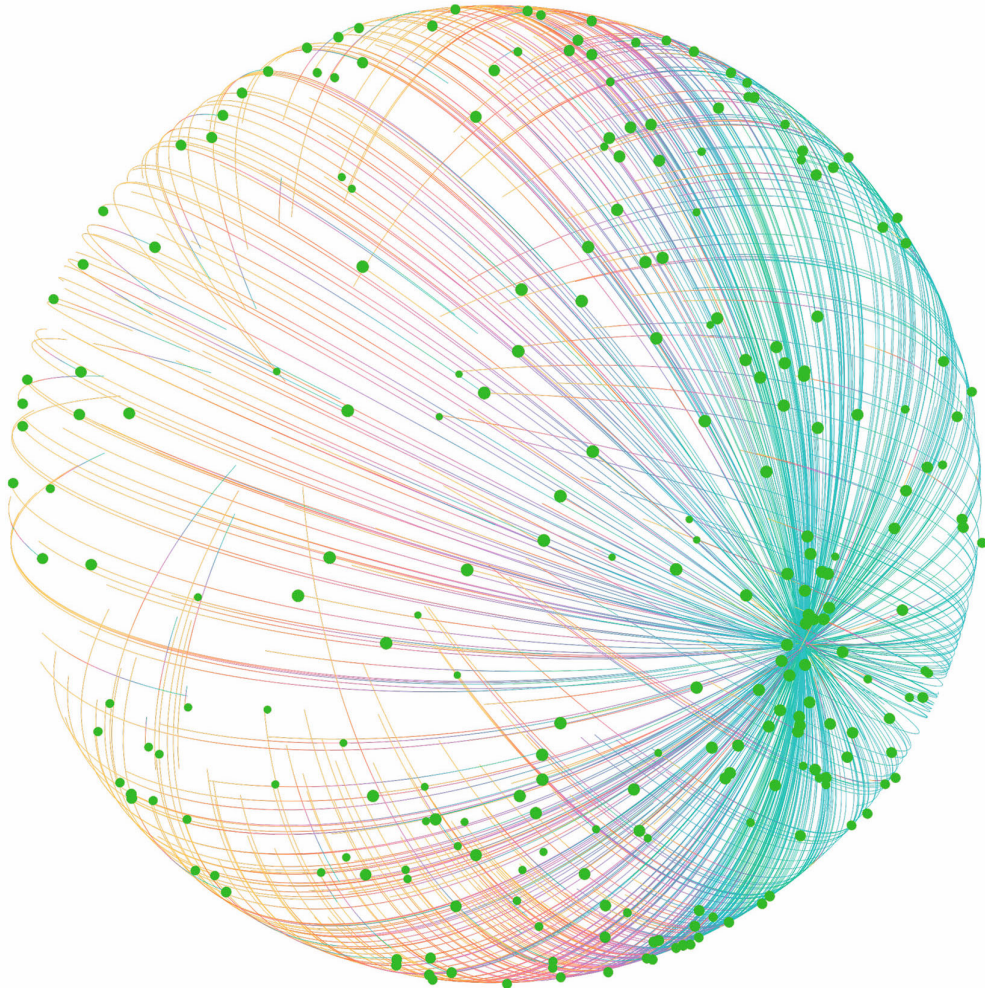


Q1

INTERIM REPORT

JANUARY-MARCH 2019



INTERIM REPORT JANUARY-MARCH 2019

Positive signs in greenfield investments and good growth in Services

“The overall market sentiment developed positively in the first quarter. In addition to brownfield investments, we are seeing signs of increased greenfield investments in both minerals processing and metal refining technologies. Order intake was at the same good level as in the first quarter last year. I am pleased with the 22% growth in service orders and the 19% increase in equipment orders for Minerals Processing.

Sales decreased during the quarter primarily due to fewer plant and equipment deliveries, while service sales increased by 11%. Profitability clearly improved both in absolute and relative terms due to better gross margins. Cash flow was lower this quarter compared to the comparison period due to the timing of advance and milestone payments, as well as temporarily higher inventories.

I am pleased with the progress in our must-win battles that further improve our performance. These programs focus on strengthening customer focus, service business, product competitiveness, project competencies and people development.

In the reporting period, we were ranked as the 12th most sustainable company in the world in the Global 100 index for the 7th consecutive year. Our biggest contribution to the industry comes from our technologies that can significantly reduce CO₂ emissions. Our R&D efforts continue to focus on developing technologies that enable customers to increase their profitability in a sustainable manner.

Negotiations concerning the ilmenite smelter project are ongoing in cooperation with the customer. We remain confident that we are provided adequately for the project.

After the end of the quarter, Outotec received a EUR 140 million greenfield mineral concentrator and gold processing plant order from Ma’aden in the Kingdom of Saudi Arabia. We have a proven track record of delivering mineral processing and metals refining plants for gold applications and a long history with Ma’aden with whom we have successfully completed several projects.

We continue to be positive about the current market outlook and reiterate our 2019 guidance for sales and adjusted EBIT,” concludes President & CEO Markku Teräsvasara.



Summary of key figures

EUR million	Q1 2019	Q1 2018	% ¹	% ²	Q1-Q4 2018
Order intake	336.1	333.8	1	1	1,251.3
Service order intake	159.9	130.8	22	23	532.5
Order backlog at end of period	1,040.0	1,053.8	-1	-	946.6
Sales	254.7	287.1	-11	-11	1,276.5
Service sales	114.7	103.0	11	13	496.6
Gross margin, %	27.1	22.8			15.4
Adjusted EBIT ³	11.0	7.0			-46.2
Adjusted EBIT ³ , %	4.3	2.4			-3.6
EBIT	9.3	5.4			-66.1
EBIT, %	3.7	1.9			-5.2
Net cash from operating activities	-18.3	68.5			70.4
Earnings per share, EUR	0.02	0.00			-0.42

¹ Change, %

² Change in comparable currencies, %

³ Excluding restructuring- and acquisition-related items as well as PPA amortizations.

Financial guidance for 2019 reiterated

Based on the current market outlook, we expect sales to increase, and adjusted EBIT* to increase significantly from the 2018 adjusted EBIT (EUR 63.8 million), excluding the provision for the ilmenite smelter project.

*Excluding restructuring- and acquisition-related items, as well as PPA amortizations.

