag återfinns under rubriken Pågående arbeten.

Pågående arbeten
För större projekt tillämpas i enlighet med Metso Outotec-koncernens principer, redovisningsprincipen successiv vinstavräkning, varvid pågående arbeten resultatavräknas i takt med färdigställandegraden. Ett uppdrags färdigställandegrad bestäms genom att nedlagda kostnader på balansdagen jämförs med beräknade totala kostnader. Förändringar i beräknade totala intäkter och kostnader per arbete, redovisas i samma period som de konstateras.

Övriga pågående arbeten, till fastpris, som inte resultatavräknas i takt med färdigställandegraden, värderas till det lägsta av nedlagda direkta kostnader med tillägg för tillverkningsomkostnader och nettoförsäljningsvärde med hänsyn tagen tilll återstående kostnader för färdigställandet.

För bedömda förlustorder sker reservering så snart förlusten kan beräknas på ett tillförlitligt sätt.

Finansiella instrument
Finansiella instrument värderas utifrån anskaffningsvärdet. Metso Outotec Sweden AB tillämpar säkringsredovisnin (kassaflödessäkring av valutarisk i prognostiserade inbetalningar och utbetalningar) i enlighet med K3 kapitel 11 punkt 39 och punkt 40.

Utländska valutor
Tillgångar och skulder i utländsk valuta värderas till balansdagens kurs. Kursdifferenser på rörelsefordringar och rörelseskulder ingår i rörelseresultatet.

Vid valutasäkring av framtida budgeterade flöden omvärderas inte säkringsintrumenten vid förändrade valutakurser. Hela effekten av förändring i valutakurserna redovisas i resultaträkningen efterhand som de säkrade transaktionerna bokförs.

Förskott från kunder redovisas till de kurser som rådde när respektive förskott erhölls, eftersom återbetalningsskyldighet inte bedöms inträffa.

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Kostnader för forskning och utveckling
Utgifter för egen forskning och utveckling kostnadsförs allt eftersom de uppkommer.

Bokslutsdispositioner
Som bokslutsdispositioner redovisas förändringar av obeskattade reserver.

Inkomstskatter
Redovisade inkomstskatter innefattar skatt som skall betalas eller erhållas avseende aktuellt år, justeringar avseende tidigare års aktuella skatt samt förändringar i uppskjuten skatt.

Värdering av samtliga skatteskulder/-fordringar sker till nominella belopp och görs enligt de skatteregler och skattesatser som är beslutade eller som är aviserade och med stor säkerhet kommer att fastställas.

För poster som redovisas i resultaträkningen, redovisas även därmed sammanhängande skatteeffekter i resultaträkningen. Skatteeffekter av poster som redovisas direkt mot eget kapital, redovisas mot eget kapital.

Uppskjuten skatt beräknas enligt balansräkningsmetoden på alla temporära skillnader som uppkommer mellan redovisade och skattemässiga värden på tillgångar och skulder. Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den utsträckning det är sannolikt att avdraget kan avräknas mot överskott vid framtida beskattning.

I bolaget redovisas, på grund av sambandet mellan redovisning och beskattning, den uppskjutna skatteskulden på obeskattade reserver, som en del av de obeskattade reserverna.

Varulager
Varulager värderas, med tillämpning av först-in först ut-principen, till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet på balansdagen.

Fordringar
Fordringar har efter individuell värdering upptagits till belopp varmed de beräknas inflyta.

Immateriella och materiella anläggningstillgångar
Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar. I anskaffningsvärdet för anläggningstillgångar ingår utgifter som direkt kan hänföras till förvärvet av tillgången. Inga låneutgifter aktiveras.

När en komponent i en materiell anläggningstillgång byts ut, utrangeras eventuell kvarvarande del av den gamla komponenten och den nya komponentens anskaffningsvärde aktiveras och skrivs av enligt ekonomisk livslängd enligt principerna för komponentavskrivning.

Tillkommande utgifter som avser tillgångar som inte delas upp i komponenter läggs till anskaffningsvärdet om de beräknas ge företaget framtida ekonomiska fördelar, till den del tillgångens prestanda ökar i förhållande till tillgångens värde vid anskaffningstidpunkten. Utgifter för löpande reparation och underhåll redovisas som kostnader.

Realisationsvinst respektive realisationsförlust vid avyttring av en anläggningstillgång redovisas som Övrig rörelseintäkt respektive Övrig rörelsekostnad.

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Avskrivningar enligt plan baseras på ursprungliga anskaffningsvärden och tillgångarnas bedömda nyttjandeperiod. Linjär avskrivningsmetod används för samtliga typer av materiella tillgångar. Bolagets mark har obegränsad nyttjandeperiod och skrivs inte av. Nedskrivning av anläggningstillgångar sker vid bestående värdenedgång.

Följande avskrivningstider tillämpas:

Varumärken	10 år
Byggnader	20-33 år
Markanläggningar	20 år
Maskiner och andra tekniska anläggningar	4-20 år
Inventarier, verktyg och installationer	3-10 år

Leasingavtal
Samtliga leasingavtal, oavsett om de är finansiella eller operationella, redovisas som hyresavtal (operationell leasing).

Avsättningar
Avsättningar redovisas när bolaget har en legal eller informell förpliktelse till följd av inträffade händelser, det är mer sannolikt att ett utflöde av resurser krävs för att reglera åtagandet än att så inte sker, och beloppet har kunnat beräknas på ett tillförlitligt sätt. Avsättningar för omstrukturering görs när en detaljerad formell plan för åtgärden finns och välgrundad förväntan har skapats hos dem som berörs.

Uppskattningar och bedömningar
Vid upprättandet av finansiella rapporter i överensstämmelse med årsredovisningslagen och BFNAR 2012:1, Årsredovisning och koncernredovisning (K3) måste vissa uppskattningar och bedömningar göras som påverkar redovisade värdet av tillgångar, skulder, intäkter och kostnader. De områden där uppskattningar och antaganden är av betydelse för bolaget har bedömts avse inkurans varulager, kundfordringar, upplupna intäkter och kostnader, övriga avsättningar vilket behandlas i ovanstående skrivning under redovisningsprinciper och värderingsprinciper.

Ersättningar till anställda
Ersättningar till anställda avser alla typer av ersättning som företaget lämnar till de anställda. Företagets ersättningar innefattar bland annat löner, betald semester, betald frånvaro, bonus och ersättningar efter avslutad anställning (pensioner). Redovisning sker i takt med intjänandet. Ersättning till anställda efter avslutad anställning avser avgiftsbestämda eller förmånsbestämda pensionsplaner. Som avgiftsbestämda planer klassificeras planer där fastställda avgifter betalas och det inte finns förpliktelser, vara sig legala eller informella, att betala något ytterligare, utöver dessa avgifter. Övriga planer klassificeras som förmånsbestämda pensionsplaner. Företaget har inga övriga långfristiga ersättningar till anställda.

Pensionsförpliktelser
I företaget finns såväl avgiftbestämda som förmånsbestämda pensionsplaner. Utgifter för avgiftsbestämda planer redovisas som en kostnad under den period de anställda utför de tjänster som ligger till grund för förpliktelsen.

Företaget har förmånsbestämda pensionsplaner som finansieras via Alecta, vilka redovisas som avgiftsbestämda planer då det inte finns tillräcklig information för att redovisa planen som förmånsbestämd.

Företaget har förmånsbestämda pensionsförpliktelser vilka uteslutande är beroende av värdet på av företaget ägda kapitalförsäkringar. Kapitalförsäkringarna redovisas som finansiell anläggningstillgång. I enlighet med förenklingsregeln i BFNAR 2012:1 redovisas pensionsförpliktelsen som en avsättning till samma värde som kapitalförsäkringens redovisade värde.

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Kassaflödesanalys
Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medför in- eller utbetalningar. Som likvida medel klassificeras banktillgodohavanden där bolaget juridiskt är gäldenär mot banken.

Nyckeltalsdefinitioner
Soliditet
Eget kapital och obeskattade reserver (med avdrag för uppskjuten skatt) i förhållande till balansomslutningen.

Avkastning på totalt kapital
Resultat före avdrag för räntekostnader i förhållande till balansomslutningen.

Avkastning på eget kapital
Resultat efter finansiella poster i förhållande till eget kapital och obeskattade reserver (med avdrag för uppskjuten skatt).

Koncernuppgifter

Bolaget är ett helägt dotterbolag till Metso Outotec Finland Oy, registreringsnummer 1094259-5, med säte i Helsingfors, Finland. Metso Outotec Finland Oy i sin tur är helägt dotterbolag till Metso Oyj, registrerings-nummer 0828105-4, Helsingfors, Finland.

Det utländska moderföretagets koncernredovisning finns att tillgå hos Metso Oyj, PB 1220, FI-00101 Helsingfors, Finland. Någon koncernredovisning för underliggande nivåer upprättas inte enligt ÅRL kap 7 § 2.

Not 2 Inköp och försäljning mellan koncernföretag

		2022	2021
Inköp	(%)	28	29
Försäljning	(%)	53	45

Vid inköp och försäljning mellan koncernföretagen tillämpas samma principer för prissättning som vid transaktioner med externa parter.

Not 3 Nettoomsättning fördelning på geografiska marknader

	2022	2021
Nettoomsättning per geografisk marknad		
Norden	2 023 509	1 768 262
Europa exkl Norden	399 444	410 530
Nordamerika	187 224	140 355
Syd- och centralamerika	60 135	48 044
Asien	344 170	200 830
Övriga marknader	62 731	46 239
	3 077 213	2 614 260

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Not 4 Avskrivningar av materiella och immateriella anläggningstillgångar

	2022	2021
Avskrivningar enligt plan fördelade per funktion:		
Kostnad sålda varor	28 458	24 876
Försäljningskostnader	765	1 628
Administrationskostnader	4 290	4 673
Forsknings- och utvecklingskostnader	283	518
	33 796	31 695

Not 5 Operationella leasingavtal

	2022	2021
Nominella värdet av framtida minimileaseavgifter, avseende icke uppsägningsbara leasingavtal fördelar sig enligt följande:		
Förfaller till betalning inom ett år	38 916	36 692
Förfaller till betalning senare än ett men inom 5 år	84 953	93 742
Förfaller till betalning senare än fem år	15 019	24 094
	138 888	154 528
Årets leasingkostnader uppgår till:	52 371	54 859

I beloppet ovan ingår hyra främst för bolagets kontors- och produktionslokaler samt även för leasingfordon, datorer och skrivare.

Not 6 Löner, andra erättningar och sociala kostnader

	2022	2021
Medelantalet anställda		
Kvinnor	126	140
Män	471	511
Totalt	597	651
Löner, andra ersättningar, sociala kostnader och pensionskostnader		
Löner och ersättningar till styrelsen och verkställande direktören (varav tantiem 220 (77))	1 512	1 343
Löner och ersättningar till övriga anställda	358 090	369 073
	359 602	370 416
Sociala avgifter enligt lag och avtal	129 909	131 453
Pensionskostnader för styrelse och verkställande direktören	356	392
Pensionskostnader för övriga anställda	52 468	62 395
Totalt	542 335	564 656

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Styrelseledamöter och ledande befattningshavare	2022	2021
Antal styrelseledamöter på balansdagen		
Kvinnor	2	2
Män	1	1
Totalt	3	3

Antal verkställande direktörer och andra ledande befattningshavare		
Kvinnor	3	3
Män	7	7
	10	10

Not 7 Ersättning till revisorerna

	2022	2021
Ernst & Young AB		
Revisionsuppdrag	1 234	1 277
Skatterådgivning	15	12
Övriga tjänster	38	21
Summa	1 287	1 310
PwC GmbH		
Skatterådgivning	89	200
Summa	89	200
Deloitte Oy		
Övriga tjänster	20	128
Skatterådgivning	385	204
Summa	405	332
KPMG		
Övriga tjänster	70	-
Skatterådgivning	-	-
Summa	70	-

Not 8 Övriga rörelseintäkter

I posten ingår royaltyintäkter 16 976 TSEK (11 094 TSEK) och utbetalda konsolideringsmedel från AGS-försäkringen 10 063 TSEK.

Not 9 Övriga rörelsekostnader

I posten ingår royaltykostnader med 22 403 TSEK (30 185 TSEK) och valutaförluster avseende rörelsefordringar och rörelseskulder med 25 816 TSEK (valutavinster 1 580 TSEK). Information om kurssäkringsåtgärder, se avsnittet "Finansiella instrument och risker" i förvaltningsberättelsen.

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Not 10 Resultat från andelar i koncernföretag

	2022	2021
Utdelningar	52 782	40 440
Summa	52 782	40 440

Not 11 Resultat från andelar i intressebolag

	2022	2021
Avyttring andelar i intressebolag	-	80
	-	
Summa		80

Not 12 Övriga ränteintäkter och liknande resultatposter

	2022	2021
Ränteintäkter, övriga	52	206
Kursdifferenser	739	806
Summa	791	1 012

Not 13 Räntekostnader och liknande resultatposter

	2022	2021
Räntekostnader, koncernföretag	-7 878	-9 233
Räntekostnader, övriga	-322	-1
Övriga finansiella kostnader	-	-
Summa	-8 200	-9 234

Not 14 Bokslutsdispositioner

	2022	2021
Skillnad mellan avskrivningar och avskrivningar enligt plan	3 233	-3 457
	3 233	-3 457

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Not 15 Skatt på årets resultat

	2022	2021
Utländsk skatt	1 912	1 389
Aktuell skatt för året	59 062	50 930
Justering avseende tidigare år	267	383
Uppskjuten skatt	-2 972	3 702
Summa	58 269	56 404
Genomsnittlig effektiv skattesats	19%	20%

Avstämning av effektiv skattesats

Redovisat resultat före skatt	300 981	307 827
Skatt på redovisat resultat enligt gällande skattesats (20,6%):	62 002	63 412
Skatteeffekt av:		
Justering avseende tidigare år	267	383
Utländsk skatt	1 912	1 389
Övriga ej avdragsgilla kostnader	5 621	2 522
Ej skattepliktiga intäkter	-10 873	-8 331
Kostnader som skall dras av men som inte ingår i redovisat resultat	-1 111	-1 283
Reserveringar som realiserats under året	-1 800	-6 106
Årets förändring uppskjuten skatt	-2 972	3 702
Övrigt	5 223	716
Redovisad skatt	58 269	56 404
Effektiv skattesats	19%	18%

Upplysning om uppskjuten skattefordran och skatteskuld.
Vad avser förändringen av uppskjuten skatt, se not 22.

Not 16 Balanserade utgifter för utvecklingsarbeten och liknande arbeten

	2022-12-31	2021-12-31
Ingående nedlagda kostnader	22 512	11 899
Under året nedlagda kostnader	10 233	10 656
Under året genomförda omfördelningar	-	-43
Utgående nedlagda kostnader	32 745	22 512

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Not 17 Koncessioner, patent, licenser, varumärken samt liknande rättigheter

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	19 151	19 108
Årets förändringar		
-Inköp	-	43
-Försäljningar och utrangeringar	-	-
Utgående ackumulerade anskaffningsvärde	19 151	19 151
Ingående avskrivningar	-8 682	-5 891
Årets förändringar		
-Försäljningar och utrangeringar	-	-
-Avskrivningar	-2 793	-2 792
Utgående ackumulerade avskrivningar	-11 475	-8 682
Utgående restvärde enligt plan	7 675	10 469

Not 18 Byggnader och mark

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	112 150	106 727
Omklassificering	-463	-
Årets förändringar		
-Inköp	0	10 394
-Försäljningar och utrangeringar	-6 508	-4 969
Utgående ackumulerade anskaffningsvärde	105 180	112 152
Ingående avskrivningar	-66 782	-65 301
Omklassificering	-2	
Årets förändringar		
-Försäljningar och utrangeringar	5 171	582
-Avskrivningar	-1 849	-2 065
Utgående ackumulerade avskrivningar	-63 462	-66 784
Ingående nedskrivningar	-12 000	-12 000
Utgående ackumulerade nedskrivningar	-12 000	-12 000
Utgående restvärde enligt plan	29 719	33 369

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Not 19 Maskiner och andra tekniska anläggningar

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	479 341	427 471
Omklassificering	115	-
Årets förändringar		
-Anskaffat genom fusion	-	27 862
-Inköp	29 607	55 682
-Försäljningar och utrangeringar	-60 525	-31 674
Utgående ackumulerade anskaffningsvärde	448 538	479 341
Ingående avskrivningar	-347 296	-323 003
Omklassificering	-58	-
Årets förändringar		
-Anskaffat genom fusion	-	-25 639
-Försäljningar och utrangeringar	51 071	25 883
-Avskrivningar	-26 358	-24 537
Utgående ackumulerade avskrivningar	-322 640	-347 296
Ingående nedskrivningar	-1 200	-1 200
Utgående ackumulerade nedskrivningar	-1 200	-1 200
Utgående restvärde enligt plan	124 697	130 845

Not 20 Inventarier, verktyg och installationer

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	20 703	4 921
Omklassificering	-142	-
Årets förändringar		
-Anskaffat genom fusion	-	10 938
-Inköp	383	9 529
-Försäljningar och utrangeringar	-563	-4 686
Utgående ackumulerade anskaffningsvärde	20 380	20 703
Ingående avskrivningar	-11 576	-4 636
Omklassificering	60	-
Årets förändringar		
-Anskaffat genom fusion	-	-9 269
-Försäljningar och utrangeringar	509	4 632
-Avskrivningar	-2 797	-2 303
Utgående ackumulerade avskrivningar	-13 803	-11 576
Utgående restvärde enligt plan	6 577	9 127

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Not 21 Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar

	2022-12-31	2021-12-31
Ingående nedlagda kostnader	81 323	90 589
Under året nedlagda kostnader	53 424	61 150
Under året genomförda omfördelningar	-48 383	-70 416
Utgående nedlagda kostnader	86 365	81 323

Not 22 Andelar i koncernföretag

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	309 444	309 444
Årets förändringar		
-Inköp	25	-
-Försäljningar och utrangeringar	-28	-
Utgående ackumulerade anskaffningsvärde	309 441	309 444
Ingående nedskrivningar	-8 313	-8 313
-Försäljningar och utrangeringar	-	-
Utgående ackumulerade nedskrivningar	-8 313	-8 313
Utgående redovisade värde	301 128	301 131

Specifikation av bolagets innehav av aktier och andelar i koncernföretag

Företag	Kapital andel %	Rösträtts-andel %	Antal aktier	Bokfört värde 2022-12-31	Bokfört värde 2021-12-31
Metso Outotec India Private Ltd *(Org. nr U74899DL1992FTC050834)*	1,00	1,00	400 000	805	805
Metso Outotec (Mexico) SA de CV *(Org. nr MMM960622 4P0)*	0,06	0,06	128 000	44	44
Metso (Kazakhstan) LLP *(Org. nr 101040003700)*	-	-	-	-	28
Metso Outotec Brasil Ind Com. Ltda *(Org. nr 16.622.284/0001-98)*	0,01	0,01	1	0	0
AB P.J. Jonsson och Söner *(Org. nr 556057-1654)*	100,00	100,00	9 900	299.333	299.333
Metso Central America SA *(Org. nr 155657859)*	100,00	100,00	500	921	921
Outotec Namibia (Pty) Ltd *(Org. nr 2012/0328)*	100,00	100,00	100	0	0
Ersmark Industrifastigheter AB *(Org. nr 559378-1486)*	100,00	100,00	25 000	25	-
				301.128	301.131

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Not 23 Andelar i intressebolag

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	-	-
Årets förändringar		
-Anskaffat genom fusion	-	8 324
-Försäljningar		-8 324
Utgående ackumulerade anskaffningsvärde	-	-
Ingående nedskrivningar	-	-
-Anskaffat genom fusion	-	-6 444
-Försäljningar	-	6 444
Utgående ackumulerade nedskrivningar	-	-
Utgående redovisade värde	-	-

Not 24 Uppskjuten skatt

	2022-12-31	2021-12-31
Uppskjuten skatt avseende:		
Osäkra kundfordringar	498	680
Lagerreserv	6 468	1 752
Garantireserv	4 119	4 942
Avsättningar	2 705	3 444
Nedskrivning	2 140	2 140
Summa utgående uppskjuten skattefordran	15 930	12 958

Not 25 Andra långfristiga fordringar

Posten om 8.173 TSEK (11.068 TSEK) avser kapitalförsäkringar.

Not 26 Fordringar avseende pågående entreprenaduppdrag

Uppdrag med successiv vinstavräkning

	2022-12-31	2021-12-31
Upparbetade intäkter	524 707	323 947
Fakturerade belopp	-406 727	-259 986
Redovisat värde	117 980	63 961

Not 27 Förutbetalda kostnader och upplupna intäkter

	2022-12-31	2021-12-31
Förutbetalda försäkringar	3 061	1 607
Förutbetalda hyror	8 411	6 975
Upplupna intäkter	3 972	7 981
Förutbetalda projektkostnader	11 023	9 052
Övriga poster	2 274	2 587
	28 741	28 202

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Not 28 Kassa och bank

	2022-12-31	2021-12-31
Kassamedel	768	674
Disponibla tillgodohavanden hos banker	2 656	626
	3 424	1 300

Not 29 Obeskattade reserver

	2022-12-31	2021-12-31
Ackumulerad skillnad mellan bokförda avskrivningar och avskrivningar enligt plan	61 238	64 471
Summa	61 238	64 471

Not 30 Avsättningar

	2022-12-31	2021-12-31
Kapitalförsäkringar inklusive särskild löneskatt		
Ingående värde	13 753	12 032
Nytecknade kapitalförsäkringar	-	5 019
Utbetalt inklusive särskild löneskatt	-4 325	-3 726
Värdeförändring kapitalförsäkringar	728	428
Utgående värde	10 156	13 753

Posten avser kapitalförsäkringar och särskild löneskatt.

Garantiåtaganden		
Ingående värde	28 420	50 863
Åtagande genom fusion	-	3 450
Nya åtaganden	12 669	15 578
Realiserade åtaganden	-10 962	-12 675
Återförda reserver för åtaganden	-8 703	-28 796
Utgående värde	21 424	28 420

Garantiåtaganden avser produktgarantier ställda till våra kunder för att genom reparation eller utbyte åtgärda fel som uppstått på våra tillverkade produkter upp till två år efter försäljningsdatum.

Beslutade omstruktureringsåtgärder		
Ingående värde	4 298	32 583
Tillkommande åtgärder	6 938	20 327
Realiserade åtgärder	-8 312	-48 612
Återförda reserver för åtgärder	-	-
Utgående värde	2 924	4 298
Summa övriga avsättningar	24 348	32 718

Not 31 Skulder till koncernföretag

Långfristig skuld är 0 SEK och kortfristig del om 100.000 TSEK förfaller till betalning 2023.

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Not 32 Skulder avseende pågående entreprenad uppdrag

	2022-12-31	2021-12-31
Uppdrag med successiv vinstavräkning		
Upparbetade intäkter	-338 152	-1 032 556
Fakturerade belopp	450 474	1 156 803
Redovisat värde	112 322	124 247

Not 33 Övriga skulder

	2022-12-31	2021-12-31
Momsskuld	1 689	828
Källskatt	9 074	8 565
Övrigt	-	271
	10 763	9 664

Not 34 Upplupna kostnader och förutbetalda intäkter

	2022-12-31	2021-12-31
Upplupna löner	28 422	23 935
Upplupna semesterskulder	69 695	69 348
Upplupna sociala avgifter	51 520	57 185
Upplupna projektkostnader	12 799	22 981
Upplupna konsultkostnader	11 731	5 360
Övriga poster	14 646	10 218
Summa	188 813	189 027

Not 35 Antal aktier och kvotvärde

Aktiekapitalet om 20 000 TSEK består av 200 000 A-aktier med kvotvärde 100 SEK per aktie.

Not 36 Justering för poster som inte ingår i kassaflödet

	2022	2021
Realisationsresultat vidutrangering av finansiella anläggningstillgångar	28	-
Realisationsresultat vid försäljning/utrangering av anläggningstillgångar	3 948	-141
Kursdifferenser	739	806
Förändring avsättningar	-11 969	-49 007
Fusionsvinst	-	35 758
Justering av föregående års resultat		-20 252
Övrigt	2 895	-829
Summa	-4 358	-33 665

Not 37 Upplysningar om finansiella instrument

Säkringsintrumenten utgörs av valutaterminer som handlas med koncernmodern Metso Oyj.
Den valutakurs som säkras definieras som terminskurs och är en växelkurs mellan SEK och företrädesvis EUR och USD men kan från fall till fall även omfatta andra valutor.
Förändringar i växelkursen i förhållande till terminskursen mellan SEK och den utländska valutan ingår i den säkrade risken. Valutaportföljens verkliga värde är 356 662 TSEK (540 180 TSEK).

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Not 38 Ställda säkerheter

	2022-12-31	2021-12-31
För egna avsättningar och skulder		
Kapitalförsäkring	8 173	11 068
Summa ställda säkerheter	8 173	11 068

Bolaget har lämnat pensionsutfästelser om direktpension kopplade till värdet av tecknade kapitalförsäkringar. Kapitalförsäkringar för dessa utgörs av nuvärdet av framtida förpliktelser och har beräknats enligt aktuariella grunder. Kapitalvärdet redovisas som avsättning i balansräkningen. Försäkringar är ställda som säkerhet för fullgörandet av utfästelserna. Räntedelen i årets pensionskostnad redovisas bland finansiella kostnader. Övriga pensionskostnader belastar rörelseresultatet.

Not 39 Eventualförpliktelser

	2022-12-31	2021-12-31
Återköpsåtaganden		
Ingående värde	13 178	13 178
Nya återköpsåtaganden	-	-
Förfallna återköpsåtaganden	-3 481	-
Utgående värde	9 697	13 178
Bankgarantier		
Ingående värde	244 109	219 639
Anskaffning genom fusion	-	50 167
Nya bankgarantier	52 193	164 205
Avslutade bankgarantier	-237 805	-189 902
Utgående värde	58 497	244 109
Summa eventualförpliktelser	68 194	257 287

Återköpsåtaganden avser såld utrustning där Metso Outotec Sweden AB har åtagit sig att mot ett garanterat återköpsvärde köpa tillbaka utrustningen. Samtliga risker har övertagits av kunden och risken för att kunden ska utnyttja återköpsklausulen anses ej väsentlig.

Bankgarantier består av förskottsgarantier och fullgörandegarantier.

Not 40 Förslag till vinstdisposition

Till årsstämmans förfogande står följande vinstmedel:

Balanserade vinstmedel	602 648 358
Årets resultat	242 710 902
Summa	845 359 259

Styrelsen och verkställande direktören föreslår att vinstmedlen disponeras enligt följande:

utdelning	338 200 000
i ny räkning överförs	507 159 259
	845 359 259

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Not 41 Väsentliga händelser efter räkenskapsårets slut

I mars 2023 aviserades den globala Metals strategin med beslut om att initiera en avyttring av två av Metals tre globala affärsgrenar. För den svenska verksamheten innebär det att Metals & Chemical Processing verksamheten kommer att avyttras emedan Smelting verksamheten blir kvar. Det finns inte någon tidplan för avyttringen, utan det kommer att kommuniceras när avyttingsprocessen är klar. För den svenska verksamheten påverkas främst medarbetare i Skellefteå men även i Västra Frölunda.

I april 2023 så försåldes fastigheterna i Ersmark, detta med ett tillträde av köparen den 8 maj 2023.

Resultat- och balansräkning kommer att föreläggas årsstämman 2023-06-20 för fastställelse.

Trelleborg 2023-06-

Eeva Sipilä
Ordförande

Nina Kiviranta

Ulf Kendrup
Verkställande direktör

Vår revisionsberättelse har lämnats 2023-06-

Ernst & Young AB

Peter Gunnarsson
Auktoriserad revisor

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15.06.2023 15:42

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Document history

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26 pages

Activity log

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Eeva.sipila@mogroup.com	Authenticated	14.06.2023 15:35	Low	IP: 208.127.244.187
2. ULF KENDRUP	**Signed**	**14.06.2023 16:42**	**eID**	**Swedish BankID (DOB: 1971/12/01)**
ulf.kendrup@mogroup.com	Authenticated	14.06.2023 16:41	Low	IP: 90.235.29.44
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nina.kiviranta@mogroup.com	Authenticated	15.06.2023 14:30	Low	IP: 165.1.186.196
4. Lars Johan Peter Gunnarsson	**Signed**	**15.06.2023 15:42**	**eID**	**Swedish BankID (DOB: 1972/03/28)**
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Building a better working world

Revisionsberättelse

Till bolagsstämman i Metso Outotec Sweden AB, org.nr 556216-5653

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Metso Outotec Sweden AB för år 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Metso Outotec Sweden ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

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

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

Styrelsens och verkställande direktörens ansvar

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

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

Revisorns ansvar

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

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

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

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

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Building a better working world

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av Metso Outotec Sweden AB för år 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

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

Grund för uttalanden

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

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

Styrelsens och verkställande direktörens ansvar

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

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

Revisorns ansvar

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

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

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

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

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

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Ernst & Young AB

Peter Gunnarsson
Auktoriserad revisor

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Styrelsens yttrande över lämnad utdelning

Utdelning har – under förutsättning av årsstämmans godkännande – lämnats med 338.200.000 kr. Den föreslagna värdeöverföringen i form av utdelning reducerar bolaget soliditet till 30,4 procent. Soliditeten är, mot bakgrund av att bolagets verksamhet fortsatt bedrivs med lönsamhet, betryggande. Likviditeten i bolaget bedöms kunna upprätthållas på en likaledes betryggande nivå.

Styrelsens uppfattning är att den föreslagna utdelningen ej hindrar bolaget från att fullgöra sina förpliktelser på kort och lång sikt, ej heller hindrar att fullgöra erforderliga investeringar. Den föreslagna utdelningen kan därmed försvaras med hänsyn till vad som anförts i ABL 17 kap 3 § 2-3 st (försiktighetsregeln)

Resultat och ställning

För bolagets resultat och ställning hänvisas till resultat- och balansräkning med tillhörande noter i avlämnad årsredovisning.

Trelleborg 15 juni 2023

Styrelsen för Metso Outotec Sweden AB
Org nr 556216-5653

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Metso:Outotec

FINANCIAL REVIEW 2022

Partner for positive change

Metso Outotec's Annual report 2022 consists of five sections:

All Annual report sections are available in English and in Finnish. They are downloadable on our Annual report website at mogroup.com/annualreport. In this Annual report, we apply integrated reporting elements.

METSO OUTOTEC CHANNELS

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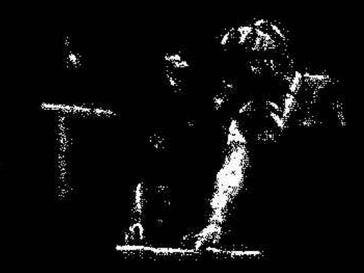
Business overview

Strategy, value creation and sustainability

Financial review

Board of Directors' report, financial statements and investor information

GRI supplement



Externally assured sustainability information compliant with the GRI standards

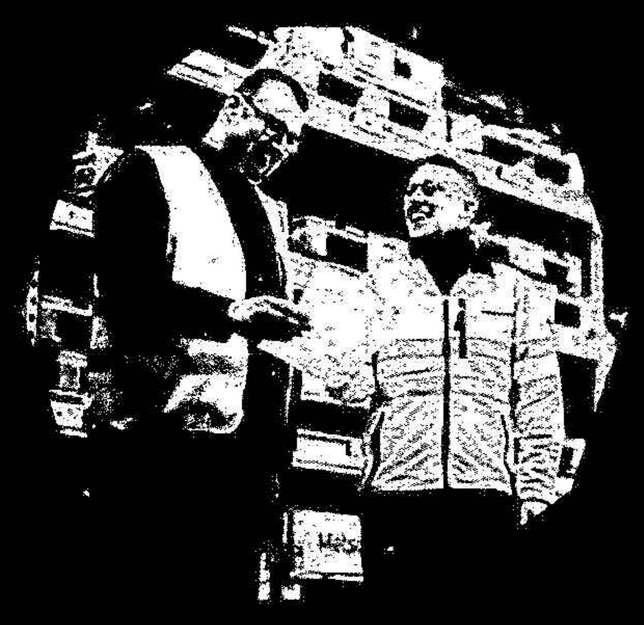
Corporate governance statement

Corporate governance, internal control and risk management systems

Remuneration report

Remuneration of the Board of Directors and the CEO

Metso:Outotec



Contents

Board of Directors' report 5
- Financial year 2022 5
- Corporate governance statement 11
- Statement of non-financial information 12
- Shares and shareholders 22
- Key figures 24
- Board of Directors' proposal on the use of profit 26

Consolidated financial statements, IFRS 27
- Consolidated statement of income 27
- Consolidated statement of comprehensive income 27
- Consolidated balance sheet 28
- Consolidated statement of changes in shareholders' equity 29
- Consolidated statement of cash flows 30
- Notes to the Consolidated financial statements 31

Financial statements of the Parent company, FAS 82

Signatures of the Board of Directors' report and financial statements 2022 . 91

Auditor's Report 92

Independent Auditor's Report on Metso Outotec Oyj's ESEF-Consolidated Financial Statements 96

Investor information 97

Table of contents, notes to the Consolidated financial statements

1. Group performance 33

1.1. Reporting segments 34
1.2. Sales 37
1.3. Selling, general, and administrative expenses 39
1.4. Other operating income and expenses 40
1.5. Personnel expenses and number of personnel 40
1.6. Share-based payments 41
1.7. Finance income and expenses 44
1.8. Income taxes 44
1.9. Earnings per share 46

2. Operational assets and liabilities 47

2.1. Net working capital and capital employed 48
2.2. Trade receivables 48
2.3. Other receivables 49
2.4. Inventory 49
2.5. Trade and other payables 50
2.6. Provisions 50
2.7. Post-employment obligations 51

3. Intangible and tangible assets 55

3.1. Goodwill and intangible assets 56
3.2. Property, plant, and equipment 58
3.3. Right-of-use assets 60
3.4. Depreciation and amortization 61

4. Capital structure and financial instruments 62

4.1. Financial risk management 63
4.2. Financial assets and liabilities by category 66
4.3. Liquid funds 68
4.4. Equity 68
4.5. Borrowings and lease liabilities 69
4.6. Interest-bearing net debt reconciliation 71
4.7. Contingent liabilities and other commitments 71
4.8. Derivative instruments 72

5. Consolidation 74

5.1. Principles of consolidation 75
5.2. Subsidiaries 76
5.3. Associated companies, joint ventures and related party transactions 77
5.4. Acquisitions and business disposals 78
5.5. Discontinued operations 79
5.6. New accounting standards 80
5.7. Exchange rates used 81

6. Other notes 81

6.1. Audit fees 81
6.2. Lawsuits and claims 81

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Board of Directors' report

Financial year 2022

Figures in brackets refer to the corresponding period in 2021, unless otherwise stated.

Segment information for 2021 has been restated to reflect the segment structure changes that were announced in January 2022.

Operating environment

The market activity in Metso Outotec customer industries was high the whole year, especially among the mining and metals customers. This was reflected in the demand for new equipment throughout the year and in the demand for services, which improved during the year, supported by metal prices and higher demand for process improvements and modernizations. Russia started its military offensive against Ukraine in February, causing significant impacts on the operating environment. As a result, Metso Outotec decided to exit the Russian markets, discontinue taking new orders from Russia and commence a wind-down process relating to delivery contracts with non-sanctioned customers. After the Russian markets closed, a significant increase of activity was seen in many other mining markets, such as North America, Australia, and Central Asia. The demand in the mining markets was resulting from the forecast increase of the use of metals, which is supported by megatrends related to the fight against climate change and electrification.

In the aggregates market, the year started with strong overall activity but the Russian military offensive against Ukraine and inflation had a negative impact on the European market since the spring. Activity in Europe help up, however, at a fairly good level, while the demand in the North American market remained at almost record-high level during the whole year.

Key figures

EUR million	2022	2021	Change %
Orders received	6,024	5,421	11
Orders received by services business	2,860	2,393	20
% of orders received	47	44	–
Order backlog	3,825	3,536	8
Sales	5,295	4,236	25
Sales by services business	2,574	2,126	21
% of sales	49	50	–
Adjusted EBITA	731	547	34
% of sales	13.8	12.9	–
Operating profit	504	425	19
% of sales	9.5	10.0	–
Earnings per share, continuing operations, EUR	0.40	0.35	14
Earnings per share, total, EUR	0.36	0.41	-12
Cash flow from operations	322	608	-47
Gearing, %	29.1	20.9	–
Personnel at end of period	16,705	15,630	7

Financial performance

The Group's annual orders received grew 11% and totaled EUR 6,024 million (EUR 5,421 million). Annual sales increased 25% to EUR 5,295 million (EUR 4,236 million), with a strong contribution by all segments. The order backlog was EUR 3,825 million (3,536 million) at the end of December.

Adjusted EBITA increased to EUR 731 million (EUR 547 million), and adjusted EBITA margin improved to 13.8% (12.9%). Negative adjustments of EUR 162 million (EUR 50 million negative) had an impact on the operating profit (EBIT), of which EUR 150 million was related to the wind-down of the business in Russia. Operating profit totaled EUR 504 million, or 9.5% of sales (EUR 425 million and 10.0%). Profit before taxes was EUR 441 million (EUR 385 million). The effective tax rate was 25% (24%). Earnings per share for continuing operations were EUR 0.40 (EUR 0.35). Cash flow from operations was EUR 322 million (EUR 608 million) affected by an increase in net working capital. Especially inventories increased due to supply chain challenges and inflation.

Impacts from currency and structural changes on orders received

EUR million, %	Aggregates	Minerals	Metals	Total
2021	1,374	3,437	610	5,421
Organic growth in constant currencies, %	3	13	-11	8
Impact of changes in exchange rates, %	2	3	2	3
Structural changes, %	2	0	–	1
Total change, %	8	16	-10	11
2022	**1,481**	**3,993**	**551**	**6,024**

Impacts from currency and structural changes on sales

EUR million, %	Aggregates	Minerals	Metals	Total
2021	1,202	2,724	310	4,236
Organic growth in constant currencies, %	16	20	56	21
Impact of changes in exchange rates, %	3	4	2	3
Structural changes, %	2	0	–	1
Total change, %	20	23	58	25
2022	**1,446**	**3,359**	**489**	**5,295**

Financial position

The Group's net interest-bearing liabilities were EUR 684 million at the end of December (Dec 31, 2021: EUR 470 million), gearing increased to 29.1% (Dec 31, 2021: 20.9%) and the debt-to-capital ratio to 33.3% (Dec 31, 2021: 26.7%). The equity-to-assets ratio was 39.2% (Dec 31, 2021: 43.2%).

The Group's liquidity position is strong. Liquid funds, consisting of cash and cash equivalents, amounted to EUR 601 million (Dec 31, 2021: EUR 473 million), and there were no deposits or securities with a maturity of more than three months (Dec 31, 2021: EUR 0 million).

Metso Outotec has a committed syndicated revolving credit facility of EUR 600 million with a maturity in 2026. The facility includes sustainability performance targets impacting the cost of borrowing. At the end of the year, the facility was undrawn. The company also has a EUR 600 million Finnish commercial paper program, of which EUR 80 million was utilized at the end of the year. In addition, Metso Outotec has a EUR 100 million loan from Nordic Investment Bank with a final maturity in 2029 and which includes sustainability performance targets impacting the cost of borrowing. Metso Outotec also has a Euro Medium Term Note Program (EMTN) of EUR 2 billion, under which EUR 758 million at carrying value was outstanding at the end of December (Dec 31, 2021: EUR 687 million).

During 2022, Metso Outotec made several funding transactions:

- Early repayment of EUR 50 million to a EUR 150 million bank term loan with maturity in June 2022.
- Repayment of matured EUR 100 million private placements.
- A EUR 100 million term loan agreement for two years with one of its relationship banks.
- A EUR 50 million research, development, and innovation (RDI) loan with European Investment Bank. The loan has a 7-year maturity, and it was undrawn at the end of the period.
- The company structured its maturity profile by purchasing EUR 103 million of the outstanding bonds maturing in 2024 through a voluntary tender offer. At the same time the company issued new bonds for EUR 300 million with a coupon of 4.875% and maturity in 2027.

In June 2022, Metso Outotec published its Sustainability-Linked Finance Framework, which can be utilized when issuing bonds or agreeing on loans or other financing agreements that include sustainability performance targets.

The average interest rate of total loans and derivatives was 3.19%, on December 31, 2022. The duration of medium- and long-term interest-bearing debt was 2.0 years and the average maturity 3.9 years.

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

Reporting segments: Aggregates

Key figures (IFRS)

EUR million	2022	2021	Change %
Orders received	1,481	1,374	8
Orders received by services business	469	429	9
% of orders received	32	31	–
Order backlog	561	545	3
Sales	1,446	1,202	20
Sales by services business	477	396	20
% of sales	33	33	–
Adjusted EBITA	213	161	33
% of sales	14.8	13.4	–
Operating profit	195	148	32
% of sales	13.5	12.3	–

Orders received increased 8% to EUR 1,481 million. Sales grew 20% year-on-year, thanks to a successful execution of the backlog. Driven by volume growth and strong overall operational performance, adjusted EBITA improved to EUR 213 million (EUR 161 million), corresponding to a margin of 14.8% (13.4%).

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Reporting segments: Minerals

Key figures

EUR million	2022	2021	Change %
Orders received	3,993	3,437	16
Orders received by services business	2,303	1,914	20
% of orders received	58	56	–
Order backlog	2,589	2,330	11
Sales	3,359	2,724	23
Sales by services business	2,030	1,689	20
% of sales	60	62	–
Adjusted EBITA	502	371	35
% of sales	15.0	13.6	–
Operating profit	372	311	19
% of sales	11.1	11.4	–

Orders received increased 16% to EUR 3,993 million (3,437 million). Sales increased 23% to EUR 3,359 million. Adjusted EBITA was EUR 502 million and adjusted EBITA margin was 15.0% (EUR 371 million and 13.6%), supported by volumes, final synergies coming through and successful mitigation of increased input costs.

Reporting segments: Metals

Key figures

EUR million	2022	2021	Change %
Orders received	551	610	-10
Orders received by services business	88	50	77
% of orders received	15.9	8.1	–
Order backlog	674	662	2
Sales	489	310	58
Sales by services business	67	41	66
% of sales	14	13	–
Adjusted EBITA	52	24	119
% of sales	10.7	7.7	–
Operating profit	49	13	275
% of sales	10.0	4.2	–

The decline in orders received of 10% to EUR 551 million (610 million) was due to an exceptionally large order in August 2021. Sales grew 58% compared to the previous year, thanks to increased deliveries form the backlog. Volume growth and an improved cost structure supported the increase of adjusted EBITA to 52 million (24 million), which corresponds to a margin of 10.7% (7.7%).

Capital expenditure and investments

Gross capital expenditure excluding business acquisitions was EUR 114 million in 2022. This consisted of various small investments in the company's foundries and manufacturing sites.

Research and development

R&D expenses including investments were EUR 69 million, or 1.3% of sales.

Inventions and patents

Pieces	2022	2021
Invention disclosures	125	185
Patent applications (including utility models)	1,935	2,057
Individual granted patents in force, as of December 31	7,405	6,810
Inventions protected by patents, as of December 31	1,082	1,052

Code of Conduct

Metso Outotec Code of Conduct training is carried out every year and our latest training was launched in early November 2022. Within the given timeframe, 97.8% (2021: 96.9%) of employees completed the training. Code of Conduct training is a mandatory part of onboarding for all new employees. In addition, all third parties involved in sales are required to complete specific anti-corruption training to ensure a common understanding of Metso Outotec's zero-tolerance for corruption and bribery. We expect our suppliers to make every effort to comply with our Supplier Code of Conduct. In 2022, the specific focus was on know-your-customer (KYC) procedures in high-risk countries and regions.

Compliance management

Metso Outotec has an audit framework in place to support risk management by assessing compliance and driving continuous development. In total, 20 internal audits were performed in 2022.

In addition, 29 reports of suspected financial misconduct and 34 reports of suspected non-financial misconduct were received by Internal Audit and Compliance. The cases of suspected misconduct were reviewed by the Audit and Risk Committee in line with Metso Outotec's guidelines on reporting misconduct. None of the cases had a significant impact on Metso Outotec's financial results.

Regarding data privacy, the focus was on the execution of requirements related to international data transfers, including updating relevant safeguard mechanisms.

Corporate governance and remuneration

Metso Outotec Annual General Meeting 2022

Metso Outotec Corporation's Annual General Meeting (AGM) was held on April 21, 2022, in Helsinki through exceptional procedures in accordance with temporary legislative act, which entered into force on October 3, 2020, to limit the spread of the Covid-19 pandemic. The AGM adopted the financial statements and discharged the members of the Board of Directors and the President & CEOs from liability for the financial year 2021 and adopted the company's remuneration report for governing bodies through an advisory resolution.

The AGM resolved to approve the Board of Directors' proposal to pay a dividend of EUR 0.24 per share from the financial year 2021 in two installments. The first dividend installment of EUR 0.12 per share was paid on May 2, 2022, and the second installment of EUR 0.12 per share was paid on November 7, 2022.

Metso Outotec's Board composition and remuneration

The AGM resolved to elect nine members to the Board of Directors. The AGM resolved to re-elect the following members of the Board of Directors: Kari Stadigh was elected as the Chair, Klaus Cawén as the Vice Chair, and Christer Gardell, Antti Mäkinen, Ian W. Pearce, Emanuela Speranza, and Arja Talma as members of the Board. Brian Beamish and Terhi Koipijärvi were elected as new Board members. The term of office of the Board will expire at the end of Metso Outotec's next Annual General Meeting.

The AGM resolved that the members of the Board of Directors will be paid the same fixed annual remuneration as in the previous term as follows:

- Chair: EUR 156,000
- Vice Chair: EUR 82,500
- Other members: EUR 67,000 each and the additional remuneration to be paid for the members of the Board of Directors that are elected as members of the committees of the Board will be also unchanged as follows:
- EUR 23,800 for the Chair of the Audit & Risk Committee
- EUR 10,300 each for the other members of the Audit & Risk Committee
- EUR 12,400 for the Chair of the Remuneration and HR Committee
- EUR 5,150 each for the other members of the Remuneration and HR Committee.

As a condition for the annual remuneration, the Board members are obliged, directly based on the AGM's decision, to use 20 or 40 percent of their fixed total annual remuneration for purchasing Metso Outotec shares from the market at a price formed in public trading. These purchases were carried out on April 22, 2022.

The AGM also resolved to approve the following meeting fees, unchanged from the previous term: EUR 900 for meetings requiring travel within the Nordic countries, EUR 1,800 for meetings requiring travel within a continent, EUR 3,000 for meetings requiring intercontinental travel, and EUR 900 for meetings with remote attendance.

Authorized public accounting firm Ernst & Young Oy was re-elected as Auditor for a term ending at the closing of the Annual General Meeting 2023. Ernst & Young Oy has appointed Mikko Järventausta, APA, as the principally responsible auditor. The remuneration to the Auditor was decided to be paid against the Auditor's reasonable invoice approved by the company.

The AGM approved the Board's proposals, which related to authorizing the Board to decide on the repurchase of an aggregate maximum of 82,000,000 of Metso Outotec's own shares (corresponding to approximately 9.9 percent of all shares) and authorizing the Board to decide on the issuance of shares and the issuance of special rights entitling to shares.

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
Markku Teräsvasara, President, Minerals, Deputy CEO
Piia Karhu, President, Metals
Sami Takaluoma, President, Services
Heikki Metsälä, President, Consumables
Nina Kiviranta, General Counsel
Carita Himberg, Chief People Officer, Human Resources

Personnel

Metso Outotec had 16,705 employees (15,630 employees) at the end of December 2022.

Personnel by area

Share, %	2022
Europe	32
North and Central America	14
South America	29
Asia Pacific and Greater China	12
Africa, Middle East, and India	13
Total	**100**

Shares and share trading

The total number of Metso Outotec shares was 828,972,440 and its share capital was EUR 107,186,442.52. After the company repurchased 3,036,000 of its own shares in August, treasury shares totaled 3,336,505 on December 31, 2022.

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Metso Outotec share performance on Nasdaq Helsinki

EUR	2022
Closing price	9.61
Highest share price	10.59
Lowest share price	5.92
Volume-weighted average trading price	8.09

Other main events in 2022

Development of the Metals business

On January 17, 2022, Metso Outotec announced that it will transfer its Hydrometallurgy business from the Metals segment to the Minerals segment and commence a strategic review in the remaining Metals business area. The target of the review is to evaluate the best environment for developing the Metals business and its strategic fit in Metso Outotec's business portfolio. Restated segment information for 2021 was published on April 6.

Conveyance of own shares based on the long-term incentive plans

On February 9, 2022, the Board of Directors decided to convey a total of 606,847 Metso Outotec's treasury shares without consideration to 60 key persons and executives in accordance with the terms and conditions of the Performance Share Plans 2019–2021 (PSP 2019–2021), Restricted Share Plan 2019–2021 (RSP 2019–2021) and Matching Share Plan directed to the President and CEO (MSP 2018–2021). The directed share issue was based on an authorization given by the Annual General Meeting held on April 23, 2021.

On June 30, 2022, a total of 17,669 of Metso Outotec's treasury shares were conveyed without consideration to the President and CEO in the third and final matching share tranche of the Matching Share Plan originally decided by the Board of Metso Corporation in 2018. The continuation of the plan in Metso Outotec was announced on July 1, 2020.

Changes in the Metso Outotec Executive Team

On March 29, 2022, the following changes were made in the Metso Outotec Executive Team with immediate effect. Piia Karhu was nominated President, Metals business area. Her previous role in the Executive Team was Senior Vice President, Business Development. The previous President of the Metals business area, Jari Ålgars, resigned from Metso Outotec.

Acquisition of Tesab Engineering Ltd

On April 11, 2022, Metso Outotec signed an agreement to acquire Tesab Engineering Ltd, a Northern Ireland-based company offering mobile crushing equipment for aggregates applications, including quarrying, recycling, asphalt and concrete. Tesab's turnover in 2021 was approx. EUR 30 million, and it has more than 60 employees primarily in Europe. The acquisition was completed in May.

Divestment of Metal Recycling business

On June 2, 2022, Metso Outotec announced the completion of the divestment of its metal recycling business line to Mimir, an investment company based in Stockholm, Sweden.

Repurchase of own shares

Between August 9 and August 22, 2022, Metso Outotec repurchased a total of 3,036,000 own shares for an average price of EUR 8.25 per share. The shares were repurchased on the basis of the authorization given by the Annual General Meeting and will be used as a part of the company's share-based incentive plans.

Acquisition of Global Physical Asset Management

On September 1, 2022, Metso Outotec closed the acquisition of Global Physical Asset Management, a technology provider based in North America. The acquisition strengthened Metso Outotec's capabilities in digital field service inspections for grinding.

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

On December 9, 2022, Metso Outotec's Shareholders' Nomination Board published its proposals to the Annual General Meeting, planned to be held on May 3, 2023. The Nomination Board proposes that the Board of Directors would have nine members and that Brian Beamish, Klaus Cawén, Terhi Koipijärvi, Ian W. Pearce, Emanuela Speranza, Kari Stadigh, and Arja Talma would be re-elected as Board members.

Christer Gardell and Antti Mäkinen have informed that they will not be available for re-election. Therefore, the Nomination Board will propose that Niko Pakalén and Reima Rytsölä would be elected as new Board members.

Furthermore, the Nomination Board will propose that Kari Stadigh would be re-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 Reima Rytsölä, who has been assessed to be independent of the company but not independent of its significant shareholders.

The Nomination Board will propose fixed annual remuneration to the Board members as follows (current remuneration in brackets):

- Chair EUR 164,000 (EUR 156,000)
- Vice Chair EUR 85,000 (EUR 82,500)
- Other members EUR 69,000 (EUR 67,000)

An additional remuneration will be proposed to be paid to the Board members that are elected as members of the Audit & Risk Committee and the Remuneration and HR Committee as follows (current remuneration in brackets):

- Chair of the Audit & Risk Committee EUR 24,500 (EUR 23,800)
- Members of the Audit & Risk Committee EUR 10,500 (EUR 10,300)
- Chair of the Remuneration and HR Committee EUR 12,650 (EUR 12,400)
- Member of the Remuneration and HR Committee EUR 5,250 (EUR 5,150)

The Nomination Board will propose 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 to purchase Metso Outotec shares from the market at a price formed in public trading and that the purchase be carried out within two weeks from the publication of the interim report for January 1 – March 31, 2023.

The Nomination Board will propose the following meeting fees to be paid for attending the meetings of the Board and its committees:

- EUR 900 for meetings requiring travel within the Nordic countries
- EUR 1,800 for meetings requiring travel within a continent
- EUR 3,000 for meetings requiring intercontinental travel
- EUR 900 for meetings with remote attendance

Metso Outotec's Board of Directors will include all the above-mentioned proposals in the notice of the Annual General Meeting of 2023.

Metso Outotec's Shareholders' Nomination Board consists of:

- Annareetta Lumme-Timonen (Investment Director, Solidium Oy) as Chair
- 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)
- Kari Stadigh (Chair of Metso Outotec'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, as well as the Chair of Metso Outotec's Board of Directors.

Kari Stadigh and Niko Pakalén did not participate in the decision-making concerning the remuneration of the Board members.

Commencement of new plan periods in long-term incentive plans targeted to Metso Outotec management and key employees

On December 19, 2022, the Board of Directors approved the commencement of a new plan period 2023–2025 in the company's following share-based long-term incentive programs: The Performance Share Plan (PSP) and the Restricted Share Plan (RSP).

The establishment of the PSP and the RSP structure was originally published on July 1, 2020.

Russia business update

Metso Outotec condemns Russia's military offensive against Ukraine and is deeply saddened by the humanitarian crisis it has caused. Metso Outotec is not taking any new orders for deliveries to Russia and continued to wind-down its Russian business operations and non-sanctioned customer contracts through final deliveries or termination agreements during the fourth quarter, in line with its earlier disclosures.

In the second quarter, Metso Outotec booked a provision totaling EUR 150 million for wind-down and restructuring, which is expected to cover the remaining exposure in Russia. Wind-down related final deliveries to non-sanctioned customers during the last three quarters of the year amounted to EUR 124 million. Wind-down-related provisions totaled EUR 65 million at the end of December.

Short-term business risks and market uncertainties

The current uncertainty in the global markets may affect Metso Outotec's market environment. Inflation has risen sharply and is increasing production costs. The tightening of monetary policy by central banks to tackle inflation has led to higher financing costs for investments. Whilst higher prices for minerals and metals typically have a positive impact on demand for Metso Outotec's products and services, volatility is challenging both for customers and suppliers. Rising cost inflation and financing costs as well as high foreign exchange rate volatility could have a negative impact on customers' capex decision-making. Even though hedging of currency exposure is linked to firm delivery and purchase agreements, exchange rate fluctuations may impact the company's financial position. There are also other market and customer-related risks that could cause on-going projects to be postponed, delayed, discontinued or terminated.

Global supply chains continue to face uncertainty, challenged by inflation and the availability of materials, components and logistics. These challenges may be further exacerbated and affect the company's ability to deliver on-time and/or on-budget. The financial position of suppliers may be at risk and could also lead to challenges with on-time deliveries. If suppliers are unable to deliver and the company is unable to find alternative sources in the time required, it may lead to contractual penalties and/or obligations.

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.

Whilst Metso Outotec has made a provision for the wind-down of its customer contracts and operations in Russia, the extent to which the wind-down can be finalized is still a risk and can lead to an increased risk of claims, disputes or lawsuits.

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

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Metso Outotec has identified a significant risk related to its ilmenite smelter project in Saudi Arabia, in line with earlier disclosures. In discontinued operations, the company has identified a risk related to the UK waste-to-energy projects from 2015, where, in addition to delayed delivery and non-performance claims, the customer is claiming fraudulent misrepresentation and deliberate breach in its claims and lawsuits. Metso Outotec has assessed it can protect itself against these claims and lawsuits. Even though provisions have been made against these risks, the possibility of additional liabilities materializing cannot be excluded.

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 has changed its outlook and expects the overall market activity to remain at the current level in both the mining and aggregates markets.

In its previously published outlook Metso Outotec expected the overall market activity to remain at the current level, with the mining market remaining strong and the aggregates market declining due to the expected softening of the European market.

Corporate governance statement

Metso Outotec has published a separate Corporate governance statement for 2022 that complies with the recommendations of the Finnish Corporate Governance Code for listed companies and covers other central areas of corporate governance. The statement is available on our website, separately from the Board of Directors' report.

Statement of non-financial information

Metso Outotec, headquartered in Finland, has a presence globally in close to 50 countries. The company is a leader in the development of sustainable products, end-to-end solutions and aftermarket services for the aggregates, minerals processing, and metals refining industries. Metso Outotec has defined sustainability as a strategic priority, and it has committed to contribute to limiting the global average temperature increase to 1.5 °C through its sustainability agenda.

Metso Outotec's sustainability agenda comprises of two focus areas: Planet Positive offering and innovations and being a Responsible and trusted partner. To be a responsible and trusted partner, Metso Outotec focuses on the continuous development of Environmental efficiency in operations, Our people and culture, Health and safety, and Responsible procurement, which in addition to Planet Positive offering and innovations are identified as the most material sustainability topics.

Metso Outotec reports its economic, social, and environmental performance annually in accordance with the Global Reporting Initiative (GRI) Standards. In addition, the reporting includes the industry-specific indicators (SASB Index) identified in the Sustainability Accounting Standards Board's (SASB) Industrial Machinery & Goods Standard. The Annual report 2022, which includes a GRI supplement, will be published in March 2023.

This Statement of non-financial information contains a description of Metso Outotec's business model as well as risks, key performance indicators and other details related to Environmental responsibility, Social responsibility and employees, Human rights, and Anti-corruption and bribery, as required by the Finnish Accounting Act. This includes an overview of the targets and key performance indicators for the material topics that steer Metso Outotec's sustainability activities. In addition, this Statement of non-financial information includes information about the extent to which Metso Outotec activities are eligible and aligned with the EU Taxonomy as required by the EU Taxonomy Regulation and the Finnish Accounting Act.

Business model and value creation

Metso Outotec's extensive offering for aggregates, minerals, and metals refining customers, from equipment to a broad range of services and consumables, helps them maintain and increase production, improve productivity, and lower operating costs and risks. Metso Outotec continuously develops its portfolio to meet its customers' growing needs for energy and emissions reduction, water resources management, resource efficiency, circularity, and safety.

The basis for creating value are Metso Outotec's established manufacturing and operations footprint and product offering, as well as its ability to continuously innovate. Innovation is driven by the deep know-how of Metso Outotec's 16,705 employees, and several locations with research and development capabilities, as demonstrated by 7,405 national technology patents. Long-term customer and supplier relationships are also essential for creating value for stakeholders.

Metso Outotec generates employment and wealth in local communities as an employer and a buyer of goods and services. The company also contributes to local communities through cooperation with universities and other research institutes, and in 2022 it paid EUR 112 million in taxes. In 2022, Metso Outotec paid EUR 199 million in dividends to its shareholders.

Risks, risk management system and policies

The non-financial risks in this statement have been identified in accordance with the Finnish Accounting Act and are separate from the financial risks identified in note 4.1 of the Consolidated financial statement.

The principal risks related to Metso Outotec's sustainability performance include health and safety, product quality, environment, compliance, brand and reputation, as well as human rights, especially in its supply chain.

Climate change affects many aspects of Metso Outotec's business. The company therefore regularly analyzes climate change-related risks and opportunities and their potential impact on the business. Additionally, environmental legislation, energy supply, global regulatory environment, and political and social unrest are factors that are considered. Among the significant opportunities and risks identified for Metso Outotec are the ability to create environmentally efficient and safe products to meet the future needs of customers and the ability to operate in a changing business environment. As part of the sustainability content presented in the Annual report, Business overview, Metso Outotec reports on transitional and physical risks as well as opportunities resulting from climate change, in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

Operating in a sustainable way and promoting sustainability throughout the value chain is a high priority for Metso Outotec, as environmental, social or governance misconduct can affect the company's reputation and have long-term financial and other consequences, including business interruptions and lost work hours.

The Board of Directors oversees the overall enterprise risk management. Under the direction of the Board of Directors, Metso Outotec takes a systematic approach to managing non-financial matters, including implementing appropriate policies, risk management, due diligence processes, governance and organization.

Metso Outotec's Code of Conduct, approved by the Board of Directors, sets out the company's expectations for business conduct. The Code of Conduct, Supplier Code of Conduct, HR Policies, and Donation & Sponsorship Policy, as well as Quality and Environment, Health and Safety (EHS) Policies, define the basic requirements for meeting Metso Outotec's environmental, social and economic responsibilities.

Internal control practices are aligned with Metso Outotec's risk management process as approved by the Board of Directors. An audit framework is in place to support risk management by ensuring compliance and continuous business development.

Metso Outotec's integrated management system complies with the requirements of international standards. Key units of Metso Outotec are certified to ISO 9001 (quality), ISO 14001 (environment), and ISO 45001 (safety) standards.

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Environmental responsibility

Across Metso Outotec's value chain, ensuring the safety of our equipment, quality in the supply chain, and minimizing the environmental impact of our own operations are critical. Metso Outotec continuously develops its product offering and the management of its supply chain to address these matters. Suppliers are regularly trained and audited. Furthermore, Metso Outotec offers training and other services to customers to help ensure that they operate safely and efficiently.

Metso Outotec's most significant environmental impacts result from the use of its products and processes by customers. As presented in more detail below, Metso Outotec's sustainable product offering and innovations are an important element in managing these environmental impacts.

Planet Positive offering and innovations

Metso Outotec's products, processes and services are designed to help customers operate safely, achieve higher productivity, and reduce their resource intensity. The mining and aggregates industries face increasing demands to reduce the use of energy and water resources, dust and noise, impact on biodiversity as well as to comply with increasingly stringent environmental legislation. In particular, developing innovative solutions that are more energy efficient is one of the key priorities for the mining industry where the comminution process, including crushing and grinding, is the most energy-intensive stage of minerals production. Given the decreasing grade of orebodies, which requires even more processing of ore to achieve the same volume of metal, improving efficiency is key. Improvements in comminution efficiency can therefore result in significant energy savings, reduce plant operating costs, increase resource efficiency, and reduce greenhouse gas emissions.

Metso Outotec's Planet Positive offering, launched in 2021, is central to Metso Outotec's sustainability agenda and the 1.5 °C journey. Metso Outotec's Planet Positive portfolio includes solutions that offer significant improvements in reducing energy and carbon intensity, water use, pollution, and embedded carbon compared to an industry baseline or benchmark technology. In addition, a Planet Positive product is required to perform at the same or preferably higher level than the industry benchmark in terms of health and safety, pollution, and biodiversity impact. Electric solutions are an important part of the Planet Positive portfolio and Metso Outotec's offering for the minerals industry mainly uses electricity, allowing customers to choose renewable energy sources. Our offering in aggregates is around 50% electric and also includes dual power source products.

Planet Positive sales in 2022 were EUR 1,338 million, which represents 25% of total sales. Metso Outotec aims to grow its Planet Positive sales faster than overall sales. In the longer term (and to enable this growth), Metso Outotec aims to have a Planet Positive product in every part of the customer value chain where Metso Outotec operates. To achieve this, Metso Outotec targets 100% of its R&D project spend on projects with sustainability targets for energy efficiency, emissions reductions, water efficiency, circularity, or safety improvements.

Several orders during 2022 included a significant proportion of Planet Positive technology serving future sales growth. These included multiple orders for battery minerals processing plants supporting the global energy transition and electrification, several tailings and dry stacking solutions for improved water efficiency and safety as well as orders for smelting, next generation pelletizing and sulfuric acid plants driving decarbonization. During 2022, close to 30 Planet Positive products were launched including new technologies, adapting to existing offering for new customer segments as well as updating existing product families.

EU Taxonomy

The EU Taxonomy is a classification system that translates the EU's climate and environmental objectives into criteria for assessing economic activities for investment purposes. Companies that fall under the scope of the Non-Financial Reporting Directive must disclose to what extent their activities meet the criteria set out in the EU Taxonomy.

The EU Taxonomy includes six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. Economic activities that make a substantial contribution to at least one of the Taxonomy's environmental objectives are recognized as green, or 'environmentally sustainable', as long as they do not significantly harm any of the other environmental objectives and they meet minimum social safeguards.

In June 2021, criteria that define which activities substantially contribute to the first two (out of the six) environmental objectives, climate change mitigation and climate change adaptation, were published. The criteria for the remaining four environmental objectives are yet to be established. For the 2022 reporting period, the share of taxonomy-eligible and taxonomy-aligned activities (revenue, capex and opex) as well as qualitative information is disclosed for the climate-related environmental objectives.

Metso Outotec, as a technology company serving the aggregates, minerals processing and metals refining industries, aims to support customers' energy transition towards net zero and decarbonization of their industries in line with the overall Taxonomy objectives. More specifically, Metso Outotec has assessed which of its activities are included in the EU Taxonomy and have the potential to contribute to either the climate change mitigation or climate change adaptation objectives.

For the eligibility assessment, Metso Outotec's products mainly fall under the Taxonomy activities '3.6 Manufacture of other low carbon technologies', '3.9 Manufacture of iron and steel', '8.2 Data-driven solutions for GHG emissions reductions' and '9.1 Close to market research, development and innovation'. However, some services provided by Metso Outotec, whilst enabling process optimization and lifetime extensions through modernizations and upgrades, fall outside the scope of activities included in the EU Taxonomy and are therefore classified as non-eligible. When Metso Outotec sells parts purchased from a subcontractor

without altering or modifying them in any way or without owning the design of those parts, these parts also fall outside of the scope of the EU Taxonomy.

In 2022, Metso Outotec assessed whether its eligible products meet the taxonomy alignment criteria regarding 'substantial contribution', 'do no significant harm' (DNSH), and minimum social safeguards. Many of Metso Outotec's products have the potential to substantially contribute to the climate change mitigation objective of the EU taxonomy. These products are considered to be enabling activities as they enable GHG emission reductions in other sectors of the economy (mining sector). The alignment assessment of eligible products in activity '3.6 Manufacture of other low carbon technologies', which requires a life-cycle calculation of GHG emission savings, was completed for several Planet Positive products and will be extended in 2023 to the rest of the portfolio. The results of this assessment are shown in the tables below. In 2022, 22% of Metso Outotec's products and services in terms of revenue were assessed as taxonomy-aligned activities under the EU Taxonomy.

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Proportion of turnover from products and services associated with Taxonomy-aligned economic activities in 2022 [1]

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm') [4]									
Economic activities	Code(s)	Absolute turnover (EUR million)	Proportion of turnover (%)	Climate change mitigation (%)	Climate change adaptation (%)	Water and marine resources (%)	Circular economy (%)	Pollution (%)	Biodiversity and ecosystems (%)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)	Minimum safeguards (Y/N)	Taxonomy Aligned proportion of turnover, 2022 (%)	Category (enabling activity) (E)	Category (transitional activity) (T)
A. TAXONOMY-ELIGIBLE ACTIVITIES [2]																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of other low carbon technologies	3.6	330.8	6	100	0	NA	NA	NA	NA	Y	Y	Y	Y	Y	Y	Y	6	E	
Manufacture of iron and steel [3]	3.9	506.8	10	100	0	NA	NA	NA	NA	Y	Y	Y	Y	Y	Y	Y	10		T
Close to market research, development and innovation	9.1	321.8	6	100	0	NA	NA	NA	NA	Y	Y	Y	Y	Y	Y	Y	6	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned (A.1)		**1,159.5**	**22**	**100**	**0**	**NA**	**NA**	**NA**	**NA**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**22**		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low carbon technologies	3.6	3,524.1	67																
Manufacture of iron and steel [3]	3.9	26.3	0.5																
Close to market research, development and innovation	9.1	28.5	0.5																
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**3,579.0**	**68**																
Total (A.1 + A.2)		**4,738.4**	**89**																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		556.2	11																
Total (A+B)		**5,294.6**	**100**																

[1] Figures reported are in line with Metso Outotec's Consolidated financial statements 2022 and have been prepared in accordance with International Financial Reporting Standards.

[2] Includes products where Metso Outotec owns the design of the products, although the product might be manufactured by a subcontractor.

[3] In its alignment assessment of the products allocated to Taxonomy activity 3.9, Metso Outotec included products where steel was manufactured in electric arc furnaces or in induction furnaces which is a more energy efficient technology than an electric arc furnace and where the steel scrap input relative to product output is not lower than 70% to produce high alloy steel.

[4] 'Do no significant harm' was assessed for other environmental objectives: climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. Compliance with the criteria was justified where it was possible to demonstrate 'do no significant harm' based on internal expert views, meeting local legislation requirements, and ISO standards.

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities in 2022 [1) 4)]

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code(s)	Absolute CapEx (EUR million)	Proportion of CapEx (%)	Climate change mitigation (%)	Climate change adaptation (%)	Water and marine resources (%)	Circular economy (%)	Pollution (%)	Biodiversity and ecosystems (%)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)	Minimum safeguards (Y/N)	Taxonomy aligned proportion of CapEx, 2022 (%)	Category (enabling activity) (E)	Category (transitional activity) (T)
A. TAXONOMY-ELIGIBLE ACTIVITIES [2)]																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of other low carbon technologies	3.6	3.6	3	100	0	NA	NA	NA	NA	Y	Y	Y	Y	Y	Y	Y	3	E	
Manufacture of iron and steel [3)]	3.9	19.8	18	100	0	NA	NA	NA	NA	Y	Y	Y	Y	Y	Y	Y	18		T
Close to market research, development and innovation	9.1	2.9	3	100	0	NA	NA	NA	NA	Y	Y	Y	Y	Y	Y	Y	3	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**26.2**	**24**	**100**	**0**	**NA**	**NA**	**NA**	**NA**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**24**		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low carbon technologies	3.6	77.2	70																
Manufacture of iron and steel [3)]	3.9	1.0	1.0																
Close to market research, development and innovation	9.1	0.3	0.0																
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**78.5**	**71**																
Total (A.1 + A.2)		**104.7**	**95**																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		6.1	5																
Total (A+B)		**110.7**	**100**																

[1)] Figures reported are in line with Metso Outotec's Consolidated financial statements 2022 and are based on the data prepared in accordance with International Financial Reporting Standards.

[2)] Includes products where Metso Outotec owns the design of the products, although the product might be manufactured by a subcontractor.

[3)] In its alignment assessment of the products allocated to Taxonomy activity 3.9, Metso Outotec included products where steel was manufactured in electric arc furnaces or in induction furnaces which is a more energy efficient technology than an electric arc furnace and where the steel scrap input relative to product output is not lower than 70% to produce high alloy steel.

[4)] Capital expenditure (capex) includes investment in intangible assets and property, plant and equipment (EUR 114 million), as well as in right-of-use assets (EUR 40 million) less non-operative investments (EUR -43 million), which are mainly related to office buildings and company cars. For eligibility assessment, the capital expenditure of each business area is allocated according to the eligible % sales of that business area. In addition, for alignment assessment, the capital expenditure of each business area is allocated according to the aligned % sales of that business area.

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Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities year 2022 [1) 4)]

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code(s)	Absolute OpEx (EUR million)	Proportion of OpEx (%)	Climate change mitigation (%)	Climate change adaptation (%)	Water and marine resources (%)	Circular economy (%)	Pollution (%)	Biodiversity and ecosystems (%)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)	Minimum safeguards (Y/N)	Taxonomy-aligned proportion of OpEx, 2022 (%)	Category (enabling activity) (E)	Category (transitional activity) (T)
A. TAXONOMY-ELIGIBLE ACTIVITIES [2)]																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of other low carbon technologies	3.6	48.2	32	100	0	NA	NA	NA	NA	Y	Y	Y	Y	Y	Y	Y	32	E	
Manufacture of iron and steel [3)]	3.9	10.1	7	100	0	NA	NA	NA	NA	Y	Y	Y	Y	Y	Y	Y	7		T
Close to market research, development and innovation	9.1	17.1	11	100	0	NA	NA	NA	NA	Y	Y	Y	Y	Y	Y	Y	11	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**75.4**	**50**	**100**	**0**	**NA**	**NA**	**NA**	**NA**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**50**		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low carbon technologies	3.6	65.1	44																
Manufacture of iron and steel [3)]	3.9	0.4	0.0																
Close to market research, development and innovation	9.1	0.9	1.0																
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**66.4**	**44**																
Total (A.1 + A.2)		**141.8**	**95**																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		7.7	5																
Total (A+B)		**149.4**	**100**																

[1)] Figures reported are in line with Metso Outotec's Consolidated financial statements 2022 and are based on the data prepared in accordance with International Financial Reporting Standards.

[2)] Includes products where Metso Outotec owns the design of the products, although the product might be manufactured by a subcontractor.

[3)] In its alignment assessment of the products allocated to Taxonomy activity 3.9, Metso Outotec included products where steel was manufactured in electric arc furnaces or in induction furnaces which is a more energy efficient technology than an electric arc furnace and where the steel scrap input relative to product output is not lower than 70% to produce high alloy steel.

[4)] Operating expenditure (opex) is defined as expenses related to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment as well as right-of-use assets, that are necessary to ensure the continued and effective functioning of such assets. Compared to the previous year 2021, the definition has been revised, and all indirect costs such as oil, electricity, real estate tax, etc. have been excluded from the amount. For the eligibility assessment, the operating expenditure of each business area is allocated according to the eligible % sales of that business area. In addition, for the alignment assessment, the operating expenditure of each business area is allocated according to the aligned % sales of that business area.

In addition to the activities listed in the tables above, Metso Outotec also has products in Taxonomy activity '8.2 Data-driven solutions for GHG emissions reductions'. These products are often sold as part of another product and their sales are therefore not recorded or reported separately.

Environmental efficiency in operations

The combined CO_2 emissions of Metso Outotec's footprint, including its own operations, logistics, and suppliers was 1,044,944 tCO_2 in 2022.

Metso Outotec aims to continuously reduce the impacts of its operations and has set science-based CO_2 emission reduction targets. This includes aiming to halve the emissions of its own production by 2030, reduce emissions from logistics by 20% by 2025, increase emissions avoided by customers using its products by 20% by 2025, and to work with suppliers to encourage them to set their own science-based CO_2 emission targets. The Science Based Targets Initiative has validated Metso Outotec's climate targets. In 2021, Metso Outotec further strengthened its commitment by setting a new target to reach net zero CO_2 emissions in its own operations by 2030.

Social responsibility and employees

Metso Outotec's Code of Conduct is the cornerstone of how it conducts business. It defines the basic principles of behavior of all Metso Outotec employees. Fair and equal treatment of every person in the company is expected from all employees. The Code also applies to contractors, suppliers, customers, and Metso Outotec's other business partners.

Metso Outotec recognizes that a diverse workforce is a strength that also impacts business results and aims to create and sustain a work environment that values diversity and inclusion as well as provides equal opportunities. Metso Outotec has an Equal Opportunity and Diversity Policy that extends the general principles of Metso Outotec's Code of Conduct. The underlying principle of this policy is Metso Outotec's commitment to promoting equal opportunities and fair treatment for all employees regardless of gender, age, race, religion or beliefs, ethnic or national origins, marital/civil partnership status, sexual orientation or disability. Employees are selected and promoted based on merit and experience.

Metso Outotec initiated a global fair pay analysis with an external partner in 2021 with a technical data analysis, followed by a thorough review of the findings in 2022. In the analysis, various aspects related to pay were evaluated. The findings indicated that Metso Outotec employees' salary development is typically unbiased during their careers in the company. However, the global fair pay analysis identified individual cases where unexplained gender-related pay gaps existed. These salary differences could mostly be traced back to decisions made when employees were first hired.

In 2022, Metso Outotec made a one-time investment of EUR 2.2 million to correct these identified individual and unexplained gender-related pay gaps. Salary increases were made for around 500 employees in some 20 countries. Metso Outotec continues to strengthen its recruitment process to ensure unbiased salary decisions are made for all people joining the company across the globe.

Our people and culture

Building a strong performance culture is defined as one of the four Tier-1 priorities for Metso Outotec, and the People and Culture agenda is embedded into the company's overall business strategy. The focus areas in this agenda are leadership development, growth of all employees, building the right organizational capabilities, and attracting, developing and engaging current and future employees. Central to the agenda are also promoting the wellbeing of employees, enabling a great employee experience, continuously developing teams and ways of working, as well as focusing on inclusion.

The well-being of employees is a priority at Metso Outotec, and many global and local activities were initiated in 2022. On a global level, the company offers training and webinars in various well-being areas, such as remote leadership, and physical and mental well-being. However, most concrete actions happen at a local level. There has been a significant improvement in the well-being results in Metso Outotec's employee engagement survey. In December 2022, the result was in the top 5% of the external benchmark for health & wellbeing and mental wellbeing.

Metso Outotec is committed to developing a workplace where diversity and inclusion are embedded in the culture, fostered and promoted. The key diversity and inclusion actions in 2022 included a fair pay analysis and corrective actions, building inclusive talent acquisition practices, continuing the psychological safety training across the organization, as well as launching the Conscious inclusion training and Women's mentoring program.

During 2022 there was a significant improvement in the inclusion score measured in the employee engagement surveys. We are now in the top 25% of the industry benchmark cohort. In the long term, we aim to be in the top 10%.

In 2022, more than 1,100 line managers participated in Metso Outotec's key global leadership program, Leaders4PositiveChange. In addition, a tailor-made program for our leaders was launched and the first 40 Metso Outotec leaders completed the program in 2022.

Metso Outotec conducted four employee engagement surveys in 2022: two full surveys for all employees, and two shorter pulse surveys for white-collar workers. The Employee Net Promoter Score (eNPS) is one of the key indicators used to track employee engagement and the result in December 2022 was 51, which is in the top 10% of the industry benchmark.

Health and safety

Metso Outotec has an uncompromising approach to health and safety for all employees, partners, customers and other stakeholders, and it has ambitious targets to ensure a safe workplace. Metso Outotec continuously and actively mitigates the occupational health and safety risks in its operations; Metso Outotec targets zero harm.

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The key focus of Metso Outotec's health and safety approach is the fatality prevention program. It includes high-level safety directives that set out detailed health and safety requirements for all businesses. The program is focused on the 10 most common risks that could cause severe injuries: chemicals, confined spaces, forklifts, hand tools, hazardous energy, lifting, machine safety, road travel, working at heights and working at customer sites. These risks are mitigated in a range of ways, including safety equipment and tools, working procedures, continuous training, and leadership involvement.

In addition, 10 Life-Saving Rules and actions that set out the requirements to prevent fatalities, especially in high-potential risk environments, were launched in 2022. These rules are non-negotiable and a breach of these can result in serious consequences not only for the employee or contractor involved but also for the supervisor and manager of the persons involved. The Life-Saving Rules are focused on improving safety for operational employees and are complementary to Metso Outotec's Modus Operandi program, which sets out the expected behaviors for everyone working for Metso Outotec.

Employee safety, risk observations, safety conversations and safety training hours are continuously measured. Metso Outotec's key indicators for safety are lost-time injuries per million working hours (LTIFR), which was 1.1 in 2022, and the total recordable injury frequency rate (TRIFR), which was 2.8 in 2022. The scope of LTIFR and TRIFR reporting covers Metso Outotec's premises, employees and contractors working under Metso Outotec's direct supervision, as well as project sites. All serious accidents are reviewed by top management to ensure proper investigations and corrective actions are completed. All employees and contractors not only have the right but also the obligation to refuse and report any unsafe work.

Another important safety priority is making sure that products and services are safe to use and maintain; thus, the safety of operation and maintenance is considered in the early phases of product development. The Product Compliance Management process ensures that products designed and supplied by Metso Outotec worldwide meet all applicable safety requirements during the product life cycle.

Metso Outotec manages incidents, hazards, and development initiatives through its QEHS management and product compliance management systems, as well as through customer feedback collected after each major delivery and through customer surveys.

Human rights

Metso Outotec is committed to respecting human rights and the United Nations (UN) Guiding Principles on Business and Human Rights. Metso Outotec is also committed to the UN Global Compact Initiative and its principles, as well as to the principles of the Universal Declaration of Human Rights and the International Labor Organization's Declaration of Fundamental Principles and Rights at Work. These commitments are incorporated in Metso Outotec's Code of Conduct and Supplier Code of Conduct, and in its Human Rights, HR, Quality and EHS policies. In addition, the Metso Outotec Modern Slavery Statement sets out practices and actions to mitigate any risk of modern slavery or human trafficking in Metso Outotec's own business and in its supply chain. Metso Outotec also supports and operates according to the principles described in the OECD Guidelines for Multinational Enterprises. Any form of compulsory, forced or child labor is unacceptable.

All employees are entitled to be treated with respect, and we have zero tolerance for discrimination, harassment or illegal threats. We follow all applicable national laws and regulations regarding working hours and employee compensation. In addition, Metso Outotec has assessed its human rights due diligence processes and is committed to regularly reviewing its due diligence practices and human rights policies and procedures. Metso Outotec requires that suppliers, business partners and other stakeholders also follow similar standards. A range of internal controls are in place, such as an anonymous whistleblower channel that is available to employees and external parties.

Human rights-related topics, including safety and labor rights, are reviewed regularly in Metso Outotec's own operations and in its supply chain.

Responsible procurement

Due to the cyclical nature of its customer industries, Metso Outotec outsources a significant proportion of its manufacturing. Metso Outotec expects its suppliers to follow its Supplier Code of Conduct, which is based on Metso Outotec's Code of Conduct, as well as established international best practices.

Based on supplier assessments for existing and new suppliers, the need for third-party or internal supplier sustainability audits as well as any further actions are defined. New supplier assessments form part of Metso Outotec's procurement function's ongoing processes; the aim is to evaluate all new direct suppliers in high-risk countries against Metso Outotec's sustainability criteria.

Human and labor rights, environmental and safety practices, compliance with laws and regulations, and anti-bribery provisions are covered by third-party supplier audits, supplier self-assessments and Metso Outotec's internal supplier sustainability audits. Key supplier requirements are also incorporated into contract obligations, and a contract breach can result in consequences, including potential termination of a supplier relationship.

After an audit has been performed, suppliers are provided with audit findings and are subject to possible re-audits. In 2022, 131 supplier sustainability audits were conducted that included human rights topics. To further support our suppliers' sustainability actions, we educate and advise our suppliers regarding their performance on sustainability. We have created several supplier e-learning courses about our expectations for supplier sustainability, human rights, safety as well as the Science Based Target (SBT) setting methodology for CO_2 emissions reduction and how our suppliers can contribute to reducing CO_2 emissions in the supply chain. One key action in 2022 was engaging with suppliers regarding setting a science-based target (SBT) for CO_2 emissions reductions. 19.6 percent of procurement spend in 2022 was with suppliers that have set SBTs.

Processes are in place to continuously develop a shared understanding with suppliers in the areas of innovation, cost efficiency, quality and sustainability in order to manage risks related to outsourcing.

Anti-corruption and bribery

Metso Outotec endorses responsible business practices and complies with national and international laws and regulations. The company has zero tolerance for corruption. Metso Outotec works against corruption in all its forms and requires its suppliers and business partners to follow the same principles and to fully comply with all applicable anti-corruption laws. Metso Outotec's Code of Conduct, Supplier Code of Conduct, and Anti-Corruption Policy are the key policies that define the anti-corruption measures required from Metso Outotec's employees, customers, agents, suppliers, distributors, and other business partners.

Metso Outotec conducts compliance checks on customers, suppliers, and other business partners through third-party screening tools, data portals that are linked to Metso Outotec's customer relationship management systems, and supplier data management systems. All sales agents, distributors and other representatives are further required to confirm their compliance with the company's Code of Conduct requirements.

All Metso Outotec employees have a responsibility for ensuring compliance with anti-corruption and anti-bribery measures. A range of internal controls are in place, and employees are strongly encouraged to report any suspected wrongdoing or misconduct to their supervisors, to management, or to Compliance or Internal Audit, e.g. using Metso Outotec's internally and externally available whistleblower channel. All reports are treated as confidential and anonymous, and Metso Outotec commits to ensuring that there are no negative repercussions for the reporting person.

To mitigate risks and to ensure compliance with the company's Code of Conduct, a training program was launched. The latest training was launched in early November 2022; by the end of the year, 97.8% of employees had completed the training. Employees are required to complete similar training every year. The Code of Conduct training is also a mandatory part of the induction program for new employees.

The VP, Compliance and Risk Management regularly reports to the General Counsel and to the Audit and Risk Committee of Metso Outotec's Board of Directors regarding compliance cases and actions taken.

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Key non-financial performance indicators

Non-financial topic	Target for 2022	Key performance indicator	2022	2021
Environmental responsibility				
CO_2 emissions: Production (scope 1 & 2 (market based))	Decrease CO_2 emissions by 64% compared to 2019 baseline	CO_2 emission of own production	48,944 tCO_2 (–60% compared to 2019)	52,390 tCO_2 (–57% compared to 2019)
CO_2 emissions: Logistics	Decrease CO_2 emissions by 20% compared to 2019 baseline	CO_2 emissions from logistics	153,000 tCO_2 (–12% compared to 2019)	143,000 tCO_2[1] (–18% compared to 2019)
Suppliers with CO_2 targets	15% of procurement spend is with suppliers that have an SBT CO_2 emission target	% of suppliers with an SBT target	19.6%	10.1%
Planet Positive portfolio	Grow Planet Positive sales by 3% faster than overall sales growth	Planet Positive sales (EUR million)	1,338	886 [2]
Social responsibility and employees				
Health and safety	Continuous improvement in lost-time injuries frequency rate	Lost-time injuries per million work hours (LTIFR)[3]	1.1	1.1
	Continuous improvement in total recordable injury frequency rate	Total recordable injury frequency per million hours worked (TRIFR)[3]	2.8	3.3
Our people and culture	Employee Net Promoter Score (eNPS) to be in top 10% of the industry benchmark	eNPS benchmark score range %	Top 10%	Top 25%
Human rights				
Responsible procurement	100 supplier sustainability audits per year conducted in higher-risk areas	Number of supplier sustainability audits conducted	131	152
Anti-corruption and bribery				
Code of Conduct training	All active employees, including blue-collar workers, trained on Code of Conduct. External workforce not included	Code of Conduct training participation rate (%)	97.8%	96.9%

[1] During 2022, we updated the 2019 logistics CO_2 emissions baseline to account for additional logistics emissions from US deliveries that were previously excluded from the calculation. We also improved our logistics calculation methodology and updated the historical figures for the period 2019–2021 to ensure consistency.

[2] The Planet Positive sales figure (EUR 592 million) reported in the Annual report 2021 included only equipment and consumables sales and excluded services which is now included in the figure.

[3] Includes employees and contractors

Further information

In addition, as required by the Finnish Accounting Act and set forth in EU Directive 2014/95/EU (rules on disclosure of non-financial and diversity information by large companies), information related to non-financial matters is also available at:

- Business overview 2022, Metso Outotec's strategy and business model
- Business overview 2022, Metso Outotec's value creation model
- Corporate governance 2022, Risk management at Metso Outotec
- Corporate governance 2022, Metso Outotec's risk map

Shares and shareholders

Metso Outotec has one share series, and each share entitles its holder to one vote at a General Meeting and to an equal amount of dividend. Metso Outotec's shares are registered in the Finnish book-entry system maintained by Euroclear.

Basic share information

Listed on	Nasdaq Helsinki
Trading code	MOCORP
ISIN code	FI0009014575
Industry	Industrials
Number of shares on December 31, 2022	828,972,440
Share capital on December 31, 2022	EUR 107,186,442.52
Market value on December 31, 2022	EUR 7,936.0 million
Listing date	July 1, 2020

Metso Outotec shares are also traded on alternative marketplaces like BATS CXE and BATS BXE.

Metso Outotec's share and shareholders in 2022

On December 31, 2022, Metso Outotec's share capital was EUR 107,186,442.52 and the total number of shares was 828,972,440. More information on the past share capital changes is available at **www.mogroup.com/corporate/investors/shares**.

At the end of 2022, Metso had approximately 84,175 shareholders in the book-entry system. The largest shareholder was Solidium with 123,477,168 shares, equaling 14.9 percent of the Company's shares. A total of 504,693,506 Metso Outotec shares were traded on the Nasdaq Helsinki during 2022, equivalent to a turnover of EUR 4,080.4 million.

At the year-end, the members of Metso Outotec's Board of Directors and President and CEO Pekka Vauramo held a total of 474,087 Metso Outotec shares, corresponding to 0.06 percent of the total number of shares and votes. More information about management holdings is available in note 1.5.

Share key figures

	2022	2021
Share capital, at the end of year, EUR million	107	107
Number of shares, at the end of year, pcs		
Number of outstanding shares, pcs	825,635,935	828,047,419
Own shares held by the Parent Company, pcs	3,336,505	925,021
Total number of shares, pcs	828,972,440	828,972,440
Average number of outstanding shares, pcs	827,414,162	828,038,074
Average number of diluted shares, pcs	828,073,068	828,286,851
Earnings/share, basic, EUR	0.36	0.41
Earnings/share, diluted, EUR	0.36	0.41
Net operative cash flow/share, EUR	0.15	0.61
Dividend/share [1], EUR	0.30	0.24
Dividend [1], EUR million	248	199
Dividend/earnings [1], %	82	58
Effective dividend yield [1], %	3.1	2.6
P/E ratio	26.4	22.8
Equity/share, EUR	2.84	2.72

[1] The amount for year 2022 is Board of Directors' proposal to the Annual General Meeting.

Share performance and trading on Nasdaq Helsinki

	2022	2021
Closing price, December 31, EUR	9.61	9.35
Market capitalization, December 31, EUR million	7,936.0	7,750.9
Trading volume, NASDAQ OMX Helsinki Ltd, shares	504,693,506	456,105,740
% of shares [1]	60.88%	55.02%
Trading volume, NASDAQ OMX Helsinki Ltd, EUR million	4,080.4	4,148.0
Average daily trading volume, pieces	1,994,836	1,809,943
Relative turnover, %	0.2%	0.2%
Share performance, %	2.8%	36.0%
Highest share price, EUR	10.59	10.29
Lowest share price, EUR	5.92	7.55
Average share price, EUR	8.09	9.14

[1] Of the total amount of shares for public trading.

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Largest shareholders on December 31, 2022

	Owner	Shares and votes	% of total shares and voting rights
1	Solidium Oy	123,477,168	14.90
2	Ilmarinen Mutual Pension Insurance Company	24,502,343	2.96
3	Varma Mutual Pension Insurance Company	22,732,359	2.74
4	Elo Mutual Pension Insurance Company	11,167,000	1.35
5	Nordea Funds	9,606,726	1.16
	Nordea Pro Finland Fund	2,733,117	0.33
	Nordea Finnish Stars Fund	1,782,744	0.22
	Nordea Nordic Fund	990,128	0.12
	Nordea Finnish Index Fund	970,563	0.12
	Nordea Premium Asset Management Balanced Fund	549,411	0.07
	Nordea Life Assurance Finland Ltd.	536,371	0.06
	Nordea Premium Asset Management Moderate Fund	530,160	0.06
	Nordea Bank ABP	483,506	0.06
	Nordea Savings 50 Fund	337,687	0.04
	Nordea Säästö 25 Fund	237,760	0.03
	Nordea Premium Varainhoito Kasvu Fund	233,639	0.03
	Nordea Savings 75 Fund	221,640	0.03
6	The State Pension Fund	7,600,000	0.92
7	OP-Finland Funds	7,078,881	0.85
	OP-Finland Fund	4,336,713	0.52
	OP Life Assurance Company Ltd	1,778,948	0.21
	OP-Finland Index Fund	963,220	0.12
8	Mandatum Life Insurance Company Limited	4,333,356	0.52
9	Aktia Funds	4,310,000	0.52
	Aktia Capital	2,560,000	0.31
	Aktia Nordic	550,000	0.07
	Aktia Nordic Small Cap	400,000	0.05
	Aktia Secura	400,000	0.05
	Aktia Euro	400,000	0.05
10	Svenska litteratursällskapet i Finland r.f.	3,693,246	0.45
11	Metso Outotec Corporation	3,336,505	0.40
12	Veritas Pension Insurance Company Ltd.	3,250,000	0.39
13	Sigrid Jusélius Foundation	2,738,598	0.33
14	Danske Invest Finnish Equity Fund	2,662,950	0.32
15	Säästöpankki Kotimaa Fund	2,283,248	0.28
16	Samfundet folkhälsan i Svenska Finland rf	2,143,764	0.26
17	Evli Finland Select Fund	2,030,000	0.24
18	Oy Etra Invest Ab	2,000,000	0.24
19	The Finnish Cultural Foundation	1,971,228	0.24
20	OMX Helsinki 25 Exchange Traded Fund	1,740,706	0.21
	20 largest owner groups in total	242,658,078	29.27
	Nominee-registered holders	429,692,022	51.83
	Other shareholders	156,588,026	18.89
	In the joint book-entry account	34,314	0.00
	Total	**828,972,440**	**100.00**

Breakdown of share ownership on December 31, 2022

Number of shares	Shareholders	% of shareholders	Total number of shares and votes	% of total shares and voting rights
1–100	20,702	24.60	973,219	0.12
101–1,000	41,340	49.12	17,538,020	2.12
1,001–10,000	20,028	23.80	56,720,661	6.84
10,001–100,000	1,919	2.28	46,477,927	5.61
100,001–1,000,000	135	0.16	41,047,385	4.95
1,000,001 and above	30	0.04	236,488,978	28.53
Total	**84,154**	**100.00**	**399,246,190**	**48.16**
Nominee-registered shares	12	0.00	429,692,022	51.83
In the joint book-entry account	0	0.00	34,228	0.00
Number of shares issued			**828,972,440**	**100.00**

Breakdown by shareholder category on December 31, 2022

Share, %	2022	2021
Nominee-registered and non-Finnish holders	57%	57%
Solidium Oy	15%	15%
Private investors	13%	13%
Finnish institutions, companies, and foundations	15%	15%
Total	**100%**	**100%**

Flaggings

Under the provisions of the Finnish Securities Markets Act, shareholders of listed companies have an obligation to notify both the Finnish Financial Supervision Authority and the company of changes when their holdings reach, exceed or fall below a certain threshold. Metso Outotec is not aware of any shareholders' agreements regarding Metso Outotec shares or voting rights. All flagging notifications have been released as a stock exchange release are available at **www.mogroup.com/corporate/media/news.**

Incentive plans

Metso Outotec's share ownership plans are part of the management remuneration program. For further information, see at **www.mogroup.com/corporate/investors/governance/remuneration** and notes 1.5. and 1.6. Any shares to be potentially rewarded are acquired through public trading, and therefore the incentive plans have no diluting effect on the share value.