INTERIM REPORT JANUARY – MARCH 2019

Q1 MARKET DEVELOPMENT

The market sentiment was positive. In addition to brownfield investments, there were signs of increased activity in greenfield investments, in both minerals processing and metal refining technologies.

Copper and gold projects were the most active. The demand for minerals processing equipment and services continued to be solid. In the Metals, Energy & Water sector, there was also some demand in hydrometallurgical and pelletizing solutions, as well in sulfuric acid plants. Plant service inquiries increased from the comparison period.

Project financing continued to be challenging, particularly for smaller mining companies. The competitive environment continued to be intense.

ORDER INTAKE AND BACKLOG

The order intake in the reporting period was EUR 336 (334) million, up 1% from the comparison period. The increase came from stronger service orders. The service order intake for the reporting period was EUR 160 (131) million, up 22% from the comparison period. The growth came largely from a pellet plant modernization project.

Order intake by region, %	Q1 2019	Q1 2018	Q1-Q4 2018
EMEA	50	40	48
Americas	31	23	30
APAC	19	37	22
Total	100	100	100

Announced orders

Project/location (published)	Booked into order backlog	Value, EUR million	Segment
Pellet plant expansion in Russia, booked to service order intake (March 28)	Q1	approx. 15	MEW
Sulfuric acid plant to Morocco (March 13)	Q1	approx. 80	MEW
Filtration technology to lithium processing plant in Australia (Feb 5)	Q1	approx. 12	MP
Mine paste backfill system to nickel mine in Canada (Jan 24)	Q1	N/A, typical value 20-30	MP

The order backlog at the end of the reporting period was EUR 1,040 (1,054) million. The share of services in the order backlog totaled EUR 256 (214) million. At the end of the reporting period, Outotec had 20 (21) projects with an order backlog value in excess of EUR 10 million, accounting for 47 (54)% of the total backlog. It is estimated that roughly 73% or EUR 760 million of the order backlog at the end of March will be delivered in 2019.

SALES AND FINANCIAL RESULT

Sales and financial result EUR million	Q1 2019	Q1 2018	% ¹	% ²	Q1-Q4 2018
Sales	254.7	287.1	-11	-11	1,276.5
Service sales ³	114.7	103.0	11	13	496.6
Share of service sales, %	45.0	35.9			38.9
Gross margin, %	27.1	22.8			15.4
Adjusted EBIT ^{4 6}	11.0	7.0			-46.2
Adjusted EBIT ^{4 6} , %	4.3	2.4			-3.6
- Restructuring- and acquisition-related costs ⁵	-	0.0			-13.3
- PPA amortization	-1.7	-1.7			-6.6
EBIT	9.3	5.4			-66.1
EBIT, %	3.7	1.9			-5.2
Result before taxes	7.5	3.2			-75.4
Result for the period	5.4	2.2			-67.3
Unrealized and realized exchange gains and losses	0.1	0.8			-1.6

¹ Change, %

² Change in comparable currencies, %

³ Included in the sales figures of the two reporting segments.

⁴ Excluding restructuring- and acquisition-related items and PPA amortizations.

⁵ Comparative figure for Q1-Q4 2018 includes restructuring-related items of EUR -13.5 million and acquisition-related items of EUR 0.2 million.

⁶ Adjusted EBIT for Q1-Q4/2018 was EUR 63.8 million (5.0%) excluding the provision for the ilmenite smelter project.

Sales in the reporting period totaled EUR 255 (287) million, down 11% from the comparison period. The decline came mainly from projects in Metals, Energy & Water. The 11% increase in service sales was attributable to spare parts and modernizations. The share of service sales was 45 (36) % of total sales.

Fixed costs in the reporting period – including selling and marketing, administrative, R&D and fixed delivery expenses – declined 2% (in comparable currencies -2%) from the comparison period, totaling EUR 63 (64) million, or 25 (22) % of sales.

Improvement in the adjusted EBIT for the reporting period was attributable to improved gross margin in capex deliveries.

The result before taxes for the reporting period was EUR 7 (3) million. Net finance expenses related to interest costs and the valuation of foreign exchange forward agreements totaled EUR 2 (2) million. The net result was EUR 5 (2) million. The net impact from taxes totaled EUR -2 (-1) million. Earnings per share totaled EUR 0.02 (0.00), including an accrued hybrid bond interest net of tax totaling EUR -2 (-2) million.

MINERALS PROCESSING

Minerals Processing	Q1	Q1			Q1-Q4
EUR million	2019	2018	% ¹	% ²	2018
Order intake	193.6	162.5	19	20	719.3
Sales	161.6	159.9	1	2	757.8
Service sales	78.9	71.1	11	13	344.3
Adjusted EBIT ³	15.9	15.6			84.1
Adjusted EBIT ³ , %	9.9	9.8			11.1
- Restructuring and acquisition-related costs	-	-0.0			-3.0
- PPA amortization	-0.7	-0.7			-2.7
EBIT	15.3	15.0			78.5
EBIT, %	9.4	9.4			10.4

¹ Change, %

² Change in comparable currencies, %

³ Excluding restructuring and acquisition-related items as well as PPA amortizations

In the reporting period, the order intake in the Minerals Processing segment grew 19% compared to the comparison period primarily due to increased equipment orders. The segments sales increased by 1%. Service orders grew 9% due to an increase in modernizations and technical services. Service sales increased by 11% while equipment sales decreased. The segment diverse service sales mix, which included less proprietary spare parts compared to the previous year, impacted profitability.

METALS, ENERGY & WATER

Metals, Energy & Water	Q1	Q1			Q1-Q4
EUR million	2019	2018	% ¹	% ²	2018
Order intake	142.5	171.3	-17	-17	532.0
Sales	93.2	127.2	-27	-26	518.7
Service sales	35.9	31.9	12	14	152.3
Adjusted EBIT ^{3 4}	-3.7	-7.2			-125.0
Adjusted EBIT ^{3 4} , %	-4.0	-5.7			-24.1
- Restructuring and acquisition-related costs	-	0.0			-6.6
- PPA amortization	-1.0	-1.0			-4.0
EBIT	-4.7	-8.2			-135.5
EBIT, %	-5.0	-6.4			-26.1

¹ Change, %

² Change in comparable currencies, %

³ Excluding restructuring and acquisition-related items as well as PPA amortizations

⁴ adjusted EBIT for Q1-Q4/2018 was EUR -15.0 million (-2.9%) excluding the provision for the ilmenite smelter project.

In the reporting period, the order intake in the Metals, Energy & Water segment decreased by 17% from the comparison period due to the timing of larger plant orders. The segment's sales decreased 27%, primarily due to fewer plant and equipment deliveries compared to the previous year. Service orders increased 54% due to plant modernizations. Service sales increased by 12% mainly due to smelter modernizations.

BALANCE SHEET, FINANCING AND CASH FLOW

Balance sheet, financing and cash flow	Q1	Q1	Q1-Q4
EUR million	2019	2018	2018
Net cash from operating activities	-18.3	68.5	70.4
Net interest-bearing debt at end of period ^{1 2}	60.3	-56.0	-38.1
Equity at end of period	376.9	454.3	377.4
Gearing at end of period ^{1 2} , %	16.0	-12.3	-10.1
Equity-to-assets ratio at end of period ^{1 2} , %	30.9	41.7	32.9
Net working capital at end of period	-90.8	-62.7	-122.9

¹ If the hybrid bond were treated as a liability, the net interest-bearing debt would be EUR 210.3 million, gearing 92.7%, and the equity-to-assets ratio 18.6% on March 31, 2019 (March 31, 2018: EUR 94.0 million, 30.9% and 27.9% respectively, December 31, 2018: EUR 111.9 million, 49.2% and 19.8% respectively).

² Key figures excluding the impact of implementing IFRS 16 in 2019 are disclosed in the key figures section.

The consolidated balance sheet total on March 31, 2019 was EUR 1,419 (1,319) million.

Outotec's cash and cash equivalents at the end of the reporting period totaled EUR 210 (253) million. Net cash flow from operating activities during the reporting period was EUR -18 (69) million. The main impact was attributable to the timing of advances and milestone payments received, as well as higher inventory, which includes advances paid to subcontractors and work-in-progress for projects under execution. The advance and milestone payments received at the end of the reporting period totaled EUR 199 (230) million. Advance and milestone payments to subcontractors totaled EUR 53 (39) million. In the reporting period, Outotec paid EUR 11 (11) million in hybrid bond annual interest.

Net interest-bearing debt on March 31, 2019 was EUR 60 (-56) million (March 31, 2019: EUR -7 million excluding the impact of implementing IFRS 16), and the gearing was 16 (-12) %. Outotec's equity-to-assets ratio was 31 (42) %.

The company's capital expenditure, which was related mainly to IT programs and IPRs, totaled EUR 3 (5) million during the reporting period.

Guarantees for commercial commitments, including advance payment guarantees issued by the parent and other Group companies at the end of the reporting period, totaled EUR 621 (648) million.

Equity attributable to shareholders of the parent company totaled EUR 374 (451) million, representing EUR 2.06 (2.49) per share. In the reporting period, equity was impacted by hybrid bond interest net of tax totaling EUR -9 (-9) million, translation differences of EUR 8 (-7) million and the net result of EUR 5 (2) million.

RESEARCH & DEVELOPMENT

During the reporting period, Outotec's research and development expenses represented 6 (5) % of sales.

R&D	Q1 2019	Q1 2018	Q1-Q4 2018
R&D expenses, EUR million	14	14	57
New priority applications filed	6	7	26
New national patents granted	72	106	558
Total number of patent families	761	762	761
Total number of national patents or patent applications	6,494	6,665	6,467

PERSONNEL

At the end of the reporting period, Outotec had a total of 4,027 (4,137) full-time equivalent employees. During first quarter of 2019, the company had an average of 4,017 (4,129) employees. Temporary personnel accounted for 8 (6) % of the total.

Personnel by region	March 31, 2019	March 31, 2018 ¹	Change	December 31 2018 ¹
EMEA	2,700	2,771	-71	2,677
Americas	737	774	-37	736
APAC	591	592	-1	573
Total	4,027	4,137	-110	3,986

¹ The figures for 2018 have been recalculated as FTE (full-time equivalent employees).

At the end of the reporting period, the company had, in addition to its own personnel, 426 (377) full-time equivalent, contracted professionals working in project execution.

Salaries and other employee benefits in the the reporting period totaled EUR 81 (81) million.

RESOLUTIONS OF OUTOTEC'S AGM 2019

Outotec Oyj's Annual General Meeting (AGM) was held on March 14, 2019, in Helsinki, Finland. The AGM approved the parent company's financial statements and consolidated financial statements, and discharged the members of the Board of Directors and the President and CEO from liability for the 2018 financial year. The AGM decided that no dividend would be distributed for the financial year ending on December 31, 2018.

The AGM decided that the total number of Board members will be eight (8). Mr. Matti Alahuhta, Mr. Klaus Cawén, Ms. Anja Korhonen, Ms. Hanne de Mora, Mr. Patrik Nolåker and Mr. Ian W. Pearce, were re-elected as members of the Board of Directors for the term expiring at the end of the next AGM. Ms. Anu Hämäläinen and Ms. Teija Sarajärvi were elected as new members. The AGM elected Mr. Alahuhta as the Chairman and Mr. Pearce as Vice Chairman of the Board of Directors.

The AGM confirmed the Board's remunerations for 2019, of which 60% will be paid in cash and 40% in shares:

- Chairman of the Board of Directors: EUR 72,000
- Members of the Board of Directors: EUR 36,000
- Vice Chairman of the Board and the Chairman of the Audit and Risk Committee: an additional EUR 12,000
- Attendance fee: EUR 600/meeting
- Reimbursement for the direct costs arising from Board-related work

PricewaterhouseCoopers Oy, a firm of Authorized Public Accountants, was re-elected as the company's auditor.

The AGM authorized the Board of Directors to decide on the repurchase and issuance of shares and special rights entitling holders to shares. Both authorizations relate to an aggregate maximum of 18,312,149 (approximately 10%) of the company's own shares. The authorizations will be in force until the closing of the next AGM. The authorizations have not been exercised as of May 8, 2019.

The Board of Directors elected Anu Hämäläinen (Chairman of the Committee), Klaus Cawén, Anja Korhonen, and Ian W. Pearce as members of the Audit and Risk Committee.

Hanne de Mora (Chairman of the Committee), Matti Alahuhta, Patrik Nolåker, and Teija Sarajärvi were elected as members of the Human Capital Committee.