Key figures

EUR million	2022	2021	2020	2019	2018
Sales	5,295	4,236	3,319	2,819	2,581
Operating profit (EBIT)	504	425	239	316	268
% of sales	9.5%	10.0%	7.2%	11.2%	10.4%
Profit before taxes	441	386	201	282	242
% of sales	8.3%	9.1%	6.1%	10.0%	9.4%
Profit for the period for continuing operations	329	294	149	217	169
% of sales	6.2%	6.9%	4.5%	7.7%	6.5%
Profit for the period for discontinued operations	-28	48	-11	7	–
Profit for the period	301	342	138	223	169
% of sales	5.7%	8.1%	4.2%	7.9%	6.5%
Profit attributable to shareholders of the company	301	342	138	224	170
Amortization of intangible assets	66	72	85	16	16
Depreciation of tangible assets	52	51	41	31	30
Depreciation of right-of-use assets	38	38	30	22	–
Depreciation and amortization, total	156	161	157	69	46
% of sales	2.9%	3.8%	4.7%	2.4%	1.8%
EBITA	570	498	324	332	283
% of sales	10.8%	11.7%	9.8%	11.8%	11.0%
EBITDA	660	587	396	385	314
% of sales	12.5%	13.8%	11.9%	13.6%	12.2%
Finance income and expenses, net	63	39	38	33	26
% of sales	1.2%	0.9%	1.2%	1.2%	1.0%
Interest expenses	44	23	30	32	26
% of sales	0.8%	0.6%	0.9%	1.1%	1.0%
Interest cover	10.4×	14.9×	10.4×	11.5×	
Gross capital expenditure	114	91	86	90	
% of sales	2.1%	2.1%	2.6%	3.2%	
Net capital expenditure	105	69	83	82	
% of sales	2.0%	1.6%	2.5%	2.9%	
Net cash flow from operating activities before financial items and taxes	322	608	587	173	207
Cash conversion, %	49%	104%	148%	45%	
Research and development	64	66	56	39	
% of sales	1.2%	1.6%	1.7%	1.4%	

EUR million	2022	2021	2020	2019	2018
Balance sheet total	6,754	5,830	5,567	3,457	2,979
Equity attributable to shareholders	2,342	2,250	2,037	1,252	1,173
Total equity	2,350	2,251	2,040	1,254	1,183
Interest-bearing liabilities	1,293	952	1,345	1,001	673
Net working capital (NWC)	596	254	413	853	629
% of sales	11.3%	6.0%	12.5%	30.3%	24.4%
Capital employed	3,643	3,173	3,437	2,255	1,863
Return on equity (ROE), %	13.7%	16.0%	8.3%	18.4%	15.1%
Return on capital employed (ROCE) before taxes, %	14.2%	14.1%	8.6%	16.2%	14.2%
Return on capital employed (ROCE) after taxes, %	10.9%	11.7%	6.5%	12.9%	10.5%
Net debt	684	470	799	772	239
Gearing, %	29.1%	20.9%	39.2%	61.5%	20.2%
Equity to asset ratio, %	39.2%	43.2%	39.5%	39.1%	44.0%
Debt to capital, %	33.3%	26.7%	37.2%	42.1%	36.3%
Debt to equity, %	50.0%	36.4%	59.1%	72.6%	56.9%
Orders received	6,096	5,605	4,340	3,009	2,871
Order backlog, December 31	3,902	3,990	2,233	1,408	1,411
Personnel at end of year	16,705	15,630	15,466	12,894	10,367

Key figures for 2019 and 2018 are based on Metso Minerals carve-out data.

Balance sheet for 2020 has been restated due to adjustments in the fair values of Outotec at the acquisition date. The adjustments have an effect to goodwill, non-current deferred tax assets and liabilities, income tax liabilities, other current liabilities and liabilities held for sale.

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Formulas for the key figures

Earnings before finance expenses, net, taxes and amortization, adjusted (adjusted EBITA)	=	Operating profit + adjustment items + amortization
Earnings per share, basic	=	Profit attributable to shareholders / Average number of outstanding shares during the year
Earnings per share, diluted	=	Profit attributable to shareholders / Average number of diluted shares during the year
Interest cover	=	EBITDA / Finance income and expenses, net
Cash conversion, %	=	Net cash flow from operating activities before financial items and taxes / EBITDA × 100
Return on equity (ROE), %	=	Profit for the year / Total equity (average for the period) × 100
Return on capital employed (ROCE) before taxes, %	=	Profit before tax + finance expenses / Capital employed (average for the period) × 100
Return on capital employed (ROCE) after taxes, %	=	Profit for the period + finance expenses / Capital employed (average for the period) × 100
Gearing, %	=	Net interest-bearing liabilities / Total equity × 100
Equity to assets ratio, %	=	Total equity / Balance sheet total — advances received × 100
Debt to capital, %	=	Interest-bearing liabilities — lease liabilities / Total equity + interest-bearing liabilities — lease liabilities × 100
Debt to equity, %	=	Interest-bearing liabilities — lease liabilities / Total equity × 100
Interest-bearing liabilities	=	Interest-bearing liabilities, non-current and current + lease liabilities, non-current and current
Net interest-bearing liabilities	=	Interest-bearing liabilities — Non-current financial assets — loan *and other interest-bearing receivables (current and non-current)* — liquid funds
Gross capital expenditure	=	Investments in intangible assets and property, plant, and equipment, associated companies, and joint ventures
Net capital expenditure	=	Gross capital expenditure less divestment of intangible assets and property, plant, and equipment, associated companies, and joint ventures
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
Capital employed	=	Net working capital + intangible assets and tangible assets + right-of-use assets + non-current investments + interest-bearing receivables + liquid funds + tax receivables, net + interest payables, net
Net cash flow from operating activities	=	Net income + depreciation and amortization and other non-cash items — change in net working capital — interests and other financial items paid (net) — taxes paid
Net cash flow from operating activities / share, EUR	=	Net cash flow from operating activities / Outstanding shares at end of period
Effective dividend yield, %	=	Dividend per share / Trading price at the end of the year × 100
Price / earnings ratio (P/E)	=	Trading price at the end of the year / Earnings per share
Equity / share	=	Equity attributable to shareholders / Number of outstanding shares at the end of the period

Board of Directors' proposal on the use of profit

On December 31, 2022, the distributable equity of Metso Outotec Corporation was:

Invested non-restricted equity fund	EUR	433,376,746.22
Own shares	EUR	-27,935,122.14
Retained earnings	EUR	348,530,708.09
Net profit for the year	EUR	280,625,023.24
Distributable equity, total	EUR	**1,034,597,355.41**

The Board of Directors proposes that a dividend of EUR 0.30 per share be paid based on the balance sheet to be adopted for the financial year, which ended December 31, 2022, and the remaining portion of the profit be retained and carried forward in the Company's unrestricted equity.

Dividend payment	EUR	247,690,780.50
Distributable equity after dividend payment	EUR	**786,906,574.91**

These financial statements were authorized for issue by the Board of Directors on February 16, 2023, after which, in accordance with Finnish Company Law, the financial statements are either approved, amended, or rejected in the Annual General Meeting.

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Consolidated financial statements, IFRS

Consolidated statement of income

EUR million	Note	2022	2021
Sales	1.1, 1.2	5,295	4,236
Cost of sales	1.5, 3.4	-3,909	-3,058
Gross profit		1,386	1,178
Selling and marketing expenses	1.3, 1.5, 3.4	-445	-348
Administrative expenses	1.3, 1.5, 3.4	-331	-321
Research and development expenses	1.3, 1.5, 3.4	-64	-66
Other operating income	1.4	178	108
Other operating expenses	1.4	-219	-125
Share of results of associated companies	5.3	-1	-1
Operating profit		504	425
Finance income	1.7	14	4
Foreign exchange gains/losses	1.7	-14	-4
Finance expenses	1.7	-63	-40
Finance income and expenses, net		-63	-39
Profit before taxes		441	385
Income taxes	1.8	-112	-92
Profit for the year for continuing operations		329	294
Profit from discontinued operations	5.5	-28	48
Profit for the year		**301**	**342**
Profit attributable to			
Shareholders of the Parent company		301	342
Non-controlling interests		0	0
Profit from continuing operations attributable to			
Shareholders of the Parent company		329	294
Non-controlling interests		0	0
Earnings per share, EUR [1]	1.9	0.36	0.41
Earnings per share for continuing operations, EUR [1]	1.9	0.40	0.35

[1] Basic and diluted.

Consolidated statement of comprehensive income

EUR million	Note	2022	2021
Profit for the year		301	342
Other comprehensive income			
Cash flow hedges, net of tax	1.8, 4.4, 4.8	3	-13
Currency translation on subsidiary net investment	1.8, 4.4	13	46
Items that may be reclassified to profit or loss in subsequent periods		17	33
Defined benefit plan actuarial gains and losses, net of tax	1.8, 2.7	2	5
Items that will not be reclassified to profit or loss		2	5
Other comprehensive income total		18	38
Total comprehensive income		**319**	**380**
Attributable to			
Shareholders of Parent company		319	380
Non-controlling interests		0	0

Consolidated balance sheet — Assets

EUR million	Note	2022	2021
Non-current assets			
Goodwill and intangible assets	3.1, 3.4		
Goodwill		1,128	1,124
Intangible assets		844	878
Total goodwill and intangible assets		1,972	2,002
Property, plant and equipment	3.2, 3.4		
Land and water areas		40	35
Buildings and structures		117	121
Machinery and equipment		193	174
Assets under construction		57	43
Total property, plant and equipment		407	373
Right-of-use assets	3.3, 3.4	115	127
Other non-current assets			
Investments in associated companies	5.3	6	7
Non-current financial assets	4.2	2	4
Loan receivables	4.2	5	6
Derivative financial instruments	4.8	3	2
Deferred tax assets	1.8	225	178
Other non-current receivables	2.3, 4.2	20	38
Total other non-current assets		262	234
Total non-current assets		2,756	2,737
Current assets			
Inventories	2.4	1,846	1,269
Trade receivables	2.2	799	668
Customer contract assets	1.2	354	324
Loan receivables	4.2	3	3
Derivative financial instruments	4.8	86	46
Income tax receivables	1.8	48	36
Other current receivables	2.3	263	210
Liquid funds	4.3	601	473
Total current assets		3,998	3,028
Assets held for sale	5.5	—	65
TOTAL ASSETS		**6,754**	**5,830**

Consolidated balance sheet — Equity and liabilities

EUR million	Note	2022	2021
Equity	4.4		
Share capital		107	107
Share premium fund		20	20
Cumulative translation adjustments		-150	-164
Fair value and other reserves		1,122	1,130
Retained earnings		1,243	1,156
Equity attributable to shareholders		2,342	2,250
Non-controlling interests		7	1
Total equity		2,350	2,251
Liabilities			
Non-current liabilities			
Borrowings	4.2, 4.5	998	627
Lease liabilities	4.2, 4.5	87	104
Post-employment benefit obligations	2.7	96	124
Provisions	2.6	59	45
Derivative financial instruments	4.8	33	6
Deferred tax liabilities	1.8	193	209
Other non-current liabilities	2.5	2	2
Total non-current liabilities		1,470	1,117
Current liabilities			
Borrowings	4.2, 4.5	176	192
Lease liabilities	4.2	31	30
Trade payables	2.5	787	692
Provisions	2.6	248	178
Advances received	1.2	281	235
Customer contract liabilities	1.2	474	388
Derivative financial instruments	4.8	47	52
Income tax liabilities	1.8	138	76
Other current liabilities	2.5	752	585
Total current liabilities		2,934	2,428
Total non-current and current liabilities		4,404	3,544
Liabilities held for sale	5.5	—	35
TOTAL EQUITY AND LIABILITIES		**6,754**	**5,830**

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Consolidated statement of changes in shareholders' equity

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, 2022	107	20	-164	1,130	1,156	2,250	1	2,251
Profit for the period	–	–	–	–	301	301	0	301
Other comprehensive income								
Cash flow hedges, net of tax	–	–	–	3	–	3	–	3
Currency translation on subsidiary net investments	–	–	13	–	–	13	0	13
Defined benefit plan actuarial gains (+) / losses (-), net of tax	–	–	–	–	2	2	–	2
Total comprehensive income	–	–	13	3	303	319	0	319
Dividends	–	–	–	–	-199	-199	–	-199
Redemption of own shares	–	–	–	-25	–	-25	–	-25
Share-based payments, net of tax	–	–	–	14	-3	11	–	11
Other items	–	–	–	0	-6	-6	–	-6
Changes in non-controlling interests	–	–	–	–	-9	-9	7	-2
Dec 31, 2022	**107**	**20**	**-150**	**1,122**	**1,243**	**2,342**	**7**	**2,350**

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, 2021	107	20	-210	1,136	983	2,037	3	2,040
Profit for the year	–	–	–	–	342	342	0	342
Other comprehensive income								
Cash flow hedges, net of tax	–	–	–	-13	–	-13	–	-13
Currency translation on subsidiary net investments	–	–	46	–	–	46	0	46
Defined benefit plan actuarial gains (+) / losses (-), net of tax	–	–	–	–	5	5	–	5
Total comprehensive income	–	–	46	-13	347	380	0	380
Dividends	–	–	–	–	-166	-166	–	-166
Share-based payments, net of tax	–	–	–	7	-3	4	–	4
Other items	–	–	–	–	2	2	0	2
Changes in non-controlling interests	–	–	–	–	-7	-7	-2	-10
Dec 31, 2021	**107**	**20**	**-164**	**1,130**	**1,156**	**2,250**	**1**	**2,251**

For more information, please see note 4.4 Equity.

Consolidated statement of cash flows

EUR million	Note	2022	2021
Operating activities			
Profit for the period, continuing operations		329	294
Profit for the period, discontinued operations		-28	48
Adjustments			
Depreciation and amortization	3.4	156	167
Finance expenses, net	1.7	63	39
Income taxes	1.8	113	92
Other items		65	-2
Change in net working capital	2.1	-377	-31
Net cash flow from operating activities before financial items and taxes		322	608
Interests paid		-27	-22
Interests received		3	1
Other financing items, net		-49	-14
Finance income and expenses paid, net		-73	-35
Income taxes paid	1.8	-121	-64
Net cash flow from operating activities		127	508
Investing activities			
Capital expenditures on intangible assets and property, plant, and equipment	3.1, 3.2	-114	-91
Proceeds from sale of intangible assets and property, plant, and equipment	3.1, 3.2	10	22
Proceeds from and investments in financial assets, net	4.6	2	—
Business acquisitions, net of cash acquired	5.4	-21	—
Proceeds from sale of businesses, net of cash sold	5.4, 5.5	-9	74
Proceeds from sale of associated companies	5.3	—	1
Increase in loan receivables	4.6	0	-1
Decrease in loan receivables	4.6	1	1
Net cash flow from investing activities		-132	6

EUR million	Note	2022	2021
Financing activities			
Dividends paid		-198	-166
Proceeds from increases in non-current debt	4.6	499	—
Repayment of non-current debt	4.6	-253	-350
Proceeds from and repayment of current debt, net	4.6	140	-37
Repayment of lease liabilities	4.6	-35	-38
Purchase of treasury shares	4.4	-25	—
Net cash flow from financing activities		127	-591
Net change in liquid funds		**122**	**-78**
Effect from changes in exchange rates		5	14
Cash classified as assets held for sale		—	0
Liquid funds equivalents at beginning of year	4.3, 4.6	473	537
Liquid funds at end of year	4.3, 4.6	**601**	**473**

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Notes to the Consolidated financial statements

Basic information

Metso Outotec Corporation (the "Parent company") with its subsidiaries ("Metso Outotec" or the "Group") is a leading global supplier of sustainable technologies, end-to-end solutions and services for the minerals processing, aggregates, and metals refining industries. The Group has three reporting segments, Aggregates, Minerals, and Metals. More information about the segments is presented in note 1.1.

Metso Outotec Corporation is a publicly quoted company with its shares listed on Nasdaq Helsinki under the trading symbol MOCORP. Metso Outotec Corporation is domiciled in Finland, and the address of the Group Head Office is Töölönlahdenkatu 2, 00100 Helsinki, Finland.

Metso Outotec's Consolidated financial statements were authorized for issue by Metso Outotec Corporation's Board of Directors on February 16, 2023, after which, in accordance with Finnish Companies Act, the financial statements are either approved, amended or rejected at the next Annual General Meeting.

BASIS OF PREPARATION Consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC Interpretations as adopted by the European Union. The Consolidated financial statements have been prepared on a historical cost basis, except for financial assets and liabilities classified as at fair value through profit and loss accounts.

Metso Outotec has classified certain businesses to be as held for sale. The assets and liabilities related to these businesses are presented on separate lines in the balance sheet, and also the income statement items are presented on a separate line from continuing operations. For more information can be found from the Note 5.5. Discontinued operations.

The financial statements are presented in euros, which is the Parent company's functional currency and Metso Outotec's presentation currency. The figures presented have been rounded; consequently, the sum of individual figures might differ from the presented total figure.

The detailed Metso Outotec's accounting policies are disclosed under each relevant note of the Consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS BY MANAGEMENT The preparation of financial statements, in conformity with the IFRS, requires management to make estimates and assumptions and to exercise its judgment in the process of applying the Group's accounting policies. These affect the reported amounts of balance sheet items, the presentation of contingent assets and liabilities, and the income and expenses for the financial year. Actual results may differ from the estimates made. The assets and liabilities involving a higher degree of judgment or complexity, or areas where the assumptions and estimates are significant to Metso Outotec's Consolidated financial statements, are disclosed in the following notes:

Note 1.2 Sales
Note 1.6 Share-based payments
Note 1.8 Income taxes
Note 2.2 Trade receivables
Note 2.3 Other receivables
Note 2.4 Inventory
Note 2.6 Provisions
Note 2.7 Post-employment obligations
Note 3.1 Goodwill and intangible assets
Note 3.2 Property, plant, and equipment
Note 3.3 Right-of-use assets
Note 5.4 Acquisitions and business disposals

Metso Outotec has reviewed the estimates and assumptions used in the preparation of the Consolidated financial statements for the possible impact of the Covid-19 pandemic. The estimates and assumptions used reflect management's best judgment on the possible impacts of the pandemic.

Metso Outotec has reviewed the estimates and assumptions used in the preparation of the Consolidated financial statements for the possible impacts of climate change. These have been reviewed not to have any immediate impact to the Consolidated financial statements.

Metso Outotec has reviewed estimates and assumptions used in the preparation of the Consolidated financial statements due to the impact of Russia's military offensive against Ukraine. The company booked a EUR 150 million provision in year 2022 for wind-down of customer projects in Russia. This reflects management's best judgment on the possible remaining exposure. The bookings related to the wind-down of the business in Russia have affected the following items in the Consolidated financial statements: revenue recognition and expenses, provisions, inventories and trade receivables.

Abbreviations used in the Board of Directors' report and financial statements

AGM	Annual General Meeting
Capex	Capital expenditure
EGM	Extraordinary General Meeting
CGU	Cash generating unit
DNSH	Does not significantly harm
EBIT	Earnings before finance expenses, net and taxes (operating profit)
EBITA	Earnings before finance expenses net, taxes and amortization
EBITDA	Earnings before finance expenses net, taxes, amortization, and depreciation
EMTN	Euro Medium Term Note program
eNPS	Employee net promoter score
EPS	Earnings per share
FAS	Finnish accounting standards
GHG	Greenhouse gases
GRI	Global reporting initiative
HSE	Health, safety, and environment
IFRIC	Interpretations of International financial reporting standards
IFRS/IAS	International financial reporting standards
KPI	Key performance indicator
LTIF	Lost-time incident frequency
NWC	Net working capital
OCI	Other comprehensive income
OpEx	Operating expenditure
OTC	Over the counter
P/E	Price/earnings ratio
PPE	Property, plant, and equipment
PSP	Performance share incentive plan
QEHS	Quality, environmental, health, and safety
R&D	Research and development
RFR	Relief from royalty method
ROCE	Return on capital employed
ROE	Return on equity
RSP	Restricted share incentive plan
SASB	Sustainability Accounting Standards Board
SBT	Science based targets
TCFD	Task Force on Climate-related Financial Disclosures
TRIFR	Total recordable injury frequency
TSR	Total shareholder return
WACC	Weighted average cost of capital

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1. Group performance

1.1. Reporting segments 34
1.2. Sales 37
1.3. Selling, general, and administrative expenses 39
1.4. Other operating income and expenses 40
1.5. Personnel expenses and number of personnel 40
1.6. Share-based payments 41
1.7. Finance income and expenses 44
1.8. Income taxes 44
1.9. Earnings per share 46

1.1. Reporting segments

ACCOUNTING POLICY 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 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 segment reporting are the same as those used in preparing the Consolidated financial statements.

Segment performance is measured with operating profit/loss (EBIT). In addition, Metso Outotec 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.

Corporate structure

Metso Outotec is a front-runner in sustainable technologies, end-to-end solutions and services for the aggregates, minerals processing and metals refining industries globally. We improve our customers' energy and water efficiency, increase their productivity, and reduce environmental risks with our product and process expertise.

Reportable segments of Metso Outotec are based on end customer groups, which are differentiated by both offering and business model: Aggregates, Minerals, and Metals.

- **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 for mining operations.
- **Metals** provides sustainable solutions for processing virtually all types of ores and concentrates to refined metals.
- **Group Head Office and other** is comprised of the Parent company with centralized group functions, such as treasury, tax, legal and compliance, as well as the global business services and holding companies.

Finance income and expenses as well as income taxes are not allocated to segments but included in the income statement of Group Head Office and other. The treasury activities of Metso Outotec are centralized into the Group Treasury to benefit from cost efficiency obtained from pooling arrangements, financial risk management, bargaining power, cash management, and other measures. Metso Outotec has a centralized Group tax management function. The objective of Group tax management is to ensure tax compliance and an optimized and predictable overall tax cost for Metso Outotec.

Segment net working capital assets comprises inventories and non-interest-bearing operating assets and receivables. Segment net working capital liabilities comprise non-interest-bearing operating liabilities.

Non-cash write-downs include write-offs made to the value of receivables and inventories, and impairment and other write-offs recognized to reduce the value of intangible assets or property, plant, and equipment and other assets.

Gross capital expenditure comprises investments in intangible assets and property, plant, and equipment, associated companies, and joint ventures.

Intra-group transactions are made on an arm's length basis.

Metso Outotec's segment structure changed as of January 1, 2022. The Hydrometallurgy business in the Metals segment was transferred to the Minerals segment. In addition to changes in the Minerals and Metals segments, small changes were made in the Aggregates segment that relate to the McCloskey and P.J. Jonsson och Söner businesses; business that had previously been reported under the equipment business was reclassified and reported as services. Due to the segment structure change of January 1, 2022, Metso Outotec's comparison figures for 2021 have been restated according to the new segment structure. The restatement had no impact on the Group's total figures.

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Segment information

2022 EUR million	Aggregates	Minerals	Metals	Group Head Office and Other	Total
Sales, external	1,446	3,359	489	0	5,295
Sales, intra-group	—	—	—	—	—
Sales, total	1,446	3,359	489	0	5,295
Earnings before interest, tax and amortization (EBITA)	211	415	53	-109	570
% of sales	14.6	12.4	10.9		10.8
Adjusted EBITA	213	502	52	-37	731
% of sales	14.8	15.0	10.7		13.8
Adjustment items and amortization of intangible assets					
Adjustment items total	-2	-88	1	-73	-162
Amortization of other intangible assets total	-16	-43	-5	-2	-66
Operating profit / loss	195	372	49	-112	504
% of sales	13.5	11.1	10.0		9.5
Finance income and expenses, total	—	—	—	-63	-63
Income before taxes	195	372	49	-175	441
Inventories	652	1,109	85	0	1,846
Trade receivables	238	516	29	16	799
Other non-interest-bearing receivables	52	135	35	149	371
Customer contract assets and liabilities, net	3	-189	65	0	-121
Trade payables	-242	-464	-55	-26	-787
Advances received	-76	-202	-3	0	-281
Other non-interest-bearing liabilities	-153	-590	-257	-231	-1,231
Net working capital	473	315	-101	-91	596

Because of the Russia's military offensive against Ukraine, Metso Outotec is not taking any new orders for deliveries to Russia and continued to wind-down its Russian business operations and non-sanctioned customer contracts. Metso Outotec booked a provision totaling EUR 150 million for wind-down and restructuring, which is expected to cover the remaining exposure in Russia. Wind-down is mostly related to Minerals segment.

Segment information

2021 EUR million	Aggregates	Minerals	Metals	Group Head Office and Other	Total
Sales, external	1,202	2,724	310	0	4,236
Sales, intra-group	—	—	—	—	—
Sales, total	1,202	2,724	310	0	4,236
Earnings before interest, tax and amortization (EBITA)	162	360	20	-44	498
% of sales	13.5	13.2	6.4		11.8
Adjusted EBITA	161	371	24	-8	547
% of sales	13.4	13.6	7.7		12.9
Adjustment items and amortization of intangible assets					
Adjustment items total	1	-11	-4	-36	-50
Amortization of other intangible assets total	-14	-49	-7	-3	-73
Operating profit / loss	148	311	13	-47	425
% of sales	12.3	11.4	4.2		10.0
Finance income and expenses, total	—	—	—	-39	-39
Income before taxes	148	311	13	-86	385
Inventories	463	738	83	-15	1,269
Trade receivables	190	451	21	5	668
Other non-interest-bearing receivables	52	183	42	17	294
Customer contract assets and liabilities, net	-1	-10	-57	4	-64
Trade payables	-197	-404	-66	-25	-692
Advances received	-66	-164	-5	0	-235
Other non-interest-bearing liabilities	-155	-488	-317	-26	-986
Net working capital	285	306	-299	-38	254

Adjustment items by category

EUR million	2022	2021
Capacity adjustment costs	-12	-59
Acquisition costs	0	6
Profits on disposals, net	0	3
Wind down of Russian business	-150	—
Adjustments items, total	**-162**	**-50**

Geographical information

ACCOUNTING POLICY Metso Outotec presents the geographical distribution of the segments' sales by location of customers. Non-current assets and gross capital expenditure are presented by location of assets.

Metso Outotec's businesses are present in more than 50 countries, providing strong diversification. The main market areas are Europe, North and Central America as well as Asia-Pacific, accounting for approximately 68 percent of sales. Metso Outotec has a global network of production units located in key continents.

Sales to unaffiliated customers by destination

EUR million	2022	2021
Finland	80	97
Europe	1,114	1,102
North and Central America	1,211	861
South America	915	677
APAC	1,185	878
Africa, Middle East & India	790	622
Sales	**5,295**	**4,236**

During year 2022 Metso Outotec has been winding down its business in Russia due to the military offensive against Ukraine. Sales in Russia during 2022 totaled EUR 238 million (EUR 437 million in 2021).

Metso Outotec's exports from Finland by destination, including infra-group sales

EUR million	2022	2021
Europe	444	228
North and Central America	394	209
South America	162	118
APAC	559	273
Africa, Middle East & India	333	246
Total	**1,891**	**1,074**

Non-current assets by location

EUR million	2022	2021
Finland	173	182
Europe	123	144
North and Central America	113	95
South America	79	70
APAC	104	107
Africa, Middle East & India	192	181
Non-allocated	1,740	1,773
Total	**2,523**	**2,552**

During year 2022 Metso Outotec has been winding down its business in Russia due to the military offensive against Ukraine. The amount of non-current assets in Russia were EUR 0 million in 2022 (EUR 2 million in 2021). The amount of liquid funds in Russia was EUR 14 million on December 31, 2022.

Non-current assets presented in the previous table comprise intangible assets and property, plant and equipment, investments in associated companies, joint ventures, equity investments and other non-interest-bearing non-current assets. Non-allocated assets include mainly goodwill and other assets arising from business acquisitions that have not been pushed down to the subsidiaries' books.

Gross capital expenditure by location

EUR million	2022	2021
Finland	29	14
Europe	18	18
North and Central America	21	12
South America	18	20
APAC	10	12
Africa, Middle East & India	18	14
Total	**114**	**91**

Gross capital expenditure comprises investments in intangible assets and property, plant, and equipment, associated companies, and joint ventures. Right-of-use assets are not included in the gross capital expenditure calculation.

1.2. Sales

ACCOUNTING POLICY Metso Outotec applies IFRS 15 Revenue from Contracts with Customers. The principle is that sales are recognized at an amount that reflects the consideration which Metso Outotec expects to receive in exchange for transferring goods or services to a customer. Sales are recognized when the control of goods or services is transferred to a customer. Control is transferred either at a point in time or over time.

When Metso Outotec provides standardized equipment and wear or spare parts to customers, sales are recognized at a point in time when control for the goods is transferred, typically at the delivery of the goods or after commissioning. Sales to distributors are recognized at delivery, when the distributor is not acting as an agent. If the distributor is acting as an agent, sales are recognized only when delivered to an ultimate client.

When Metso Outotec provides customized engineered system deliveries, where the asset produced does not have alternative use and Metso Outotec has enforceable right to payment for the performance completed to date, sales are recognized over time. Sales recognition is based on estimated sales, costs and profit. Metso Outotec measures the progress using the cost-to-cost method, where sales and profits are recorded after considering the ratio of accumulated costs to estimated total costs to complete each contract. This method is considered to best reflect the satisfaction of the performance obligation. The estimated sales, costs and profit, together with the planned delivery schedule of the contract are subject to regular revisions as the contract progresses to completion. Revisions in profit estimates as well as any projected potential loss on contract are charged through the profit and loss account in the period in which they become known.

Sales from providing services are recognized when the performance obligation is satisfied. For long-term fixed price service contracts, sales are recognized over time, because the customer simultaneously receives and consumes the services provided by Metso Outotec. The measure of the progress is based on costs of actual services provided as a proportion of the costs of total services to be rendered. The estimated sales, costs and profit, together with the planned delivery schedule of the contract are subject to regular revisions as the contract progresses to completion. Revisions in contract estimates as well as any projected potential loss on contract are charged through the profit and loss account in the period in which they become known.

For short-term service contracts with hourly fee based on valid price list, sales are recognized to the extent Metso Outotec has the right to invoice the customer, and for service contracts with fixed hourly fee agreed in the contract, sales are recognized based on invoicing.

Customer contracts may include promises such as volume-based rebates, late delivery penalties or right to return delivered parts. The impact of these promises on the final consideration will be estimated when recognition is started and systematically during the contract period. Sales will be recognized to the extent that Metso Outotec is entitled to the consideration. Also, creditworthiness of the client and collectability of the consideration is assessed throughout the contract period. Extended warranties are treated as a separate performance obligation and an appropriate transaction price is allocated to them and recognized in sales when occurred.

Metso Outotec often requires advance payments from customers. Applying IFRS 15, advances received do not include a financing component, because the payment schedule of them follows closely the timing of performance obligations to be satisfied.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT Sales recognized at a point in time may require judgement on facts and circumstances when the control is considered to have passed to the client, affecting on timing of sales to be recognized. Transfer of the control is assessed mainly based on terms of delivery in the contract and local legislation. Customer contracts including clauses on rebates, late delivery penalties, right to return promises or extended warranties requires management judgement on the probability of such clauses to have an effect on contracts sales. Judgements are based on earlier experience and market practice when available.

Sales recognized over time is based on cost-to-cost method, which requires management to be able to estimate total sales, costs, margin, and cash flow to complete the project. The assessment of the progress and margin to be recognized as well as the total costs estimated to complete the contracts requires judgments by management throughout the contract period. The most critical judgments are needed in case of a loss-making contract when estimating the performance needed to be able to satisfy the contract. Changes in general market conditions and the possible impact on the contracts needs to be predicted as well. The credit worthiness of the customer is verified, and collectability of the consideration assessed before entering a contract. However, a risk of non-payment might arise afterwards, and it requires management judgement on the impact on final sales recognition.

Hedging of foreign currency denominated firm commitments

Metso Outotec hedging policy requires business units to hedge their foreign currency risk when they become engaged in a firm commitment denominated in a currency other than their functional currency. Treasury Policy specifies certain currencies and certain legal units, where the open exposures are left unhedged. Similarly open exposures below certain euro nominated amount are left unhedged. When a firm commitment qualifies for over time recognition, the business unit applies hedge accounting and recognizes the effect of the hedging instruments in other comprehensive income (OCI) until the commitment is recognized. Though Metso Outotec has defined the characteristics triggering a firm commitment, the final realization of the unrecognized commitment depends also on factors beyond management control, which cannot be foreseen when initiating the hedging relationship. Such factors can be a change in the market environment causing the other party to postpone or cancel the commitment. To the extent possible, management strives to include clauses in its contracts that reduce the impact of such adverse events on its results.

Metso Outotec's segment structure changed as of January 1, 2022. Comparison figures for 2021 have been restated according to the new segment structure. The restatement had no impact on the Group's total figures. More information in note 1.1 Reporting segments.

Disaggregation of sales

External sales by category

2022 EUR million	Aggregates	Minerals	Metals	Total
Sales of services	477	2,030	67	2,574
Sales of projects, equipment and goods	970	1,329	422	2,721
Sales total	**1,446**	**3,359**	**489**	**5,295**

2021 EUR million	Aggregates	Minerals	Metals	Total
Sales of services	396	1,689	41	2,126
Sales of projects, equipment and goods	806	1,035	270	2,111
Sales total	**1,202**	**2,724**	**310**	**4,236**

External sales by timing of sales recognition

2022 EUR million	Aggregates	Minerals	Metals	Total
At a point in time	1,425	2,252	63	3,740
Over time	21	1,106	426	1,554
Sales total	**1,446**	**3,359**	**489**	**5,295**

2021 EUR million	Aggregates	Minerals	Metals	Total
At a point in time	1,183	1,990	42	3,215
Over time	18	735	268	1,021
Sales total	**1,202**	**2,724**	**310**	**4,236**

External sales by destination

2022 EUR million	Aggregates	Minerals	Metals	Total
Finland	31	36	13	80
Europe	446	543	125	1,114
North and Central America	597	585	29	1,211
South America	66	843	6	915
APAC	164	849	171	1,185
Africa, Middle East & India	142	503	145	790
Sales total	**1,446**	**3,359**	**489**	**5,295**

2021 EUR million	Aggregates	Minerals	Metals	Total
Finland	39	44	15	97
Europe	424	570	107	1,101
North and Central America	428	424	10	861
South America	46	624	7	677
APAC	146	632	100	878
Africa, Middle East & India	120	431	72	622
Sales total	**1,202**	**2,724**	**310**	**4,236**

Contract balances

EUR million	2022	2021
Trade receivables	799	668
Customer contract assets	354	324
Customer contract liabilities	474	388
Advances received	281	235

Customer contract liabilities and advances received are annually recognized as sales mainly during the following year.

When providing standardized equipment as well as wear and spare parts, invoicing takes place in general at the delivery or after commissioning. In engineered system deliveries, and long-term service contracts invoicing is based on the client contracts. Short-term service contracts are invoiced when service is rendered.

Trade receivables are based on the invoicing to customers and are generally on terms of 30–90 days. Information about provision for expected credit losses on trade receivables is presented in note 2.2.

Engineered system, and long-term service contracts are mainly fixed priced contracts, where customers are invoiced with fixed amounts based on contract schedule. In case the performance obligation satisfied exceeds the invoiced payment from the customer, a contract asset is recognized. In case the invoiced payment from the customer exceeds the performance obligation satisfied, a contract liability is recognized.

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Advances received is the amount paid in advance to Metso Outotec by customers. Typically, Metso Outotec receives advance payments in customized large scale engineered system and equipment delivery projects.

Changes in receivables from customers or liabilities to customers and advances received is typically the result of changes in business volume in the current year compared to the previous year.

Unsatisfied performance obligations

The order backlog, amounting to EUR 3,825 million on December 31, 2022, corresponds to the aggregate amount of the transaction price allocated to the performance obligations that are fully or partly unsatisfied at the end of the reporting period. These performance obligations are expected to be materially satisfied in two years.

Performance obligations

Metso Outotec's sales consist of the sale of standardized equipment deliveries and services with wear or spare parts, customized large-scale engineered system and/or equipment deliveries. Metso Outotec's performance obligations are as follows:

Equipment, wear and spare parts deliveries

When Metso Outotec provides standardized equipment and wear or spare parts to customers, revenue will be recognized at a point in time, when control of the goods is transferred, typically at the delivery of the goods or after commissioning. These contracts may include promises, such as volume-based rebates, late delivery penalties, or the right to return delivered parts. The impact of these promises on the final consideration will be estimated and sales will be recognized to the extent that Metso Outotec is entitled. Extended warranties are treated as a separate performance obligation, and an appropriate transaction price is allocated to them and recognized in sales when occurred.

Metso Outotec cooperates with distributors especially in the aggregates business. Based on the current distributor contracts, Metso Outotec recognizes sales at the delivery to a distributor. Promises on volume-based rebates and the right to return goods are assessed and sales will be recognized to the extent that Metso Outotec is entitled.

Engineered system and equipment deliveries

With customized large-scale engineered system and equipment deliveries, where assets produced do not have an alternative use for another client, and Metso Outotec has the right to payment for the performance completed, revenue will be recognized over time. Each large-scale engineered system and equipment delivery contract is assessed separately. These contracts usually have a customer-specific, one total performance obligation agreed with the client.

These contracts may include promises, such as late delivery penalties, performance guarantees, and extended warranties. The impact of these promises on the final consideration will be estimated and sales will be recognized to the extent that Metso Outotec is entitled. Metso Outotec typically requires advance payments from clients, which in general, do not include a financing component, because the payment schedule of advances follows closely the timing of performance obligations to be satisfied.

Service contracts

Sales from providing services are recognized when the services are rendered. For long-term-fixed price contracts, sales are recognized over time. The measure of the progress is based on the costs of actual services provided as a proportion of the costs of total services to be rendered. For short-term service contracts with an hourly fee based on a valid price list, revenue is recognized to the extent Metso Outotec has right to invoice the customer, and for service contracts with a fixed hourly fee agreed in the contract, revenue is recognized based on invoicing. Typical promises in service contacts are late delivery penalties, performance guarantees, or right to return promises; the impact of these promises are assessed, and sales recognized to the extent that Metso Outotec is entitled.

Major customers

In 2022 and 2021, Metso Outotec did not have any single customer whose sales would have exceeded 10 percent of consolidated sales.

1.3. Selling, general, and administrative expenses

EUR million	2022	2021
Marketing and selling expenses	-445	-348
Research and development expenses, net	-64	-66
Administrative expenses	-331	-321
Selling, general and administrative expenses	**-840**	**-734**

ACCOUNTING POLICY Research and development expenses comprise salaries, administration costs, digital investments, and depreciation and amortization of property, plant, and equipment and intangible assets and are mainly recognized as incurred. When material development costs meet certain capitalization criteria under IAS 38, they are capitalized and amortized over the expected useful life of the underlying technology.

Research and development expenses

EUR million	2022	2021
Research and development expenses, total	-54	-61
Capital expenditure	5	4
Grants received	4	2
Depreciation and amortization	-19	-10
Research and development expenses, net	**-64**	**-66**

1.4. Other operating income and expenses

ACCOUNTING POLICY Other operating income and expenses comprise income and expenses that do not directly relate to the operating activity of businesses within Metso Outotec, or which arise from unrealized and realized changes in fair value of foreign currency denominated financial instruments related to operations, including forward exchange contracts. Such items include costs related to significant restructuring programs, gains and losses on disposal of assets, and foreign exchange gains and losses, excluding those qualifying for hedge accounting and those, which are reported under finance income and expenses, net. Additionally, non-recoverable foreign taxes, which are not based on taxable profits, are reported in other operating income and expenses, net. In particular, these include foreign taxes and such like payments not based on Double Taxation Treaties in force.

EUR million	2022	2021
Other operating income		
Gain on sale of intangible and tangible assets	5	8
Rental income	1	1
Foreign exchange gains [1]	150	86
Other income	22	13
Other operating income total	178	108
Other operating expenses		
Loss on disposed businesses	-2	—
Loss on sale of intangible and tangible assets	-1	-9
Impairment of intangible and tangible assets	-2	-13
Foreign exchange losses [1]	-197	-101
Other expenses	-17	-3
Other operating expenses total	-219	-125
Other operating income and expenses, net	**-41**	**-18**

[1] Includes foreign exchange gains and losses resulting from trade receivables and payables and related derivatives.

1.5. Personnel expenses and number of personnel

Personnel expenses

EUR million	2022	2021
Salaries and wages	-880	-774
Pension costs, defined contribution plans	-40	-54
Pension costs, defined benefit plans [1]	-6	-9
Other post-employment benefits [1]	-1	-1
Share-based payments [2]	-11	-8
Other indirect employee costs	-118	-96
Total	**-1,056**	**-941**

[1] For more information on pension costs, see note 2.7.
[2] For more information on share-based payments, see note 1.6.

Number of personnel

	2022	2021
Personnel at end of the year	16,705	15,630
Average number of personnel during the year	16,079	15,600

Board remuneration

EUR thousand	2022	2021
Serving Board members December 31, 2022:		
Kari Stadigh	-182	-182
Klaus Cawén	-107	-107
Brian Beamish [2]	-87	—
Christer Gardell	-87	-84
Terhi Koipijärvi [2]	-88	—
Antti Mäkinen	-94	-93
Ian W. Pearce	-109	-118
Emanuela Speranza	-99	-104
Arja Talma	-106	-105
Former Board members		
Mikael Lilius [1]	—	-3
Matti Alahuhta [1]	—	-3
Hanne de Mora [1]	—	-7
Total	**-959**	**-806**

[1] Metso Outotec Board member until April 23, 2021.
[2] Metso Outotec Board member since April 21, 2022.

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According to the resolution of the 2022 Annual General Meeting, the fixed annual fees paid to the Board members is as follows: Chair of the Board EUR 156,000, Vice Chair of the Board EUR 82,500, and other Board members EUR 67,000. An additional annual remuneration is paid to the member of the Board elected in the position of Chair of the Audit and Risk Committee EUR 23,800, members of the Audit and Risk Committee EUR 10,300, Chair of the Remuneration and HR Committee EUR 12,400, and members of the Remuneration and HR Committee EUR 5,150.

In addition, the Annual General Meeting resolved to approve the following meeting fees for each Board and committee meeting: EUR 900 for meetings requiring travel within the Nordic countries, EUR 1,800 for meetings requiring travel within a continent, EUR 3,000 for meetings requiring intercontinental travel, and EUR 900 for meetings with remote attendance.

Remuneration paid to Chief Executive Officer and other Executive Team members

2022 EUR	Salary	Fringe benefits	Performance bonus paid	Share-based payment	Total
President and CEO Pekka Vauramo	858,768	3,135	791,484	2,499,528	4,152,915
Other Executive Team members	2,613,926	68,736	1,211,736	4,307,306	8,201,704
Total	**3,472,694**	**71,871**	**2,003,220**	**6,806,834**	**12,354,619**

2021 EUR	Salary	Fringe benefits	Performance bonus paid	Share-based payment	Total
President and CEO Pekka Vauramo	815,216	29,438	1,344,255	349,387	2,538,296
Other Executive Team members	2,955,061	82,180	1,920,632	891,281	5,849,154
Total	**3,770,277**	**111,618**	**3,264,887**	**1,240,668**	**8,387,450**

Remuneration paid to President and CEO Pekka Vauramo in 2022 is presented in the table above. Mr. Vauramo participates in remuneration programs according to respective terms and conditions decided by the Board. For more information on share-based payments, see note 1.6.

It has been agreed that Mr. Pekka Vauramo will continue as the President and CEO of Metso Outotec until the end of 2024. The President and CEO is entitled to participate in a supplementary defined contribution pension plan. The supplementary pension contribution is equivalent to 25% of the annual salary. For years ended December 31, 2022, and December 31, 2021, these pension premium payments for the supplementary defined contribution pension plan totaled approximately EUR 215 thousand and EUR 211 thousand respectively. The notice period for both parties is six months. Severance pay is full monthly salary multiplied by twelve (12) if the agreement is terminated by the company.

Metso Outotec has a subscribed supplementary pension plan for other Metso Outotec Executive Team members in Finland. For the years ended December 31, 2022, and December 31, 2021, these pension premium payments totaled EUR 581 thousand and EUR 561 thousand, respectively.