SHARES AND SHARE CAPITAL

Outotec's shares are listed on the Nasdaq Helsinki exchange (OTE1V). At the end of the reporting period, Outotec's share capital was EUR 17,186,442.52, consisting of 183,121,492 shares. Each share entitles its holder to one vote at the company's general meetings.

OUTOTEC OYJ OWN SHAREHOLDING

At the end of the reporting period, the company directly held a total of 1,366,529 Outotec shares, representing 0.75% of Outotec Oyj's shares and votes.

TRADING, MARKET CAPITALIZATION, AND SHAREHOLDERS

Shares on NASDAQ Helsinki

January-March 2019	Number of shares traded	Total value EUR	High EUR	Low EUR	Average EUR ¹	Last paid EUR	
OTE1V	87,184,126	303,166,493	4.11	2.90	3.48	3.91	
						March 31, 2019	March 31, 2018

¹ Volume-weighted average

Market capitalization, EUR million	716	1,329
Number of shareholders	27,009	23,705
Nominee registered shareholders (number of registers 11), %	36.4	41.1
Finnish private investors, %	16.2	12.8

SHARE-BASED INCENTIVES

Outotec has a Share-based Incentive Program for the company's key personnel as well as an Employee Share Savings Program for all employees globally. All shares related to the programs are acquired through public trading. More detailed information about present and past programs is available at www.outotec.com/cq.

OTHER MAIN ANNOUNCEMENTS AND EVENTS IN Q1

March 12: Outotec's sustainability report 2018 highlights co-creation for future plants

February 19: Anna-Maria Tuominen-Reini appointed Senior Vice President of Sourcing & Manufacturing at Outotec

January 22: Outotec ranked 12th in the Global 100 list of most sustainable companies

SHORT-TERM RISKS AND UNCERTAINTIES

Major investments continue to develop slowly, and new investments may either be delayed or existing projects placed on hold or canceled. There is also the continued risk of credit loss, especially in receivables from emerging markets. The supply situation may tighten, which may cause delays or escalations. Any uncertainty in the global macroeconomic environment, especially China's economic outlook, may impact the demand for metals and their prices, as well as Outotec's operations and financials.

Outotec has identified a risk of disputes related to project execution, which may result in extra costs and/or penalties. 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. In particular, Outotec has identified a significant risk of claims related to a few large projects in the Metals, Energy & Water segment. This in turn could lead to decreasing headroom under the financial covenants related to capital structure and liquidity.

Outotec has made a EUR 110 million provision for possible costs relating to the ilmenite smelter project in Saudi Arabia (Stock Exchange Releases on May 31, 2012; October 26, 2018; October 30, 2018 and February 8, 2019). The current estimated provision was based on progress made with the analysis of the furnace. The provision was booked in Outotec's fourth quarter 2018 result. The outcome of the analysis, together with other factors such as Outotec's contractual position, will determine the eventual liability and financial impact of this incident for Outotec.

Risks related to Outotec's business operations are high in certain markets, such as the Middle East, Russia, Democratic Republic of Congo, and Turkey. The geopolitical situation, including risk of trade wars, Brexit, sanctions, security situation, economic conditions, and regulatory environment may change rapidly, causing ongoing business to be delayed, suspended or canceled; or may completely prevent Outotec from operating in these areas. This may result in a material impact on Outotec's financial results and valuation of its assets.

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

More information about Outotec's business risks and risk management is available in the *Notes to the Financial Statements* and on the company's website at www.outotec.com/investors.

MARKET OUTLOOK

The market outlook for mining and metals is expected to remain positive. Global GDP growth and new uses for metals, such as electric vehicles, drive the long-term demand for metals. Outotec's efficient technologies enable extractions of metals also from challenging raw materials as well as from tailings. A continuous tightening of environmental regulations imposes stricter limits for water and energy use as well as for new permissions. In addition to brownfield investments, there are signs of increased activity in greenfield investments, both in minerals processing and metal refining technologies.

Copper, gold, and battery metal projects are expected to be the most active. Expectations for growth provides opportunities for minerals processing in process optimization, equipment modernizations, and services. Investments will continue to be driven by increased mining activity and production levels with an emphasis on the optimization of existing processes.

The Metals, Energy & Water segment has business opportunities in several sectors. Copper, gold and lithium projects are expected to be the most active in the short-term. There is also an increasing global need for waste-to-energy and sludge incineration solutions.

MAIN EVENTS AFTER THE END OF Q1

April 30: Saudi Arabian Mining Company (Ma'aden) awarded Outotec a EUR 140 million gold processing plant order.

FINANCIAL GUIDANCE FOR 2019 REITERATED

Based on the current market outlook, we expect sales to increase, and adjusted EBIT* to increase significantly from the 2018 adjusted EBIT (EUR 63.8 million), excluding the provision for the ilmenite smelter project.

**Excluding restructuring- and acquisition-related items, as well as PPA amortizations.*

FINANCIAL REPORTING SCHEDULE AND EVENTS

- Half Year Financial Report 2019: July 26
- Interim Report Q1-Q3 2019: October 31
- Capital Markets Day 2019: November 21

Espoo, May 8, 2019

Outotec Oyj
Board of Directors

Segment information by quarter

EUR million	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18	Q2/18	Q3/18	Q4/18	Q1/19
Order intake									
Minerals Processing	146.4	176.3	164.6	239.6	162.5	183.8	189.0	184.1	193.6
Metals, Energy & Water	171.9	110.0	69.6	126.2	171.3	163.4	82.5	114.8	142.5
Total	318.4	286.3	234.2	365.8	333.8	347.2	271.5	298.9	336.1
Sales									
Minerals Processing	151.7	167.7	147.8	201.2	159.9	193.0	187.3	217.7	161.6
Metals, Energy & Water	111.6	98.1	126.1	139.7	127.2	138.3	132.8	120.3	93.2
Total	263.3	265.8	273.9	340.8	287.1	331.2	320.2	338.0	254.7
Adjusted EBIT (aEBIT) ¹									
Minerals Processing	11.4	14.7	15.1	22.2	15.6	17.5	21.7	29.4	15.9
Metals, Energy & Water	-9.3	-12.5	0.6	-1.9	-7.2	-8.2	-1.8	-107.9	-3.7
Unallocated ² and intra-group items	-1.4	-2.0	-1.4	-2.0	-1.4	-1.7	-1.4	-0.8	-1.3
Total	0.7	0.2	14.3	18.3	7.0	7.6	18.5	-79.3	11.0
Operating result (EBIT)									
Minerals Processing	10.4	14.2	14.3	21.1	15.0	15.7	20.8	27.1	15.3
Metals, Energy & Water	-10.2	-13.6	-0.6	-2.9	-8.2	-13.7	-2.9	-110.9	-4.7
Unallocated ² and intra-group items	-1.4	-2.0	-1.4	-2.0	-1.4	-5.0	-1.9	-0.8	-1.3
Total	-1.2	-1.4	12.3	16.2	5.4	-3.0	16.0	-84.5	9.3

¹ Excluding restructuring- and acquisition-related items and PPA amortizations

² Unallocated items primarily include group management and administrative services

Key figures	Q1	Q1	Last 12	Q1-Q4
	2019	2018	months	2018
Order intake, EUR million	336.1	333.8	1,253.6	1,251.3
Service order intake, EUR million	159.9	130.8	561.5	532.5
Share of service in order intake, %	47.6	39.2	44.8	42.6
Order backlog at end of period, EUR million	1,040.0	1,053.8	1,040.0	946.6
Sales, EUR million	254.7	287.1	1,244.1	1,276.5
Service sales, EUR million	114.7	103.0	508.3	496.6
Share of service in sales, %	45.0	35.9	40.9	38.9
Gross margin, %	27.1	22.8	16.1	15.4
Operating result (EBIT), EUR million	9.3	5.4	-62.2	-66.1
EBIT, %	3.7	1.9	-5.0	-5.2
Result before taxes, EUR million	7.5	3.2	-71.2	-75.4
Result before taxes in relation to sales, %	2.9	1.1	-5.7	-5.9
Result for the period in relation to sales, %	2.1	0.8	-5.2	-5.3
Earnings per share ¹ , EUR	0.02	0.00	-0.40	-0.42
Net cash from operating activities, EUR million	-18.3	68.5	-16.5	70.4
Net interest-bearing debt at end of period ^{2,3} , EUR million	60.3	-56.0	60.3	-38.1
Gearing at end of period ^{2,3} , %	16.0	-12.3	16.0	-10.1
Equity-to-assets ratio at end of period ^{2,3} , %	30.9	41.7	30.9	32.9
Equity at end of period, EUR million	376.9	454.3	376.9	377.4
Equity per share, EUR	2.06	2.49	2.06	2.06
Net working capital at end of period, EUR million	-90.8	-62.7	-90.8	-122.9
Capital expenditure, EUR million	3.2	5.1	19.5	21.4
Capital expenditure in relation to sales, %	1.2	1.8	1.6	1.7
Research and development expenses, EUR million	14.2	13.6	58.0	57.4
Research and development expenses in relation to sales, %	5.6	4.7	4.7	4.5
Return on investment ³ , %, LTM	-10.0	4.0	-10.0	-11.3
Return on equity, %, LTM	-15.4	1.7	-15.4	-15.9
Personnel at end of period	4,027	4,137	4,027	3,986
Number of shares outstanding at end of period, in thousands	181,610	181,444	181,610	181,610

¹Average number of shares used in calculating the EPS is 181,609 thousand for Q1/2019 (Q1/2018: 181,420 thousand, Q1-Q4/2018: 181,547 thousand shares). EPS includes a reduction of accrued hybrid bond interest (net of tax) amounting to EUR 2.2 million for Q1/2019 (Q1/2018: EUR 2.2 million, Q1-Q4/2018: EUR 8.9 million).

²If the hybrid bond were treated as a liability: net interest-bearing debt would be EUR 210.3 million, gearing 92.7%, and the equity-to-assets ratio 18.6% on March 31, 2019 (March 31, 2018: EUR 94.0 million, 30.9% and 27.9% respectively, December 31, 2018: EUR 111.9 million, 49.2% and 19.8% respectively).

³The 2019 figures excluding the impact of implementing the IFRS 16 standard are disclosed in the table below.

Key figures excluding impact of implementing IFRS 16 in 2019	Q1	Q1
	2019	2019
	as reported	excl. IFRS 16 impact
Net interest-bearing debt at end of period, EUR million	60.3	-7.2
Gearing at end of period, %	16.0	-1.9
Equity-to-assets ratio at end of period, %	30.9	32.7
Return on investment, %, LTM	-10.0	-10.6

Reconciliation of adjusted EBIT	Q1 2019	Q1 2018	Last 12 months	Q1-Q4 2018
Operating result (EBIT), EUR million	9.3	5.4	-62.2	-66.1
- Restructuring and acquisition-related costs	-	-0.0	13.3	13.3
- PPA amortization	1.7	1.7	6.7	6.6
Adjusted EBIT ¹ , EUR million	11.0	7.0	-42.3	-46.2
Adjusted EBIT ¹ , %	4.3	2.4	-3.4	-3.6

¹Excluding restructuring- and acquisition-related items and PPA amortizations.

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

To improve the comparability between periods, Outotec presents adjusted EBIT, being EBIT adjusted by material items beyond the ordinary course of business. Gross profit and research and development expenses are presented as complementing measures to the measures included in the consolidated statement of comprehensive income because, in Outotec's view, they increase the understanding of Outotec's results of operations. Net interest-bearing debt, gearing, equity-to-asset ratio, return on investment and return on equity are presented as complementing measures because, in Outotec's view, they are useful measures of Outotec's ability to obtain financing and service its debts. Net working capital and capital expenditure provide additional information concerning the cash flow needs of Outotec's operations.

In addition, Outotec presents net interest-bearing debt, gearing, equity-to-asset ratio and return on investment for 2019 excluding the impact of implementation of the IFRS 16 standard to improve the comparability between periods, as Outotec did not retrospectively restate the 2018 figures in the transition to the IFRS 16 standard on January 1, 2019.