Board share ownership in Metso Outotec

Shares (pcs)	2022
Kari Stadigh	68,325
Klaus Cawén	37,685
Brian Beamish	1,738
Christer Gardell	44,063
Terhi Koipijärvi	3,725
Antti Mäkinen	18,806
Ian W. Pearce	26,500
Emanuela Speranza	5,200
Arja Talma	30,426
Total	**236,468**

Executive Team share ownership in Metso Outotec

Shares (pcs)	2022
Pekka Vauramo	237,619
Markku Simula	66,851
Heikki Metsälä	1,314
Markku Teräsvasara	72,863
Sami Takaluoma	79,636
Eeva Sipilä	175,254
Nina Kiviranta	31,016
Piia Karhu	915
Carita Himberg	—
Total	**665,468**

1.6. Share-based payments

ACCOUNTING POLICY Metso Outotec has share-based incentive plans for its key personnel.

The equity-settled share awards are valued based on the market price of the Metso Outotec share on the grant date and recognized as an employee benefit expense over the vesting period with a corresponding entry in other reserves of the equity. The historical development of the Metso Outotec shares, and the expected dividends have been taken into account when calculating the fair value. The entire share incentive, including the cash-for-taxes portion, is recognized in equity. Also the value of the cash portion is based on the grant date value. As a market condition, total shareholder return of the Performance Share Plans will be taken into account when determining the fair value at grant, and it will not be

changed during the plan. The fair value of the cost estimate of the Performance Share Plans will only be changed when service or non-market conditions are concerned.

At each balance sheet date, Metso Outotec revises its estimates on the amount of share-based payments that are expected to vest. The impact of a revision to a previous estimate is accrued as an employee benefit expense with a corresponding entry to equity. The historical development of Metso Outotec share price and the expected dividends have been taken into account when calculating the fair value.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT At each balance sheet date, management reviews its estimates for the number of shares that are expected to vest. As part of this evaluation, Metso Outotec takes into account changes in the forecasted performance of the Group and its reporting segments, expected turnover of the personnel benefiting from the incentive plan, and other pertinent information impacting the number of shares to be vested.

Metso Outotec Performance and Restricted Share Plans

In June 2020, Metso Outotec's Board decided on long-term share-based incentive plans: Performance Share Plan (PSP) and Restricted Share Plan (RSP). The commencement of each new PSP and RSP and the earnings criteria for each new PSP plan will be subject to a separate decision by the Board. The PSP consists of an annually commencing plan, each with a three-year earning period, and the complementary RSP consists of an annually commencing plan, each with a three-year vesting period. The possible rewards are paid partly in Metso Outotec's shares and partly in cash.

If the participant's employment or service ends for reasons relating to the participant before the reward payment, no reward will be paid from the long-term incentive plans.

Performance Share Plan 2022–2024

The earning criteria for the PSP 2022–2024 is based on the total shareholder return of Metso Outotec's share, earnings per share and an ESG measure linked to sales growth of Planet Positive portfolio. At the end of 2022, there were 185 participants in the plan, and the potential reward corresponds to a maximum of 1,692,200 Metso Outotec shares, out of which the Metso Outotec Executive Team can receive a maximum reward of 490,000 shares. The potential reward will be paid in 2025.

Restricted Share Plan 2022–2024

At the end of 2022, there were 21 participants in the RSP plan, and the potential reward corresponds to a 87,900 Metso Outotec shares. The potential reward will be paid in 2025.

Performance Share Plan 2021–2023

The earning criteria for the PSP 2021–2023 is based on the total shareholder return of Metso Outotec's share, earnings per share and an ESG measure linked to sustainable development. At the end of 2022, there were 170 participants in the plan, and the potential reward corresponds to a maximum of 2,455,904 Metso Outotec shares, out of which the Metso Outotec Executive Team can receive a maximum reward of 756,100 shares. The potential reward will be paid in 2024.

Restricted Share Plan 2021–2023

At the end of 2022, there were 22 participants in the RSP plan, and the potential reward corresponds to a 121,000 Metso Outotec shares. The potential reward will be paid in 2024.

Performance Share Plan 2020–2022

The earning criteria for the PSP 2020–2022 is based on the total shareholder return of Metso Outotec's share and the achievement of the synergy targets set in connection with the combination of the businesses. At the end of 2022, there were 8 participants in the plan, and the potential reward corresponds to a maximum of 837,800 Metso Outotec shares, out of which the Metso Outotec Executive Team can receive a maximum reward of 837,800 shares. The potential reward will be paid in 2023.

Metso Outotec Deferred Share Plan

In July 2020, Metso Outotec's Board of Directors decided to establish a new long-term incentive plan for senior managers and key employees. The Deferred Share Plan (DSP) is a long-term incentive plan that aligns and rewards the employee's performance and Metso Outotec share value development during a performance period. No new plan periods will be started from the Deferred Share Plan.

If the participant's employment or service ends for reasons relating to the participant before the reward payment, no reward will be paid from the long-term incentive plans.

Deferred Share Plan 2020–2022

At the end of 2022, there were 135 participants in the DSP plan, and the potential reward corresponds to 852,118 Metso Outotec shares, out of which a Metso Outotec Executive Team member can receive a potential reward of 6,550. The potential reward will be paid in 2023.

Metso Performance and Restricted Share Plans

In December 2014, Metso's Board decided on long-term share-based incentive plans: the Performance Share Plan (PSP) and Restricted Share Plan (RSP). The commencement of each new PSP and RSP and the earnings criteria for each new PSP plan would be subject to a separate decision by the Board. The PSP consists of an annually commencing plan, each with a three-year earning period, and the complementary RSP consists of an annually commencing plan, each with a three-year vesting period. The possible outstanding rewards are paid partly in Metso Outotec's shares and partly in cash. No new plan periods will be started from Metso's Performance or Restricted Share Plans.

If the participant's employment or service ends for reasons relating to the participant before the reward payment, no reward will be paid from the long-term incentive plans.

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Performance Share Plan 2018–2020

The earning criteria for the PSP 2018–2020 and the potential reward was based on the total shareholder return (TSR) of Metso's share during 2018–2020. The plan was evaluated in June 2020 and the earning criteria were not met; there was no payout from the PSP 2018–2020 plan in 2021.

Restricted Share Plan 2018–2020

A total of 47,475 Metso Outotec treasury shares were used to pay rewards to one participant belonging to Metso Outotec Executive Team in February 2021.

Performance Share Plan 2019–2021

The earning criteria for the PSP 2019–2021 was based on total shareholder return of Metso's share during 2019–2021. Plan performance was evaluated in June 2020. For 7 participants a total of 272,089 Metso Outotec treasury shares were paid, out of which Metso Outotec Executive Team members received a net reward of 242,834 shares. The reward was paid in February 2022.

Restricted Share Plan 2019–2021

A total of 56,542 Metso Outotec treasury shares were used to pay reward to two participants belonging to Metso Outotec Executive Team in February 2022.

Deferred Share Unit Plan

In December 2017, Metso's Board of Directors decided to establish a new long-term incentive plan for senior managers and key employees. The Deferred Share Unit Plan (DSUP) is a long-term share value-based incentive plan that aligns and rewards the employee's performance and Metso share value development during a performance period. Metso Outotec Executive Team members aren't eligible to participate in the DSUP. The possible rewards are paid in cash.

If the participant's employment or service ends for reasons relating to the participant before the reward payment, no reward will be paid from the long-term incentive plans.

Deferred Share Unit Plan 2018–2020

DSUP 2018–2020 plan was paid in cash to 83 employees in July 2021.

Deferred Share Unit Plan 2019–2021

DSUP 2019–2021 plan was paid in cash to 84 employees in June 2022.

Outotec Performance Share Plan

Outotec's Board of Directors decided on December 11, 2018, to adopt a Share-based Incentive Program 2019–2021 for the company's key personnel. No new plan periods will be started from Outotec's Performance Share Plans.

If the participant's employment or service ends for reasons relating to the participant before the reward payment, no reward will be paid from the long-term incentive plans.

The earning criteria for the Outotec Performance Share Plan 2019–2021 was based on operating result (EBIT) and free cash flow. A total of 260,547 Metso Outotec treasury shares were paid to 58 participants, out of which Metso Outotec Executive Team members received a net reward of 58,484 shares. The reward was paid in February 2022.

Matching Share Plan

Metso Outotec had one active Matching Share Plan for President and CEO Pekka Vauramo. The plan required a personal investment in Metso Outotec shares. The potential reward corresponded to a maximum of 117,075 gross Metso Outotec shares to be delivered in three installments subject to fulfilling the performance criterion of adjusted EBITA for each installment. The possible reward is paid partly in Metso Outotec's shares and partly in cash.

For the first installment, net amount of 20,742 Metso Outotec treasury shares were used to pay reward in February 2021. For the second and third installments, net amount of 17,669 each, were paid respectively in February 2022 and June 2022. There are no undue payments from the CEO's Matching Share Plan.

Beneficiaries of and granted shares under the share ownership plan

December 31, 2022	Beneficiaries total	Shares total
Matching Share Plan 2018–2022		
Granted 2022	1	35,338
Outotec LTIP 2019		
Granted 2022	58	260,547
Plan DSUP 2019–2021 [1]		
Granted 2022	84	
Plan PSP 2019–2021		
Granted 2022	7	272,089
Plan RSP 2019–2021		
Granted 2022	2	56,542

[1] Cash payment.

Costs recognized for the share ownership plans

EUR thousand	2022	2021
Plan PSP and DSUP 2018–2020	—	-2,257
Plan PSP, DSUP and RSP 2019–2021	-201	-3,696
Plan PSP and DSUP 2020–2022	-3,926	-3,186
Outotec LTIP 2019	-286	-1,195
Plan PSP and RSP 2021–2023	-4,472	-3,350
Plan PSP and RSP 2022–2024	-1,628	0
Total	**-10,513**	**-13,684**

1.7. Finance income and expenses

EUR million	2022	2021
Finance income		
Dividends received	0	0
Interest income	3	1
Other finance income	11	2
Finance income	14	4
Foreign exchange gains/losses	-14	-4
Finance expenses		
Interest expenses from financial liabilities at amortized cost	-39	-18
Interest expenses on lease liabilities	-5	-5
Other finance expenses	-19	-17
Finance expenses	-63	-40
Finance income and expenses, net	**-63**	**-39**

1.8. Income taxes

ACCOUNTING POLICY Income taxes in the consolidated income statement includes taxes of subsidiaries and the parent company based on taxable income for the current period, tax adjustments for previous periods, and the changes in deferred taxes. The other comprehensive income statement (OCI) includes taxes on items presented in the OCI. Deferred taxes are determined for temporary differences arising between the tax base of assets and liabilities and their financial statement carrying amounts, measured using substantially enacted tax rates.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT Metso Outotec is subject to income tax in its operating countries. Metso Outotec's management is required to make certain assumptions and estimates in preparing the annual tax calculations for which the ultimate tax consequence is uncertain. Annually, Metso Outotec has tax audits ongoing in several subsidiaries and recognizes tax liabilities for anticipated tax audit issues based on an estimate of whether additional taxes will be due. Where the final outcome of these issues is different from the estimated amounts, the difference will impact the income tax in the period in which such determination is made.

Components of income taxes

EUR million	2022	2021
Income taxes for current year	-182	-131
Income taxes for prior years	6	6
Change in deferred tax asset and liability	65	34
Income taxes	**-112**	**-92**

Differences between income tax expense computed at the Finnish statutory rate and income tax expense provided on earnings

EUR million	2022	2021
Profit before taxes	441	385
Income tax at Finnish statutory tax rate of 20.0%	-88	-77
Effect of different tax rates in foreign subsidiaries	-24	-14
Non-deductible expenses	-14	-12
Tax exempt income or tax incentives	8	20
Foreign non-creditable withholding taxes	-7	-4
Deferred tax liability on undistributed earnings	2	5
Income tax for prior years	4	1
Other	7	-10
Income taxes	**-112**	**-92**

Tax effects of components in other comprehensive income

	2022			2021		
EUR million	Before taxes	Tax	After taxes	Before taxes	Tax	After taxes
Cash flow hedges	3	1	3	-16	3	-13
Defined benefit plan actuarial gains (+) / losses (-)	9	-7	2	6	-1	5
Currency translation on subsidiary net investments	13	–	13	46	–	46
Total comprehensive income	25	-7	18	36	2	38
Current year tax		–			–	
Deferred tax		-7			2	
Total		**-7**			**2**	

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ACCOUNTING POLICY The deferred tax asset or liability is determined for temporary differences arising between the tax bases of assets and liabilities and their financial statement carrying amounts using the substantially enacted tax rates expected to apply in future years. Typical temporary differences arise from provisions, depreciation and amortization expense, inter-company inventory margins, defined benefit plans, and tax loss carry-forwards. Deferred tax liabilities are recognized in the balance sheet in full, and the deferred tax assets are only recognized if it is probable there will be taxable income in the future against which deferred tax assets can be used. Deferred tax assets are offset against deferred tax liabilities if they relate to taxes levied by the same taxation authority.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT In determining deferred tax assets and liabilities, Metso Outotec is required to make certain assumptions and estimates on, in particular, future operating performance and the taxable income of subsidiaries, recoverability of tax loss carry-forwards and potential changes in tax laws in jurisdictions where Metso Outotec operates. A deferred tax liability based on foreign subsidiaries' undistributed earnings has been provided only where Metso Outotec's management has elected to distribute such earnings in the coming years and the distribution is subject to taxation. Because tax consequences are difficult to predict, deferred tax assets and liabilities may need to be adjusted in future financial years, which may have an impact in the period in which such determination is made.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable to be utilized against the future taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

In certain cases, the losses are related to subsidiaries that have losses which may neither expire nor may be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, in certain jurisdictions the Group has determined that it cannot recognize deferred tax assets on the tax losses carried forward.

Deferred tax liability on undistributed retained earnings in subsidiaries will be recognized when the dividend distribution is probable in the future, and it will cause a tax impact. At the end of year 2022 and 2021 there were no substantial undistributed earnings in subsidiaries from which a deferred tax liability is not booked.

Reconciliation of deferred tax balances

2022 EUR million	Jan 1	Charged to income statement	Charged to shareholders' equity	Acquisitions and disposals	Translation differences and Group items	Dec 31
Deferred tax assets						
Tax losses carried forward	–	2	–	1	0	2
Intangible assets and property, plant and equipment	37	-6	–	0	1	31
Inventory	60	19	–	–	0	79
Provisions	31	30	–	–	1	61
Accruals	23	9	0	–	0	32
Pension related items	8	4	-7	–	0	6
Other	49	-22	0	–	5	31
Total deferred tax assets	209	35	-7	1	6	244
Offset against deferred tax liabilities	-31	–	–	–	12	-19
Net deferred tax assets	178	35	-7	1	19	225
Deferred tax liabilities						
Purchase price allocations	178	-14	–	1	–	166
Intangible assets and property, plant and equipment	12	4	–	–	0	15
Other	51	-20	1	–	0	31
Total deferred tax liabilities	240	-30	1	1	0	212
Offset against deferred tax assets	-31	–	–	–	12	-19
Net deferred tax liabilities	209	-30	1	1	12	193
Deferred tax assets (+) / liabilities (–), net	**-32**	**65**	**-8**	**0**	**6**	**31**

Reconciliation of deferred tax balances, comparison period

2021 EUR million	Jan 1	Charged to income statement	Charged to shareholders' equity	Acquisitions and disposals	Translation differences and Group items	Dec 31
Deferred tax assets						
Tax losses carried forward	13	-13	–	–	–	–
Intangible assets and property, plant and equipment	30	8	–	-1	0	37
Inventory	47	13	–	–	0	60
Provisions	32	-1	–	–	0	31
Accruals	15	7	–	–	1	23
Pension related items	10	-3	1	–	0	8
Other	25	12	2	0	9	49
Total deferred tax assets	173	23	3	-1	11	209
Offset against deferred tax liabilities	-24	–	–	–	-7	-31
Net deferred tax assets	149	23	3	-1	3	178
Deferred tax liabilities						
Purchase price allocations	188	-11	–	–	2	178
Intangible assets and property, plant and equipment	14	-3	–	–	0	12
Other	45	3	1	–	1	51
Total deferred tax liabilities	247	-11	1	–	4	240
Offset against deferred tax assets	-24	–	–	–	-7	-31
Net deferred tax liabilities	223	-11	1	–	-4	209
Deferred tax assets (+) / liabilities (-), net	**-74**	**34**	**2**	**-1**	**7**	**-32**

1.9. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the company by the weighted average number of shares issued and outstanding for the year, excluding own shares held by the Parent company.

Earnings per share

	2022	2021
Profit attributable to shareholders of the company, EUR million	301	342
Weighted average number of shares issued and outstanding (in thousands)	827,414	828,038
Earnings per share, basic, EUR	**0.36**	**0.41**

Earnings per share, continuing operations

	2022	2021
Profit attributable to shareholders of the company, continuing operations, EUR million	329	294
Weighted average number of shares issued and outstanding (in thousands)	827,414	828,038
Earnings per share, basic, EUR	**0.40**	**0.35**

Diluted

Shares to be potentially issued in the future are treated as outstanding shares when calculating the diluted earnings per share if they have a dilutive effect. Own shares held by Metso Outotec are reissued within the terms of the share ownership plans to key personnel, if the targets defined in the plans are met. Diluted earnings per share are calculated by increasing the weighted average number of outstanding shares by the number of shares that, would be distributed to the beneficiaries based on the results achieved, if the conditional earnings period ended at the end of the financial period in question. On December 31, 2022, Metso Outotec held 3,336,505 own shares to be used as consideration under share ownership plans.

Earnings per share, diluted

	2022	2021
Profit attributable to shareholders of the company, EUR million	301	342
Weighted average number of shares issued and outstanding (in thousands)	827,414	828,038
Adjustment for potential shares distributed (in thousands)	659	249
Weighted average number of diluted shares issued and outstanding (in thousands)	828,073	828,287
Earnings per share, basic, diluted, EUR	**0.36**	**0.41**

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2. Operational assets and liabilities

2.1. Net working capital and capital employed 48
2.2. Trade receivables 48
2.3. Other receivables 49
2.4. Inventory 49
2.5. Trade and other payables 50
2.6. Provisions 50
2.7. Post-employment obligations 51

2.1. Net working capital and capital employed

Net working capital

	Balance sheet value		Cash flow effect	
EUR million	2022	2021	2022	2021
Inventories	1,846	1,269	-600	-212
Trade receivables	799	668	-126	-121
Other non-interest-bearing receivables	372	294	-18	0
Customer contract assets and liabilities, net	-121	-64	73	122
Trade payables	-787	-692	85	142
Advances received	-281	-235	32	80
Other non-interest-bearing liabilities	-1,231	-986	178	-43
Net working capital	**596**	**254**	**-377**	**-31**

Capital employed

EUR million	2022	2021
Net working capital	596	254
Intangible assets	1,972	2,002
Property, plant and equipment	407	373
Right-of-use assets	115	127
Non-current investments	8	11
Interest-bearing receivables	8	9
Liquid funds	601	473
Tax payables and receivables, net	-59	-72
Interest payables, net	-5	-6
Capital employed	**3,643**	**3,173**

2.2. Trade receivables

ACCOUNTING POLICY Trade receivables are invoiced receivables from customers related to Metso Outotec's ordinary business transactions. General payment terms are typically from 30 days to 90 days, and they are non-interest-bearing receivables. Trade receivables are initially recognized at recoverable value and subsequently valued at amortized cost. If, exceptionally an over 360 day payment term was offered to a client, the invoiced amount is discounted to its fair value.

Metso Outotec may enter into an agreement to sell trade receivables. Trade receivables will be derecognized when payment has been received and there is certainty that the credit risk and other risks and rewards have been transferred to a third party.

In measuring expected credit losses, Metso Outotec applies the IFRS 9 simplified approach, which uses a lifetime expected loss allowance to be assessed and recognized regularly. Credit loss risk related to customer contract assets is covered mainly by the advance payments received from the clients.

Based on an analysis of the previous year's credit losses by ageing category and nature, as well as the macroeconomic outlook in the near future, Metso Outotec recognizes a credit loss allowance from 0.1% to 5% on trade receivables undue or less than 180 days overdue. For trade receivables more than 180 days overdue, the impairment is assessed individually, but without any credit guarantee, collateral, or similar assurance on the recoverability, a minimum credit loss provision of 25% (over 180 days overdue) and 100% (over 360 days overdue) will be recognized. Trade receivables are written off when there is no reasonable expectation of recovery. Probability of bankruptcy, other financial reorganization, or a similar situation indicating insolvency of the client triggers a final write off.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT Estimates on expected credit losses and credit loss provisions to be recognized are based on management's best judgment. The judgment is based on experience with past years' credit losses, current economic outlook and client segment, and location information. Trade receivables are collected actively, and possible impairment analyzed regularly by the businesses and Metso Outotec legal units, and the necessary actions to secure receivables are made by management. When a credit loss provision of a trade receivable is assessed individually, collateral, credit guarantees, financial position of the client, and earlier payment behavior are taken into consideration.

EUR million	2022	2021
Trade receivables	796	665
Trade receivables for sale	2	3
Total	**799**	**668**
Trade receivables classified as held for sale	—	15
Total	**799**	**683**

Provision on trade receivables by aging category

	2022		2021	
EUR million	Trade receivables, gross	of which provided	Trade receivables, gross	of which provided
Undue	566	1	496	1
overdue 1–30 days	96	0	42	0
overdue 31–180 days	113	4	127	2
overdue 181–360 days	24	6	21	3
overdue over 360 days	99	88	87	84
Total, gross	**898**	**100**	**773**	**90**
Total, net	799		683	

Realized write-offs amounted to EUR 2 million in 2022 (EUR 5 million in 2021).

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Provision for impairment of trade receivables

EUR million	2022	2021
Accumulated provision at beginning of year	90	85
Impact of exchange rates	0	1
Acquisitions	—	—
Impact in income statement	9	9
Other change	0	-5
Accumulated provision at end of year	**100**	**90**

2.3. Other receivables

ACCOUNTING POLICY Other non-interest-bearing receivables are recognized in the balance sheet at original fair value which can be subsequently written down due to impairment. The impairment is expensed under selling, general and administrative expenses.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT The group policy is to calculate an impairment loss based on the best estimate of the amounts that are potentially uncollectable at the balance sheet date. Metso Outotec management actively monitors the amount of receivables past due globally and initiates action as necessary.

Non-interest-bearing receivables

	2022			2021		
EUR million	Non-current	Current	Total	Non-current	Current	Total
Derivative instruments	3	86	88	2	46	47
Deferred tax assets	225	—	225	178	—	178
Income tax receivables	—	48	48	—	36	36
Other receivables						
Prepaid expenses and accrued income	—	69	69	—	45	45
VAT, payroll tax and social charge receivables	—	152	152	—	125	125
Pension assets	2	—	2	18	—	18
Other receivables	19	42	61	20	40	60
Other receivables total	20	263	283	38	210	247
Non-interest-bearing receivables total	**248**	**396**	**644**	**217**	**291**	**508**

Other non-interest-bearing receivables included EUR 17 million in 2022 (EUR 14 million in 2021) of Brazilian tax credits arising from delivery of goods and transfer of services (ICMS) recognized by local subsidiaries. Of that amount EUR 2 million in 2022 (EUR 2 million in 2021) was classified as long-term.

2.4. Inventory

ACCOUNTING POLICY Inventories are valued at the lower of historical cost calculated or net realizable value. Costs are measured on a weighted average cost basis and include purchase costs as well as transportation and processing costs. The costs of finished goods include direct materials, wages, and salaries plus employer social contributions, subcontracting and other direct costs, as well as a portion of production and project administration overheads. Net realizable value is the estimated amount that can be realized from the sale of the asset in the normal course of business less costs to sell.

Inventories are shown net of a provision for obsolete and slow-moving inventories. Metso Outotec's policy is to maintain a provision for slow-moving and obsolete inventory based on the best estimate of such amounts at the balance sheet date. An obsolescence provision is charged to income statement in the period in which the obsolescence is determined. Estimates are based on a systematic, on-going review and evaluation of inventory balance.

Trade-in equipment received is recorded as inventory at the lower of cost or net realizable value.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT Inventory valuation requires management to make estimates and judgments particularly relating to obsolescence and expected selling prices and sales costs in different market conditions. It also entails management's assessment of the general market trends in global markets.

EUR million	2022	2021
Materials and supplies	288	199
Work in process	600	439
Finished products	958	631
Inventories	**1,846**	**1,269**

For continuing operations, the cost of inventories recognized as expense amounted to EUR 3,822 million in 2022 (EUR 2,974 million in 2021).

Changes in provision for inventory obsolescence

EUR million	2022	2021
Balance at beginning of year	55	41
Impact of exchange rates	4	4
Additions charged to expense	61	25
Used reserve	0	0
Deductions / other additions	-21	-14
Classification as held for sale	—	-2
Balance at end of year	**99**	**55**

2.5. Trade and other payables

ACCOUNTING POLICY The fair values and carrying amounts of trade and other payables are considered to be the same, due to the short-term maturities. The maturities of the current non-interest-bearing liabilities rarely exceed six months. The maturities of trade payables are largely determined by trade practices and individual agreements between Metso Outotec and its suppliers.

Accrued personnel costs, including holiday pay, are settled in accordance with local laws and regulations.

	2022			2021		
EUR million	Non-current	Current	Total	Non-current	Current	Total
Trade payables	—	787	787	—	692	692
Derivative instruments	33	47	80	6	52	58
Other payables						
Accrued interests	—	6	6	—	6	6
Accrued personnel costs	—	203	203	—	165	165
Accrued project costs	—	358	358	—	252	252
VAT, payroll tax and social charge payables	—	64	64	—	78	78
Other payables	2	121	123	2	84	86
Other payables	**2**	**752**	**754**	**2**	**585**	**587**

2.6. Provisions

ACCOUNTING POLICY

Provisions are recognized when the Group has a legal or constructive obligation as a result of a past event, and it is probable that financial benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Provisions, for which settlement is expected to occur more than one year after the initial recognition, are discounted to their present value and adjusted in subsequent closings for the time effect.

Warranty and guarantee provisions

Metso Outotec issues various types of contractual product warranties under which it generally guarantees the performance levels agreed in the sales contract, the performance of products delivered during an agreed warranty period and services rendered for a certain period or term. The provision for estimated warranty costs is based on historical realized warranty costs for deliveries of standard products and services in the past. The typical warranty period is 12 months from the accepted delivery. The adequacy of provisions is assessed periodically on a case by case basis.

Restructuring and capacity adjustment costs

A provision for restructuring and capacity adjustment costs is recognized only after management has approved, committed to and started to implement a formal plan. Employee termination benefits are recognized after the representatives of employees or individual employees have been informed of the intended measures in detail and the related compensation packages can be reliably measured. The costs included in a provision for capacity adjustment are those costs that are either incremental or incurred as a direct result of the plan or as the result of a continuing contractual obligation with no continuing economic benefit to Metso Outotec or a penalty incurred to cancel the contractual obligation. Restructuring and capacity adjustment expenses are recognized in either cost of goods sold or in selling, general and administrative expenses depending on the nature of the restructuring expenses. Restructuring costs can also include other costs, which are recorded under other operating income and expenses, net, incurred as a result of the plan, such as asset write-downs.

Environmental remediation costs

Metso Outotec recognizes provisions associated with environmental remediation obligations when there is a present obligation as a result of past events, an outflow of resources is considered probable, and the obligation can be estimated reliably. Such provisions are adjusted as further information develops or circumstances change. Recoveries of environmental remediation costs from other parties are recorded as assets when their receipt is deemed virtually certain.

Provision for loss making projects

A provision for loss making projects is booked when the costs needed to settle the performance obligations of the contract exceed the consideration to be received. Such a provision for the unrecognized portion of the loss is recognized immediately when these conditions have been met and is revised according to the progress of the project.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT Provisions booked require management to estimate the future costs needed to settle the obligations and to estimate the possible outcomes of claims or lawsuits. The outcome depends on future development and events, so the final costs needed and the timing to settle the obligation may differ from the initial provision estimated.

For larger and long-term delivery projects and sales involving new technology, additional warranty provisions can be established on a case by case basis to take into account the potentially increased risk.

Metso Outotec has reviewed estimates and assumptions used in the preparation of the Consolidated financial statements due to the impact of Russia's military offensive against Ukraine. Metso Outotec booked a provision totaling EUR 150 million for wind-down and

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restructuring, which is expected to cover the remaining exposure in Russia. Wind-down related provisions totaled EUR 65 million at year-end.

Provisions

	2022			2021		
EUR million	Non-current	Current	Total	Non-current	Current	Total
Warranty and guarantee provision	0	90	90	0	74	74
Project loss provisions	27	84	112	15	79	94
Restructuring provision	1	3	4	1	7	8
Environmental remedial provision	0	1	1	0	0	1
Other provisions [1]	31	70	101	28	18	45
Total	**59**	**248**	**307**	**45**	**178**	**223**

[1] Includes provisions related to Russia wind-down, lawsuits and personnel liabilities.

Changes in provisions

2022 EUR million	Warranty and guarantee provision	Project loss provisions	Restruturing provision	Enviromental remediation provision	Total
Carrying value on January 1	74	94	8	1	177
Impact of exchange rates	1	0	0	0	1
Business disposals	0	—	0	—	0
Addition charged to expense	39	37	2	1	78
Used reserve	-16	-4	-2	0	-22
Reversal of reserve / other changes	-9	-15	-4	0	-28
Carrying value on December 31	**90**	**112**	**4**	**1**	**206**

2.7. Post-employment obligations

ACCOUNTING POLICY Metso Outotec has several different pension schemes in accordance with local regulations and practices in countries where it operates. In certain countries, the pension schemes are defined benefit plans with retirement, disability, death, and other post-retirement benefits, such as health services, and termination income benefits. The retirement benefits are usually based on the number of service years and the salary levels of the final service years. Metso Outotec has both defined contribution and defined benefit schemes. The schemes are generally funded through payments to insurance companies or to trustee-administered funds. Other arrangements are unfunded with benefits being paid directly by Metso Outotec as they fall due. All arrangements are subject to local tax and legal restrictions in their respective jurisdictions.

In the case of defined benefit plans, the liability recognized from the plan is the present value of the defined benefit obligation as of the balance sheet date less the fair value of the plan assets. Independent actuaries calculate the defined benefit obligation by applying the projected unit credit method under. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and having maturity approximating to the terms of the related pension obligation. The cost of providing retirement and other post-retirement benefits to personnel is charged to profit and loss concurrently with the service rendered by personnel. Net interest is recorded through finance income and expenses in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized through OCI in shareholders' equity in the period in which they arise. Past service costs, gains and losses on curtailments or settlements are recognized immediately in the income statement.

The contributions to defined contribution plans and multi-employer and insured plans are charged to profit and loss concurrently with the payment obligations.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT The present value of the pension obligations is based on annual actuarial calculations, which use several assumptions such as the discount rate and expected return on assets, salary and pension increases and other actuarial factors. As a result, the liability recorded on Metso Outotec's balance sheet and cash contributions to funded arrangements are sensitive to changes. Where the actuarial experience differs from those assumptions gains and losses result, which are recognized in OCI. Sensitivity analyses on the present value of the defined benefit obligation have been presented in the tables. Assets of Metso Outotec's funded arrangements are managed by external fund managers. The allocation of assets is reviewed regularly by those responsible for managing Metso Outotec's arrangements based on local legislation, professional advice and consultation with Metso Outotec, based on acceptable risk tolerances.

Metso Outotec's pension and other post-employment plans

Pension arrangements in Germany, the US, the UK and Canada together represent 82% of Metso Outotec's defined benefit obligation and 74% of its pension assets. These arrangements provide income in retirement which is substantially based on salary and service at or near retirement.

The German plans are unfunded with benefits paid directly by the company as they fall due. In the US and Canada, annual valuations are carried out to determine whether cash funding contributions are required in accordance with local legislation. In the UK, Metso Outotec's defined benefit pension arrangement is closed for future accrual. Plan assets are held by a separate pension fund and are administered by a Board of Trustees. Cash contributions are determined on a triennial basis in accordance with local funding legislation, with the level of cash payments being agreed between the trustees and Metso Outotec.

Assets of Metso Outotec's funded arrangements are managed by external fund managers. The allocation of assets is reviewed regularly by those responsible for managing Metso

Outotec's arrangements based on local legislation, professional advice and consultation with Metso Outotec, based on acceptable risk tolerances.

The expected contributions to plans in 2023 are EUR 7 million. Metso Outotec paid contributions of EUR 11 million to defined benefit plans in 2022.

Amounts recognized as of December 31 in the balance sheet

	2022			2021		
EUR million	Pension benefits	Other post-employment benefits	Total	Pension benefits	Other post-employment benefits	Total
Present value of funded obligations	88	—	88	125	—	125
Fair value of plan assets	-89	—	-89	-143	—	-143
Total	-1	—	-1	-18	—	-18
Present value of unfunded obligations	66	29	95	89	35	123
Unrecognized asset	1	—	1	1	0	1
Total	67	29	96	72	35	107
Amounts in the balance sheet						
Liabilities	67	29	97	90	35	124
Assets	-1	—	-1	-18	0	-18
Liabilities classified as held for sale	—	—	—	0	—	0
Net liability	**67**	**29**	**96**	**72**	**35**	**107**

Movements in the net liability recognized in the balance sheet (total)

EUR million	2022	2021
Net liability at beginning of year	107	112
Adjustments due to business combinations	—	-1
Reclassification	1	5
Net expense recognized in the income statement	6	7
Employer contributions	-11	-8
Gain (+) / loss (-) recognized through OCI	-9	-9
Translation differences	2	1
Net liability at end of year	**96**	**107**

Amounts recognized in the income statement

	2022			2021		
EUR million	Pension benefits	Other post-employment benefits	Total	Pension benefits	Other post-employment benefits	Total
Employer's current service cost	2	2	3	2	1	3
Net interest on net surplus (+) / deficit (-)	0	1	2	0	1	1
Settlements	0	—	0	2	0	2
Gain (-) / loss (+) recognized in income statement	0	0	0	0	0	0
Recognition of past service cost (+) / credit (-)	—	—	—	0	0	0
Administration costs paid by the scheme	1	—	1	1	0	1
Expense (+) / income (-) recognized in income statement	**3**	**3**	**6**	**5**	**1**	**7**

Amounts recognized through OCI

	2022			2021		
EUR million	Pension benefits	Other post-employment benefits	Total	Pension benefits	Other post-employment benefits	Total
Return on plan assets, excluding amounts included in interest expense (+) / income (-)	43	—	43	-1	—	-1
Actuarial gain (-) / loss (+) on liabilities due to change in financial assumptions	-58	-5	-63	-9	-2	-11
Actuarial gain (-) / loss (+) on liabilities due to change in demographic assumptions	0	0	0	0	0	0
Actuarial gain (-) / loss (+) on liabilities due to experience	9	2	11	0	1	1
Gain (-) / loss (+) as result of asset ceiling	0	—	0	1	—	1
Total gain (-) / loss (+) recognized through OCI	**-5**	**-4**	**-9**	**-8**	**-1**	**-9**

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Changes in the value of the defined benefit obligation

EUR million	2022 Pension benefits	2022 Other post-employment benefits	2022 Total	2021 Pension benefits	2021 Other post-employment benefits	2021 Total
Defined benefit obligation at beginning of year	214	35	249	242	29	271
Other adjustment to present value	1	—	1	-1	6	5
Employer's current service cost	2	2	3	2	1	3
Interest cost	3	1	4	3	1	3
Business combinations	-1	0	-1	0	0	-1
Plan participant contributions	—	—	—	0	0	0
Past service cost (+) / credit (-)	—	0	0	0	0	0
Actuarial gain (-) / loss (+) due to change in financial assumptions	-58	-5	-63	-9	-2	-11
Actuarial gain (-) / loss (+) on liabilities due to change in demographic assumptions	0	0	0	0	0	0
Actuarial gain (-) / loss (+) due to experience	9	1	10	0	1	2
Settlements	-2	—	-2	-19	0	-19
Benefits paid from the arrangement	-6	—	-6	-7	0	-7
Benefits paid direct by employer	-4	-5	-9	-4	-3	-7
Translation differences	-5	2	-4	8	2	10
Defined benefit obligation at end of year	**154**	**30**	**183**	**214**	**35**	**249**

Changes in the fair value of the plan assets during the year

EUR million	2022 Pension and other post-employment benefits total	2021 Pension and other post-employment benefits total
Fair value of assets at beginning of year	143	159
Interest income on assets	3	2
Return on plan assets excluding interest income	-43	1
Assets distributed on settlements	-2	-21
Business combinations	-1	0
Employer contributions	5	8
Plan participant contributions	—	0
Benefits paid from the arrangements	-6	-7
Benefits paid direct by employer	-4	-7
Administration expenses paid from the scheme	-1	-1
Translation differences	-6	9
Fair value of assets at end of year	**89**	**143**

Major categories of plan assets as a percentage of total plan assets as of December 31

	2022 Quoted	2022 Unquoted	2022 Total	2021 Quoted	2021 Unquoted	2021 Total
Equity securities	6%	0%	6%	10%	0%	10%
Bonds	2%	0%	2%	3%	0%	3%
Cash	6%	0%	6%	5%	0%	5%
Insurance contracts	0%	63%	63%	0%	19%	19%
Other	8%	14%	22%	21%	43%	63%
Total	**23%**	**77%**	**100%**	**38%**	**62%**	**100%**

As of December 31, 2022, there were no plan assets invested in affiliated or property occupied by affiliated companies.

Principal actuarial assumptions on December 31 expressed as weighted averages

%	2022	2021
Benefit obligation:		
Discount rate	4.15%	1.63%
Rate of salary increase	3.18%	2.79%
Rate of pension increase	2.58%	2.37%
Expense in income statement:		
Discount rate	1.63%	1.16%
Rate of salary increase	2.79%	2.63%
Rate of pension increase	2.37%	2.01%

The calculated life expectancy of persons covered by defined benefit plans is based on regularly updated local mortality tables. These are shown in the table below.

Weighted average life expectancy used for the major defined benefit plans

	2022		2021	
Life expectancy at age of 65 for a male member, who is	currently aged 65	currently aged 45	currently aged 65	currently aged 45
Germany	20.6	23.4	20.5	23.2
United States	20.7	22.2	20.6	22.1
United Kingdom	21.8	22.4	22.1	22.7
Canada	22.0	23.0	22.0	23.0

Life expectancy is allowed for in the assessment of the defined benefit obligation using mortality tables which are generally based on experience within the country in which the arrangement is located with (in many cases) an allowance made for anticipated future improvements in longevity.

Sensitivity analyses on present value of defined benefit obligation in the next table presents the present value of the defined benefit obligation when major assumptions are changed while others held constant.

Sensitivity analyses

	2022			2021		
%	Pension	Other	Total	Pension	Other	Total
Discount rate						
Increase of 0.25%	-4.3	-0.6	-4.9	-7.7	-0.9	-8.6
Decrease of 0.25%	4.5	0.7	5.2	8.2	0.9	9.1
Salary increase rate						
Increase of 0.25%	–	0.2	0.2	0.0	0.2	0.2
Decrease of 0.25%	–	-0.2	-0.2	0.0	-0.2	-0.2
Pension increase rate						
Increase of 0.25%	1.4	n/a	1.4	2.9	–	2.9
Decrease of 0.25%	-1.3	n/a	-1.3	-2.7	–	-2.7
Medical cost trend						
Increase of 0.25%	n/a	1.0	1.0	–	1.3	1.3
Decrease of 0.25%	n/a	-0.9	-0.9	–	-1.2	-1.2
Life expectancy						
Increase of one year	6.9	0.9	7.8	11.1	1.3	12.4
Decrease of one year	-6.6	-0.9	-7.5	-10.6	-1.2	-11.8

Weighted average duration of defined benefit obligation expressed in years

	2022			2021		
In years	Pension	Other	Total	Pension	Other	Total
On December 31	11.8	9.4	11.5	15.0	10.2	14.4

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3. Intangible and tangible assets

3.1. Goodwill and intangible assets 56
3.2. Property, plant, and equipment 58
3.3. Right-of-use assets 60
3.4. Depreciation and amortization 61

3.1. Goodwill and intangible assets

ACCOUNTING POLICY

Goodwill and intangible assets with an indefinite useful life

Goodwill represents the excess of acquisition costs over the fair value of net identified assets acquired and liabilities assumed and the fair values of previously owned interests and non-controlling interests. Goodwill is allocated to cash generating units (CGUs), which are the reportable segments Aggregates, Minerals, and Metals. If Metso Outotec reorganizes its reporting structure, goodwill is reallocated to the cash generating units affected based on their relative fair values at the time of the reorganization. The carrying value of goodwill is tested with the CGU's value in use or the CGU's fair value less costs of disposal, when appropriate. Previously recognized impairment losses on goodwill are not reversed.

Intangible assets with an indefinite useful life, such as brand values, are not amortized. Currently, such assets are tested for impairment annually as part of the appropriate CGU tested for impairment. Previous losses on impairment are only reversed to the extent that the new carrying amount of the assets does not exceed the carrying amount the asset would have had, if the asset had not been impaired.

Intangible assets

Intangible assets with a definite useful life, mainly trademarks, patents, licenses, IT software, or acquired order backlog are measured at costs less accumulated amortization and impairment losses.

Amortization of intangible assets

Amortization of intangible assets with a definite useful life is calculated on a straight-line basis over the useful life of the assets as follows:

Patents and licenses	5–10 years
Computer software	3–5 years
Technology	3–20 years
Customer relationships	3–20 years
Other intangible assets	< 1–20 years

The probable useful lives of assets are reviewed annually. If material deviations from previous estimates arise, the useful lives are reassessed. The carrying value of intangible assets subject to amortization is reviewed for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. A previously recognized impairment loss may be reversed if there is a significant improvement of the circumstances having initially caused the impairment, but not to a higher value than the carrying amount, that would have been recorded had there been no impairment in prior years.

Research and development expenses comprise salaries, administration costs, depreciation, and amortization of property, plant, and equipment and intangible assets, and they are mainly recognized as incurred. When material development costs meet certain capitalization criteria under IAS 38, they are capitalized and amortized during the expected useful life of the underlying technology.

Goodwill and intangible assets

2022 EUR million	Goodwill	Patents and licenses	Capitalized software	Other intangible assets	Goodwill and intangible assets total
Acquisition cost at beginning of year	1,124	102	20	1,057	2,321
Translation differences	-1	2	0	3	4
Business acquisitions	5	1	–	7	13
Capital expenditure	–	5	1	15	21
Reclassifications	–	0	0	0	0
Other changes	–	-9	-6	-1	-16
Acquisition cost at end of year	1,128	102	16	1,079	2,326
Accumulated depreciation at beginning of year	–	-80	-17	-203	-300
Translation differences	–	-2	0	-1	-4
Business acquisitions	–	0	–	–	0
Other changes	–	7	6	3	16
Amortization charges for the year, continuing operations	–	-4	-2	-60	-66
Accumulated depreciation at end of year	–	-79	-13	-261	-353
Net book value at end of year	**1,128**	**24**	**3**	**818**	**1,972**

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Goodwill and intangible assets

2021 EUR million	Goodwill	Patents and licenses	Capitalized software	Other intangible assets	Goodwill and intangible assets total
Acquisition cost at beginning of year	1,136	120	102	1,036	2,396
Translation differences	8	3	1	3	16
Business disposals	-2	–	0	0	-2
Capital expenditure	–	3	0	12	15
Reclassifications	–	0	0	0	0
Other changes	–	-24	-83	3	-104
Acquisition cost at end of year	1,142	102	20	1,057	2,321
Accumulated depreciation at beginning of year	–	-91	-83	-136	-310
Translation differences	–	-3	-1	-1	-5
Business disposals	–	–	–	0	0
Other changes	–	27	83	3	113
Impairment losses	–	-5	-12	-9	-26
Amortization charges for the year, continuing operations	–	-8	-4	-60	-72
Accumulated depreciation at end of year	–	-80	-17	-203	-300
Reclassed to held for sale	–	–	0	-1	-1
Restatement	-18	–	–	-1	-19
Net book value at end of year	**1,124**	**23**	**3**	**852**	**2,002**

Impairment testing

ACCOUNTING POLICY Goodwill and other intangible assets with an indefinite useful life are tested for impairment annually. The testing of goodwill and other intangible assets with an indefinite useful life is performed at the cash generating unit level. If the carrying value of goodwill exceeds the recoverable value, an impairment is recognized in the income statement under depreciation and amortization. Impairment losses on goodwill are not reversed. Currently, Metso Outotec's management has defined three separate CGUs: Aggregates, Minerals and Metals, to which goodwill has been allocated.

The recoverable amounts of CGUs are based on value in use calculations, where the estimated future cash flows of CGUs are discounted to their present value. The cash flows are derived from the current year's last-quarter estimate, the following year's budget, and the approved strategy for the next four years, beyond which cash flows are calculated using the terminal value method. The terminal growth rate used is based on management's judgment of average long-term growth. Cash flows include only normal maintenance investments and exclude any potential investments that enhance the CGU's performance and acquisitions.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT Value in use calculations are inherently judgmental and highly susceptible to change from period to period because they require management to make assumptions about future supply and demand related to its individual business units, future sales prices, profit margins, and achievable efficiency savings over time. The value of benefits and savings expected from the efficiency improvement programs are inherently subjective. Metso Outotec management estimates sales growth rate and EBITDA development for the testing period as well as the discount factor used. The present value of the cash generating units is discounted using the CGU's weighted average cost of capital (WACC) calculated by Metso Outotec. WACC calculations include judgments regarding, among other things, relevant beta factors, peer companies, and capital structure to use.

Metso Outotec performs impairment testing annually, or whenever there is an indication of impairment. Typical triggering events are material deterioration in the global economy or political environment, observed significant under-performance relative to projected future performance, and significant changes in Metso Outotec's strategy.

Expected useful lives and remaining amortization periods for other intangible assets are reviewed annually by management. Acquisitions, disposals, and restructuring actions typically generate a need for reassessment of recoverable amounts and remaining useful lives of assets. When other intangible assets are measured at fair value, less costs of disposal, the selling price, incremental costs, and selling costs need to be estimated by management. Metso Outotec assesses the effects of the climate change to the future cash flows while performing the impairment calculations.

Upon initial acquisition, Metso Outotec uses readily available market values to determine the fair values of acquired net assets to be allocated. However, when this is not possible, the valuation is based on past performance of such an asset and expected future cash generating capacity, which requires management to make estimates and assumptions of the future performance and use of these assets. Any change in Metso Outotec's future business priorities may affect the recoverable amounts.