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

Definitions of key figures

Change in comparable currencies	=	Reporting period's figures converted using foreign exchange rates from the comparison period
Gross margin, %	=	$\frac{\text{Sales} - \text{cost of sales}}{\text{Sales}} \times 100$
Adjusted EBIT (aEBIT)	=	Operating result excluding (but not limited to) restructuring-related transactions, costs related to mergers and acquisitions, purchase price allocation (PPA) amortizations, and goodwill impairments
Earnings per share	=	$\frac{\text{Result for the period attributable to the equity holders of the parent company} - \text{accrued hybrid bond interest, net of tax}}{\text{Average number of shares during the period}}$
Diluted earnings per share	=	$\frac{\text{Result for the period attributable to the equity holders of the parent company} - \text{accrued hybrid bond interest, net of tax}}{\text{Diluted average number of shares during the period}}$
Net interest-bearing debt	=	Loans + lease liabilities – other shares and securities – loan receivables – interest-bearing trade and other receivables – cash and cash equivalents
Gearing	=	$\frac{\text{Net interest-bearing debt}}{\text{Total equity}} \times 100$
Equity-to-assets ratio	=	$\frac{\text{Total equity}}{\text{Total assets} - \text{contract liabilities (net advances received)}} \times 100$
Equity per share	=	$\frac{\text{Total equity attributable to the equity holders of the parent}}{\text{Number of shares outstanding at the end of period}} \times 100$
Net working capital	=	Trade and other receivables (excl. accrued interests) + inventories + derivative financial instruments (assets) – pension obligations – provisions – trade and other payables (excl. accrued interests) – derivative financial instruments (liabilities)
Capital expenditure	=	Additions in intangible assets and property, plant and equipment
Research and development expenses	=	Research and development expenses in the statement of comprehensive income (including expenses covered by grants received)
Return on investment (last 12 months)	=	$\frac{\text{Operating result} + \text{finance income (last 12 months)}}{\text{Total equity} + \text{loans} + \text{lease liabilities (12 months' average)}} \times 100$
Return on equity (last 12 months)	=	$\frac{\text{Result for the period (last 12 months)}}{\text{Total equity (12 months' average)}} \times 100$
Dividend per share	=	$\frac{\text{Dividend for the financial year}}{\text{Number of shares outstanding at end of period}}$

CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

All figures in the tables have been rounded to the nearest whole number and consequently the sum of individual figures may deviate from the sum presented. Key figures have been calculated using exact figures.

Consolidated statement of comprehensive income	Q1	Q1	Q1-Q4
EUR million	2019	2018	2018
Sales	254.7	287.1	1,276.5
Cost of sales	-185.7	-221.6	-1,080.0
Gross profit	69.1	65.5	196.5
Other income	0.3	0.9	0.8
Selling and marketing expenses	-29.2	-29.8	-115.6
Administrative expenses	-16.7	-17.7	-73.9
Research and development expenses	-14.2	-13.6	-57.4
Other expenses	-0.1	-0.0	-16.7
Share of results of associated companies	0.2	0.0	0.3
Operating result	9.3	5.4	-66.1
Finance income	1.4	1.4	6.1
Finance expenses	-3.1	-3.3	-13.2
Market price gains and losses	-0.2	-0.4	-2.2
Net finance income or expense	-1.8	-2.2	-9.3
Result before income taxes	7.5	3.2	-75.4
Income taxes	-2.1	-0.9	8.2
Result for the period	5.4	2.2	-67.3
Other comprehensive income			
Items that will not be reclassified as profit or loss			
Remeasurements of defined benefit obligations	-5.5	0.5	0.8
Income tax relating to items that will not be reclassified as profit or loss	1.6	-0.1	-0.1
Items that may be subsequently reclassified as profit or loss			
Exchange differences on translating foreign operations	7.9	-7.5	-10.7
Cash flow hedges	-1.2	1.2	-4.6
Changes in the fair value of other shares and securities	0.0	-0.0	-0.1
Income tax relating to items that may be reclassified as profit or loss	0.5	-0.3	0.6
Other comprehensive income for the period, net of tax	3.3	-6.3	-14.0
Total comprehensive income for the period	8.6	-4.0	-81.3
Result for the period attributable to:			
Equity holders of the parent company	5.3	2.2	-67.3
Non-controlling interest	0.0	0.0	-0.0
Total comprehensive income for the period attributable to:			
Equity holders of the parent company	8.6	-4.1	-81.1
Non-controlling interest	0.1	0.0	-0.1
Earnings per share for result attributable to the equity holders of the parent company:			
Basic earnings per share, EUR	0.02	0.00	-0.42
Diluted earnings per share, EUR	0.02	0.00	-0.42

Consolidated statement of financial position EUR million	March 31, 2019	March 31, 2018	December 31, 2018
ASSETS			
Non-current assets			
Intangible assets	336.1	350.1	338.4
Property, plant and equipment	52.2	54.5	53.3
Right-of-use assets ⁶	67.6	-	-
Deferred tax asset	84.5	91.9	78.2
Investments in associated companies	1.0	0.4	0.8
Other shares and securities	1.6	2.2	1.6
Derivative financial instruments	2.3	4.6	2.8
Loan receivables	4.2	1.5	4.1
Trade and other receivables	2.3	2.3	2.3
Total non-current assets	551.8	507.5	481.5
Current assets			
Inventories ¹	234.4	193.9	208.9
Derivative financial instruments	4.1	6.0	6.0
Current tax assets	11.4	12.2	10.6
Trade and other receivables ^{2 3}	407.3	346.4	417.4
Cash and cash equivalents	210.0	252.7	233.4
Total current assets	867.2	811.2	876.3
TOTAL ASSETS	1,419.0	1,318.7	1,357.8

¹ Including advances paid for inventories of EUR 53.1 million at March 31, 2019 (March 31, 2018: EUR 38.7 million, December 31, 2018: EUR 48.9 million).

² Including EUR 0.0 million that were interest-bearing at March 31, 2019 (March 31, 2018: EUR 0.1 million, December 31, 2018: EUR 0.0 million).

³ Including accrued interests of EUR 0.8 million at March 31, 2019 (March 31, 2018: EUR 0.8 million, December 31, 2018: EUR 0.5 million).