Goodwill allocation to cash generating units

EUR million	2022	2021
Balance at the beginning of year	1,124	1,118
Translation differences	-1	8
Acquisitions and disposals	5	-2
Balance at the end of year	**1,128**	**1,124**

EUR million	Minerals	Aggregates	Metals	Total
Balance at the end of year	839	204	85	1,128

Annual impairment test in 2022

On December 31, 2022, goodwill totaled EUR 1,128 million. In accordance with the Metso Outotec reporting structure, goodwill is allocated to the reportable segments, Aggregates, Minerals, and Metals. The cost of centralized Group services was allocated to the CGUs based on their proportional share of sales volume.

Given that the recoverable amounts of each CGU significantly exceeded the carrying value of goodwill and other tested assets, no indication of impairment was found in 2022. The value in use calculations were derived from estimates, budgets, and strategy figures reviewed by Metso Outotec's management and approved by the Board of Directors.

The key assumptions used in assessing the recoverable amount are the profitability and growth rate in the estimate period, long-term average growth in the terminal period and discount rate. The key values used were the following:

%	Minerals	Aggregates	Metals
Sales growth in four years estimate period	6.9%	6.0%	8.9%
EBITDA % range in four years estimate period	15.6%–19.5%	14.7%–17.5%	9.9%–12.5%
Growth rate in the terminal period	2.0%	2.0%	2.0%
WACC after tax	9.2%	9.2%	9.2%
WACC before tax	11.6%	11.7%	11.6%

Values assigned to key assumptions reflect past experience and the management's expectations on the future sales and production volumes, which are based on the current structure and production capacity of each CGU. The seasonality and current market situation of each cash generating unit have been considered separately. In addition, data on growth, demand, and price development, provided by various research institutions, have been utilized. The growth rate of 2.0% for the terminal period is based on the long-term expectations on the growth in Metso Outotec's market environment, considering the current interest rate environment and overall financial market situation.

WACC before tax is used as a discount factor in the calculations. It takes into account the expected return on both debt and equity and has been derived from the WACC on comparable peer industry betas, capital structure, and tax rates. CGU WACCs are evaluated annually for testing, and CGU-specific risk is incorporated through individual beta factors from the market data of the segment's peer companies.

Sensitivity analysis

The sensitivity to impairment of the calculations of each cash generating unit was tested in the following scenarios:

- Scenario 1: increasing WACC by 2.0 percentage points
- Scenario 2: reducing the terminal growth rate from 2.0% to 1.5%

Impact to the value in use of the CGUs in the sensitivity analysis

%	WACC increase by 2 p.p.	Terminal growth from 2% to 1.5%
Minerals	-22%	-5%
Aggregates	-24%	-6%
Metals	-25%	-6%

The sensitivity analysis also includes several cash projections on break-even levels of EBITDA %, WACC, and sales growth, based on a reasonable change in the future performance of the CGU. However, the impact on the present value obtained is limited, as long as there is no permanent weakening expected for the business, which would affect the terminal value. Based on these sensitivity analyses, management believes that no reasonably possible change of the key assumptions used would cause the carrying value of any CGU to exceed its recoverable amount. In 2022, the sensitivity analysis did not indicate risks of impairment.

3.2. Property, plant, and equipment

ACCOUNTING POLICY Property, plant, and equipment (PPE) are stated at historical cost, less accumulated depreciation, and write-downs, if any. The property, plant, and equipment of acquired subsidiaries are measured at their fair value at the acquisition date.

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets as follows:

Buildings and structures 15–40 years
Machinery and equipment 3–20 years
Land and water areas are not depreciated.

Expected useful lives are reviewed at each balance sheet date and, if they differ significantly from previous estimates, the remaining depreciation periods are adjusted accordingly.

Subsequent improvement costs related to an asset are included in the carrying value of such asset or recognized as a separate asset, as appropriate, only when the future economic benefits associated with the costs are probable and the related costs can be separated from normal maintenance costs.

Metso Outotec reviews tangible assets to be held and used by the company for impairment whenever events and changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Gains and losses on the disposal of property, plant, and equipment and possible impairments are recognized in other operating income and expenses. A previously recognized impairment loss may be reversed if there is a significant improvement in the circumstances having initially caused the impairment, however not to a higher value than the carrying amount that, would have been recorded had there been no impairment in prior years.

Metso Outotec reviews the climate change related matters which may affect the estimated residual value, expected useful lives of assets and the possible reflected changes in the recognized amount of depreciation or amortization.

Capitalized interests

Interest expenses of self-constructed property, plant, and equipment are capitalized in Metso Outotec's financial statements. The capitalized interest expense is amortized over the estimated useful life of the underlying asset.

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Government grants

Government grants relating to additions to property, plant, and equipment are deducted from the acquisition cost of the asset and they reduce the depreciation charge of the related asset. Other government grants are deferred and recognized as profit and presented as a net of expenses concurrently with the costs they compensate.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT Acquisitions, disposals and restructuring actions typically generate a need for reassessment of the recoverable values and remaining useful lives of assets. When property, plant, and equipment are valued at fair value less costs of disposal, the selling price, incremental costs and selling costs need to be estimated by management.

Property, plant, and equipment

2022 EUR million	Land and water areas	Buildings and structures	Machinery and equipment	Assets under construction	PPE total
Acquisition cost at beginning of year	35	235	586	43	899
Translation differences	0	0	5	0	5
Business acquisitions	–	2	3	–	5
Business disposals	0	0	-5	0	-5
Capital expenditure	8	4	38	42	93
Reclassifications	1	2	23	-27	0
Divestments and other changes	-3	-11	-27	-1	-42
Acquisition cost at end of year	40	233	624	57	954
Accumulated depreciation at beginning of year	–	-113	-410	–	-523
Translation differences	–	0	-5	–	-5
Business acquisitions	–	-1	-1	–	-2
Business disposals	–	0	5	–	5
Divestments and other changes	–	7	25	–	32
Write-downs	–	0	-1	–	-1
Depreciation charges for the year	–	-9	-43	–	-52
Accumulated depreciation at end of year	–	-116	-431	–	-547
Net book value at end of year	**40**	**117**	**193**	**57**	**407**

2021 EUR million	Land and water areas	Buildings and structures	Machinery and equipment	Assets under construction	PPE total
Acquisition cost at beginning of year	43	236	576	41	895
Translation differences	1	8	13	2	24
Business disposals	–	-6	-11	–	-18
Capital expenditure	–	5	34	37	76
Reclassifications	–	8	29	-37	–
Divestments and other changes	-10	-14	-55	–	-79
Acquisition cost at end of year	35	235	586	43	899
Accumulated depreciation at beginning of year	–	-118	-417	–	-535
Translation differences	–	-3	-8	–	-11
Business disposals	–	3	9	–	13
Divestments and other changes	–	13	50	–	63
Write-downs	–	–	-1	–	-1
Depreciation charges for the year	–	-9	-43	–	-51
Accumulated depreciation at end of year	–	-113	-410	–	-523
Classification as held for sale	–	–	-2	–	-2
Net book value at end of year	**35**	**121**	**174**	**43**	**373**

3.3. Right-of-use assets

ACCOUNTING POLICY Metso Outotec recognizes a right-of-use asset in the balance sheet for lease agreements which give the right to use the asset during the lease period and the lease liability based on the lease payment obligation. The right-of-use assets and corresponding lease liabilities are recognized at present value. Lease liabilities include the following payments:

- fixed payments, less any lease incentives provided by the lessor;
- variable payments that depend on an index or a rate;
- expected payments under residual value guarantees;
- the exercise price of purchase options when exercise is estimated to be reasonably certain; and
- penalties for terminating the lease if the lease term reflects the exercise of a termination option.

Lease payments are discounted by using the implicit interest rate in the lease to the extent it can be readily determined. Otherwise the currency specific incremental borrowing rate is used as the discount rate. Interest expenses are recognized in the income statement as finance expense.

Right-of-use assets are measured at cost. The cost comprises the following:

- lease liability;
- lease payments made at or before the commencement of the lease, less lease incentives received;
- initial direct costs; and
- estimated dismantling and restoration costs.

Subsequently, right-of-use assets are measured at cost and depreciated over the shorter of estimated useful life and the lease term. Metso Outotec's right-of-use assets consist primarily of operative and office premises in the category of Buildings, and cars, operative machinery, and equipment in the category of Machinery and equipment. The depreciation of right-of-use assets are recognized in the in the income statement in cost of sales and selling and administrative expenses.

Metso Outotec uses practical expedients provided for leases. Lease payments for leases of low value assets and short-term leases (shorter than twelve months) are expensed on a straight-line basis. Low value assets comprise IT equipment and other small office items.

The lease payments are presented in the cash flow from financing activities, and the interest related to leases are presented in the cash flow from operating activities. Lease payments related to short-term leases and low-value assets are presented in the cash flow from operating activities.

Modifications to lease agreements may result in adjustments to existing right-of-use assets and lease liabilities. A gain or loss arising from a modification, or a termination of a lease agreement is recognized as other operating income or other operating expenses in the income statement.

A number of lease contracts include extension and termination options. Such options have been taken into account when determining the lease term. A period covered by Metso Outotec's option to extend the lease is included in the lease term if such option is sufficiently likely to be exercised. Further, a period covered by Metso Outotec's option to terminate the lease is included in the lease term if it is reasonably certain that such option will not be exercised.

ESTIMATES AND ASSESSMENTS BY MANAGEMENT The most significant management judgment relates to lease agreements that include extension or early termination options for Metso Outotec. For these contracts, management needs to assess the probability of exercising such option, which may significantly affect the estimated length of the lease term, and consequently, the amounts of right-of-use asset and lease liability, as well as the related depreciation and interest expense. Management judgment is also applied in defining the incremental borrowing rate used to calculate the present value of the future lease payments.

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Amounts recognized in balance sheet

2022 EUR million	Land and water areas	Buildings	Machinery and equipment	Right-of-Use assets total
Acquisition cost at beginning of year	1	171	29	202
Translation differences	—	-1	-1	-2
Business disposals	—	-6	-1	-6
Additions	5	25	10	40
Derecognition	-2	-23	-10	-35
Acquisition cost at end of year	5	167	27	199
Accumulated depreciation at beginning of year	—	-55	-15	-70
Translation differences	—	-2	—	-2
Business disposals	—	5	1	5
Accumulated depreciation for derecognized contracts	—	12	8	21
Depreciation charges for the year	—	-29	-8	-38
Other changes	—	—	—	—
Accumulated depreciation at end of year	—	-70	-14	-84
Net book value at end of year	**5**	**97**	**13**	**115**

2021 EUR million	Land and water areas	Buildings	Machinery and equipment	Right-of-Use assets total
Acquisition cost at beginning of year	—	155	26	181
Translation differences	—	3	—	3
Business disposals	—	—	—	—
Additions	—	29	9	38
Derecognition	—	-15	-6	-21
Other changes	1	—	—	2
Acquisition cost at end of year	1	171	29	202
Accumulated depreciation at beginning of year	—	-33	-12	-45
Translation differences	—	-1	—	-1
Business disposals	—	—	—	—
Accumulated depreciation for derecognized contracts	—	7	6	13
Depreciation charges for the year	—	-29	-9	-38
Other changes	—	—	—	—
Accumulated depreciation at end of year	—	-55	-15	-70
Classification as held for sale	—	-3	-1	-4
Business disposals, discontinued operations	—	—	0	0
Net book value at end of year	**1**	**113**	**13**	**127**

Amounts recognized in profit and loss

EUR million	2022	2021
Operating profit		
Depreciation expense on right-of-use assets	-38	-38
Rental expense relating to leases of low-value assets	-1	-1
Rental expense relating to leases of short-term assets	-3	-3
Finance expenses		
Interest expense on lease liabilities	-5	-5
Total amount recognized in profit and loss	**-47**	**-47**

The total cash outflow for leases including short-term leases and leases of low-value assets in 2022 was EUR 44 million (EUR 48 million in 2021). A maturity analysis of lease liabilities is presented in note 4.5.

3.4. Depreciation and amortization

Depreciation and amortization by asset class

EUR million	2022	2021
Intangible assets		
Intangible assets from acquisitions	-52	-51
Other intangible assets	-14	-21
Tangible assets		
Buildings and structures	-9	-9
Machinery and equipment	-43	-43
Right-of-use assets		
Land areas	0	0
Buildings and structures	-29	-29
Machinery and equipment	-8	-9
Total	**-156**	**-161**

Depreciation and amortization by function

EUR million	2022	2021
Cost of goods sold	-86	-84
Selling, general and administrative expenses	-69	-78
Total	**-156**	**-161**

The depreciation and amortization of discontinued operations was totaled EUR 1 million in year 2022 (EUR 5 million in 2021).

4. Capital structure and financial instruments

4.1. Financial risk management 63
4.2. Financial assets and liabilities by category 66
4.3. Liquid funds 68
4.4. Equity 68
4.5. Borrowings and lease liabilities 69
4.6. Interest-bearing net debt reconciliation 71
4.7. Contingent liabilities and other commitments 71
4.8. Derivative instruments 72

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4.1. Financial risk management

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

Sensitivity analysis

Sensitivity analysis figures presented in connection with different financial risks are based on the risk exposures at the balance sheet date. The sensitivity is calculated by assuming a change in one of the risk factors of a financial instrument, such as interest or currency. It is not likely that the future volatility of a risk factor will develop in accordance with the test assumptions and that only one factor would be impacted.

When calculating the sensitivity, Metso Outotec has chosen to use market conventions in assuming a one percentage point (100 basis points) variation in interest rates, and a 10 percent change in foreign exchange rates because this provides better comparability from one period to another and information on volatility to users of financial statements. Metso Outotec is aware that such assumptions may not be realistic when compared to past volatility and they are not intended to reflect the future. Metso Outotec has chosen not to use past volatility as this could mislead the users of financial statements to assume the analysis reflects management's view on future volatility of the financial instruments.

Liquidity and refinancing risk and capital structure management

Liquidity or refinancing risk arises when a company is not able to arrange funding at terms and conditions corresponding to its creditworthiness. Sufficient cash, short-term investments, and committed and uncommitted credit facilities are maintained to protect short-term liquidity. Diversification of funding among different markets and an adequate number of financial institutions is used to safeguard the availability of liquidity at all times. Group Treasury monitors bank account structures, cash balances and forecasts of the operating units, and manages the utilization of the consolidated cash resources.

The liquidity position of Metso Outotec remained good supported by the healthy operative cash flow, maturity structure of the funding, and available back up credit facilities. Liquid funds, consisting of cash and cash equivalents, amounted to EUR 601 million (EUR 473 million in 2021), and there were no deposits or securities with a maturity more than three months (EUR 0 million in 2021).

In addition, Metso Outotec has a committed and undrawn syndicated EUR 600 million revolving credit facility with a maturity in 2026. At the end of the period the facility was undrawn. The company also has a EUR 600 million Finnish commercial paper program, of which EUR 80 million was utilized at the end of the period.

During the third quarter, Metso Outotec signed a EUR 100 million term loan agreement for two years with one of its relationship banks.

During the fourth quarter, the company signed an EUR 50 million research, development, and innovation (RDI) loan with European Investment Bank. At the end of the year, the loan remained undrawn.

During the fourth quarter, the company purchased through a voluntary tender offer EUR 103 million of outstanding bonds maturing in 2024. At the same time the company issued new bonds for EUR 300 million with a coupon of 4.875% and maturity in 2027.

Metso Outotec has a Euro Medium Term Note Program (EMTN) of EUR 2 billion, under which EUR 758 million at carrying value was outstanding at the end of December (Dec 31, 2021: EUR 687 million).

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. The tables below analyze the repayments and interests on Metso Outotec's liabilities by the remaining maturities from the balance sheet date to the contractual maturity date. The net interest payments of interest-rate swaps hedging long-term loans are included in the long-term debt repayment figures.

Maturities of debts

	Dec 31, 2022			Dec 31, 2021		
EUR million	<1 year	1–5 years	> 5 years	<1 year	1–5 years	> 5 years
Long-term debt						
Repayments	–	700	336	150	334	293
Interests	–	99	6	9	19	3
Other liabilities	–	–	–	–	2	–
Short-term debt						
Repayments	176	–	–	42	–	–
Interests	33	–	–	–	–	–
Trade payables	772	–	–	692	–	–
Other liabilities	–	–	–	16	–	–
Total	**981**	**799**	**342**	**909**	**355**	**296**

Detailed information on balance sheet items is presented in other notes to the Consolidated financial statements. Capital structure is assessed regularly by the Board of Directors and managed operationally by Group Treasury.

Capital structure management in Metso Outotec comprises both equity and interest-bearing debt. As of December 31, 2022, the equity attributable to shareholders was EUR 2,342 million (EUR 2,250 million in 2021), and the amount of interest-bearing debt excluding lease liabilities was EUR 1,174 million (EUR 819 million in 2021).

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–' long-term issuer credit rating with positive outlook to Metso Outotec.

There are no prepayment covenants in Metso Outotec's financial contracts that would be triggered by changes in the credit rating. Covenants included in some financing agreements would only become valid, if Metso Outotec's credit rating was below Investment Grade, and the covenants would be related to Metso Outotec's capital structure. Metso Outotec is in compliance with all covenants and other terms of its debt instruments.

Interest rate risk

Interest rate risk arises when changes in market interest rates and interest margins influence finance costs, returns on financial investments and valuation of interest-bearing balance sheet items. Interest rate risks are managed by balancing the ratio between fixed and floating interest rates and by managing the duration of debt and investment portfolios. Additionally, Metso Outotec may use derivative instruments, such as forward rate agreements, swaps, options, and futures contracts, to mitigate the risks arising from interest-bearing assets and liabilities. The interest rate risk is managed and controlled by the Group Treasury and measured using sensitivity analysis and duration of long-term debt. The duration of long-term debt was 2.0 years as of December 31, 2022 (2.2 years in 2021).

At the end of 2022, the balance sheet items exposed to interest rate risk were interest-bearing assets of EUR 609 million (EUR 482 million in 2021), and interest-bearing debt excluding lease liabilities amounted to EUR 1.174 million (EUR 819 million in 2021).

The basis for the interest rate sensitivity analysis is an aggregate group-level interest exposure, composed of interest-bearing assets, interest-bearing debt, and financial derivatives, such as interest rate swaps and options, which are used to hedge the underlying exposures. For all interest-bearing current debt and assets to be fixed during the next 12 months, a one percentage point move upwards or downwards in interest rates with all other variables held constant would have an effect on Metso Outotec's net interest expenses, net of taxes, of EUR -/+0.1 million (EUR -/+1.0 million in 2021).

For financial assets valued at fair value, a one percentage point change upwards or downwards in all interest rates with all other variables held constant would have the following effects, net of taxes, in the income statement and equity:

EUR million	2022	2021
Effects in		
Income statement	+/-3.2	+/-1.3
Equity	+/-0.0	+/-0.0

The effect in the income statement comprises the changes in the fair value on the financial instruments, which are measured at fair value through profit and loss. The effect in equity is comprised of the changes in the fair value on the financial instruments, which are measured at fair value through other comprehensive income, such as derivatives under hedge accounting.

Foreign exchange risk

Metso Outotec operates globally and is exposed to foreign exchange risk in several currencies, although the geographical diversity of operations decreases the significance of any individual currency. About 75 percent of Metso Outotec's sales originate from outside the euro zone; the main currencies being euro, US dollar, Australian dollar, Chilean peso and Chinese yuan.

Transaction exposure

Foreign exchange transaction exposure arises when an operating unit has commercial or financial transactions and payments in other than its own functional currency and when related cash inflow and outflow amounts are not equal or concurrent.

In accordance with the Metso Outotec Treasury Policy, operating units are required to hedge in full the foreign currency exposures on balance sheet and other firm commitments. Treasury Policy specifies certain currencies and certain legal units, where the open exposures are left unhedged. Similarly open exposures below certain euro nominated amount are left unhedged. Future cash flows denominated in a currency other than the functional currency of the unit are hedged with internal foreign exchange contracts with the Group Treasury for periods that usually do not exceed two years. Operating units also do some hedging directly with banks in countries where regulation does not allow group internal cross-border foreign exchange hedging contracts.

Group Treasury monitors the net position of each currency and decides to what extent a currency position is to be closed. Group Treasury is, however, responsible for entering into an external forward transaction whenever an operating unit applies hedge accounting. Metso Outotec Treasury Policy defines upper limits on the open currency exposures managed by the Group Treasury; limits have been calculated on the basis of their potential profit impact. To manage the foreign currency exposure, Group Treasury may use forward exchange contracts and foreign exchange options.

Total amount of foreign currency exposures

EUR million	2022	2021
Operational items	639	443
Financial items	761	486
Hedges	-1,386	-932
Total exposure	**14**	**-4**

This aggregate group-level currency exposure is the basis for the sensitivity analysis of foreign exchange risk. This exposure, net of respective hedges, is composed of all assets and liabilities denominated in foreign currencies, projected cash flows for unrecognized firm commitments, both short- and long-term sales and purchase contracts, and anticipated operational cash flows to the extent their realization has been deemed highly probable and therefore hedged. This analysis excludes net foreign currency investments in subsidiaries together with instruments hedging these investments.

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If the euro were to appreciate or depreciate ten percent against all other currencies, the impact on cash flows, net of taxes, derived from the year-end net exposure as defined above, would be EUR +/–1.3 million (EUR –/+1.1 million in 2021). Transaction exposure is spread to about 45 currencies and as of December 31, 2022, the biggest open exposures were in the Swedish Krona and Kazakhstani Tenge (approximately 20 percent).

A sensitivity analysis of financial instruments as required by IFRS 7, excludes the following items: projected cash flows for unrecognized firm commitments, advance payments, both short- and long-term purchase contracts, and anticipated operational cash flows. The next table presents the effects, net of taxes, of a –/+10 percent change in EUR foreign exchange rates:

				2022	2021
EUR million	USD	CNH	Other	Total	Total
Effects in					
Income statement	+/–25.7	+/–4.5	+/–4.5	+/–25.6	+/–20.8
Equity	+/–11.2	+/–4.6	+/–0.6	+/–7.2	+/–0.6

The effect in equity is the fair value change in derivatives contracts qualifying as cash flow hedges for unrecognized firm commitments. The effect in the income statement is the fair value change for all other financial instruments exposed to foreign exchange risk including derivatives, which qualify as cash flow hedges, to the extent the underlying sales transaction, recognized over time, has been recognized as revenue.

Translation or equity exposure

Foreign exchange translation exposure arises when the equity of a subsidiary is denominated in currency other than the functional currency of the Parent company. The major translation exposures are in US dollar, Chinese yuan, Canadian dollar, Brazilian real and Indian rupee, which altogether comprise approximately 62 percent of the total equity exposure. Metso Outotec is currently not hedging any equity exposure.

Credit and counterparty risk

Credit or counterparty risk is defined as the possibility of a customer or a financial counterparty not fulfilling its commitments towards Metso Outotec. The operating units of Metso Outotec are primarily responsible for credit risks pertaining to sales and procurement activities. The units assess the credit quality of their customers, by taking into account their financial position, past experience, and other relevant factors. When appropriate, advance payments, letters of credit, and third-party guarantees, or credit insurance are used to mitigate credit risks. Group Treasury provides centralized services related to customer financing and seeks to ensure that the principles of the Treasury Policy are adhered to with respect to terms of payment and required collateral. Metso Outotec has no significant concentrations of credit risks.

The maximum credit risk equals the carrying value of trade and loan receivables. The credit quality is evaluated both on the basis of aging of the trade receivables and on the basis of customer specific analysis. The aging structure of trade receivables is presented in note 2.2.

Counterparty risk arises also from financial transactions agreed upon with banks, financial institutions, and corporates. The risk is managed by careful selection of banks and other counterparties, by counterparty-specific limits determined in the Treasury Policy, and netting agreements, such as ISDA (Master agreement of International Swaps and Derivatives Association). The compliance with counterparty limits is regularly monitored.

Credit risk exposure relates to the carrying value of financial assets valued at amortized cost, such as trade receivables, interest-bearing receivables, other receivables, deposits and security investments, and cash and cash equivalents, and customer contract assets.

Impairment on cash on hand, bank accounts, deposits, and interest-bearing investments is assessed regularly, but deemed minor because of their high investment grade and short duration. Group Treasury makes a financial analysis of corporate counterparties regularly. In addition, the investments are constantly monitored by Group Treasury, and Metso Outotec does not expect any future credit losses from these investments.

For trade receivables and customer contract assets, Metso Outotec applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance to be assessed and recognized regularly, see note 2.2.

Fair value estimation

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

Level 1 Unadjusted quoted prices in active markets at the balance sheet date. 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 fund investments classified as 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. Metso Outotec had no such instruments in 2022 nor in 2021.

Financial assets and liabilities measured at fair value

	Dec 31, 2022			Dec 31, 2021		
EUR million	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial assets at fair value through profit and loss						
Derivatives not under hedge accounting	–	68	–	–	24	–
Financial assets at fair value through other comprehensive income						
Derivatives under hedge accounting	–	21	–	–	24	–
Total	–	**88**	–	–	**48**	–
Liabilities						
Financial liabilities at fair value through profit and loss						
Derivatives not under hedge accounting	–	29	–	–	29	–
Financial liabilities at fair value through other comprehensive income						
Derivatives under hedge accounting	–	51	–	–	29	–
Total	–	**80**	–	–	**58**	–

4.2. Financial assets and liabilities by category

ACCOUNTING POLICY Under IFRS 9, Metso Outotec classifies financial assets and liabilities in measurement categories according to contractual terms of the cash flows and Metso Outotec's business model to manage the investment at the inception. Reclassification of the categories will be made only if the business model for managing those assets changes. Financial assets and liabilities are classified as non-current items when the remaining maturity exceeds 12 months and as current items when the remaining maturity is 12 months or less. Financial assets and liabilities are classified as follows:

At amortized cost

Financial assets

Financial assets valued at amortized cost are investments in debt instruments or receivables, that are held to maturity and for the collection of contractual cash flows, where those cash flows are solely payments of principal and/or interest. These are recognized at fair value, less transaction costs, and subsequently measured at amortized cost using the effective interest method. Interest income is recognized in finance income in the income statement. Financial assets at amortized cost include deposits, commercial papers, interest-bearing loans and receivables, trade receivables, and non-interest-bearing receivables. Impairment is assessed regularly, and when the carrying value exceeds the recoverable value of discounted cash flows, the appropriate impairment is recognized in the income statement.

For trade receivables, Metso Outotec applies the IFRS 9 simplified method, which requires expected lifetime losses to be recognized from the initial recognition of the receivables. See more in Note 2.2 Trade receivables.

Financial liabilities

Issued bonds and withdrawn loan facilities from financial institutions as well as trade and other liabilities are valued at fair value, net transaction costs, and subsequently measured at amortized cost using the effective interest method. Trade and other receivables are non-interest-bearing short-term unpaid debts.

The difference between the debt amount, net transaction costs of bonds and loans from financial institutions and the redemption amount is recognized in the income statement as an interest expense over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized in the income statement as other finance expenses over the period of the facility, or, if withdrawal of the loan is probable, as part of the transaction cost.

At fair value through other comprehensive income (FVOCI)

Financial assets

Financial assets valued at fair value through other comprehensive income are debt instruments or receivables, which are held for collection of contractual cash flows or held for selling the assets, and where contractual cash flows are solely payments of principal and/or interest. Interest income is recognized in the income statement using the effective interest method. Change in fair value is recognized in other comprehensive income (OCI). At derecognition, the cumulative previously booked gains and losses in OCI are released from equity to the income statement. Metso Outotec includes in this measurement category derivatives under hedge accounting, trade receivables for sale, and security investments with a maturity of less than three months. Impairment is assessed regularly, and when the carrying value exceeds the recoverable value of discounted cash flows, the appropriate impairment is recognized in income statement.

At fair value through profit and loss (FVPL)

Financial assets

Financial assets valued at fair value through profit and loss are equity investments, investments in funds, and derivatives not under hedge accounting. Change in fair value and gain or loss at derecognition will be recognized in the income statement. The change in fair value includes the valuation of impairment risk as well.

The fair value of listed equity shares or investments in funds is the quoted market price on the balance sheet date. Unlisted shares are valued at cost less impairment, if any.

Financial liabilities

Fixed-rate debts covered by fair value hedge accounting and derivatives not under hedge accounting are included in this measurement category. Change in fair value and gains or losses at derecognition are recognized in the income statement.

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Financial assets and liabilities by category

2022 EUR million	At fair value through profit and loss	At fair value through other comprehen-sive income	At amortized cost	Carrying value	Fair value
Non-current financial assets					
Equity investments	2	–	–	2	2
Loan receivables	–	–	5	5	5
Derivatives financial instruments	3	–	–	3	3
Other receivables	–	–	19	19	19
Total	5	–	24	29	29
Current financial assets					
Trade receivables	–	–	796	796	796
Trade receivables, for sale	–	2	–	2	2
Loan receivables	–	–	3	3	3
Derivatives financial instruments	65	21	–	86	86
Deposits and securities, maturity three months or less	–	–	104	104	104
Cash on hand and in bank accounts	–	–	497	497	497
Total	65	23	1,400	1,488	1,488
Non-current liabilities					
Bonds [1]	–	–	758	758	734
Loans from financial institutions	–	–	240	240	240
Lease liabilities	–	–	87	87	87
Derivatives financial instruments	–	33	–	33	33
Other liabilities	–	–	2	2	2
Total	–	33	1,088	1,121	1,097
Current liabilities					
Loans from financial institutions	–	–	96	96	96
Commercial papers	–	–	80	80	80
Lease liabilities	–	–	31	31	31
Trade payables	–	–	787	787	787
Derivatives financial instruments	29	18	–	47	47
Total	29	18	994	1,040	1,040

[1] The bonds have been measured at amortized cost, adjusted by the fair value to the extent of the hedged risk.

2021 EUR million	At fair value through profit and loss	At fair value through other comprehen-sive income	At amortized cost	Carrying value	Fair value
Non-current financial assets					
Equity investments	4	–	–	4	4
Loan receivables	–	–	6	6	6
Derivatives financial instruments	–	2	–	2	2
Other receivables	–	–	20	20	20
Total	4	2	26	31	31
Current financial assets					
Trade receivables	–	–	665	665	665
Trade receivables, for sale	–	3	–	3	3
Loan receivables	–	–	3	3	3
Derivatives financial instruments	24	22	–	46	46
Deposits and securities, maturity three months or less	–	–	81	81	81
Cash on hand and in bank accounts	–	–	393	393	393
Total	24	25	1,141	1,190	1,190
Non-current liabilities					
Bonds [1]	–	–	587	587	597
Loans from financial institutions	–	–	40	40	40
Lease liabilities	–	–	104	104	104
Derivatives financial instruments	1	5	–	6	6
Other liabilities	–	–	2	2	2
Total	1	5	732	738	749
Current liabilities					
Current portion of non-current debt	–	–	150	150	151
Loans from financial institutions	–	–	42	42	42
Lease liabilities	–	–	30	30	30
Trade payables	–	–	692	692	692
Derivatives financial instruments	28	24	–	52	52
Total	28	24	914	966	967

For more information on derivative financial instruments, see note 4.8.

4.3. Liquid funds

ACCOUNTING POLICY Cash and cash equivalents consist of cash on hand and bank accounts, deposits, and interest-bearing investments, which can be easily converted into a known amount of cash within a period of three months or less.

Cash on hand, bank accounts, deposits, and interest-bearing investments are measured at amortized cost. Impairment on cash on hand, bank accounts, deposits, and interest-bearing investments is assessed regularly, but deemed minor because of their high investment grade and short duration.

EUR million	2022	2021
Cash and cash equivalents		
Deposits and securities, maturity three months or less	104	81
Cash on hand and bank accounts	497	393
Cash and cash equivalents total	601	473
Liquid funds total	**601**	**473**

Average returns for deposits and securities

%	2022	2021
With maturity three months or less	4.16%	3.59%

4.4. Equity

ACCOUNTING POLICY

Issue of new shares and own shares

Transaction costs directly attributable to the issue of new shares or options are shown net of their tax effect in equity as a deduction from the proceeds.

Own shares held by the Parent company valued at the historical acquisition price are deducted from equity. Should such shares be subsequently sold or reissued, the consideration received, net of any directly attributable transaction costs and related income tax, is recorded in equity.

Translation differences

The translation differences arising from subsidiary net investments and non-current subsidiary loans without agreed settlement dates are recognized through Other Comprehensive Income (OCI) to cumulative translation adjustments under equity. When Metso Outotec hedges the net investment of its foreign subsidiaries with foreign currency loans and with financial derivatives, the translation difference is adjusted by the currency effect of the hedging instruments which has been recorded, net of taxes, through OCI in equity. When a foreign entity is disposed of, the respective accumulated translation difference, including the effect from qualifying hedging instruments, is reversed through OCI and recognized in the consolidated statements of income as part of the gain or loss on the sale. If the equity of a subsidiary denominated in a foreign currency is reduced by a return of capital, the translation difference relating to the reduction is reversed through OCI and recognized in the consolidated statements of income.

Dividends

Dividends proposed by the Board of Directors are not recognized in the financial statements until they have been approved by the shareholders in the Annual General Meeting.

Share capital and number of shares

Metso Outotec Corporation's registered share capital, which is fully paid, was EUR 107,186,442.52 on December 31, 2022, and December 31, 2021. Metso Outotec's shares have no nominal value.

	2022	2021
Number of outstanding shares at beginning of year	828,047,419	827,979,202
Shares granted from share ownership plans	624,516	68,217
Redemption of own shares	-3,036,000	–
Number of outstanding shares at end of year	825,635,935	828,047,419
Own shares held by the Parent Company	3,336,505	925,021
Total number of shares at end of year	**828,972,440**	**828,972,440**

As of December 31, 2022, the acquisition price of 3,336,505 own shares held by the Parent company was EUR 27,935,122.14 and was recognized in treasury shares.

Dividend proposal

The Board of Directors proposes that a dividend of EUR 0.30 per share be paid based on the balance sheet to be adopted for the financial year, which ended December 31, 2022. Insofar as the dividend to be paid exceeds the net profit for the year ended December 31, 2022, the remaining amount will be paid from retained earnings from previous years. These financial statements do not reflect this dividend payable of EUR 248 million.

Fair value and other reserves

The hedge reserve includes the fair value movements of derivative financial instruments which qualify as cash flow hedges.

The fair value reserve includes the change in fair values of trade receivables for sale. Share-based payments are presented within the fair value reserve.

The legal reserve consists of restricted equity, which has been transferred from distributable funds under the Articles of Association, local company act, or by a decision of the shareholders.

The other reserves consist of the distributable fund and the invested non-restricted equity fund held by the Parent company.

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Changes in fair value and other reserves

EUR million	Treasury shares	Hedge reserve	Fair value reserve	Legal reserve	Other reserves	Total
January 1, 2022	**-9**	**-4**	**9**	**0**	**1,134**	**1,130**
Cash flow hedges						
Fair value gains (+) / losses (–), net of tax	–	-27	–	–	–	-27
Transferred to profit and loss, net of tax						
Sales	–	3	–	–	–	3
Cost of goods sold / Administrative expenses	–	27	–	–	–	27
Instruments at fair value and share-based rewards						
Transferred to profit and loss, net of tax	–	–	-1	–	–	-1
Redemption of own shares	-25	–	–	–	–	-25
Share-based payments, net of tax	6	–	10	–	–	16
Other	–	–	–	0	-1	-1
December 31, 2022	**-28**	**-1**	**18**	**0**	**1,133**	**1,122**

EUR million	Treasury shares	Hedge reserve	Fair value reserve	Legal reserve	Other reserves	Total
January 1, 2021	**-9**	**9**	**2**	**0**	**1,134**	**1,136**
Cash flow hedges						
Fair value gains (+) / losses (–), net of tax	–	-8	–	–	–	-8
Transferred to profit and loss, net of tax						
Sales	–	-10	–	–	–	-10
Cost of goods sold / Administrative expenses	–	5	–	–	–	5
Share-based payments, net of tax	0	–	7	–	–	7
December 31, 2021	**-9**	**-4**	**9**	**0**	**1,134**	**1,130**

Cumulative translation adjustments included in shareholders' equity

EUR million	2022	2021
Cumulative translation adjustment at beginning of year	-164	-210
Currency translation, change	13	46
Cumulative translation adjustment at end of year	**-150**	**-164**

4.5. Borrowings and lease liabilities

ACCOUNTING POLICY Long-term debt is initially recognized at fair value, net of transaction costs incurred, and subsequently measured at amortized cost using the effective interest method. The difference between the debt amount recognized and the redemption amount is recognized in the income statement as an interest expense over the period of the borrowings. The fair value changes in borrowings covered by fair value hedge are, in respect of hedged risk, recognized through profit and loss. A portion of long-term debt is classified as short-term debt when the settlement of the liability is due within 12 months from the balance sheet date. Borrowings are derecognized only if the contractual obligation is discharged, cancelled, or expired.

Fees paid on the establishment of loan facilities are recognized in the income statement as other finance expenses over the period of the facility, or, if withdrawal of the loan is probable, as part of the transaction cost. Transaction costs arising from modification to debt instruments are included in the carrying value of the debt and amortized using the effective interest method over the remaining period of the modified liability, provided that the new conditions obtained through the modification do not substantially differ from those of the original debt. Modification gains or losses are recognized in the income statement at the time of non-substantial modification.

	2022		2021	
EUR million	Carrying values	Fair values	Carrying values	Fair values
Long-term interest-bearing debt				
Bonds	758	734	587	597
Loans from financial institutions	240	240	40	40
Other long-term debt	0	–	–	–
Total long-term borrowings	998	974	627	634
Lease liabilities	87	87	104	104
Total long-term interest-bearing debt	1,086	1,061	730	738
Short-term borrowings				
Bonds, current portion	–	–	100	101
Loans from financial institutions, current portion	–	–	50	50
Loans from financial institutions	96	96	42	42
Commercial papers	80	80	–	–
Total short-term borrowings	176	176	192	193
Lease liabilities	31	31	30	30
Total short-term interest-bearing debt	207	207	222	223
Total interest-bearing debt	**1,293**	**1,268**	**952**	**961**

Bonds

2022 EUR million	Nominal interest rate	Effective interest rate	Outstanding original loan amount	Outstanding carrying value
Public bond 2017–2024	1.125%	1.92%	197	190
Public bond 2020–2028	0.875%	1.04%	300	273
Public bond 2022–2027	4.875%	4.96%	300	296
Bonds total			**797**	**758**

2021 EUR million	Nominal interest rate	Effective interest rate	Outstanding original loan amount	Outstanding carrying value
Public bond 2017–2024	1.125%	1.22%	300	294
Public bond 2020–2028	0.875%	1.04%	300	293
Private placements 2022	3.800%	3.80%	100	100
Bonds total			**700**	**687**

Metso Outotec has a Euro Medium Term Note Program (EMTN) of EUR 2 billion, under which EUR 758 million at carrying value was outstanding at the end of 2022 (EUR 687 million in 2021). EUR 100 million private placements outstanding at the end of 2021 were repaid in 2022.

Metso Outotec had committed and undrawn syndicated EUR 600 million revolving credit facility with a maturity in 2026. Metso Outotec also has a EUR 600 million Finnish commercial paper program, from which EUR 80 million was utilized at the end of the period.

The average interest rate of total loans and derivatives was 3.19% (1.38%) on December 31, 2022. The duration of long-term interest-bearing debt was 2.0 years (2.2 years) and the average maturity 3.9 years (3.3 years) on December 31, 2021.

Short-term loans from financial institutions consist of bank loans withdrawn by Metso Outotec subsidiaries to fund local operations. The subsidiary loans are Indian rupee denominated. The weighted average interest rate applicable to the short-term borrowing on December 31, 2022, was 3.76% (4.58% in 2021). In 2023, interest amounting to EUR 1.6 million is expected to be paid concurrently with respective principals on the short-term debt presented above.

Maturities of interest-bearing debt at nominal value

2022 EUR million	Borrowings	Repayments	Interests	Lease liabilities [1]
2023	209	176	33	39
2024	336	306	30	29
2025	82	58	24	22
2026	41	18	23	18
2027	341	318	22	15
Later	342	336	6	40
Total	**1,351**	**1,213**	**138**	**162**

2021 EUR million	Borrowings	Repayments [2]	Interests	Lease liabilities [1]
2022	202	192	10	33
2023	5	–	5	27
2024	305	300	5	21
2025	43	40	3	16
2026	3	–	3	12
Later	305	300	5	40
Total	**863**	**832**	**31**	**148**

[1] Future lease payments at nominal value.

[2] Maturities for comparison year 2021 have been revised.

The maturities of derivative financial instruments are presented in note 4.8.

4.6. Interest-bearing net debt reconciliation

Net interest-bearing liabilities

EUR million	2022	2021
Borrowings, non-current [1]	998	777
Lease liabilities	118	133
Borrowings, current	176	42
Loan receivables	-8	-9
Liquid funds	-601	-473
Net interest-bearing liabilities	**684**	**470**

[1] Comparison year 2021 includes also the current portion of the non-current borrowings EUR 150 million.

Changes in net interest-bearing liabilities

2022 EUR million	Balance at beginning of year	Cash flows	Acquisitions and disposals	Translation differences	Other non-cash movements	Classification as held for sale	Balance at end of year
Borrowings, non-current	777	246	2	0	-26	—	998
Lease liabilities	133	-35	-2	0	22	—	118
Borrowings, current	42	140	—	-6	—	—	176
Loan receivables	-9	1	0	0	—	—	-8
Liquid funds	-473	-113	-10	-5	—	—	-601
Net interest-bearing liabilities	**470**	**239**	**-10**	**-10**	**-4**	**—**	**684**

2021 EUR million	Balance at beginning of year	Cash flows	Disposals	Translation differences	Other non-cash movements	Classification as held for sale	Balance at end of year
Borrowings, non-current	1,129	-350	-1	—	-2	—	777
Lease liabilities	138	-38	0	2	31	—	133
Borrowings, current	77	-37	—	2	—	—	42
Loan receivables	-8	1	—	-1	0	—	-9
Liquid funds	-537	81	-2	-14	—	0	-473
Net interest-bearing liabilities	**799**	**-344**	**-3**	**-11**	**29**	**0**	**470**

4.7. Contingent liabilities and other commitments

ACCOUNTING POLICY Guarantees have been given for obligations arising in the ordinary course of business of Metso Outotec Group companies. Guarantees have been given by financial institutions or by Metso Outotec Corporation on behalf of Group companies. These guarantees have typically been given to secure a customer's advance payments or to secure commercial contractual obligations, or given as counter guarantees to banks, which have given commercial guarantees to a Group company.

The repurchase commitments represent engagements whereby Metso Outotec agrees to purchase back equipment sold to customer. The conditions triggering the buy-back obligation are specific to each sales contract.

EUR million	2022	2021
Guarantees		
External guarantees given by parent and group companies	1,546	1,575
Other commitments		
Repurchase commitments	—	0
Other contingencies	1	1
Total	**1,547**	**1,577**

More information about lawsuits and claims is presented in note 6.2.

4.8. Derivative instruments

ACCOUNTING POLICY Derivatives are initially recognized in the balance sheet at fair value and subsequently measured at their fair value at each balance sheet date. Derivatives are designated at inception either as hedges of firm commitments or forecasted transactions (cash flow hedge) or as hedges of fixed-rate debt (fair value hedge), or as hedges of net investment in a foreign operation (net investment hedge), or as derivatives at fair value through profit and loss that do not meet the hedge accounting criteria.

In hedge accounting, Metso Outotec documents at inception the relationship between the hedging instruments and the hedged items in accordance with its risk management strategy and objectives. Metso Outotec also tests the effectiveness of the hedge relationships at hedge inception, and quarterly, both prospectively and retrospectively.

Derivatives are classified as non-current assets or liabilities when the remaining maturities exceed 12 months and as current assets or liabilities when the remaining maturities are less than 12 months.

Cash flow

Metso Outotec applies cash flow hedge accounting to certain interest rate swaps, foreign currency forward contracts and to electricity forwards.

Metso Outotec designates only the currency component of the foreign currency forward contracts as the hedging instrument to hedge foreign currency-denominated firm commitments. The interest component is recognized under other operating income and expenses, net. The gain or loss relating to the effective portion of the currency forward contracts is recognized in the income statement concurrently with the underlying in the same line item. The effective portion of foreign currency forwards hedging sales and purchases is recognized in the sales and the cost of goods sold, respectively. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is reversed from the hedge reserve through other comprehensive income (OCI) to the income statement within financial items concurrently with the recognition of the underlying liability. Both at hedge inception and at each balance sheet date, an assessment is performed to ensure the continued effectiveness of the designated component of the derivatives in offsetting changes in the fair values of the cash flows of hedged items.

The effective portion of the derivatives is recognized through OCI in the hedge reserve under equity and reversed through OCI to be recorded through profit and loss concurrently with the underlying transaction being hedged. The gain or loss relating to the ineffective portion of the derivatives is reported under other operating income or expenses, net or under financial items when contracted to hedge variable rate borrowings. Should a hedged transaction no longer be expected to occur, any cumulative gain or loss previously recognized under equity is reversed through OCI to profit and loss.

Fair value hedge

Metso Outotec applies fair value hedge accounting to certain fixed-rate loans. The change in fair value of the interest rate swap hedging the loan is recognized through profit and loss concurrently with the change in value of the underlying. Both at inception and quarterly, the effectiveness of the derivatives is tested by comparing their change in fair value against those of the underlying instruments.

Derivatives at fair value through profit and loss

Certain derivative instruments do not qualify for hedge accounting. These instruments, which have been contracted to mitigate risks arising from operating and financing activities, comprise foreign exchange forward contracts, currency and interest rate options and interest rate swaps.

Changes in the fair value of interest rate swaps are recognized in interest expenses. Changes in the fair value of foreign exchange forward contracts are mainly recognized in other operating income and expenses. However, when the foreign exchange forwards have been contracted to mitigate the exchange rate risks arising from foreign currency-denominated cash and from financial instruments used for cash management, the changes in fair value of the derivatives are recognized in finance income and expenses. Changes in the fair value of other derivative instruments, such as commodity instruments, are recognized in other operating income and expenses.

Fair value estimation of derivative instruments

The fair value of the foreign currency forward contracts is determined using forward exchange market rates at the balance sheet date. The fair value of the interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of options is determined using the Black-Scholes valuation model.