Consolidated statement of financial position	March 31,	March 31,	December 31,
EUR million	2019	2018	2018
EQUITY AND LIABILITIES			
Equity			
Share capital	17.2	17.2	17.2
Hybrid bond	150.0	150.0	150.0
Other components of equity	63.5	63.7	60.3
Retained earnings	143.1	220.2	146.9
Equity attributable to the equity holders of the parent company	373.8	451.1	374.4
Non-controlling interest	3.1	3.2	3.0
Total equity	376.9	454.3	377.4
Non-current liabilities			
Loans	177.6	183.2	178.1
Lease liabilities	54.1	-	-
Derivative financial instruments	0.5	0.1	0.6
Deferred tax liabilities	7.5	35.6	7.7
Pension obligations	61.2	57.9	55.9
Provisions	50.3	0.0	50.2
Trade and other payables	7.0	7.5	7.1
Total non-current liabilities	358.3	284.4	299.5
Current liabilities			
Loans	31.1	17.3	23.0
Lease liabilities ⁶	13.3	-	-
Derivative financial instruments	8.3	4.2	8.8
Current tax liability	13.1	9.9	8.4
Provisions	96.3	46.1	110.9
Trade and other payables ⁴	521.8	502.5	529.8
Total current liabilities	683.9	580.0	680.9
Total liabilities	1,042.2	864.4	980.4
TOTAL EQUITY AND LIABILITIES	1,419.0	1,318.7	1,357.8

⁴ Including accrued interests of EUR 5.0 million at March 31, 2019 (March 31, 2018: EUR 3.3 million, December 31, 2018: EUR 3.4 million). Gross advances received are disclosed in note 6.

⁵ Key figures excluding the impact of implementing IFRS 16 in 2019 are disclosed in the key figures section.

⁶ This item has been recognized through implementation of IFRS 16.

Condensed consolidated statement of cash flows	Q1	Q1	Q1-Q4
EUR million	2019	2018	2018
Cash flows from operating activities			
Result for the period	5.4	2.2	-67.3
Adjustments for			
Depreciation and amortization	13.1	9.7	38.6
Other adjustments	1.2	2.6	-7.7
Decrease (+) / Increase (-) in net working capital	-38.9	55.5	112.6
Dividend received	-	-	0.9
Interest received	1.2	1.2	5.1
Interest paid	-0.7	-0.6	-5.7
Income tax paid	0.3	-2.1	-6.2
Net cash from operating activities	-18.3	68.5	70.4
Purchases of assets	-3.1	-4.8	-21.5
Acquisition of subsidiaries and business operations	-0.3	-	-0.5
Acquisition of shares in associated companies	-	-	-0.2
Proceeds from sale of assets	0.0	0.2	0.9
Cash flows from other investing activities	-0.0	-	0.0
Net cash used in investing activities	-3.3	-4.6	-21.3
Cash flow before financing activities	-21.6	63.9	49.2
Repayment of non-current debt	-0.1	-0.1	-4.4
Decrease in current debt	-1.4	-28.2	-33.2
Increase in current debt	9.4	-	10.0
Repayment of lease liabilities ¹	-3.7	-	-
Interest paid on hybrid bond	-11.1	-11.1	-11.1
Cash flows from other financing activities	-0.3	-0.0	0.4
Net cash used in financing activities	-7.1	-39.4	-38.3
Net change in cash and cash equivalents	-28.7	24.5	10.8
Cash and cash equivalents at beginning of period	233.4	230.2	230.2
Foreign exchange rate effect on cash and cash equivalents	5.3	-2.1	-7.7
Net change in cash and cash equivalents	-28.7	24.5	10.8
Cash and cash equivalents at end of period	210.0	252.7	233.4

¹ This item has occurred through implementation of IFRS 16.

Consolidated statement of changes in equity

EUR million	Attributable to the equity holders of the parent company										
	Share capital	Share premium fund	Fair value and other reserves	Treasury shares	Reserve for invested non-restricted equity	Hybrid bond	Cumulative translation differences	Retained earnings	Total equity attributable to equity holders of parent company	Non-controlling interest	Total equity
Equity at January 1, 2018	17.2	20.2	-15.0	-15.0	96.6	150.0	-16.7	226.6	463.8	3.2	466.9
IFRS 9 restatement ¹	-	-	-	-	-	-	-	-0.8	-0.8	-	-0.8
IFRS 2 restatement ¹	-	-	-	-	-	-	-	0.8	0.8	-	0.8
Restated equity at January 1, 2018	17.2	20.2	-15.0	-15.0	96.6	150.0	-16.7	226.6	463.8	3.2	466.9
Hybrid bond interest (net of tax)	-	-	-	-	-	-	-	-8.9	-8.9	-	-8.9
Share-based compensation	-	-	-	-	-	-	-	0.3	0.3	-	0.3
Total comprehensive income for the period	-	-	1.2	-	-	-	-7.5	2.2	-4.1	0.0	-4.0
Equity at March 31, 2018	17.2	20.2	-13.8	-15.0	96.6	150.0	-24.2	220.2	451.1	3.2	454.3
Equity at January 1, 2019	17.2	20.2	-18.4	-12.6	98.3	150.0	-27.3	146.9	374.4	3.0	377.4
IFRIC 23 restatement ¹	-	-	-	-	-	-	-	-0.6	-0.6	-	-0.6
Restated equity at January 1, 2019	17.2	20.2	-18.4	-12.6	98.3	150.0	-27.3	146.3	373.8	3.0	376.8
Hybrid bond interest (net of tax)	-	-	-	-	-	-	-	-8.9	-8.9	-	-8.9
Share-based compensation	-	-	-	-	-	-	-	0.3	0.3	-	0.3
Total comprehensive income for the period	-	-	-4.6	-	-	-	7.9	5.3	8.6	0.1	8.6
Equity at March 31, 2019	17.2	20.2	-23.0	-12.6	98.3	150.0	-19.4	143.1	373.8	3.1	376.9

¹ IAS 8 change in accounting policies (net of tax)

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME AND FINANCIAL POSITION

These Interim Financial Statements are prepared in accordance with IAS 34 Interim Financial Reporting. In these Interim Financial Statements, the same accounting policies and methods have been applied as in the latest Annual Financial Statements, except for the changes specified below. These Interim Financial Statements are unaudited.

The following new standards and interpretations have been adopted as of January 1, 2019:

IFRS 16 – Leases

Outotec has adopted the IFRS 16 standard as of January 1, 2019. As a result, right-of-use assets of EUR 70.7 million and a lease liability of EUR 70.7 million were recognized in the consolidated financial statements as of January 1, 2019. The standard change will slightly improve operating profit, and the impact on net profit is immaterial. Outotec transitioned to IFRS 16 in accordance with the modified retrospective approach. The prior year figures were not adjusted. Right-of-use assets were measured at the amount of the lease liability (adjusted for any prepaid or accrued lease expenses).