Notional amounts and fair values of derivative financial instruments on December 31

2022 EUR million	Notional amount	Fair value, assets	Fair value, liabilities	Fair value, net
Forward exchange contracts [1]	3,540	86	47	39
Interest rate swaps	425	3	33	-31
Total	**3,965**	**88**	**80**	**8**

2021 EUR million	Notional amount	Fair value, assets	Fair value, liabilities	Fair value, net
Forward exchange contracts [1]	2,456	46	52	-6
Interest rate swaps	275	2	6	-4
Total	**2,731**	**48**	**58**	**-10**

[1] Some 34 percent and 39 percent of the notional amount at the end of 2022 and 2021, respectively, qualified for cash flow hedge accounting.

The notional amounts indicate the volumes in the use of derivatives, but do not indicate the exposure to risk.

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Derivative financial instruments recognized in the balance sheet at the end of year

	2022		2021	
EUR million	Assets	Liabilities	Assets	Liabilities
Interest rate swaps — fair value hedges	—	33	2	5
Interest rate swaps — non-qualifying hedges	3	—	—	1
Interest rate swaps total	3	33	2	6
Forward exchange contracts — cash flow hedges	21	18	22	22
Forward exchange contracts — non-qualifying hedges	65	29	24	28
Forward exchange contracts total	86	47	46	52
Derivatives total	**88**	**80**	**48**	**58**

In 2022 and 2021, there was no ineffectiveness related to the cash flow hedges. As of December 31, 2022, the fixed interest rates of swaps varied from -0.38 percent to 2.71 percent.

Maturities of financial derivatives on (expressed as notional amounts)

December 31, 2022

EUR million	2023	2024	2025	2026	2027 and later
Forward exchange contracts	3,472	68	—	—	—
Interest rate swaps	—	100	—	—	325

Notional and carrying amounts of financial derivatives applying hedge accounting at end of year

2022 EUR million	Notional amount	Fair value, assets	Fair value, liabilities	Fair value, net
Forward exchange contracts	1,189	21	18	3
Interest rate swaps	400	—	33	-33
Total	**1,589**	**21**	**51**	**-30**

2021 EUR million	Notional amount	Fair value, assets	Fair value, liabilities	Fair value, net
Forward exchange contracts	946	22	24	-2
Interest rate swaps	250	2	5	-3
Total	**1,196**	**24**	**29**	**-5**

Forward exchange contracts hedge commercial cash flows of projects applying hedge accounting. The hedge ratio is 1:1. 98% of hedged cash flows mature in year 2023, 2% in year 2024.

Impact of cash flow hedge in the statement of financial position

2022 EUR million	Notional amount	Hedging gain / loss recognized in OCI, net of tax	Amount reclassified from OCI to P/L	Cost of hedging recognized in OCI
	1,189	4	-3	0

Metso Outotec applies fair value hedge accounting to the bonds maturing in 2024, 2027 and 2028. The hedge accounted total notional value is EUR 400 million (EUR 250 million in 2021). The terms of the interest rate swap match the terms of the fixed rate bonds (maturity date, interest fixing and payments dates). Fair values of cash flows of interest rate swap and bond are compared when measuring hedge accounting effectiveness. Credit margin is added to the discount curve of the bond.

Bonds applying fair value hedge accounting at end of year

Notional amount of loan, EUR million	Hedge ratio	Maturity date of loan	Fair value of loan, EUR million	Notional amount of interest rate swap	Maturity date of interest rate swap	Fair value of interest rate swap, EUR million
197	51%	June 13, 2024	4	100	June 13, 2024	-4
300	50%	December 7, 2027	3	150	December 7, 2027	-3
300	50%	May 26, 2028	25	150	May 26, 2028	-26

5. Consolidation

5.1. Principles of consolidation 75
5.2. Subsidiaries 76
5.3. Associated companies, joint ventures and related party transactions 77
5.4. Acquisitions and business disposals 78
5.5. Discontinued operations 79
5.6. New accounting standards 80
5.7. Exchange rates used 81

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5.1. Principles of consolidation

Subsidiaries

The Consolidated financial statements include the financial statements of the Parent company and each of those companies over which Metso Outotec exercises control. Control is achieved when Metso Outotec is exposed, or has rights, to variable returns from the investee and has the ability to affect those returns through its power over the investee. The companies acquired during the financial period have been consolidated from the date Metso Outotec acquired control. Subsidiaries sold or distributed to the owners have been included up to their date of disposal.

All intercompany transactions, balances, and gains or losses on transactions between subsidiaries are eliminated as part of the consolidation process. Non-controlling interests are presented in the consolidated balance sheet within equity, separate from equity attributable to shareholders. Non-controlling interests are separately disclosed in the consolidated statement of income.

Acquisitions of businesses are accounted for using the acquisition method. The purchase consideration of an acquisition is measured at fair value over the assets given up, shares issued, or liabilities incurred or assumed at the date of acquisition. For each acquisition, the non-controlling interest in the acquiree, if any, can be recognized either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The excess acquisition price over the fair value of net assets acquired is recognized as goodwill (see also intangible assets). If the purchase consideration is less than the fair value of the Group's share of the net assets acquired, the difference is recognized directly through profit and loss.

When Metso Outotec ceases to have control, any retained interest in equity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture, or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity is accounted for as if the Group had directly disposed of the related assets or liabilities.

Non-controlling interest

Transactions with non-controlling interests are regarded as transactions with equity owners. In the case of purchases from non-controlling interests, the difference between any consideration paid and the relevant share of the carrying value of net assets acquired in the subsidiary is recorded in shareholders' equity. Gains or losses on disposal to non-controlling interests are also recorded directly in shareholders' equity.

Non-current assets or disposal group held-for-sale

Metso Outotec classifies a non-current asset or disposal group as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. These assets are valued at the lower of its carrying value and fair value, less costs to sell, and assets subject to depreciation or amortization are no longer amortized. Assets related to non-current assets, or a disposal group classified as held-for-sale are disclosed separately from other assets, but financial statements for prior periods are not reclassified.

Foreign currency translation

The financial statements are presented in euros, which is the Parent company's functional currency and Metso Outotec's presentation currency.

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the date of the transaction. At the end of the reporting period, unsettled foreign currency transaction balances are valued at the rates of exchange prevailing at the balance sheet date. Trade-related foreign currency exchange gains and losses are recorded in other operating income and expenses, unless the foreign currency-denominated transactions are subject to hedge accounting, in which case the related exchange gains and losses are recorded in the same line item as the hedged transaction. Foreign exchange gains and losses associated with financing are entered as a net amount under finance income and expenses.

The statement of income of a subsidiary with a functional currency different from the presentation currency is translated into euros at the average month end exchange rate for the financial year, and the balance sheet is translated at the exchange rate in effect on the balance sheet date. This exchange rate difference is recorded through other comprehensive income (OCI) within cumulative translation adjustments under equity.

The translation differences arising from subsidiary net investments and long-term subsidiary loans without agreed settlement dates are recognized through OCI within cumulative translation adjustments under equity. When Metso Outotec hedges the net investment of its foreign subsidiaries with foreign currency loans and financial derivatives, the translation difference is adjusted by the currency effect of hedging instruments that has been recorded, net of taxes, through OCI under equity. When a foreign entity is disposed of, the respective accumulated translation difference, including the effect from qualifying hedging instruments, is reversed through OCI and recognized in the consolidated statement of income as part of the gain or loss on the sale. If the equity of a foreign currency-denominated subsidiary is reduced by reimbursement of invested funds, the translation difference relating to the reduction is reversed through OCI and recognized in the consolidated statement of income.

Net investment hedge

The equity of subsidiaries reporting in certain currencies can be hedged mainly by foreign currency loans and foreign currency forward contracts. Both realized and unrealized exchange gains and losses measured on these instruments are recorded, net of taxes, through OCI in a separate component of equity against the translation differences arising from consolidation to the extent these hedges are effective. The interest portion of derivatives qualifying as hedges of net investment is recognized under finance income and expenses.

5.2. Subsidiaries

Country	Company name	Ownership Dec, 31 2022
Algeria	Metso Algerie EURL	100.0%
Argentina	Metso Outotec Argentina SA	100.0%
Australia	Brian Investments Pty Ltd	100.0%
	Metso Outotec Australia Ltd	100.0%
	Outotec Ausmelt Pty Ltd	100.0%
	Outotec Pty. Ltd.	100.0%
Austria	Metso Outotec Austria GmbH	100.0%
Brazil	Metso Brazil Indústria e Comércio Ltda	100.0%
	Outotec Tecnologia Brazil Ltda	100.0%
Bulgaria	Metso Outotec Bulgaria EOOD	100.0%
Canada	Metso Outotec Canada Inc.	100.0%
	McCloskey International Limited	100.0%
	Global Physical Asset Management Inc.	100.0%
Chile	Metso Outotec Industrial Services SpA	100.0%
	Metso Outotec Chile SpA	100.0%
	Outotec Servicios Industriales Ltda.	100.0%
China	Metso Outotec New Material Technology (Shanghai) Co., Ltd.	100.0%
	Metso Outotec Heavy Industries (Quzhou) Co. Ltd	100.0%
	Metso Outotec Heavy Industries (Tianjin) Co. Ltd	100.0%
	Metso Outotec International Trade (Tianjin) Co. Ltd	100.0%
	Metso Outotec Machinery Heavy Industries (Suzhou) Co.,Ltd.	100.0%
	Shaoguan City Shaorui Heavy Industries Co. Ltd	100.0%
	SISUPER Machinery Heavy Industry (Suzhou) Co Ltd	100.0%
Czech Republic	Metso Outotec Czech Republic s.r.o.	100.0%
Ecuador	Metso Outotec-Technology (Ecuador) S.A.	100.0%
Egypt	Metso Outotec Egypt Company LLC	100.0%
Finland	International Project Services Ltd. Oy	100.0%
	Metso Outotec Finland Oy	100.0%
	Metso Outotec (Ceramics) Oy	100.0%
	Outotec International Holdings Oy	100.0%
	Rauma Oy	100.0%
France	Metso Outotec France SAS	100.0%
Germany	Metso Outotec Germany GmbH	100.0%
	Outotec Deutschland GmbH	100.0%
	Outotec GmbH & Co KG	100.0%
	Outotec Holding GmbH	100.0%
Ghana	Metso Outotec Ghana Ltd	100.0%
	Outotec (Ghana) Limited	100.0%
Greece	Metso Outotec Greece IKE	100.0%
India	Metso Outotec India Private Ltd	100.0%
	Outotec India Private Ltd.	100.0%
Indonesia	PT Metso Outotec Indonesia [1]	99.9%
	PT. Outotec Technology Solutions	100.0%
Iran	Outotec Iranian Minerals and Metals Processing	100.0%
Italy	Metso Outotec Italy Srl	100.0%
Lithuania	Metso Outotec Global Business Services UAB	100.0%
	Metso Outotec Lithuania UAB	100.0%
Macedonia	Metso Outotec Dooel Skopje	100.0%
Malaysia	Metso Outotec Malaysia Sdn Bhd	100.0%
Morocco	Metso Outotec Morocco LLC	100.0%
Mexico	Metso Outotec Mexico SA de CV	100.0%
Mongolia	Metso Outotec Mongolia LLC	100.0%
Namibia	Outotec Namibia (Pty.) Ltd	100.0%
New Caledonia	Outotec (New Caledonia), SAS	100.0%
Netherlands	Metso Outotec (Netherlands) B.V.	100.0%
	Metso Outotec B.V.	100.0%
Norway	Metso Outotec Norway A/S	100.0%
Panama	Metso Outotec Central America SA	100.0%
	Outotec (Panama) S.A.	100.0%
Papua New Guinea	Metso PNG Limited	100.0%
Peru	Metso Outotec Perú SA	100.0%
Poland	Metso Outotec Poland Sp. z o.o.	100.0%
Portugal	Metso Outotec Portugal, Lda	100.0%
Qatar	Outotec Trading & Contracting WLL [3]	49.0%
Russia	OOO Metso Outotec	100.0%
Romania	Metso Outotec Romania S.R.L.	100.0%
Saudi Arabia	Metso Outotec Saudi Arabia LLC	100.0%
	Outotec Technology Saudi LLC	100.0%
Serbia	Metso Outotec d.o.o. Beograd	100.0%
Singapore	Metso Outotec Asia Pacific Pte Ltd	100.0%
South Africa	Metso Outotec South Africa Pty Ltd	74.9%
	Outotec Africa Holdings (Pty) Ltd	100.0%
Spain	Metso Outotec Espana SA	100.0%
	Outotec (Spain) S.L.	100.0%
Sweden	AB P. J. Jonsson och Söner	100.0%
	Larox AB	100.0%
	Metso Outotec Sweden AB	100.0%
	Ersmark Industrifastigheter AB	100.0%
Thailand	Metso Outotec (Thailand) Limited	100.0%
Turkey	Metso Outotec Maden Teknolojileri Anonim Sirketi	100.0%
United Arab Emirates	Metso Outotec DMCC	100.0%
	Outotec Engineering RAK LLC [1]	48.0%
	Outotec Middle East Industrial Projects Consultancy LLC [2]	49.0%

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Country	Company name	Ownership Dec, 31 2022
United Kingdom	McCloskey International Ltd	100.0%
	Metso Outotec Captive Insurance Limited	100.0%
	Metso Outotec UK Ltd	100.0%
	Outotec (UK) Limited	100.0%
	Tesab Engineering Ltd	100.0%
United States	Metso McCloskey USA LLC	100.0%
	Metso Outotec USA Inc.	100.0%
	Outotec USA Inc.	100.0%
	Global Physical Asset Management, Inc.	100.0%
Vietnam	Metso Vietnam Co. Ltd	100.0%
Zambia	Metso Zambia Ltd	100.0%
	Outotec (Zambia) Limited	100.0%

[1] Has been 100% consolidated due to the control established.
[2] Has been 90% consolidated due to the control established.
[3] Has been 70% consolidated due to the control established.

5.3. Associated companies, joint ventures and related party transactions

ACCOUNTING POLICY The equity method of accounting is used for investments in associated companies in which the investment provides Metso Outotec the ability to exercise significant influence over the operating and financial policies of the investee company. Such influence is presumed to exist for investments in companies in which Metso Outotec's direct or indirect shareholding is between 20 and 50 percent of the voting rights or if Metso Outotec is able to exercise significant influence. Investments in associated companies are initially recognized at cost after which Metso Outotec's share of their post-acquisition retained profits and losses is included as part of investments in associated companies in the consolidated balance sheets.

Under the equity method, the share of profits and losses of associated companies and joint ventures is presented separately in the consolidated statements of income.

A joint arrangement is an arrangement in which two or more parties have joint control. Within Metso Outotec, all the joint arrangements are joint ventures. Investments in joint ventures in which Metso Outotec has the power to jointly govern the financial and operating activities of the investee company are accounted for using the equity method. Investments in joint ventures in which Metso Outotec has control over the financial and operating activities of the investee company are fully consolidated and a non-controlling interest is recognized.

Associated companies and joint ventures

	2022		2021	
Company	Ownership	Carrying value	Ownership	Carrying value
Liugong Metso Construction Equipment (Shanghai) Co. Ltd	50.0%	4	50.0%	6
Enefit Outotec Technology Oü	40.0%	1	40.0%	1
Sidvin Outotec Engineering Private Ltd	25.1%	0	25.1%	0
Total		**6**		**7**

Liugong Metso Construction Equipment (Shanghai) Co. Ltd is in the process of being liquidated, which is expected to be completed in year 2023.

Movements in the carrying value of investments in associated companies and joint ventures

EUR million	2022	2021
Investments in associated companies and joint ventures		
Acquisition cost as of January 1	10	11
Divestments	—	-1
Acquisition cost as of December 31	10	10
Equity adjustments in investments in associated companies and joint ventures		
Equity adjustments as of January 1	-2	-1
Share of results	-1	-2
Translation differences	0	0
Equity adjustments as of December 31	-3	-2
Carrying value as of December 31	**6**	**7**

Metso Outotec's share of the assets and liabilities, sales and results of the associated companies and joint ventures, which have been accounted for using the equity method

EUR million	2022	2021
Assets	8	9
Liabilities	1	2
Sales	6	4
Profit	-1	-1

Related party transactions

Transactions carried out and related balances with associated companies and joint ventures

EUR million	2022	2021
Sales	0	1
Purchases	0	-1
Receivables	–	1
Payables	0	0

Information on remuneration of the Board as well as Chief Executive Officer and other Executive Team members can be found in note 1.5.

5.4. Acquisitions and business disposals

Acquisitions in 2022

Metso Outotec acquired a 100% share of Tesab Engineering Ltd on May 3, 2022. Tesab is a Northern Ireland-based company specializing mostly in mobile crushing equipment for aggregates applications, including quarrying, recycling, asphalt and concrete. The acquired business was consolidated into the Aggregates segment. Tesab's turnover in 2021 was approx. EUR 30 million and it employed about 60 people.

On September 1, 2022, Metso Outotec acquired 100% share of Global Physical Asset Management Inc, a technology provider based in North America. The acquisition will further strengthen Metso Outotec's capabilities in digital field service inspections for grinding. The company has offices in Kelowna, British Columbia, Canada and in Wisconsin, USA. The acquired business was consolidated into the Minerals segment. In 2021 the sales of Global Physical Asset Management were approximately EUR 5 million and it employed about 20 people.

Assets and liabilities recognized as a result of the acquisitions

EUR million	Total 2022
Fixed assets	11
Inventory	7
Receivables	8
Liquid funds	0
Liabilities	-10
Net identifiable assets acquired at fair value	16
Goodwill	5
Purchase consideration	**21**

Goodwill is mainly attributable to synergies. The goodwill is not deductible for tax purposes. The initial calculation of goodwill generated is based on the result of the acquired company, 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	Total 2022
Cash consideration paid	-21
Cash and cash equivalents acquired	0
Net cash flow for the year	-21
Contingent consideration	-
Cash considerations, total	**-21**

Acquisition costs of EUR 0.4 million related to the acquisition of Tesab Engineering Ltd and Global Physical Asset Management Inc were expensed and included in administrative expenses in the income statement and in operating cash flow in the statement of cash flows.

Acquisitions in 2021

Metso Outotec made no business acquisitions in 2021.

Business disposals in 2022

Information related to the divestment of Metal Recycling business line is presented in note 5.5. Discontinued operations.

Business disposals in 2021

On October 1, 2021, Metso Outotec completed the divestment of Outotec Turula Oy to the Lithuanian company UAB Arginta Engineering. The divested business is a manufacturer of equipment and components used in mineral processing and metals refining industries. As part of the transaction approximately 120 employees transferred from Metso Outotec to UAB Arginta Engineering. The transaction did not have impact on Metso Outotec's financial result.

Net cash flow impact of the disposal

EUR million	2021
Assets	21
Liabilities	-17
Net assets of disposed business	4
Consideration received in cash	4
Net assets of disposed business	-4
Result on disposal	0
Consideration received in cash	4
Cash and cash equivalents disposed of	-2
Net cash inflow on disposal	**2**

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5.5. Discontinued operations

ACCOUNTING POLICY Discontinued operations is a component of an entity that either has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. The result from discontinued operations is shown separately in the consolidated statement of income, and the comparative figures are restated accordingly.

Non-current assets and assets and liabilities related to discontinued operations are classified as held for sale if their carrying amounts are expected to be recovered primarily through sale rather than through continuing use. Classification as held for sale requires that the following criteria are met: the sale is highly probable, the asset is available for immediate sale in its present condition – subject to usual and customary terms, the management is committed to the sale, and the sale is expected to be completed within one year from the date of classification.

Prior to classification as held for sale, the assets or assets and liabilities related to a disposal group in question are measured according to the respective IFRS standards. From the date of classification, non-current assets held for sale are measured at the lower of the carrying amount and the fair value, less costs to sell, and the recognition of depreciation and amortization is discontinued. Non-current assets held for sale are presented in the statement of financial position separately from other items. The comparative figures for statement of financial position are not restated.

Recycling business

On October 28, 2020, Metso Outotec announced its decision to divest its Recycling business. The business was classified as discontinued operations, including the transfer of assets held for sale and liabilities directly attributable on separate lines in the balance sheet. The figures in the income statement have been adjusted to show the discontinued operations separately from continuing operations. The Recycling business consisted of two business lines, one selling products and services for metal recycling and another selling products and services to waste recycling. The business had around 300 employees and its main locations were Horsens, Denmark; Düsseldorf, Germany; and San Antonio, Texas.

On December 1, 2021, Metso Outotec completed the divestment of the waste recycling business to Ahlström Capital.

On June 2, 2022, Metso Outotec announced the completion of the divestment of the Metal Recycling business line to Mimir, a Swedish investment company. The sold Metal Recycling business included the brands Lindemann and Texas Shredder. Its approximately 160 employees have been transferred to the new company.

Aluminium and Waste-to-energy business

At the date of the Outotec acquisition, June 30, 2020, the Aluminium and Waste-to-energy businesses were disclosed as discontinued operations. On April 6, 2021, Metso Outotec completed the divestment of its aluminium business to REEL International. The Aluminium business included green anode plants, rod shops and certain casthouse technologies as well as related service operations.

The Waste-to-energy business to be divested comprise of biomass, wood waste and various other fuel plants, including the related service operations. The balance sheet classification of Waste-to-energy business was changed in year 2022 due to prolonged divestment process, and the assets and liabilities directly attributable classified as part of continuing operations. Due to the change in classification, depreciation of fixed assets and right-of-use assets continues, and the cumulative effect of depreciation from years 2020–2021 has been recorded in the balance sheet of continuing operations through the income statement. All the income statement items related to the Waste-to-energy business continue to be adjusted to show the discontinued operations separately from continuing operations.

Result from the discontinued operations

EUR million	2022	2021
Sales	67	153
Cost of sales	-70	-120
Sales, general and administrative expenses	-11	-36
Other income and expenses, net	-2	-4
Operating result	-16	-7
Finance income and expenses, net	0	0
Income taxes	-1	14
Result for the period	-17	7
Gain / loss from business disposals	-12	41
Total result of period, discontinued operations	**-28**	**48**

Balance sheet of the discontinued operations

EUR million	2022	2021
Non-current assets	–	19
Inventories	–	25
Trade and other receivables	–	21
Cash and cash equivalents	–	0
Total assets	**–**	**65**
Non-current liabilities	–	0
Current liabilities	–	34
Total liabilities	**–**	**34**

Business disposals

Metal Recycling was disposed in year 2022, Waste Recycling and Aluminium in year 2021.

EUR million	2022	2021
Goodwill	–	18
Other non-current and current assets	42	30
Cash and cash equivalents	10	4
Liabilities	-35	-22
Net assets of disposed business	17	30
Cash consideration	5	75
Net assets of disposed business	-17	-30
Result on disposal	-12	44
Cost of disposals	-2	-3
Gain on disposed business	-13	41
Consideration received in cash	2	75
Cash and cash equivalents sold	-10	-4
Net cash inflow on disposal	**-7**	**71**

5.6. New accounting standards

New and amended standards effective in 2022

The following new or revised IFRSs have been adopted from January 1, 2022, in these Consolidated financial statements. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Reference to the Conceptual Framework — Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations — Reference to the Conceptual Framework. The amendments adds an exception to the recognition principle of IFRS 3 by requiring entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also adds a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

Property, Plant and Equipment: Proceeds before Intended Use — Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items are recognized and the cost of producing those items are recognized in profit or loss.

Onerous Contracts — Costs of Fulfilling a Contract — Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

AIP IFRS 9 Financial Instruments

The annual improvement clarifies the fees in the '10 per cent' test, which clarifies whether the terms of the new or amended financing meets the derecognition of financial liabilities from the balance sheet. These fees include only the fees between the borrower and lender.

New and amended standards to be applied

Metso Outotec has not applied the following new and revised IFRS Standards that have been issued but are not yet effective [and (in some cases) had not yet been adopted by the EU (marked with *)]:

- Amendments to IAS 1 and IFRS Practice Statement 2 — Disclosure of Accounting Policies
- Amendments to IAS 1 — Classification of Liabilities as Current or Non-current*
- Amendments to IAS 8 — Definition of Accounting Estimates
- Amendments to IAS 12 — Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IFRS 16 — Lease Liability in a Sale and Leaseback
- Amendments to IFRS 10 and IAS 28 — Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture*
- IFRS 17 Insurance Contracts (January 1, 2023): Metso Outotec have evaluated that IFRS 17 Insurance Contracts is not affecting Metso Outotec.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of Metso Outotec in future periods.

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5.7. Exchange rates used

		Average rates		Year-end rates	
		2022	2021	2022	2021
USD	(US dollar)	1.0563	1.1851	1.0666	1.1326
SEK	(Swedish krona)	10.6258	10.1469	11.1218	10.2503
GBP	(Pound sterling)	0.8537	0.8615	0.8869	0.8403
CAD	(Canadian dollar)	1.3757	1.4868	1.4440	1.4393
BRL	(Brazilian real)	5.4748	6.3782	5.6386	6.3101
CNY	(Chinese yuan)	7.0836	7.6388	7.3582	7.1947
AUD	(Australian dollar)	1.5189	1.5792	1.5693	1.5615

6. Other notes

6.1. Audit fees

EUR million	2022	2021
Audit services	-3.0	-2.8
Tax services	-0.1	-0.1
Other services	-0.1	-0.1
Total	**-3.2**	**-3.0**

The above table discloses fees to Metso Outotec's auditor Ernst & Young Oy.

6.2. Lawsuits and claims

Several lawsuits, legal claims and disputes based on various grounds are pending against Metso Outotec in various countries related, among other things, to Metso Outotec's products, projects, other operations, and customer receivables. Metso Outotec's management assesses, however, to the best of its present understanding that the outcome of these lawsuits, claims, and legal disputes would not have a material adverse effect on Metso Outotec in view of the grounds presented for them, provisions made, insurance coverage in force, and the extent of Metso Outotec's total business activities. It should be noted, however, that outcomes of pending lawsuits, legal claims, and disputes are beyond the direct influence of Metso Outotec's management and may, therefore, materially deviate from management's current assessment.

Financial statements of the Parent company, FAS

Statement of income of the Parent company

EUR	Note	2022	2021
Sales		20,611,681.12	26,027,787.33
Other operating income	2	1,233,215.11	5,476,655.94
Personnel expenses	3	-24,823,466.91	-21,653,779.87
Depreciation and amortization	4	-390,638.27	-3,194,205.94
Other operating expenses	5	-24,475,623.85	-29,432,759.54
Operating profit / loss		-27,844,832.80	-22,776,302.08
Financial income and expenses, net	7	142,473,505.19	133,484,447.23
Profit before appropriations and taxes		114,628,672.39	110,708,145.15
Appropriations	8	200,000,000.00	100,000,000.00
Profit before taxes		314,628,672.39	210,708,145.15
Income taxes	9		
Current tax expense		-33,702,968.75	-14,146,863.83
Change in deferred taxes		-300,680.40	-2,884,132.86
Profit for the year		**280,625,023.24**	**193,677,148.46**

Balance sheet of the Parent company

Assets

EUR	Note	2022	2021
Non-current assets			
Intangible assets	10	757,622.23	829,481.67
Tangible assets	10	261,218.50	579,997.33
Investments	11		
Shares in Group companies		1,244,704,584.34	1,363,525,778.02
Other investments		347,172,377.82	279,365,663.15
Total non-current assets		1,592,895,802.89	1,644,300,920.17
Current assets			
Long-term receivables	13	3,093,865.81	2,275,705.33
Short-term receivables	13	897,800,275.98	621,646,675.13
Securities		50,000,000.00	–
Bank and cash		306,992,681.25	195,948,681.23
Total current assets		1,257,886,823.04	819,871,061.69
Total assets		**2,850,782,625.93**	**2,464,171,981.86**

Shareholders' equity and liabilities

EUR	Note	2022	2021
Shareholders' equity	14		
Share capital		107,186,442.52	107,186,442.52
Share premium fund		20,180,000.00	20,180,000.00
Treasury shares		-27,935,122.14	-8,832,733.61
Invested non-restricted equity fund		433,376,746.22	434,499,801.35
Retained earnings		348,530,708.09	353,730,583.47
Profit for the year		280,625,023.24	193,677,148.46
Total shareholders' equity		1,161,963,797.93	1,100,441,242.19
Liabilities			
Long-term liabilities	15	1,034,734,095.00	640,083,385.00
Current liabilities	16	654,084,733.00	723,647,354.67
Total liabilities		1,688,818,828.00	1,363,730,739.67
Total shareholders' equity and liabilities		**2,850,782,625.93**	**2,464,171,981.86**

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Cash flow statement of the Parent company

EUR thousand	2022	2021
Cash flows from operating activities		
Profit for the year	280,625	193,677
Depreciation and amortization	391	3,194
Impairment	—	10,945
Financial income and expenses, net	-142,474	-133,484
Gains/losses on sale, net	-62	-1,679
Group contributions	-200,000	-100,000
Taxes	34,004	17,031
Other non-cash items	—	493
Total adjustments to profit for the year	-308,141	-203,500
Increase / decrease in short-term non-interest-bearing trade receivables	-31,610	-45,937
Increase / decrease in short-term non-interest-bearing debt	137,471	116,756
Change in working capital	105,861	70,820
Interest paid	-36,762	-16,598
Other financial expenses paid	-50,296	-7,689
Dividends received	294,017	134,897
Interest received	11,230	5,418
Income taxes paid	-19,784	-15,727
Net cash provided by operating activities	276,749	161,297

EUR thousand	2022	2021
Cash flows from investing activities		
Divestments in tangible and intangible assets	—	3,765
Investments in subsidiary shares	-14,807	—
Decrease in subsidiary shares	—	13,025
Long-term loans granted	-570,102	-136,112
Repayments of long-term loans	500,358	244,186
Short-term loans granted	-342,609	-227,959
Repayments of short-term loans	277,014	385,465
Purchase of other investments	-50,000	—
Divestments in other investments	2,000	—
Interest received from investments	23,167	20,954
Net cash used in investing activities	-174,979	303,324
Cash flows from financing activities		
Purchase of treasury shares	-25,104	—
Decrease in treasury shares	6,001	660
Invested non-restricted equity fund	-1,123	-2,102
Sales from treasury shares to subsidiaries	3,039	—
Changes of short term loans, net	79,643	-59,931
Withdrawal of long-term loans	499,583	—
Repayments of long-term loans	-252,692	-349,365
Dividends paid	-198,389	-165,605
Change in Group pool accounts	-201,684	5,037
Group contributions	100,000	62,900
Net cash provided by / used in financing activities	9,274	-508,406
Net increase / decrease in bank and cash	**111,044**	**-43,785**
Bank and cash on January 1	195,949	239,734
Bank and cash on December 31	306,993	195,949

Notes to the financial statements of the Parent company

1 Accounting principles

The Parent Company Financial Statements have been prepared in accordance with the Finnish Generally Accepted Accounting Principles. The financial statements are presented in euros.

Foreign currency translations

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the date of the transaction. At the end of the accounting period, monetary items are valued at the rate of exchange prevailing at the end of period.

Tangible and intangible assets

Tangible and intangible assets are valued at historical cost, less accumulated depreciation according to plan. Land and water areas are not depreciated.

Depreciation and amortization is calculated on a straight-line basis over the expected useful lives of the assets as follows:

Computer software	3–5 years
Other intangibles	10 years
Buildings and structures	20–25 years
Machinery and equipment	3–5 years
Other tangible assets	20 years

Financial instruments

Metso Outotec's financial risk management is carried out by a central treasury department (Group Treasury) under the policies approved by the Board of Directors. Group Treasury functions in cooperation with the operating units to minimize financial risks in both the Parent Company and the Group. Long-term debt is initially recognized at fair value, net of transaction costs incurred. In subsequent periods, they are valued at amortized cost using the effective interest rate method. Debts, which are hedged with a fair value hedge are recognized at fair value through profit and loss, and unrealized adjustment is presented in the hedge reserve. Transaction costs arising from issuance of bonds are recognized over the life of the bond using the effective yield method. The unrecognized portion as of the balance sheet date is presented as a decrease in liabilities. Derivatives outside hedge accounting are valued at fair value through profit and loss. Forward exchange contracts are measured at fair value. The change in fair value is recognized as income or expense in the income statement. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date. Bank and cash, as well as securities, consist of cash in bank accounts and investments of liquid funds in interest-bearing instruments. Financial assets are measured at historical cost, less possible impairment loss.

Provisions

Provisions are unrealized costs, for which the company is committed, and which will not provide any income in the future, and which are likely to occur. Provision changes are included in profit and loss.

Leases

Leases of assets, where the lessor retains all the risks and benefits of ownership, are classified as operating leases. Payments made under operating lease agreements are expensed on a straight-line basis over the lease periods. Leases of property, plant and equipment, where the lessee has substantially all the rewards and risks of ownership of an asset, are classified as finance leases.

Income taxes

Income tax expense includes taxes calculated for the financial year, adjustments to prior year taxes, and changes in the deferred taxes. Deferred tax liability or asset has been determined for all temporary differences in between the tax bases of assets and liabilities and their amounts in financial reporting, using the enacted tax rates effective for the future years. Deferred tax liabilities are recognized in the balance sheet in full, and deferred tax assets are recognized when it's probable that there will be sufficient taxable profit against which the asset can be utilized.

2 Other operating income

EUR thousand	2022	2021
Gain on disposal of subsidiary shares	–	1,679
Foreign exchange gains	945	2,683
Other	288	1,115
Total	**1,233**	**5,477**

3 Personnel expenses

EUR thousand	2022	2021
Salaries and wages	-21,159	-18,004
Pension costs	-3,581	-3,450
Other indirect employee costs	-84	-200
Total	**-24,823**	**-21,654**

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Remuneration paid to Executive Team

EUR thousand	2022	2021
Chief Executive Officer	-4,153	-2,538
Board members [1]	-958	-806
Total	**-5,111**	**-3,345**

[1] Board remuneration is presented in note 1.5 of the Consolidated financial statements.

Number of personnel

	2022	2021
Personnel at end of year	130	129
Average number of personnel during the year	132	146

4 Depreciation and amortization

Depreciation and amortization expenses consist of the following:

EUR thousand	2022	2021
Patents and licenses	—	-226
Capitalized software	-204	-2,583
Other intangible assets	-143	-28
Machinery and equipment	-44	-357
Total	**-391**	**-3,194**

5 Other operating expenses

EUR thousand	2022	2021
Write down of tangible assets	—	-10,825
Foreign exchange losses	-4,606	—
Other	-19,870	-18,607
Total	**-24,476**	**-29,433**

6 Audit fees

EUR thousand	2022	2021
Audit	-488	-643
Tax consulting	-30	—
Other services	—	-46
Total	**-518**	**-689**

7 Finance income and expenses

EUR thousand	2022	2021
Dividends received from		
Group companies	294,017	134,897
Total	294,017	134,897
Interest income from investments from		
Group companies	23,129	20,883
Others	38	71
Total	23,167	20,954
Other interest and financial income from		
Group companies	18,002	6,257
Others	4,285	1,665
Fair value change in derivatives	2,773	582
Interest and financial income, total	342,245	164,355
Interest expenses to		
Group companies	-1,329	-1,290
Others	-46,103	-20,965
Other financial expenses		
Exchange rate differences	-9,043	-926
Impairment loss on non-current assets	-133,628	—
Others	-9,668	-7,689
Interest and other financial expenses, total	-199,772	-30,870
Financial income and expenses, net	**142,474**	**133,484**

8 Appropriations

EUR thousand	2022	2021
Group contributions received	200,000	100,000

9 Income taxes

EUR thousand	2022	2021
Income taxes on operating activities	-33,545	-16,971
Income taxes for prior years	-158	2,824
Change in deferred taxes	-301	-2,884
Total	**-34,004**	**-17,031**

10 Fixed assets

2022 EUR thousand	Patents and licenses	Capitalized software	Other intangible assets	Intangible assets total	Land areas	Buildings and structures	Machinery and equipment	Tangible assets total	Total
Acquisition cost Jan 1	1,539	2,374	1,150	5,063	156	733	974	1,863	6,926
Acquisition cost Dec 31	1,539	2,374	1,150	5,063	156	733	974	1,863	6,926
Accumulated depreciation Jan 1	-1,539	-1,593	-826	-3,959	—	-733	-825	-1,558	-5,517
Depreciation for the period	—	-187	-160	-347	—	—	-44	-44	-391
Accumulated depreciation Dec 31	-1,539	-1,780	-986	-4,305	—	-733	-869	-1,602	-5,908
Net carrying value Dec 31	**—**	**594**	**164**	**758**	**156**	**—**	**106**	**261**	**1,019**

2021 EUR thousand	Patents and licenses	Capitalized software	Other intangible assets	Intangible assets total	Land areas	Buildings and structures	Machinery and equipment	Tangible assets total	Total
Acquisition cost Jan 1	10,274	26,591	1,856	38,720	156	733	2,868	3,757	42,478
Decreases	-8,734	-24,217	-706	-33,657	—	—	-1,894	-1,894	-35,551
Acquisition cost Dec 31	1,539	2,374	1,150	5,063	156	733	974	1,863	6,926
Accumulated depreciation Jan 1	-8,021	-10,937	-1,306	-20,264	—	-733	-2,286	-3,019	-23,283
Accumulated depreciation of decreases	6,707	11,926	652	19,285	—	—	1,675	1,675	20,961
Depreciation for the period	-226	-2,583	-171	-2,980	—	—	-215	-215	-3,194
Accumulated depreciation Dec 31	-1,539	-1,593	-826	-3,959	—	-733	-825	-1,558	-5,517
Net carrying value Dec 31	**—**	**781**	**324**	**1,104**	**156**	**—**	**149**	**305**	**1,409**

11 Investments

2022 EUR thousand	Shares in Group companies	Other shares	Receivables from Group companies	Receivables from other companies	Other investments total
Acquisition cost on Jan 1	1,363,526	2,532	276,584	250	279,366
Additions	14,807	—	569,602	—	569,602
Decreases	-133,628	-1,938	-499,608	-250	-501,796
Acquisition cost on Dec 31	**1,244,705**	**594**	**346,578**	**0**	**347,172**
Net carrying value on Dec 31	**1,244,705**	**594**	**346,578**	**0**	**347,172**

2021 EUR thousand	Shares in Group companies	Other shares	Receivables from Group companies	Receivables from other companies	Other investments total
Acquisition cost on Jan 1	1,374,871	2,657	412,081	750	415,488
Additions	—	—	136,112	—	136,112
Decreases	-11,345	-125	-271,609	-500	-272,234
Acquisition cost on Dec 31	**1,363,526**	**2,532**	**276,584**	**250**	**279,366**
Net carrying value on Dec 31	**1,363,526**	**2,532**	**276,584**	**250**	**279,366**

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12 Shareholdings

Subsidiaries on December 31, 2022

Subsidiary	Domicile	Ownership, %
International Project Services Ltd. Oy	Finland	44.50
Metso Outotec Canada Inc.	Canada	100.00
Metso Outotec Finland Oy	Finland	100.00
Metso Outotec Captive Insurance Limited	Great Britain	100.00
Metso Outotec France SAS	France	100.00
Metso Outotec USA Inc	United States	100.00
Outotec Tecnologia Brazil Ltda	Brazil	57.28
Metso Outotec Chile S.A.	Chile	24.75
Metso Outotec Mexico SA de CV	Mexico	5.52
Metso Outotec Perú SA	Peru	10.18
Metso Outotec Poland Sp. z o.o.	Poland	46.30
Outotec (RSA) Pty Ltd	South-Africa	15.30
Metso Outotec New Material Technology (Shanghai) Co., Ltd.	China	100.00
Outotec (Spain) S.L.	Spain	100.00
Outotec Africa Holdings	South-Africa	100.00
Outotec Holding GmbH	Germany	100.00
Outotec International Holding Oy	Finland	100.00
Metso Outotec Morocco LLC	Morocco	100.00
Outotec Pty. Ltd.	Australia	100.00
Metso Outotec-Technology (Ecuador) S.A.	Ecuador	99.90
Rauma Oy	Finland	100.00

13 Specification of receivables

Long-term receivables

EUR thousand	2022	2021
Deferred tax asset	393	694
Derivatives	2,701	1,582
Long-term receivables total	**3,094**	**2,276**

Short-term receivables

EUR thousand	2022	2021
Trade receivables from		
Group companies	28,085	30,244
Others	–	8
Total	28,085	30,252
Loan receivables from		
Group companies	513,648	384,495
Others	250	500
Total	513,898	384,995
Prepaid expenses and accrued income from		
Group companies	255,289	144,693
Others	100,523	61,448
Total	355,812	206,140
Other receivables		
VAT receivable	4	262
Other receivables	1	-3
Total	5	259
Short-term receivables total	**897,800**	**621,647**

Specification of prepaid expenses and accrued income

EUR thousand	2022	2021
Prepaid expenses and accrued income from Group companies		
Group contribution receivables	200,000	100,000
Accrued interest income	8,200	4,555
Accrued derivatives	45,286	39,534
Other accrued items	1,803	604
Total	**255,289**	**144,693**
Prepaid expenses and accrued income from others		
Accrued interest income	5	1
Accrued derivatives	85,287	45,579
Other accrued items	15,231	15,868
Total	**100,523**	**61,448**

14 Statement of changes in shareholders' equity

EUR thousand	2022	2021
Share capital on Jan 1	107,186	107,186
Share capital on Dec 31	107,186	107,186
Share premium fund on Jan 1	20,180	20,180
Share premium fund at Dec 31	20,180	20,180
Treasury shares on Jan 1	-8,833	-9,493
Change	-19,102	660
Treasury change on Dec 31	-27,935	-8,833
Invested non-restricted equity fund on Jan 1	434,500	434,549
Change	-1,123	-50
Invested non-restricted equity fund on Dec 31	433,377	434,500
Reserve for cash hedges on Jan 1	—	2,053
Change	—	-2,053
Reserve for cash hedges on Dec 31	—	—
Retained earnings on Jan 1	547,408	519,340
Dividend distribution	-198,877	-165,609
Retained earnings on Dec 31	348,531	353,731
Profit for the year	280,625	193,677
Total shareholders' equity on Dec 31	**1,161,964**	**1,100,441**

Statement of distributable funds on December 31

EUR thousand	2022	2021
Fair value reserve		
Invested non-restricted equity fund	433,377	434,500
Treasury shares	-27,935	-8,833
Retained earnings	348,531	353,731
Profit for the year	280,625	193,677
Total distributable funds	**1,034,597**	**973,075**

At the end of the year 2022, Metso Outotec Oyj held 3,336,505 own shares, whereas at the end of the year 2021 the number of own shares was 925,021.

15 Long-term liabilities

EUR thousand	2022	2021
Bonds	761,317	594,354
Loans from financial institutions	240,000	40,000
Derivatives	33,417	5,729
Total	**1,034,734**	**640,083**

Debt maturing after more than in five years

EUR thousand	2022	2021
Bonds	300,000	300,000

Presented at nominal value.

FINANCIAL STATEMENTS CONSOLIDATED PARENT COMPANY
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16 Short-term liabilities

EUR thousand	2022	2021
Current portion of long-term liabilities		
Bonds	–	100,000
Total	–	100,000
Short-term interest-bearing debt		
Loans from financial institutions	79,643	49,971
Group pool accounts	133,191	259,422
Total	212,834	309,393
Trade payables to		
Group companies	16,157	17,894
Others	2,175	2,344
Total	18,332	20,238
Accrued expenses and deferred income to		
Group companies	64,638	33,148
Others	78,203	62,076
Total	142,841	95,224
Provisions		
Provision for restructuring	–	354
Total	–	354
Other short-term non-interest-bearing debt to		
Group companies	279,233	198,252
Others	844	186
Total	280,077	198,438
Short-term liabilities total	**654,085**	**723,647**
Short-term liabilities to Group companies total	493,218	508,716

Specification of accrued expenses and deferred income

EUR thousand	2022	2021
Accrued expenses and deferred income to Group companies		
Accrued interest expenses	803	46
Accrued derivatives	63,820	33,102
Other accrued items	15	–
Total	**64,638**	**33,148**
Accrued expenses and deferred income to others		
Accrued interest expenses	5,268	5,536
Accrued derivatives	46,274	51,521
Accrued salaries, wages and social costs	6,509	4,569
Other accrued items	20,152	450
Total	**78,203**	**62,076**

17 Other contingencies

Guarantees and mortgages

EUR thousand	2022	2021
Guarantees on behalf of group companies	1,334,672	1,383,451

Lease commitments

EUR thousand	2022	2021
Payments in the following year	1,089	1,111
Payments later	92	1,012
Total	**1,181**	**2,123**

18 Derivative instruments

EUR thousand	2022	2021
Net fair values		
Contracts made with financial institutions		
Foreign exchange forward contracts	39,139	-5,942
Interest rate swaps	-30,717	-4,147
Contracts made with subsidiaries		
Foreign exchange forward contracts	-18,430	7,155
Total	**-10,008**	**-2,934**
Nominal values		
Contracts made with financial institutions		
Foreign exchange forward contracts	3,539,507	2,384,288
Interest rate swaps	400,000	275,000
Contracts made with subsidiaries		
Foreign exchange forward contracts	3,626,054	2,641,575
Total	**7,565,561**	**5,300,863**

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Signatures of the Board of Directors' report and financial statements 2022

Helsinki, February 16, 2023

Kari Stadigh
Chair of the Board

Klaus Cawén
Vice Chair of the Board

Brian Beamish
Member of the Board

Christer Gardell
Member of the Board

Terhi Koipijärvi
Member of the Board

Antti Mäkinen
Member of the Board

Ian W. Pearce
Member of the Board

Emanuela Speranza
Member of the Board

Arja Talma
Member of the Board

Pekka Vauramo
President and CEO

Auditor's note

Our auditor's report has been issued today.

Helsinki, February 16, 2023

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Järventausta
APA

Auditor's Report

(Translation of the Finnish original)

To the Annual General Meeting of Metso Outotec Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Metso Outotec Corporation (business identity code 0828105-4) for the year ended 31 December, 2022. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including summaries of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position as well as its financial performance and its cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit and Risk Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 6.1 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition over time, including valuation of project receivables and project loss provisions *The accounting principles and disclosures about revenue, project receivables and project loss provisions are included in Note 1.2, Note 2.2 and Note 2.6.* Metso Outotec delivers to its customers customized engineered solutions, where the signing of a delivery contract and the final acceptance of a delivery by the customer may take place in different financial periods. In accordance with Metso Outotec's accounting principles, revenue from such projects is recognized over time. The recognition of revenue and the estimation of the outcome of a project require significant management judgment, in particular with respect to estimating the stage of completion and cost to complete. Significant judgment is also required to assess the recoverability of project receivables and particularly to determine the project loss provision when it is expected that the total costs will exceed the total revenues from the delivery contract. Based on above, revenue recognition over time, including valuation of project receivables and project loss provisions, was a key audit matter. This matter was also a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2).	Our audit procedures to address the risk of material misstatement in respect of the revenue recognition over time, including valuation of project receivables and project loss provisions, included, among others: • Assessment of the Group's accounting policies over revenue recognition over time and valuation of project receivables and project loss provisions. • Inspection of the project documentation such as contracts, legal opinions and other written communication. • Understanding of the status and specific characteristics of the significant projects being delivered to customers influenced by Russia related sanctions. • Evaluation of financial development and current status of projects by – analyzing the changes in assumptions relating to estimated revenues and costs, receipts of project payments and loss provisions, and – discussions with different levels of the organization including project management and group management. • Evaluation of the appropriateness of the Group's disclosures in respect of revenue recognition over time and valuation of projects receivables and project loss provisions.
Valuation of goodwill *The accounting principles and disclosures about goodwill are included in Note 3.1.* As of balance sheet date December 31, 2022, the value of goodwill in continuing operations amounted to 1,128 million euros representing 17% of the total assets and 48% of the total equity. The annual impairment testing of goodwill was based on the management's estimate about the value-in-use of the cash generating units. There are a number of assumptions used to determine the value-in-use of the cash generating units, including revenue growth, margins and the discount rate applied on net cash-flows. The estimated value-in-use may vary significantly when underlying assumptions are changed and the changes in above-mentioned individual assumptions may result in an impairment of goodwill. The valuation of goodwill was a key audit matter because the annual impairment testing included management judgment with respect to the key assumptions used and because of the significance of goodwill to the financial statements.	Our audit procedures in respect of valuation of goodwill included, among others: • Evaluation of the determination of cash generating units and the goodwill allocated to those units. • Involvement of our valuation specialists to assist us in evaluating the key assumptions used in impairment testing by comparing the management's assumptions to externally derived data and to our independently calculated industry averages, in particular those relating to – the forecasted revenue growth, – the forecasted margin and – the weighted average cost of capital used to discount the net cash-flows. • Testing of the accuracy of the impairment calculations prepared by the management and comparison of the sum of discounted cash flows against Metso Outotec's market capitalization. • Evaluation of the adequacy of the disclosures of the impairment testing results.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 30 June 2020 and our appointment represents a total period of uninterrupted engagement of three years.

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, February 16, 2023

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Järventausta
Authorized Public Accountant

Independent Auditor's Report on Metso Outotec Oyj's ESEF-Consolidated Financial Statements

(Translation of the Finnish original)

To the Board of Directors of Metso Outotec Oyj

We have performed a reasonable assurance engagement on the iXBRL tagging of the consolidated financial statements included in the digital files 549300R0VN9C371W0E07-2022-12-31-fi.zip of Metso Outotec Oyj for the financial year 1.1.–31.12.2022 to ensure that the financial statements are marked/tagged with iXBRL in accordance with the requirements of Article 4 of EU Commission Delegated Regulation (EU) 2018/815 (ESEF RTS).

Responsibilities of the Board of Directors and Managing Director

The Board of Directors and Managing Director are responsible for the preparation of the Report of Board of Directors and financial statements (ESEF financial statements) that comply with the ESESF RTS. This responsibility includes:

- preparation of ESEF-financial statements in accordance with Article 3 of ESEF RTS
- tagging the consolidated financial statements included within the ESEF- financial statements by using the iXBRL mark ups in accordance with Article 4 of ESEF RTS
- ensuring consistency between ESEF financial statements and audited financial statements

The Board of Directors and Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance with the requirements of ESEF RTS.

Auditor's Independence and Quality Control

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The auditor applies International Standard on Quality Control (ISQC) 1 and therefore maintains a comprehensive quality control system including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

In accordance with the Engagement Letter we will express an opinion on whether the electronic tagging of the consolidated financial statements complies in all material respects with the Article 4 of ESEF RTS. We have conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000.

The engagement includes procedures to obtain evidence on:

- whether the tagging of the primary financial statements in the consolidated financial statements complies in all material respects with Article 4 of the ESEF RTS
- whether the tagging of the notes to the financial statements and the entity identifier information in the consolidated financial statements complies in all material respects with Article 4 of the ESEF RTS
- whether the ESEF-financial statements are consistent with the audited financial statements

The nature, timing and extent of the procedures selected depend on the auditor's judgement including the assessment of risk of material departures from requirements sets out in the ESEF RTS, whether due to fraud or error.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our statement.

Opinion

In our opinion the tagging of the consolidated financial statement included in the ESEF financial statement of Metso Outotec Oyj for the year ended 31.12.2022 complies in all material respects with the requirements of ESEF RTS.

Our audit opinion on the consolidated financial statements of Metso Outotec Oyj for the year ended 31.12.2022 is included in our Independent Auditor's Report dated 16.2.2023. In this report, we do not express an audit opinion any other assurance on the consolidated financial statements.

Helsinki 20.3.2023
Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Järventausta
Authorized Public Accountant

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Investor information

Investor Relations function and policies

The main task of Investor Relations is to support the correct valuation of Metso Outotec's share by providing up-to-date information on matters concerning our operations, operating environment, strategy, objectives, financial performance, and market outlook. Our goal is to provide correct, adequate, and current information regularly and impartially to all market participants. In our work, we aim for promptness, transparency, agility, and excellent service.

Investor Relations is responsible for all investor communications, including contacts with representatives of the capital markets. All investor meeting requests are processed by Investor Relations. In addition to financial reports and actively updated webpages our investor communications include investor meetings as well as conferences seminars in which corporate executives actively participate. We also arrange Capital Markets Day events. In addition, we regularly gather and analyze market information and investor feedback for the top management and the Board of Directors.

During the 21-day period prior to publication of the annual, half-year or interim financial results, we are not in contact with capital market representatives. At other times, we are happy to answer inquiries of analysts and investors by phone, email or at arranged investor meetings. Contact details are available on the following page.

Market estimates and analyst reports

We actively monitor market expectations and will review, if requested so by an analyst, their model against publicly available information. However, we do not comment on or take any responsibility for estimates or forecasts published by capital market representatives, and we do not comment on the company's valuation or share price development, give preference to one analyst, or distribute analyst reports to the investment community.

We maintain a list of the analysts following Metso Outotec on a regular basis on our website at **www.mogroup.com/corporate/investors/shares/analysts/**.

Market outlook

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.

Current market outlook, published on February 17, 2023

Metso Outotec has changed its outlook and expects the overall market activity to remain at the current level in both the mining and aggregates markets.

In its previously published outlook Metso Outotec expected the overall market activity to remain at the current level, with the mining market remaining strong and the aggregates market declining due to the expected softening of the European market.

Guidance on our financial communications

The principle of equality in our investor communications means giving all market participants simultaneous and timely access to the information they need to be able to determine the value of the Metso Outotec share in an informed manner. We follow the rules and recommendations of:

- Finnish Corporate Governance Code 2020
- Finnish Companies Act
- Accounting Act
- Finnish Securities Markets Act
- Market Abuse Regulation ((EU) N:o 596/2014 ("MAR"))
- Rules, regulations and guidelines of Nasdaq Helsinki and the Finnish Financial Supervisory Authority

Our disclosure policy has been approved by the Board of Directors and it describes the main principles and practices of our stock exchange communications as well as other important disclosure practices we follow. The purpose of the policy is to promote reliable and consistent disclosure of information and to describe the decision-making procedures relevant to disclosing market-relevant information. More information and our Disclosure Policy are available at **www.mogroup.com/corporate/investors/financials/**.

Our releases are divided into three categories: stock exchange releases, corporate press releases and trade press releases. The category of a release is based on MAR demands, on the materiality and relevance of the information as well as on internal guidelines.

Stock exchange releases are used for releasing inside information according to the MAR and other matters required by the rules of the stock exchange. Corporate press releases are used for communicating about business events that do not include inside information but are estimated to be newsworthy or of general interest to stakeholders. Trade press releases are used for discussing our products and technology and other topics that are of interest to our customer industries and the trade media.

Our financial reviews and our releases, as well as their email subscription, are available in Finnish and English on our website at **www.mogroup.com/corporate/media/news/**. We disclose information about our financial performance according to a schedule announced in advance. Financial information and key figures are disclosed on the Metso Outotec and segment level.

Financial reporting schedule 2023

Annual Report 2022	Week commencing March 20, 2023
Interim report for January–March 2023	May 3, 2023
Half-year financial report 2023	July 20, 2023
Interim report for January–September 2023	October 27, 2023

Shareholder's change of address

Shareholders are kindly asked to notify of changes in their address to the bank, brokerage firm or other account operator with which they have a book-entry account.

Annual General Meeting 2023

Metso Outotec's Annual General Meeting to be held on Wednesday, May 3, 2023, at 2.00 p.m. (EEST) at Messukeskus (Siipi entrance) at the address Rautatieläisenkatu 3, 00520 Helsinki, Finland. The reception of attendees who have registered for the General Meeting and the distribution of voting tickets will commence at the meeting venue at 1.00 p.m. (EEST).

Notice of the meeting including all meeting proposals was published as a stock exchange release on February 17, 2023, and is also available at **www.mogroup.com/agm/**

Important dates related to AGM 2023

Record date of AGM	April 20, 2023
Registration period ends	April 25, 2023, at 10:00 a.m. (EEST)
Annual General Meeting	May 3, 2023
Record date of dividend payment, 1st installment	May 5, 2023
Date of dividend payment, 1st installment	May 12, 2023
Minutes of the meeting available	May 17, 2023, at the latest
Dividend payment 2nd installment	November 2023 (Board of Directors to resolve on October 26, 2023)

Registration and proxies

A shareholder, who is registered in the Company's shareholders' register and who wants to participate in the General Meeting at the meeting venue or follow the webcast of the General Meeting, must register for the meeting no later than on April 25, 2023, at 10.00 a.m. (EEST) by giving a prior notice of participation. The notice must be received by the Company (or Innovatics Oy) before the end of the above-mentioned registration period. Registration for the General Meeting and advance voting will commence on February 23, 2023, at 9.00 a.m. (EET). The registration can be done in the following ways:

a) on Metso Outotec's website at **www.mogroup.com/agm**, Electronic registration requires strong electronic identification of the shareholder or their legal representative or proxy representative with personal online banking codes or a mobile certificate. If shareholders that are legal persons use Suomi.fi-authorizations, registration requires the authorized person's strong electronic authentication with online banking codes or a mobile certificate,
b) by email to **agm@innovatics.fi**,
c) by telephone to +358 10 2818 909 from Monday to Friday between 9.00–12.00 a.m. and 13.00–16.00 p.m. (EET), or
d) by regular mail to Innovatics Oy, AGM/Metso Outotec Corporation, Ratamestarinkatu 13 A, 00520 Helsinki, Finland.

In connection with the registration, at least the following information is requested: the shareholder's name, personal identification number/date of birth/business ID, contact details, the name of any proxy representative or assistant as well as the date of birth of the proxy representative. The personal data given to Metso Outotec or to Innovatics Oy by shareholders and proxy representatives is only used in connection with the General Meeting and with the processing of related necessary registrations. For further information on how Metso Outotec processes personal data, please review Metso Outotec's privacy notice regarding the General Meeting, which will be available at **www.mogroup.com/agm**.

The shareholder, their legal representative or proxy representative must be able to prove their identity and/or right of representation at the meeting venue.

Nominee registered shares

A holder of nominee-registered shares has the right to participate in the General Meeting by virtue of such shares, based on which the shareholder on the record date of the General Meeting, on April 20, 2023, would be entitled to be registered in the Company's shareholders' register held by Euroclear Finland Oy.

Further information will also be available on the Company's website at **www.mogroup.com/agm**.

Resolutions of the AGM

Resolutions of the AGM will be published as a stock exchange release without delay after the meeting has finished.

More information about the Annual General Meeting and the meeting proposals are available on our website at **www.mogroup.com/agm**.

IR contacts

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Metso Outotec Corporation

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Metso:Outotec

Metso:Outotec

GRI SUPPLEMENT 2022

Partner for positive change

Metso Outotec's Annual report 2022 consists of five sections:

All Annual report sections are available in English and in Finnish. They are downloadable on our Annual report website at mogroup.com/annualreport. In this Annual report, we apply integrated reporting elements.

METSO OUTOTEC CHANNELS

› mogroup.com
› twitter.com/MetsoOutotec
› facebook.com/MetsoOutotec
› youtube.com/MetsoOutotec
› instagram.com/metsooutotec

Business overview

Strategy, value creation and sustainability

Financial review

Board of Directors' report, financial statements and investor information

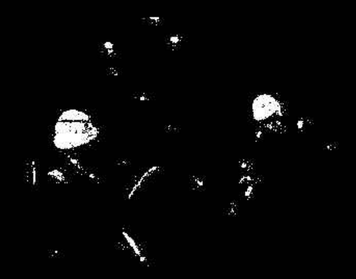
GRI supplement

Externally assured sustainability information compliant with the GRI standards

Corporate governance statement

Corporate governance, internal control and risk management systems

Remuneration report



Remuneration of the Board of Directors and the CEO

Metso:Outotec

KEY PERFORMANCE INDICATORS | GRI CONTENT | INDEPENDENT ASSURANCE REPORT

This is the GRI supplement, including independent practitioner's assurance report.

Contents

Sustainability governance 5
Metso Outotec's stakeholders 6
Reporting principles 9
Key performance indicators 10
GRI Content Index 22
SASB Industrial Machinery and Goods Disclosure 30
Independent practitioner's limited assurance report .. 31

Metso:Outotec

About this GRI supplement

Metso Outotec publishes its sustainability data annually. The quantitative data for the 2022 calendar year contained in this supplement has been prepared in accordance with the GRI Standards.

Our reporting meets the requirements of the Finnish Accounting Act on the disclosure of non-financial information. The required non-financial information is disclosed in the Review by the Board of Directors in Metso Outotec's Financial statements 2022. In our Statement of non-financial information we also disclose to what extent our activities are eligible for and aligned with the EU Taxonomy as required by the EU Taxonomy Regulation and the Finnish Accounting Act. This GRI supplement and the sustainability information disclosed in the Business overview section of the Annual report have been prepared to meet the expectations of a wider audience and the requirements of several sustainability indices.

The boundary of our reporting is Metso Outotec Corporation, unless otherwise stated. This scope of reporting excludes associated companies and joint ventures. Supplier-related information includes spending on local suppliers, supplier sustainability audits, the lost time incident frequency rate (LTIFR) of contractors and other supervised workers, and CO_2 emissions of purchased goods and services as well as transportation. Sustainability data is presented at the group level, unless otherwise stated.

Metso Outotec's Annual report 2022 consists of the Business overview, Financial review, Corporate governance statement, Remuneration report, and the GRI supplement. The GRI reporting principles for defining report content and quality and the GRI 1: Foundation Standard have been taken into consideration in producing sustainability-related content. In addition, our reporting includes the industry-specific indicators (SASB Index) identified in the Sustainability Accounting Standards Board's (SASB) Industrial Machinery & Goods Standard.

Sustainability data is presented in various sections of the Annual report. Key figures are summarized in the 'Key Performance Indicators' section of this GRI supplement, with references to additional information set out in the 'GRI Content Index' section.

This report also describes Metso Outotec's performance with reference to the ten principles of the UN Global Compact initiative, specifically regarding human rights, labor rights, environment, and anti-corruption principles. The GRI Content Index also shows the indicators used by Metso Outotec to evaluate progress in these areas.

Metso Outotec's sustainability agenda and related action plans, targets and long-term goals are also aligned with the UN Sustainable Development Goals (SDGs). We have integrated the most relevant Sustainable Development Goals into our sustainability agenda. Five SDGs have been identified as the most relevant areas where we want to demonstrate our impact during this strategy period. This report also describes Metso Outotec's progress against these goals.

In line with the goals set by the UN General Assembly, our products help our customers make their operations more sustainable, with increased resource efficiency and greater adoption of clean and environmentally efficient technologies (SDG 9). This includes actions to combat climate change (SDG 13) through the use of our technologies. We also increase the efficiency of our water use by reducing the amount of freshwater needed in our processes and by increasingly recycling and safely re-using water, thus decreasing the amount of wastewater (SDG 6).

We offer work opportunities for all genders as well as for young people and persons with disabilities. Furthermore, we aim to achieve equal pay for work of equal value, as well as to protect labor rights and promote a safe and secure working environment for all employees (SDG 8).

In addition, because the majority of Metso Outotec's manufacturing is outsourced, responsible procurement is important to us. By requiring sustainable practices across our supply chain we also promote the wider adoption of responsible management practices and the reduction of waste generation (SDG 12).

PwC has provided limited assurance on the sustainability information disclosed in Metso Outotec's Annual report 2022, as an independent third party. The scope of the assured information is indicated in the independent assurance report on page 31 of this report.

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Sustainability governance

Sustainability is fundamental to our business and to our everyday work at all levels of the organization.

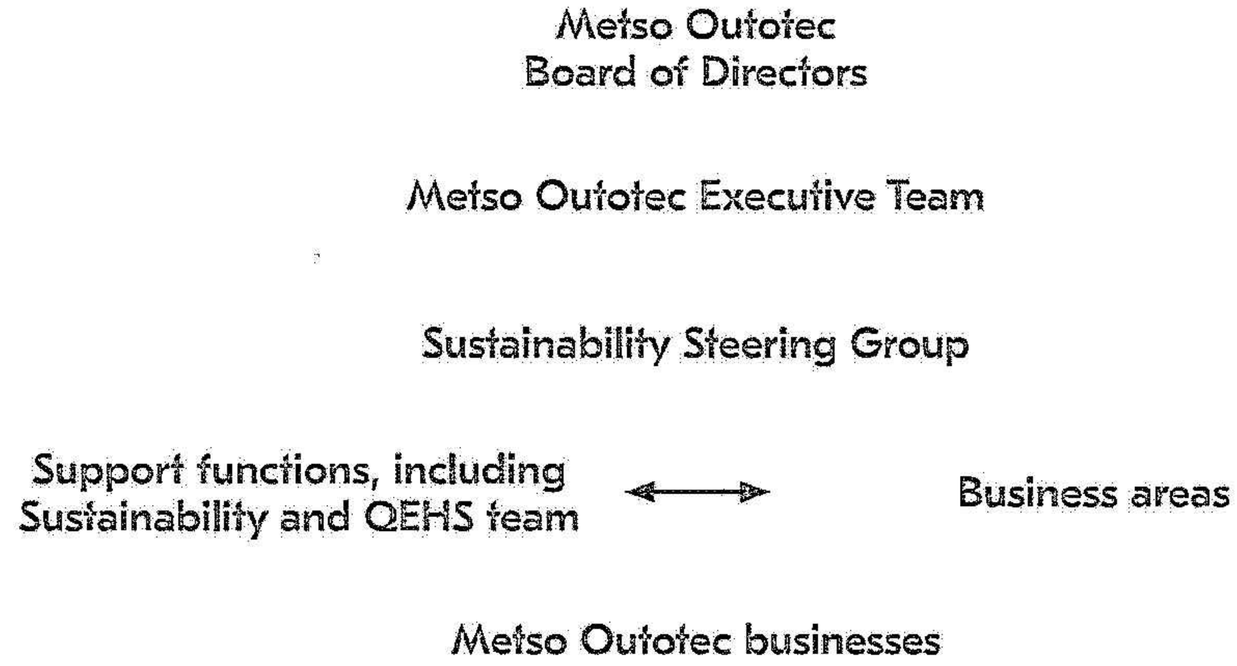
Metso Outotec's Board of Directors oversees the effectiveness of Metso Outotec's sustainability governance and follows up with management to ensure that the sustainability agenda is pursued effectively.

The Metso Outotec Executive Team is the group's top decision-making committee. It regularly reviews and ensures the implementation of the sustainability agenda and makes decisions on corporate-level sustainability priorities, such as climate targets. The heads of the business areas are accountable for sustainability matters in their respective business areas.

The Chief Financial Officer, who is a member of the Metso Outotec Executive Team, has overall accountability for sustainability. The CFO and the Sustainability and QEHS team jointly lead Metso Outotec's group-level approach to material sustainability issues in cooperation with businesses and other corporate functions. This includes the development of the overall sustainability agenda and sustainability practices and communications, as well as the implementation of corporate policies. The team contributes to sustainability-related training, risk assessment and management as well as external reporting in cooperation with other corporate functions, and it is also responsible for the proactive management of internal and external stakeholders' expectations.

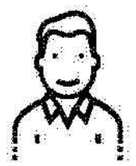
The Sustainability Steering Group includes leaders and subject matter experts from different business areas and corporate functions. The Sustainability Steering Group meets twice a quarter to review the overall progress of the sustainability agenda and performance against targets and provides guidance on sustainability matters, governance and policies.

Metso Outotec's integrated management system complies with the requirements of international standards. Key units of Metso Outotec are certified to ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (safety) standards.



Metso Outotec's stakeholders

Continuous interaction with stakeholders — entities or individuals that have an impact on our business or are affected by our activities, products and services — is a key aspect of Metso Outotec's approach to sustainability. We recognize that the appropriate focus areas and channels of communication vary by stakeholder needs. Metso Outotec defined its key stakeholders through a materiality analysis conducted in 2020.

Key stakeholders	Topics of interest	Engagement	Our response to stakeholder expectations in 2022
Customers 	– Sustainability discussions with customers are related to many different topics, including our handprint impact (technology and service impact for our customer) and our footprint actions (how we reduce environmental impacts and improve social aspects across our supply chain).	– We have active sustainability-related discussions with many of our customers to collect feedback, to support our customers in reaching their sustainability targets, and to work together to make improvements to products and our own operations. – In addition to active discussions, we also deepen our understanding of our customers' needs and challenges by systematically collecting feedback.	– In 2022, we started an extensive sustainability training program for our sales organization to support our sales employees in meeting customers' sustainability needs. – We have supported our customers in many sustainability-related projects and inquiries by offering our solutions and services as well as our know-how and data. – In our customer feedback surveys, we collect Net Promoter Score and Customer Satisfaction ratings, and we analyze customer comments to understand their reasoning driving these scores. The analysis helps us to understand customer requirements and to plan for improvement actions.
Employees	– Corporate social responsibility actions, wellbeing initiatives, diversity and inclusion, one's own growth and career opportunities in the company, sustainability strategy, targets and performance, environmental efficiency of own operations, health and safety.	– We conduct employee engagement surveys on a quarterly basis, two of which are full surveys per year for all employees and two pulse surveys for white-collar employees. Active listening and continuous dialogue are important parts of our performance culture. All teams discuss their respective results and seek ways to improve where needed. – We offer leadership training for our leaders and line managers in line with our Leadership Principles. – The wellbeing of our people is a priority, and we have many local actions on-going to support our people in this area.	– We track our employee engagement with engagement surveys. On average, more than 80% of our employees respond to the survey (in Dec 2022 85%) and submit thousands of open comments that provide valuable information to help us understand the areas that need improvement. – We continuously develop our managers' leadership capabilities and support the competence development of our employees. – In health and wellbeing, our engagement survey score has improved and is now in the top 5 percent in our industry. This result shows that our people feel health and wellbeing is a priority at Metso Outotec. – To promote diversity and inclusion, we have initiated various actions: we conducted a fair pay analysis and made corrective actions based on the findings, we have built inclusive talent acquisition practices, conducted psychological safety trainings, and launched the Conscious Inclusion training and Women's mentoring program.

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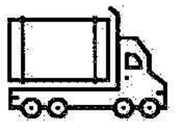
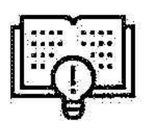
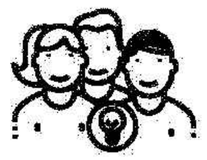
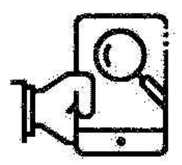
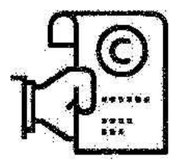
Key stakeholders	Topics of interest	Engagement	Our response to stakeholder expectations in 2022
Suppliers and subcontractors 	– We aim to ensure that our suppliers comply with our sustainability and quality requirements. Accordingly, we have developed a Supplier Code of Conduct that sets the standards for our suppliers and forms the basis for supplier cooperation. – Our supplier selection is a broad process; the priority for global sourcing and procurement is to find ways to work with suppliers to improve their sustainability performance, in addition to normal commercial considerations.	– We work closely with our suppliers and subcontractors. This cooperation is based on solid partnership and long-term collaboration. We are transparent in what we require of our suppliers, and we encourage safe working practices. – Further details about our approach to working with suppliers is available in the Business overview and in the Statement of non-financial information.	– We assess and track our suppliers' performance on a monthly basis, and we disclose and discuss results with Procurement teams to support our suppliers' sustainability development. – We conduct internal supplier sustainability audits and third-party supplier audits for high-risk suppliers. – In 2022, our supplier engagement KPI reached 19.6%. Following our engagement with them, several large suppliers committed to Science-Based targets and set meaningful CO_2 emissions reduction targets.
Shareholders	– Metso Outotec is committed to long-term value creation for its shareholders, and we believe our sustainability performance contributes to this. Key topics of interest include our Planet Positive offering and how we manage our own footprint.	– We have continued the development of sustainability communications for investors using a range of channels.	– We actively engage with our investors and shareholders at investor events and meetings, and through calls as well as more general digital communications. More information about our investor dialogue in 2022 is available in the Financial review.
Media 	– Our focus is on building reputation and trust through active dialogue with media. We aim to provide media with easy access to useful information, case studies and expert views.	– We provide clear and accurate information about Metso Outotec through many channels. We interact with media representatives both locally and globally to publicize our sustainability work. – Our experts meet trade press representatives at exhibitions and conferences and share the latest product news with them.	– Several international engagements with trade media such as Mining Magazine, Mining International and Aggregates Business. Our releases have been well received by the media, especially information about large orders and new innovations such as our mill lining recycling service. – We actively responded to journalists requests during 2022 and also offered opportunities for CEO-level interviews.
Non-governmental organizations	– Our focus for sponsorships and donations are environmental protection and conservation, safety programs, and natural disaster relief.	– We have good cooperation with non-governmental organizations (NGOs). Our cooperation partners include, e.g. Plan International.	– Donating laptops to support Ukrainian IT students in Finland. – Partnering with Plan India to build school facilities in Alwar, Rajasthan. – Helping underprivileged youth through the Pescar Project in Sorocaba, Brazil.

Key stakeholders	Topics of interest	Engagement	Our response to stakeholder expectations in 2022
Local communities 	– Community projects are based on local needs and defined through discussions with local communities.	– We are a responsible corporate citizen and we work closely with the local communities around our operating sites. – We create value by providing employment opportunities, and we support corporate social responsibility projects that bring measurable benefits to our local communities.	– We strive to carry out co-funded community projects in collaboration with our customers. We also aim to integrate voluntary work into community projects. – In 2022, for example, we continued our SOS Children's Village project in India that aims to provide holistic development of 50 abandoned children from 5 family homes.
Universities, vocational schools and research centers 		– We regard cooperation with universities and research institutes as important and an essential factor in our approach to innovation. We arrange cooperation projects, school visits, apprenticeship training, internships and dissertation positions.	
Authorities, regulators and government 	– Sustainable minerals and aggregates processing, electrification, digitalized process optimization and safety.	– Metso Outotec continues to engage in R&D collaboration focusing on sustainability, automation and digitalization. Collaboration is mainly through EU, Business Finland and EIT Raw Materials research programs. – One example is the Business Finland funded "Tocanem program — towards carbon neutral metals". This is one of the four strategic research projects of the Association of Finnish Steel and Metal Producers' members. – Metso Outotec is continuously focusing on the aggregate industry's safety, environment and standardization, for example by participating in the development and implementation of EN1009 safety standards.	– Metso Outotec participates 9 large, externally funded R&D projects/ programs, with the aim to strengthen our know-how and competences in several strategic areas. – We have completed research programs related to water, energy, resource and tailings efficiency, as well as autonomous processes facilitated by artificial sensing intelligence. – New research programs are initiated through the EU-driven Horizon Europe program. – We actively participate in Committee for European Construction Equipment (CECE) activities in this field.

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Reporting principles

Economic data

The economic data in this report is based on data collected through our enterprise resource planning and management reporting systems. Figures used in Metso Outotec's 2022 consolidated Financial statements have been prepared in accordance with International Financial Reporting Standards.

Environmental data

Environmental data has been collected through our HSE24 reporting system. The principle applied in defining the scope for which environmental data is collected is financial control, and leased assets are included in the reported figures.

This data is available for Metso Outotec's largest business units and has been collected from all our manufacturing units, research centers, service centers, assembly shops and warehouses with more than 50 employees. It includes energy use, water use, waste, and VOC emissions. In addition, energy data is collected from offices with more than 100 employees.

Our smallest offices, typically with fewer than 100 employees, and the smallest service centers, assembly shops and warehouses with fewer than 50 employees, are not included in the environmental reporting. This is because they are often located in large office facilities together with other companies. They typically pay a monthly lump sum to the office space providers, and therefore it is not possible to determine their specific electricity, heat or water consumption. We have estimated that the impact of these locations is not material for Metso Outotec's total figures.

Waste generated in Metso Outotec's own activities is predominantly from the production process in operational sites such as foundries, manufacturing sites, and assembly and service workshops. The largest amount of waste is generated at foundries (sand and slag) and manufacturing sites (rubber and metallic scraps). Metso Outotec has implemented several initiatives that aim to reduce waste generation in its operational sites by improving production processes as well as by developing new alternatives for recycling. Waste is mainly recycled or recovered by external companies. These companies are selected and managed by each location in accordance with Metso Outotec's and local legal requirements. Waste figures are reported in the HSE24 system bi-annually for each operational location.

Metso Outotec's internal processes do not consume large amounts of water and water is often reused and process water can be recycled. The primary water use in our own operations is for cooling water in foundries. Water discharge is measured if required by site permits.

Environmental data from Metso Outotec's project sites are excluded from the data collection process. All local subsidiaries from which the data was collected are fully owned by Metso Outotec.

The methodology of calculating the scope 3 emissions of purchased goods and services is based on Metso Outotec's spending by supplier type and country and is carried out using data supplied by the environmentally extended input-output matrices from Exiobase.

Our positive climate impact, our handprint, is based on an estimate of the emissions avoided by using Metso Outotec technologies. We have calculated the carbon dioxide (CO_2) emissions from the use of Metso Outotec technologies against the industry baseline or an alternative technology.

Social data

Employee data was collected through a global HR master data system which is based on SAP SuccessFactors.

Health and safety

Metso Outotec's global HSE24 reporting system is used to collect health and safety data and to monitor progress towards common health and safety targets across all Metso Outotec operations.

We have implemented a health and safety management system fulfilling local statutory requirements. The system also supports standards such as ISO 45001. The occupational health and safety management system and reported indicators cover employees as well as workers who are not employees but whose work or workplace is controlled by the organization.

All work-related injuries are reported, without exception, in our HSE24 reporting system. Injuries are investigated and the results are reported in the system. Injuries are reviewed with management, and the necessary corrective actions are identified during the investigation. All lost-time injuries are reviewed at least annually to identify high-consequence work-related injuries. All injuries that are reported with a consequence defined as a "lost-time injury", "restricted work", or "medical treatment" are included in recordable injuries. The type of injury is reported based on the Injury classification on the injury form for each incident. Fatalities are categorized separately.

The number of hours worked per month is estimated as headcount at the end of the month multiplied by 160 hours. Hours worked are not made public but are used only to calculate frequency rates. Where either the number or rate need to be reported, only the rate is reported so that reporting is concise. Hours for non-employees are not reported because they are business-sensitive information and would add little value to information about injury frequency rates.

Our Hazard Identification and Risk Assessment (HIRA) process is used to identify work-related hazards and to assess related risks. The quality of the HIRA process is ensured by involving local HSE staff in the process as defined in our HSE roles and responsibilities framework. Actions resulting from the HIRA process continually improve our occupational health and safety management system. All workers are also expected to report work-related hazards in our HSE24 reporting system. There is also a channel for anonymous reports of any illegal or unethical conduct.

Key performance indicators

Location of operations (2-1)

10 largest countries by personnel

	2022	2021	2020	2019
Chile	2,818	2,343	2,267	2,679
Finland	2,431	2,302	2,357	2,563
Brazil	1,630	1,603	1,503	1,368
India	1,420	1,215	1,023	1,027
China	1,013	974	978	999
United States	962	998	1,030	1,136
Australia	845	874	975	1,075
Mexico	714	526	428	454
Sweden	652	660	743	932
United Kingdom	600	526	486	517

Information on employees and non-guaranteed hours employees (2-7 and 2-8)

2022	Female	Male	Other	Total
By employment contract				
Permanent	2,693	12,288	0	14,981
Temporary	313	1,411	0	1,724
By employment type				
Full-time	2,867	13,490	0	16,357
Part-time	94	87	0	181
Non-guaranteed hours	45	122	0	167
Total	3,006	13,699	0	16,705

2022	Permanent	Temporary	Full-time	Part-time	Non-guaranteed hours	Total
By region						
Europe	5,099	316	5,141	131	143	5,415
North and Central America	2,242	31	2,244	29	0	2,273
South America	4,319	586	4,905	0	0	4,905
APAC	1,431	578	1,964	21	24	2,009
Africa, Middle East and India	1,890	213	2,103	0	0	2,103
Total	14,981	1,724	16,357	181	167	16,705

2022	
Workers who are not employees	4,774

The number of employees is reported as headcount in the end of year.

Workers who are not employees are typically used to balance temporary resource needs. These workers are typically hired by a third-party company.

Membership associations (2-28)

Metso Outotec is involved with various country specific industry, trade and expert organizations. On the national level in Finland, Metso Outotec is a member of the Federation of Finnish Technology Industries and the Confederation of Finnish Industries, and participates in issue-specific working groups.

External initiatives

Metso Outotec is a supporter of the UN Global Compact. As a supporter, we are committed to annually communicating on the UN Global Compact website how we have advanced in the development of our activities in the defined areas.

We are committed to complying with the UN Declaration of Human Rights and UN Guiding Principles on Human Rights.

Metso Outotec also supports and operates according to the principles described in the OECD Guidelines for Multinational Enterprises and the International Labor Organization's (ILO) Declaration of Fundamental Principles and Rights at Work.

Collective bargaining agreements (2-30)

Metso Outotec supports freedom of association and the right to collective bargaining for all our employees. 49% of Metso Outotec employees were covered by bargaining agreements in 2022. The percentage varied widely between regions; it was highest in Asia Pacific (88%) and lowest in Africa, Middle East and India (1%).

Terms of employment are always determined based on local laws and regulations, and if there are collective bargaining agreements in a country, these are naturally followed as well. If there are bargaining agreements in a country, but not all employee groups are included, then all the laws and regulations, as well as existing bargaining agreements are reviewed to determine the correct terms of employment accordingly.

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GRI 201: ECONOMIC PERFORMANCE

Direct economic value generated and distributed (201-1)

EUR million	2022	2021	2020	2019
Customers: Sales and other income	5,295	4,236	3,319	2,819
Suppliers: Operating costs	4,132	2,598	2,231	1,749
Employees: Wages and benefits	1,056	941	686	585
Public sector: Taxes	112	92	52	66
Creditors: Interest	63	39	38	33
Communities: Sponsorships and donations	0.6	0.4	1.3	0.60
Shareholders: Payments to providers of capital	199	166	177	144
Economic value retained	-268	401	133	242

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 30 June 2020 onwards to the group's financial figures. For comparison year 2020 the economic data for indicator GRI 201-1 is presented accordingly.

Income taxes*, largest countries

EUR million	2022
Finland	51
USA	21
Brazil	19
China	17
Germany	14
India	8
Great Britain	7
Sweden	6
France	5
Canada	5

EUR million	2021
Finland	22
USA	18
Brazil	13
China	9
Canada	8
Mexico	7
Sweden	6
Australia	5
India	4
France	3

* presented on an accrual basis.

GRI 204: PROCUREMENT PRACTICES

Proportion of spending on local suppliers (204-1)

Our most significant operations, based on spend volume, are in China, Finland, India, Brazil, United States, Denmark, Chile, Australia, Turkey and France (75%). We define 'local supplier' as sourced from the same country as the plant or location and 'significant locations of operation' as the biggest countries for Metso Outotec procurement.

Our spending on suppliers that are local to the purchasing operations in 2022 amounted to 68% of our total supply spend.

GRI 205: ANTI-CORRUPTION

Operations assessed for risks related to corruption (205-1)

Fraud, misconduct and crime are relevant threats to Metso Outotec due to the company's global presence, various counterparties and high number of business transactions.

In 2022, Internal Audit performed 20 audits accounting for approximately 50% of Metso Outotec's annual sales in 2022. Internal Audit supported Compliance organization in Whistleblower and other investigations, facilitated internal control self-assessments and participated in various internal control development projects, for example related to the on-going ERP Business Program. The internal audits focused on the following areas: information security and access management, usage of sales third parties and key areas of internal control framework such as procurement and sales.

GRI 302: ENERGY

Energy consumption within the organization (302-1), TJ

	2022	2021	2020	2019
Direct energy consumption by fuel				
Natural gas	621	624*	551	599
Coal	0	0	0	0
Heavy fuel oil (HFO)	0	0	0	0
Diesel	22	24	49	47
Liquefied petroleum gas (LPG)	141	102	37	35
Renewable fuel	24	31*	27	0
Indirect energy consumption				
Electricity	751	743*	610	667
District heat	78	87	84	84
Steam	8	28	44	49
Total energy consumption	1,645	1,639*	1,404	1,482

* Figure restated as a result of data validation.

Cooling consumed and sold is included in the electricity. The consumption figures are calculated based on invoicing. Standard conversion factors (SI) are used in the calculations.

Reduction of energy consumption (302-4), TJ

	2022	2021	2020
Reduction of energy consumption	91	67*	9

* Figure restated as a result of data validation.

Reduction of energy consumption as a direct result of conservation and efficiency initiatives.

Reductions in energy consumption include electricity, heating, cooling, steam and fuel since baseline 2019.

GRI 303: WATER AND EFFLUENTS

Water withdrawal (303-3), 1,000 m^3

	2022	2021	2020	2019
Surface water	15	30	665	926
Groundwater	104	73	50	66
Rainwater	0	0	0	0
Municipal water or other utilities	262	278	253	279
Total	381	381	968	1,271

Municipal water and other water utilities are reported by each unit based on invoicing. Groundwater and rainwater are calculated on the basis of unit records and methodologies. Some assumptions are also used.

As a result of water efficiency measures approximately 34,000 m^3 of water was saved in our operations in 2022.

GRI 304: BIODIVERSITY

Significant impacts of activities, products, and services on biodiversity

Our activities have the potential to affect biodiversity, both at our manufacturing sites and indirectly through the way our equipment is used by customers.

Our equipment manufacturing sites, assembly and service workshops are mostly in industrial parks (zoned for industrial use) with limited biodiversity sensitivity, and in which the environmental permits take into account potential biodiversity and endangered species impacts.

When Metso Outotec opens new sites, we require that they are built with tight controls over their environmental impacts, and we check whether construction requires an environmental permit. In case the construction could have an impact on biodiversity, an environmental impact assessment is carried out (impacts on flora, fauna, endangered species, water management, pollution or habitat conversion).

The operations of our customers in the aggregates and mining industries typically have significant land footprints, often in environmentally sensitive areas, and land disturbance and pollution can impact habitats and species. If not properly manufactured, used, or maintained, Metso Outotec's products have the potential to harm the biodiversity surrounding our customers' plants.

To mitigate this risk, in cooperation with customers, we design products and processes to minimize the release of effluents and atmospheric emissions. Metso Outotec's technological focus in this regard is mainly on closed water loops, raw material efficiency, tailings management and emissions management systems. These have a positive impact on conserving natural habitats, reducing land-use impacts, preventing pollution and reducing groundwater consumption. It is also beneficial to customers in that it contributes to minimizing the amount of raw materials needed as inputs for operating their plants.

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GRI 305: EMISSIONS

Direct (Scope 1) GHG emissions (305-1), tCO_2

	2022	2021	2020	2019
Scope 1 emissions	43,868	43,204*	36,918	39,492

* Figure restated as a result of data validation.

Calculated in accordance with the GHG protocol. GHG emissions reporting covers only CO_2.

The reported emissions are based on invoicing and converted from MWh to CO_2 emissions.

We use standard conversion factors (SI).

The source for emission factors is the IEA "CO_2 emissions from fuel combustion" 2020 edition

Indirect (Scope 2) GHG emissions (305-2), tCO_2

	2022	2021	2020	2019
Scope 2 emissions (market based)	5,076	9,186*	7,995	83,338*
Scope 2 emissions (location based)	89,951	92,343*	70,434*	78,483*

* Figure restated as a result of data validation.

Calculated in accordance with the GHG protocol. GHG emissions reporting covers only CO_2.

The reported emissions are based on invoicing and converted from MWh to CO_2 emissions.

We use standard conversion factors (SI).

The source for emission factors is the IEA "CO_2 emissions from fuel combustion" 2020 edition. In calculations for market-based emissions we used supplier-specific emission factors.

Other indirect (Scope 3) GHG emissions (305-3), tCO_2

	2022	2021	2020	2019
Purchased goods and services	843,000	635,000*	458,000*	668,000*
Fuel and energy related emissions	22,000	22,000	18,000	20,000
Upstream transportation	115,000	104,000*	98,000*	127,000*
Business travel	11,000	9,000	10,000	29,000
Downstream transportation	38,000	39,000*	36,000*	47,000*
Use of sold products	2,621,000	2,669,000	2,422,000	1,641,000

* Figure restated as a result of data validation and methodology update.

Figures rounded to the nearest thousand.

Metso Outotec conducted an analysis of all Scope 3 emission categories. Based on that analysis, six emission categories were identified: purchased goods and services, fuel- and energy-related emissions, upstream transportation, business travel, downstream transportation, and use of sold products.

Metso Outotec has assessed its Scope 3 emissions based on the GHG Protocol's Corporate Value Chain Accounting and Reporting Standard. GHG emissions reporting covers only CO_2. Metso Outotec does not have any biogenic CO_2 emissions in its operations.

Purchased goods and services Scope 3 emissions are calculated using a spend-based approach and cover direct and indirect spend. The analysis is based on the monetary value of purchased goods and services by supplier type and country, and is carried out using the environmentally extended input-output matrices from Exiobase. In 2022, our calculation methodology was revised considering spend categorization and emission factors and 2019-21 numbers were updated.

Fuel- and energy-related Scope 3 emissions include emissions that are not included in Scope 1 or Scope 2 (production of fuels and energy purchased: diesel, LPG, natural gas, electricity, steam, district heating). Coverage is 100% and the emission factor source is:
www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2016

Upstream transportation emissions are based on CO_2 data provided by logistics service providers (LSPs), the distance provided by the LSPs and gross weight. Data coverage is 60% of the total transportation spend and extrapolation is made for the remaining share. Upstream transportation CO_2 emissions take into account transportation between Tier-1 suppliers and own operations, and transportation between Metso Outotec units. During 2022, we updated the 2019 logistics CO_2 emissions baseline to account for additional logistics emissions from US deliveries that were previously excluded from the calculation. We also improved our logistics emissions calculation methodology and updated the historical figures for the period 2019-2021 to ensure consistency. This resulted in an increase in logistics CO_2 emissions for the comparison year 2021, from 97kt to 143kt. This change does not affect the logistics CO_2 emissions reduction target, which is still -20% by 2025 compared to 2019. We updated also the categorization between upstream and downstream emissions to be based on shipment level data instead of shipment count, which changed the ratio between these categories.

Metso Outotec currently monitors and reports Scope 3 emissions stemming from business travel which accounts for 99% of workforce.

Downstream transportation emissions are based on CO_2 data provided by logistics service providers (LSPs), the distance provided by the LSPs and gross weight. Data coverage is 60% of the total transportation spend and extrapolation is made for the remaining share. Downstream transportation CO_2 emissions take into account transportation of products from Metso Outotec units to customers and transportation from suppliers to customers. See above for upstream transportation emissions about revision of methodology.

Use of sold products: Equipment emissions are based on annual hours of operation and baseline operating conditions. Adjustments are made for energy sources (by country for electricity) and materials (steel, rubber, ceramic). Emissions from the use of sold products for 2022 and 2021 includes the following products: crushing equipment (Pebble Crushing, Ore Sorters, Conveyor solutions and Lokotrak®), grinding equipment (HRCe, Vertimill®, SMD, HIGmill®, AG mills, Pebble mills), separation equipment (FloatForce™ mechanism, SkimAir, Dry LIMS) and Ceramic filters. Emissions from the use of sold products for 2020 did not include Lokotrak and for 2019 it included the following products: HRC, VTM, SMD and HIGmill. The country-specific and other emission factors used were retrieved from Ecoinvent 3.8 database in 2022, Ecoinvent 3.7 database in 2021 and 2020 and from GaBi database in 2019.

Reduction of GHG emissions (305-5), tCO_2

	2022	2021	2020
Reduction of emissions, scope 1	9,156	6,335*	2,266
Reduction of emissions, scope 2	89,089	90,153*	69,809*

* Figure restated as a result of data validation.

The emissions reduction achieved is calculated on the basis of the reduction in energy consumption since baseline year 2019, based on invoicing and conversion to CO_2 emissions.

GHG emissions reporting covers only CO_2.

The reported emissions are based on invoicing and converted from MWh to CO_2 emissions.

We use standard conversion factors (SI).

The source for emission factors is the IEA "CO_2 emissions from fuel combustion" 2020 edition. In calculations for market-based emissions we used supplier-specific emission factors and 'Residual mix CO_2e emission' factors (AIB, European Residual Mixes Results of the calculation of Residual Mixes for the calendar year 2019) when needed.

Savings from renewable energy certificates and guarantees of origin are included.

Nitrogen oxides, sulfur oxides, and other significant air emissions (305-7)

	2022	2021	2020	2019
VOC emissions, (tonnes)	494	440*	331	345

* Figure restated as a result of data validation.

In 2022, SOx emissions were 2.5 tonnes and NOx emissions were 17 tonnes.

GRI 306: WASTE 2020

Waste by type and disposal method (306-3, 306-4, 306-5), tonnes

	2022	2021	2020	2019
Waste diverted from disposal, offsite				
Hazardous				
Preparation for reuse	0	0	0	0
Recycling	609	470*	976	606
Other recovery operations	0	0	0	0
Total	609	470	976	606
Non-hazardous				
Preparation for reuse	0	0	0	0
Recycling	76,846	77,871*	47,406	36,204*
Other recovery operations	0	0	0	0
Total	76,846	77,871	47,406	36,204
Total Waste diverted from disposal, offsite	77,455	78,341	48,382	36,810
Waste directed to disposal, offsite				
Hazardous				
Incineration (with energy recovery)	1,309	1,284*	487*	144
Incineration (without energy recovery)	153	152*	77*	183
Landfilling	88	109	159	3,395
Other disposal operations	0	0	0	0
Total	1,550	1,545	723	3,722
Non-hazardous				
Incineration (with energy recovery)	3,760	3,045*	1,526	2,252
Incineration (without energy recovery)	40	39*	15	4
Landfilling	3,378	5,631*	14,030	20,979
Other disposal operations	0	0	0	0
Total	7,178	8,715	15,571	23,235
Total Waste directed to disposal, offsite	8,728	10,260	16,294	26,957
Waste diverted from disposal (306-4)	77,455	78,341*	48,382	36,810*
Waste directed to disposal (306-5)	8,728	10,260*	16,294	26,957

* Figure restated as a result of data validation.

The waste disposal method has been determined based on information provided by the waste disposal contractor. Reuse and onsite storage are not significant in Metso Outotec's operations.

There were no significant spills in 2022, 2021, 2020 or 2019.

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GRI 401: EMPLOYMENT

New employee hires and employee turnover (401-1)

Employment 2022

Category	Indicator	Number of new hires	% of total no. of new hires	New hire rate %
New hires by age group	<30	1,732	36%	67%
	30–50	2,625	55%	25%
	>50	415	9%	12%
New hires by gender	Female	874	18%	29%
	Male	3,898	82%	28%
	Other	–	–	–
New hires by region	Europe	1,080	23%	20%
	North and Central America	666	14%	29%
	South America	2,242	47%	46%
	APAC	332	7%	17%
	Africa, Middle East and India	452	9%	21%
Total new hires	**Total**	4,772		29%

Category	Indicator	Number of leavers	% of total no. of leavers	Turnover rate %
Leavers by age group	<30	947	26%	36%
	30–50	2,150	58%	20%
	>50	583	16%	16%
Leavers by gender	Female	639	17%	21%
	Male	3,040	83%	22%
	Other	1	0%	–
Leavers by region	Europe	1,045	28%	19%
	North and Central America	455	12%	20%
	South America	1,655	45%	34%
	APAC	310	8%	15%
	Africa, Middle East and India	215	6%	10%
Total leavers	**Total**	3,680		22%

Total number and rate of new employee hires during the reporting period, by age group, gender and region. Total number and rate of employee turnover during the reporting period, by age group, gender and region. Divestments and acquisitions excluded. Employee can retain a right to not inform gender.

		Female	Male	Other
New hires by job level	Blue collar	143	2,434	–
	Professional	723	1,376	–
	Middle management	7	85	–
	Senior management	1	3	–
Leavers by job level	Blue collar	64	1,854	–
	Professional	30	140	–
	Middle management	543	1,029	1
	Senior management	2	17	–

Parental leave (401-3)

At Metso Outotec we comply with the local regulations regarding the parental leave practices and in some countries, such as Australia, we offer benefits that exceed the minimum regulations.

In 2022, Metso Outotec Australia revised its parental leave policy to reflect the company's commitment to Diversity and Inclusion. The parental leave benefit in Metso Outotec Australia is gender neutral, allowing employees of any gender to take Primary Care Giver Leave. Not only does the policy give both parents the equal opportunity to take time off to care for their child, it also addresses the pay gap that results from it. We also believe that by supporting the gender-neutral parental leave system, more women would return to work full-time after parental leave.

GRI 402: LABOR/MANAGEMENT RELATIONS

Minimum notice periods regarding operational changes (402-1)

Notice periods and the time period for the consultation process related to operational changes vary by country and region.

Minimum notice periods are based on the local labor legislation of each country we operate in.

GRI 403: OCCUPATIONAL HEALTH AND SAFETY

Work-related injuries (403-9)

OWN EMPLOYEES

		2022	2021	2020	2019
Fatalities	Number of fatalities	0	1	0	0

		2022	2021	2020	2019
High-consequence injury rate					
By region	Europe	0.0	0.2	0.1	0.4
	North and Central America	0.0	0.0	0.0	0.3
	South America	0.0	0.0	0.1	0.0
	Asia-Pacific	0.0	0.5	0,3*	0.2
	Africa, Middle East and India	0.3	0.0	0.0	0.3
	Total	0.0	0.1	0.1	0.3

* Figure restated as a result of data validation.

High-consequence injury rate reflects the number of high-consequence injuries per million hours worked. High-consequence injuries exclude fatalities but include injuries from which the worker cannot recover, or does not or is not expected to recover fully to pre-injury health status within 6 months. High-consequence injury rate does not include fatalities.

403-9-c: Based on the history of high-consequence injuries, hazards that pose a risk of high-consequence injury include contact with moving machinery, handling of heavy objects, fall from height, exposure to hot material, and road travel.

Actions taken to minimize related risks include observing, installing guarding on machinery, designing improved lifting tools, installing railings on working platforms, improved vehicle safety, and training employees on safe work methods.

		2022	2021	2020	2019
Lost time injury frequency					
By region	Europe	1.5	1.8*	1.8*	1.8
	North and Central America	1.2	0.3	1.0	1.4*
	South America	0.7	0.8	0.9	1.1
	Asia-Pacific	0.3	0.5	1.0	1.0
	Africa, Middle East and India	1.1	0.3	0.6	1.8
	Total	1.1	1.0	1.2*	1.5

* Figure restated as a result of data validation.

Lost time incident frequency (LTIF) reflects the number of injuries resulting in an absence of at least one workday per million hours worked.

		2022	2021	2020	2019
Recordable injury rate					
By region	Europe	2.7	3.3	4.7*	4.0*
	North and Central America	5.4	5.5*	4.4	4.7*
	South America	1.5	1.3	1.8	2.6
	Asia-Pacific	1.8	4.2*	5.8*	6.7
	Africa, Middle East and India	1.8	1.5	2.0	6.3
	Total	2.5	3.0*	3.7	4.5

* Figure restated as a result of data validation.

Includes lost time, restricted work, and medical treatment incidents.

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		2022	2021	2020	2019
Injury rate					
By region	Europe	12.0	15.5*	15.1*	17.4*
	North and Central America	15.8	9.1*	11.3*	15.4*
	South America	5.6	4.0	4.1*	5.1
	Asia-Pacific	9.7	16.3	21.0*	41.8*
	Africa, Middle East and India	4.7	5.9*	6.9	20.2
	Total	9.6	10.6*	11.5*	18.4*

* Figure restated as a result of data validation.

Includes lost time, restricted work, medical treatment and first-aid incidents.

403-9-d: Actions taken to minimize risks from hazards related to other than high-consequence injuries include the introduction of safer tools and work methods, additional training, and improved personal protective equipment.

		2022	2021	2020	2019
Types of Injury	Superficial injuries and open wounds	66%	60%	55%*	52%
	Dislocations, sprains and strains	6%	8%*	9%*	8%
	Burns, corrosions, scalds and frostbite	6%	5%	6%*	7%*
	Fractures	7%	5%	5%*	3%
	Concussions and internal injuries	5%	5%*	2%	3%
	Traumatic amputations	1%	1%	0%	0%
	Acute poisonings and infections	1%	2%	2%	1%
	Other specified types of injury	0%	5%	3%	3%
	Unspecified	9%	11%	18%*	24%
	Total	100%	100%	100%	100%

* Figure restated as a result of data validation.

According to ILO classification, % of total injuries.

		2022	2021	2020	2019
Risk observation frequency					
By region	Europe	1,187	1,388*	1,326*	786*
	North and Central America	2,405	2,514*	1,981*	1,423*
	South America	6,410	6,682*	5,105*	1,784*
	Asia-Pacific	2,863	3,193*	4,650*	4,580*
	Africa, Middle East and India	2,758	3,330*	2,555*	2,305*
	Total	3,182	3,400*	3,000*	1,860*

* Figure restated as a result of data validation.

Includes risk observations.

		2022	2021	2020	2019
Near miss frequency					
By region	Europe	75	73*	61*	53*
	North and Central America	29	46	49*	57*
	South America	22	23	41*	17
	Asia-Pacific	24	35	24	35
	Africa, Middle East and India	53	76	52	102
	Total	46	52*	48	50*

* Figure restated as a result of data validation.

Includes near misses.

NON-METSO OUTOTEC EMPLOYEES – CONTRACTORS AND SUPERVISED WORKERS

		2022	2021	2020	2019
Fatalities	Number of fatalities	0	0	0	0

		2022	2021	2020	2019
High consequence injury rate					
By region	Europe	0.0	0.0	0.0	0.0
	North and Central America	0.0	0.0	0.0	0.0
	South America	0.0	0.6*	0.0	0.6
	Asia-Pacific	0.0	0.0	0.0	0.0
	Africa, Middle East and India	0.0	0.0	0.0	0.0
	Total	0.0	0.1	0.0	0.1

High-consequence injury rate reflects the number of high-consequence injuries per million hours worked. High-consequence injuries exclude fatalities but include injuries from which the worker cannot recover, or does not or is not expected to recover fully to pre-injury health status within 6 months. High-consequence injury rate does not include fatalities.

		2022	2021	2020	2019
Lost time incident frequency					
By region	Europe	2.5	1.6*	1.9*	0.0
	North and Central America	0	7.1*	0.0	0.0
	South America	2.8	4.4*	3.7	3.5
	Asia-Pacific	0	0.0	3.9	1.6
	Africa, Middle East and India	0.8	0.6*	1.7	0.9
	Total	1.5	1.8*	2.2*	1.2

Lost time incident frequency (LTIF) reflects the number of injuries resulting in an absence of at least one workday per million hours worked.

		2022	2021	2020	2019
Recordable injury rate					
By region	Europe	7.0	4.0*	4.6*	1.5
	North and Central America	13.3	7.1*	14.3	6.1
	South America	5.0	6,3*	7.4	6.5
	Asia-Pacific	9.4	17.7*	5.9	6.3
	Africa, Middle East and India	1.0	2.5*	2.4	2.7
	Total	3.7	4.6*	4.3*	3.5

Includes lost time, restricted work, and medical treatment incidents.

		2022	2021	2020	2019
Injury rate					
By region	Europe	11.4	7.6*	6.9*	6.4
	North and Central America	53.3	21.3*	23.9	24.5
	South America	13.5	11.3*	13.4	10.0
	Asia-Pacific	18.8	37.8*	23.6	38.0
	Africa, Middle East and India	4.8	5.4*	3.2	6.3
	Total	9.6	9.3*	7.5*	10.1

Includes lost time, restricted work, medical treatment and first aid incidents.

		2022	2021	2020	2019
Types of injury	Superficial injuries and open wounds	55%	62%*	55%	58%
	Dislocations, sprains and strains	8%	10%	3%	2%
	Burns, corrosions, scalds and frostbite	7%	3%	1%	2%
	Fractures	13%	11%*	16%	6%
	Concussions and internal injuries	2%	4%	3%	3%
	Traumatic amputations	2%	0%	0%	0%
	Acute poisonings and infections	2%	1%	0%	1%
	Other specified types of injury	2%	0%	3%	1%
	Unspecified	10%	10%	20%	26%
	Total	100%	100%	100%	100%

* Figure restated as a result of data validation.

According to ILO classification, % of total injuries.

Data is collected from all worldwide locations and it covers all Metso Outotec operations, including employees and other workers whose work or workplace is controlled by Metso Outotec.

Newly acquired operations are integrated into reporting within a year of the date acquired.

Rates for employees have been calculated based on estimated hours worked.

Rates for non-employee workers have been calculated based on monitored hours worked.

Rates have been calculated per million hours worked.

Omissions: Number of injuries is not reported where rate is used. Hours are not reported.

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Workers covered by an occupational health and safety management system (403-8)

	Number of employees and external workers	%
Covered by health and safety management system	21,479	100%
Covered by such a system that has been internally audited	21,479	100%
Covered by such a system that has been audited or certified by an external party	9,666	45%

GRI 404: TRAINING AND EDUCATION

Average hours of training per year per employee (404-1)

Category		Average hours
By gender	Female	5.07
	Male	5.34
	Other	-
By employee category	Blue collar	2.85
	Professional	6.84
	Middle management	5.38
	Senior management	4.10
Total average hours		5.29

Includes global mandatory trainings and eLearnings

Training and Education (404-3)

Percentage of employees receiving regular performance and career development reviews: 95%.

Category		%
By gender	Female	95%
	Male	95%
	Other	-
By employee category	Professional	94%
	Middle management	97%
	Senior management	99%

Includes only white ollar employees.

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY

Diversity of governance bodies and employees (405-1)

Diversity of governance bodies

	Indicator	2022	2021	2020	2019 (Metso)	2019 (Outotec)
Board of Directors	**By gender**					
	Female	33%	29%	30%	25%	50%
	Male	67%	71%	70%	75%	50%
	By age group					
	<30	0%	0%	0%	0%	0%
	30–50	0%	0%	0%	13%	13%
	>50	100%	100%	100%	88%	88%
Executive Team	**By gender**					
	Female	44%	40%	36%	18%	30%
	Male	56%	60%	64%	82%	70%
	By age group					
	<30	0%	0%	0%	0%	0%
	30–50	56%	50%	36%	55%	50%
	>50	44%	50%	64%	45%	50%

Diversity of employees

	Indicator	2022		2021	
Employee category		White-collar	Blue-collar	White-collar	Blue-collar
	By gender				
	Female	26%	4%	25%	3%
	Male	74%	96%	75%	97%
	Other	0%	0%		
	By age group				
	<30	14%	19%	13%	17%
	30–50	63%	64%	63%	65%
	>50	24%	17%	24%	18%
	Total	10,826	5,879	10,356	5,274

Ratio of basic salary and remuneration of women to men (405-2)

	Blue collar	Professional	Middle management	Senior management
Chile	0.78 : 1	0.66 : 1	0.94 : 1	-
Finland	0.96 : 1	0.95 : 1	0.98 : 1	1:1
Brazil	0.71 : 1	0.74 : 1	0.99 : 1	-
India	-	1.01 : 1	-	-
China	0.78 : 1	0.78 : 1	1.13 : 1	-

Ratio is not provided if number of employees is small.

Chile, Finland, Brazil, India and China are the top 5 biggest countries. They represent about 55% of company's total headcount.

GRI 406: NON-DISCRIMINATION

Incidents of discrimination and corrective actions taken (406-1)

There were no incidents of discrimination reported in 2022.

METSO OUTOTEC INDICATORS

Metso Outotec topic: Sustainability targets set in R&D projects

	2022	2021	2020
% of R&D spend on projects with sustainability targets	99.7%	95%	91%

Sustainability targets include environmental efficiency improvements and safety improvements. The figures reported for 2022 and 2021 are % of R&D spend on projects with sustainability targets, whereas the 2020 figure is % of the projects with sustainability targets. Therefore these are not directly comparable.

Metso Outotec topic: Supplier sustainability audits

	2022	2021	2020	2019
Number of supplier sustainability audits	131	152	142	160

In addition to third-party supplier sustainability audits (15), Metso Outotec also conducted 116 internal supplier sustainability audits in 2022.

Metso Outotec topic: Community engagement

	2022
Support for non-profit organizations (EUR)	635,377
Environmental protection and conservation	3%
Health and social programs	56%
Natural disasters	2%
Other	39%

Metso Outotec topic: Planet Positive sales

	2022	2021
Planet Positive sales (EUR million)	1,338	886*

*The Planet Positive sales figure (EUR 592 million) reported in the 2021 Annual Report included only equipment and consumables sales; the figure now includes also services.

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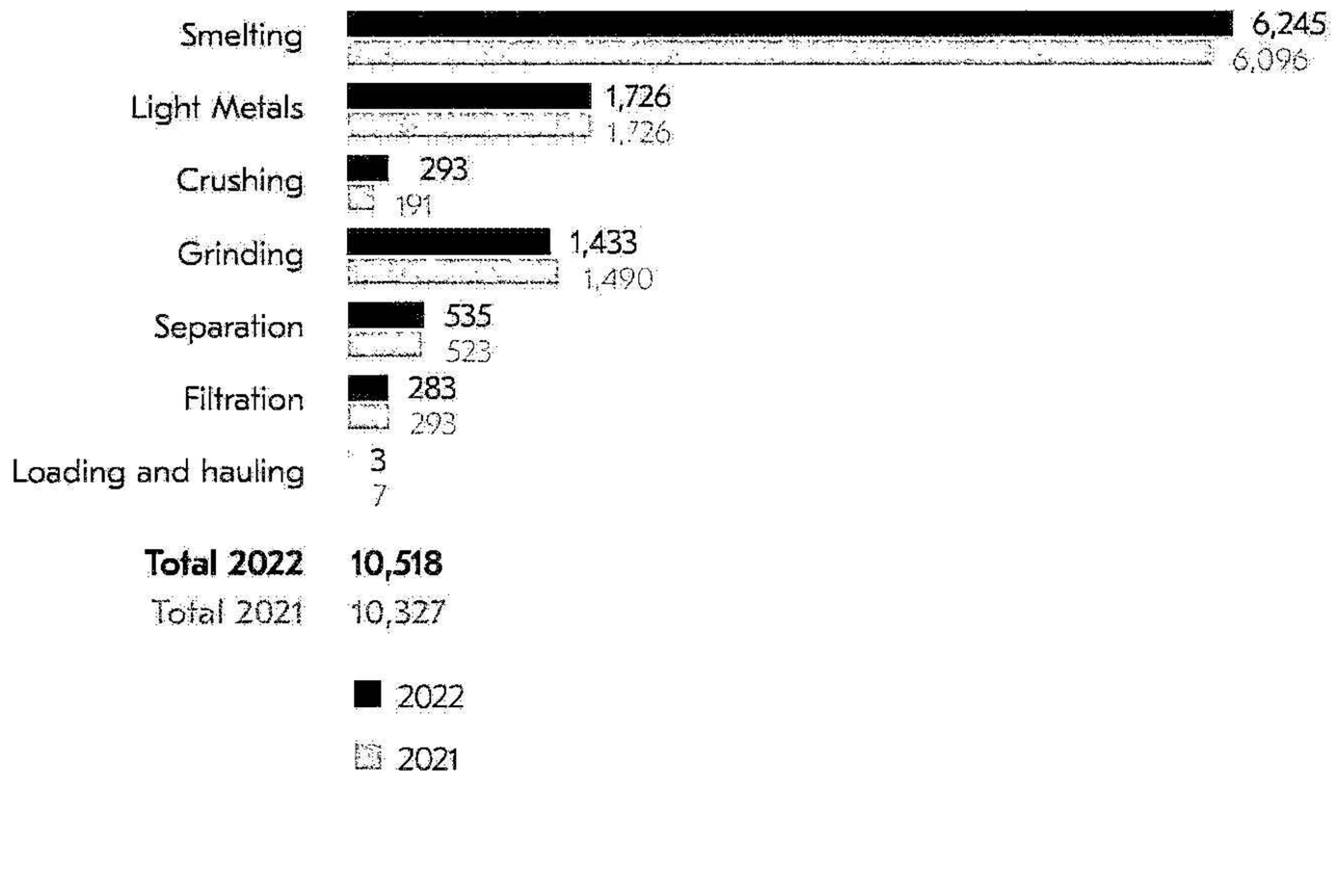
Metso Outotec topic: Handprint (Reductions in CO_2 emissions of products and services)

CO_2 emissions avoided (thousand tonnes) 2022



Smelting and Light metals:

The handprint for ferrochrome process, copper flash smelting, nickel advisor, alumina calcination and hot tube digestion is measured by the emissions avoided by using these technologies. These technologies are measured against industry baselines and the actual saved emissions depend on the annual production volumes. For Nickel Advisor the benchmark is the same process operated without the tool. The country specific and other emission factors used were retrieved from Ecoinvent 3.8 database.

Other products:

The handprint of crushing products (pebble crushing, ore sorters, conveyor solutions and Lokotrack®), grinding products (HRCe, Vertimill®, SMD, HIGmill®, Autogenous and pebble mills), mineral separation (FloatForce™ mechanism, SkimAir®, dry LIMS) and dewatering (ceramic filters) as well as Truck Body is measured by the CO_2 equivalent emissions avoided by using these technologies. Each of these technologies is measured against a common alternative baseline technology annually. Emission reductions are based on energy savings. In the case of Vertimill®, SMD, HIGmill®, Autogenous and pebble mills, there are also reductions in embedded energy related to consumables, such media, and /or wear items such as liners. The country specific and other emission factors used were retrieved from the Ecoinvent 3.8 database. Emissions factors were used for embedded energy from steel, rubber and ceramics in consumables and wear items.

The emissions are indicated in CO_2 equivalents. The country specific and other emission factors used were retrieved from Ecoinvent 3.8 database.

Smelting includes copper flash smelting, ferrochrome process and nickel advisor. Light metals includes alumina calcination and hot tube digestion. Crushing includes pebble crushing, ore sorters, conveyor solutions and Lokotrack®. Grinding includes HRCe, Vertimill®, SMD, HIGmill®, AG, and pebble mills. Separation includes FloatForce™ mechanism, SkimAir, dry LIMS. Filtration includes ceramic filters. Loading and hauling includes Metso Outotec Truck Body.

GRI Content Index

Abbreviations

BO Business overview
FR Financial review
CG Corporate governance
GRI GRI supplement
RR Remuneration report

Abbreviations

UNGC United Nations Global Compact
SDG Sustainable Development Goals
KPI Key performance indicators section

General disclosures

GRI standard/ other source	Disclosure	Location	Additional information / Omission	Cross-reference UNGC SDG	Information assured
GRI 2: General Disclosures 2021	2-1 Organizational details	Location of operations: Metso Outotec in brief, BO, p. 5 FR, p. 76 Key performance indicators, GRI, p. 10	Metso Outotec Corporation, Location: Helsinki, Finland Metso Outotec Corporation is a public company and its shares are listed on the Nasdaq Helsinki		
	2-2 Entities included in the organization's sustainability reporting	FR, p. 76	All Group companies are included in the reporting.		
	2-3 Reporting period, frequency and contact point		January 1, 2022–December 31, 2022 (same for sustainability and financial data) Reporting cycle: Annual Reporting contact: **satu.man@mogroup.com** Date of most recent report: Metso Outotec's GRI Supplement 2021 was published in March 2022.		
	2-4 Restatements of information		Possible restatements have been indicated in the report.		
	2-5 External assurance	About this GRI Supplement, GRI, p. 4 Assurance Statement, GRI, p. 31	This report has been externally assured by PwC.		
	2-6 Activities, value chain and other business relationships	Metso Outotec in brief, BO, p. 5 Strategy, BO, p. 9 Responsible Procurement, BO, p. 38		SDG 12	
	2-7 Employees	Key performance indicators, GRI, p. 10	The share of the organization's activities performed by workers who are not Metso Outotec employees is not significant. Metso Outotec did not have any significant variations in employment numbers during the reporting period. Employee data has been compiled from Metso Outotec's global HR information system.	UNGC Principle 6 SDG 8	✓
	2-8 Workers who are not employees	Key performance indicators, GRI, p. 10			✓
	2-9 Governance structure and composition	CG, p. 5 Sustainability governance, GRI, p. 5			
	2-10 Nomination and selection of the highest governance body	Shareholder's Nomination Board CG p. 6	Factors considered included in the Corporate governance statement.		
	2-11 Chair of the highest governance body	Metso Outotec Board of Directors CG p. 6			
	2-12 Role of the highest governance body in overseeing the management of impacts	Board and Board committees, CG, p. 7 TCFD, BO p. 39			
	2-13 Delegation of responsibility for managing impacts	Metso Outotec's governance structure, CG, p. 5 TCFD, BO p. 39			
	2-14 Role of the highest governance body in sustainability reporting	Sustainability governance, GRI, p. 5 TCFD, BO p. 39			
	2-15 Conflicts of interest	Insider transactions, CG p. 15			

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GRI standard/ other source	Disclosure	Location	Additional information / Omission	Cross-reference UNGC SDG	Information assured
	2-16 Communication of critical concerns	Internal controls, CG p. 13			
	2-17 Collective knowledge of the highest governance body	Sustainability governance, GRI, p. 5 Diversity of the Board, CG, p. 9			
	2-18 Evaluation of the performance of the highest governance body	Board Charter section 9: https://www.mogroup.com/globalassets/investors/board/metso-outotec-board-charter.pdf Board and Board committees, CG, p. 7			
	2-19 Remuneration policies	Metso Outotec's Board composition and remuneration, CG p. 18 Board remuneration, FR p. 40 Remuneration of the Board of Directors, RR p. 8			
	2-20 Process to determine remuneration	Remuneration and Company performance, RR p. 6			
	2-21 Annual total compensation ratio	Remuneration and Company performance, RR p. 6			
	2-22 Statement on sustainable development strategy	From the CEO, BO, p. 6			
	2-23 Policy commitments	Responsible and trusted partner, BO, p. 31 Compliance management and Code of Conduct, CG p. 11 Statement of non-financial information, FR p. 12–21 Key performance indicators, GRI, p. 10 Management approach disclosure, GRI, p. 27 Code of conduct and human rights, BO, p. 38	https://www.mogroup.com/globalassets/sustainability/metso-outotec-code-of-conduct.pdf https://www.mogroup.com/globalassets/sustainability/ethics-and-compliance/brochure-human_rights_policyy-4841-01-23-en-grp-210x280-4th_draft.pdf	UNGC Principle 10 SDG 8	
	2-24 Embedding policy commitments	Key performance indicators, GRI, p. 10 Statement of non-financial information, FR p. 12–21 Responsible procurement ensures sustainable cooperation, BO p. 38 Management approach disclosure, GRI, p. 27 Code of Conduct and human rights, BO, p. 38			
	2-25 Processes to remediate negative impacts	We aim for net zero and decarbonization of our industries, BO p. 37 Responsible and trusted partner, BO p. 31 Statement of non-financial information, FR p. 12–21 Management approach disclosure, GRI, p. 27 Code of conduct and human rights, BO, p. 38	Only partial information reported. Omission: Information unavailable (c,d and e). Information collection is starting during 2023.		
	2-26 Mechanisms for seeking advice and raising concerns	CG, p. 14 Statement of non-financial information, FR p. 20		UNGC Principle 10 SDG 8	
	2-27 Compliance with laws and regulations		No significant instances of non-compliance with laws and regulations during the reporting period.		
	2-28 Membership associations	Membership in associations, GRI, p. 10			
	2-29 Approach to stakeholder engagement	Metso Outotec's stakeholders, GRI, p. 6 Sustainability, BO, p. 20			
	2-30 Collective bargaining agreements	Key performance indicators, GRI, p. 10		UNGC Principle 3	✓

Material topics

GRI standard/other source	Disclosure	Location	Additional information / Omission	Cross-reference UNGC SDG	Information assured
GRI 3: Material Topics 2021	3-1 Process to determine material topics	About this GRI Supplement, GRI,p. 4			
	3-2 List of material topics	Sustainability, BO, p. 20 Management Approach Disclosures, GRI, p. 27			
Economic performance					
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Key performance indicators, GRI, p. 11		SDG 8, 9	✓
	201-2 Financial implications and other risks and opportunities due to climate change	Task force on climate-related financial disclosure, BO, p. 39–42		SDG 13	✓
Procurement practices					
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Key performance indicators, GRI, p. 11		SDG 12	✓
Anti-corruption					
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Key performance indicators, GRI, p. 11		UNGC Principle 10 SDG 8	✓
Energy					
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Key performance indicators, GRI, p. 12		UNGC Principle 7 SDG 8, 12, 13	✓
	302-4 Reduction of energy consumption	Aiming for a smaller environmental footprint, BO, p. 36 Key performance indicators, GRI, p. 12		UNGC Principles 7, 8, 9 SDG 8, 12, 13	✓
Water and effluents					
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Aiming for a smaller environmental footprint, BO, p. 36 Reporting principles, GRI p. 9		UNGC Principles 7, 9 SDG 6	✓
	303-2 Management of water discharge-related impacts	Aiming for a smaller environmental footprint, BO, p. 36 Reporting principles, GRI p. 9		UNGC Principles 7, 9 SDG 6	✓
	303-3 Water withdrawal	Aiming for a smaller environmental footprint, BO, p. 36 Key performance indicators, GRI, p. 12	Omission: water withdrawal from areas with water stress not reported.	UNGC Principles 7, 9 SDG 6	✓
Biodiversity					
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Key performance indicators, GRI, p. 12	Omission: Only qualitative information reported.		✓
Emissions					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Our annual sustainability performance, targets and long-term goals, BO, p. 22 Key performance indicators, GRI, p. 13		UNGC Principle 7 SDG 12, 13	✓
	305-2 Energy indirect (Scope 2) GHG emissions	Our annual sustainability performance, targets and long-term goals, BO, p. 22 Key performance indicators, GRI, p. 13		UNGC Principle 7 SDG 12, 13	✓
	305-3 Other indirect (Scope 3) GHG emissions	Our annual sustainability performance, targets and long-term goals, BO, p. 22 Key performance indicators, GRI, p. 13		UNGC Principle 7 SDG 12, 13	✓

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GRI standard/other source	Disclosure	Location	Additional information / Omission	Cross-reference UNGC SDG	Information assured
	305-5 Reduction of GHG emissions	Aiming for a smaller environmental footprint, BO, p. 36 Key performance indicators, GRI, p. 14		UNGC Principles 7, 9 SDG 13	✓
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Key performance indicators, GRI, p. 14			✓
Waste					
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Reporting principles, GRI p. 9		UNGC Principle 7 SDG 6, 12	✓
	306-2 Management of significant waste-related impacts	Reporting principles, GRI, p. 9		UNGC Principle 7 SDG 6, 12	✓
	306-3 Waste generated	Key performance indicators, GRI, p. 14		UNGC Principle 7 SDG 6, 12	✓
	306-4 Waste diverted from disposal	Key performance indicators, GRI, p. 14		UNGC Principle 7 SDG 6, 12	✓
	306-5 Waste directed to disposal	Key performance indicators, GRI, p. 14		UNGC Principle 7 SDG 6, 12	✓
Employment					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Key performance indicators, GRI, p. 15		UNGC Principles 3, 6 SDG 8	✓
	401-3 Parental leave	Key performance indicators, GRI, p. 15	Omission: Only qualitative information reported and GRI 401-3 requirements not met.		✓
Labor/management relations					
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Key performance indicators, GRI, p. 15		UNGC Principles 3, 6 SDG 8	✓
Occupational health and safety					
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Reporting principles, GRI, p. 9		UNGC Principle 6 SDG 8	✓
	403-2 Hazard identification, risk assessment, and incident investigation	We aim for zero harm, BO, p. 31 Reporting principles, GRI, p. 9		UNGC Principle 6 SDG 8	✓
	403-3 Occupational health services	Reporting principles, GRI, p. 9		UNGC Principle 6 SDG 8	✓
	403-4 Worker participation, consultation, and communication on occupational health and safety	Reporting principles, GRI, p. 9	Omission: Qualitative information only partially reported.	UNGC Principle 6 SDG 8	✓
	403-5 Worker training on occupational health and safety	Statement of non-financial information, FR p. 18–19	H&S training hours in 2022 were 421,000 hours.	UNGC Principle 6 SDG 8	✓
	403-6 Promotion of worker health	Our people and culture, BO, p. 34		UNGC Principle 6 SDG 8	✓
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Reporting principles, GRI, p. 9 We aim for zero harm, BO, p. 31		UNGC Principle 6 SDG 8	✓
	403-8 Workers covered by an occupational health and safety management system	Key performance indicators, GRI, p. 19		UNGC Principle 6 SDG 8	✓
	403-9 Work-related injuries	We aim for zero harm, BO, p. 31 Key performance indicators, GRI, p. 15–18		UNGC Principle 6 SDG 8	✓

GRI standard/other source	Disclosure	Location	Additional information / Omission	Cross-reference UNGC SDG	Information assured
Training and education					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Key performance indicators, GRI, p. 19		UNGC Principle 6 SDG 8	✓
	404-3 Percentage of employees receiving regular performance and career development reviews	Key performance indicators, GRI, p. 19	Not reported by gender or employee category.	UNGC Principle 6 SDG 8	✓
Diversity and equal opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Key performance indicators, GRI, p. 19		UNGC Principle 6 SDG 8	✓
	405-2 Ratio of basic salary and remuneration of women to men	Key performance indicators, GRI, p. 20		UNGC Principle 6 SDG 8	✓
Non-discrimination					
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Key performance indicators, GRI, p. 20		UNGC Principles 1, 2 , 6	✓
Customer health and safety					
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Planet Positive offering and innovations, BO, p. 25		SDG 12	✓
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No fines were imposed in relation to non-compliance with laws and regulations or voluntary codes regarding the use of Metso Outotec products.			✓

Metso Outotec topics

Material topic	Disclosure	Location	Cross-reference UNGC SDG	Information assured
Metso Outotec topic: Sustainability targets set in R&D projects	Percentage of R&D projects that include a sustainability target	Key performance indicators, GRI, p. 20	SDG 6, 12, 13	✓
Metso Outotec topic: Supplier sustainability	Number of supplier sustainability audits Suppliers' SBT CO_2 emission targets	Key performance indicators, GRI, p. 20 Responsible procurement ensures sustainable cooperation, BO p. 38	UNGC Principle 4, 5 SDG 12	✓
Metso Outotec topic: Community engagement	Support for non-profit organizations (EUR)	Key performance indicators, GRI, p. 20		✓
Metso Outotec topic: Handprint	CO_2 emissions avoided using Metso Outotec's technologies	Planet Positive offering and innovations, BO, p. 26 Key performance indicators, GRI, p. 21	SDG 13	✓
Metso Outotec topic: Planet Positive	Planet Positive sales	Planet Positive offering and innovations, BO, p. 25 Key performance indicators, GRI, p. 20	SDG 9	✓
Metso Outotec topic: Employee engagement and satisfaction	Employee engagement index	Our people and culture, BO, p. 35	SDG 8	✓
Metso Outotec topic: Code of Conduct training	Code of Conduct training participation rate	Code of conduct and human rights, BO, p. 38	UNGC Principle 1	✓

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Management Approach Disclosures

Economic	
	Description/Reference
GRI Material Topic	GRI 201: Economic performace 2016, GRI 204 Procurement practices
Key topics for our management approach	Value creation, Sustainable productivity, R&D, innovation, Customer engagement, Responsible business practices, Responsible procurement
Targets	Our annual sustainability targets and long-term goals, BO, p. 22; Responsible procurement ensures sustainable cooperation, BO, p. 38
Policies, processes, management model	Metso Outotec Code of Conduct, Sustainability criteria for suppliers, Anti-corruption Policy, Misconduct Policy, Intellectual Property Policy, Brand Policy
Monitoring the effectiveness of our approach – Specific actions and results	Our annual sustainability performance, targets and long-term goals, BO, p. 22 Responsible procurement ensures sustainable cooperation, BO, p. 38 Stakeholder engagement, GRI, p. 6 Planet Positive offering and innovations, BO, p. 23
Disclosures	201-1, 201-2, 204-1, Metso Outotec indicator: Supplier sustainability audits; Metso Outotec indicator: Sustainability targets set in R&D projects
Topic boundary	External impacts within our value chain, Metso Outotec indicator. Internal and external impacts within our value chain Relevant entities: customers, communities, authorities, suppliers and NGOs.

Environmental	
	Description/Reference
GRI Material Topic	GRI 201: Economic performace, GRI 302: Energy 2016, GRI 303: Water and Effluents 2018, GRI 305: Emissions 2016, GRI 306: Waste 2020
Key topics for our management approach	Environmental efficiency of Metso Outotec's operations
Targets	Sustainability, BO, p. 21
Policies, processes, management model	Sustainability, BO, p. 21; Statement of non-financial information, FR, p. 12–21
Monitoring the effectiveness of our approach – Specific actions and results	Sustainability, BO, p. 21 Planet Positive offering and innovations, BO, p. 23
Disclosures	201-2, 302-1, 302-4, 303-1, 303-2, 303-3, 304-2, 305-1, 305-2, 305-3, 305-5, 305-7, 306-1, 306-2, 306-3, 306-4, 306-5, Metso Outotec indicators: Handprint and Planet Positive
Topic boundary	Internal impacts in our own operations. 304-2, 305-3, external impacts within our value chain. Relevant entities: customers, communities, authorities, suppliers and NGOs

Labor practices and decent work	
	Description/Reference
GRI Material Topic	GRI 401: Employment 2016, GRI 402: Labor/Management Relations 2016, GRI 403: Occupational Health and Safety 2018, GRI 404: Training and Education 2016, GRI 405: Diversity and Equal Opportunity 2016, GRI 406: Non-discrimination
Key topics for our management approach	Metso Outotec Code of Conduct, Human Rights in the value chain, Safe working environment, Responsible procurement
Targets	Sustainability, BO, p. 21
Policies, processes, management model	Our people and culture, BO, p. 32; Statement of non-financial inofrmation, FR, p. 12-21; Metso Outotec Code of Conduct, QEHS Policy, QEHS Management, Metso Outotec Supplier Code of Conduct, Reporting Principles, BO, p. 9
Monitoring the effectiveness of our approach — Specific actions and results	Our people and culture, BO, p. 32; Key performance indicators, GRI, p. 10; Reporting Principles, GRI, p. 9
Disclosures	401-1, 401-3, 402-1, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 404-1, 404-3, 405-1, 405-2, 406-1, Metso Outotec indicator: Employee engagement and satisfaction
Topic boundary	Internal impacts Relevant external entities: suppliers, contractors, communities, government, NGOs and customers.

Human rights	
	Description/Reference
GRI Material Topic	GRI 406: Non-discrimination 2016
Key topics for our management approach	Metso Outotec Code of Conduct, Human rights in the value chain, Responsible procurement ensures sustainable cooperation
Targets	Sustainability, BO, p. 21
Policies, processes, management model	Our people and culture, BO, p. 32; Statement of non-financial information, FR, p. 12–21, Metso Outotec Supplier Code of Conduct
Monitoring the effectiveness of our approach — Specific actions and results	Statement of non-financial information, FR, p. 12–21, Code of conduct and human rights, BO, p. 38
Disclosures	406-1
Topic boundary	Internal impacts within our operations Relevant external entities: suppliers, contractors, communities, government and NGOs.

Society	
	Description/Reference
GRI Material Topic	GRI 205: Anti-corruption 2016
Key topics for our management approach	Metso Outotec Code of Conduct, Anti-corruption
Targets	Sustainability, BO, p. 21, Our people and culture, BO, p. 32
Policies, processes, management model	Anti-corruption Policy, Metso Outotec Code of Conduct
Monitoring the effectiveness of our approach — Specific actions and results	Key performance indicators, GRI, p. 10
Disclosures	205-1, Metso Outotec indicator: Community engagement
Topic boundary	Internal impacts within our operations Relevant external entities: communities, employees and government.

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Sustainable productivity	
	Description/Reference
GRI Material Topic	GRI 416: Customer Health and Safety 2016
Key topics for our management approach	Planet Positive offering and innovations, BO, p. 23
Targets	Sustainability, BO, p. 21 Planet Positive offering and innovations, BO, p. 23
Policies, processes, management model	Metso Outotec Code of Conduct, QEHS Policy, QEHS Management
Monitoring the effectiveness of our approach – Specific actions and results	All new R&D projects have to set sustainability targets
Disclosures	416-1, 416-2, Metso Outotec indicator: Sustainability targets set in R&D projects
Topic boundary	External impacts within our value chain. Relevant external entities: customers, suppliers.

Responsible procurement	
	Description/Reference
GRI Material Topic	GRI 204: Procurement Practices 2016, GRI 305: Emissions 2016 (related disclosure)
Key topics for our management approach	Responsible procurement ensures sustainable cooperation, BO, p. 38
Targets	Responsible procurement ensures sustainable cooperation, BO, p. 38, Our annual sustainability performance, targets and long-term goals, BO, p. 22
Policies, processes, management model	Metso Outotec Supplier Code of Conduct, Sustainability criteria for suppliers
Monitoring the effectiveness of our approach – Specific actions and results	Responsible procurement ensures sustainable cooperation, BO, p. 38, Our annual sustainability performance, targets and long-term goals, BO, p. 22
Disclosures	204-1, Metso Outotec indicator: Supplier sustainability audits
Topic boundary	External impacts within our value chain. Relevant external entities: suppliers.

SASB Industrial Machinery and Goods Disclosure

Topic	Accounting Metric	Unit of measure	Code	Page number / Information / Omission	Information assured
Energy Management	1. Total energy consumed	Gigajoules (GJ)	RT-IG-130a.1	GRI 302-1 in GRI supplement, p. 12	✓
	2. Percentage grid electricity	%	RT-IG-130a.1	98%	✓
	3. Percentage renewable energy	%	RT-IG-130a.1	47%	✓
Employee Health and Safety	1. Total recordable incident rate (TRIR)	Rate	RT-IG-320a.1	GRI 403-9; LTIF and recordable injury rates reported in GRI supplement p. 16 (per million hours worked)	✓
	2. Fatality rate	Rate	RT-IG-320a.1	GRI 403-9 in GRI supplement, p. 16 (number of fatalities)	✓
	3. Near-miss frequency rate (NMFR)	Rate	RT-IG-320a.1	GRI 403-9 in GRI supplement, p. 16 (per million hours worked)	✓
Fuel Economy & Emissions in Use-phase	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Gallons per 1,000 ton-miles	RT-IG-410a.1	Information not available.	
	Sales-weighted fuel efficiency for non-road equipment	Gallons per hour	RT-IG-410a.2	Information not available.	
	Sales-weighted fuel efficiency for stationary generators	Watts per gallon	RT-IG-410a.3	Information not available.	
	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines	Grams per kilowatt-hour	RT-IG-410a.4	Information not available and not applicable for marine diesel engines.	
Materials Sourcing	Description of the management of risks associated with the use of critical materials		RT-IG-440a.1	Metso Outotec acknowledges the increasing concern related to the human rights issues of sourcing ores and metals from conflict areas and that conflict minerals must only be sourced in accordance with applicable laws, including but not limited to the Dodd-Frank Wall Street Reform and Consumer Protection Act and the EU Conflicts Minerals Regulations. Metso Outotec's procurement management tool has a follow-up if suppliers have systems and processes for managing the risks related to conflict minerals as required by the EU Conflict Minerals Regulation. Related to restricted substances, suppliers are asked to inform if the components provided by the supplier contain substances that are listed on the REACH list or if suppliers provide products that contain RoHS substances in concentrations over the limit.	✓
Remanufacturing Design and Services	Revenue from remanufactured products and remanufacturing services	Reporting currency	RT-IG-440b.1	Service and Consumables business' revenue from upgrades, modernizations and repairs in 2022 was 333 MEUR.	✓

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Independent practitioner's limited assurance report

To the Management of Metso Outotec Corporation

We have been engaged by the Management of Metso Outotec Corporation (hereinafter also the "Company") to perform a limited assurance engagement on selected sustainability information for the reporting period 1 January 2022 to 31 December 2022, disclosed in Metso Outotec Corporation's Board of Directors' Report, Business Overview and GRI Supplement of Metso Outotec Annual Report 2022 (hereinafter the Selected sustainability information).

Selected sustainability information

The selected sustainability information within the scope of assurance covers:

- The economic, social and environmental sustainability indicators as identified in the GRI Content Index and SASB Industrial Machinery and Goods Disclosure, which are included in the Company's GRI Supplement in the Company's Annual Report 2022.
- EU taxonomy KPIs for climate change mitigation and climate change adaptation as disclosed in Metso Outotec Corporation's Board of Directors' report of Metso Outotec's Annual Report 2022.

Management's responsibility

The Management of Metso Outotec Corporation is responsible for preparing the Selected sustainability information in accordance with the reporting criteria as set out in Metso Outotec Corporation's internal reporting instructions described in Metso Outotec Corporations's GRI Supplement 2022, the GRI Standards of the Global Reporting Initiative, Sustainability Accounting Standards Board's (SASB) Industrial Machinery & Goods Standard and Regulation (EU) 2020/852 and Commission Delegated Regulation 2021/2178 (collectively Reporting criteria). The Management of Metso Outotec Corporation is also responsible for such internal control as the management determines is necessary to enable the preparation of the Selected sustainability information that is free from material misstatement, whether due to fraud or error.

Practitioner's independence, other ethical requirements and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

PricewaterhouseCoopers Oy applies International Standard on Quality Control (ISQC) 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to express a limited assurance conclusion on the Selected sustainability information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (revised) *"Assurance Engagements Other than Audits or Reviews of Historical Financial Information"* and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements (ISAE) 3410 *"Assurance Engagements on Greenhouse Gas Statements"*. These standards require that we plan and perform the engagement to obtain limited assurance about whether the Selected sustainability information is free from material misstatement.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. An assurance engagement involves performing procedures to obtain evidence about the amounts and other information in the Selected sustainability information. The procedures selected depend on the practitioner's judgment, including an assessment of the risks of material misstatement of the Selected sustainability information.

Our work consisted of, amongst others, the following procedures:

- Interviewing senior management of the Company.
- Conducting three video interviews with sites in Finland, Canada and Brazil.
- Interviewing employees responsible for collecting and reporting the information presented in the Selected sustainability information at the group level as well as at the site level.
- Assessing how Group employees apply the reporting instructions and procedures of the Company.
- Testing the accuracy and completeness of the information from original documents and systems on a sample basis.
- Testing the consolidation of information and performing recalculations on a sample basis.
- Considering the disclosure and presentation of the Selected sustainability information.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Metso Outotec Corporation's Selected sustainability information for the reporting period 1 January 2022 to 31 December 2022 is not properly prepared, in all material respects, in accordance with the Reporting criteria.

When reading our limited assurance report, the inherent limitations to the accuracy and completeness of sustainability information should be taken into consideration.

Our assurance report has been prepared in accordance with the terms of our engagement. We do not accept, or assume responsibility to anyone else, except to Metso Outotec Corporation for our work, for this report, or for the conclusions that we have reached.

Helsinki 16 February 2023

PricewaterhouseCoopers Oy

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