Reconciliation of lease commitments and liabilities EUR million	January 1, 2019
Operating lease commitments at December 31, 2018	78.5
Short term lease contracts	-1.7
Low-value lease contracts	-0.5
Other	2.8
Lease liability recognised at January 1, 2019	79.1
Discounting	-8.4
Lease liability at January 1, 2019	70.7
Current lease liability	14.9
Non-current lease liability	55.9

Background

The new standard aims to provide better transparency for a lessee's financial leverage and capital employed. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The requirements for lessors remain mainly unchanged. IFRS 16 replaces the IAS 17 standard and related interpretations.

Transition to IFRS 16 and changes in accounting principles

Outotec conducted a Group-wide analysis of the Group's lease contracts. Outotec's lease portfolio consists primarily of offices, warehouses and company cars.

As part of the initial application of the IFRS 16, Outotec has decided not to apply the new guidance to leases whose contract term will end within twelve months of the date of initial application. These leases will be accounted for as short-term leases and the related lease payments will be recognized as an expense. In addition, Outotec has chosen to apply the relief option, which allows it to adjust

the right of use asset by the amount of any provision for onerous leases recognized in the statement of financial position immediately prior to the date of initial application.

Outotec will apply the exemptions for short-term leases and leases for which the underlying asset is of low value, and will not recognize the right-of-use asset and lease liability for these lease contracts. The lease expenses related to these types of contracts will be recognized on a straight-line basis in the statement of comprehensive income. Outotec assesses on an annual basis whether possible lease contract extension or termination options are exercised. If these options are to be exercised, the lease term will be adjusted accordingly. Currently, Outotec does not have lease contracts with perpetual lease terms. In the event of a perpetual lease contract, Outotec will estimate the lease term for the contract to be used for the right-of-use asset and lease liability calculations.

In the statement of financial position, a right-of-use asset is recognized for lease contracts. The right-of-use asset is measured at the amount of lease liability and any prepayments or initial direct costs incurred. Lease liability is recognized at the present value of the remaining lease payments in the statement of financial position. Lease payments are discounted with the interest rate implicit in the lease contract or, if that rate cannot be readily determined, Outotec's incremental borrowing rates will be used. Outotec has decided to use the risk free currency-based rate as the base rate for the incremental borrowing rate. On top of the currency-based rate, Outotec's margin is added, based on the cost of Outotec's external debt. In addition, the lease term is taken into account in the incremental borrowing rate. Upon the initial application of IFRS 16, the lease liabilities were discounted at the incremental borrowing rate as of January 1, 2019. The weighted average discount rate was 3.4%.

Under IFRS 16 depreciation on right-of-use asset and interest expense on the discounted lease, liability is recognized in the statement of comprehensive income in comparison to a lease expense recognized under IAS 17. In the consolidated statement of cash flows, net cash from operating activities will increase and net cash used in financing activities will decrease as the repayment of the principal portion of the lease liabilities is classified as cash flows from financing activities.

The Group's activities as a lessor are not material and hence the new standard did not have any significant impact on the financial statements.

IFRIC 23 – Uncertainty over income tax treatments

Outotec has adopted the IFRIC 23 interpretation as of January 1, 2019. Outotec transitioned to IFRIC 23 in accordance with the modified retrospective approach. Based on the analysis of uncertain tax treatments in the light of IFRIC 23, Outotec recognised additional income tax liabilities totaling EUR 0.6 million affecting the opening balance of retained earnings. Before the restatement, income tax liabilities on January 1, 2019 totaled EUR 8.4 million, and after restatement of EUR 0.6 million, the income tax liabilities were EUR 9.1 million.

The new interpretation should be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatment under IAS 12. Based on IFRIC 23, an entity must consider whether it is probable that the relevant tax authority would accept each tax treatment used in its income tax filings, assuming full visibility of all relevant information. Each uncertain tax treatment is to be considered separately or together as a group, and the impact of uncertainty is to be measured using either the most likely

amount or the expected value method, depending on which approach better predicts resolution of the uncertainty.

Amendments to IAS 19

Outotec has adopted the amendments to IAS 19 (Employee benefits) as of January 1, 2019. The amendments did not have a material impact on the Group's financial statement. The amendments to IAS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements.

The following new standards and interpretations have been published, but they are not effective in 2019, nor has Outotec early-adopted them:

Amendments to IFRS 3 and IAS 1

The amendment to IFRS 3 (Business combinations) revises the definition of a business. The amendments to IAS 1 (Presentation of financial statements) and consequential amendments to other IFRS standards clarify the definition of materiality. These amendments are effective for periods after January 1, 2020, but have not yet been endorsed by the EU and are not expected to have a material impact on the Group's financial statements.

Accounting estimates and judgements

IFRS requires management to make estimates and judgements that affect the reported amounts. The most significant accounting estimates and judgements made by the management relate to customer contracts, impairment of goodwill, valuation of inventories and trade receivables, provisions, pension obligations and deferred tax assets and liabilities. Although these estimates are based on the management's best knowledge of current events and actions, the actual results may differ from the estimates used in the financial statements.

Note 1. Segment information

Disaggregation of sales EUR million	Q1 2019	Q1 2018	Q1-Q4 2018
Minerals Processing			
Project sales (major portion recognized over time)	82.7	88.8	413.5
Service sales (major portion recognized at a point in time)	78.9	71.1	344.3
Sales total, Minerals Processing	161.6	159.9	757.8
Metals, Energy & Water			
Project sales (major portion recognized over time)	57.3	95.3	366.4
Service sales (major portion recognized at a point in time)	35.9	31.9	152.3
Sales total, Metals, Energy & Water	93.2	127.2	518.7
Sales total	254.7	287.1	1,276.5

Adjusted EBIT ¹ by segment EUR million	Q1 2019	Q1 2018	Q1-Q4 2018
Minerals Processing	15.9	15.6	84.1
Metals, Energy & Water	-3.7	-7.2	-125.0
Unallocated ² and intra-group items	-1.3	-1.4	-5.4
Total adjusted EBIT¹	11.0	7.0	-46.2

¹ Excluding restructuring- and acquisition-related items and PPA amortizations disclosed in note 2.

² Unallocated items primarily include group management and administrative services

Operating result by segment EUR million	Q1 2019	Q1 2018	Q1-Q4 2018
Minerals Processing	15.3	15.0	78.5
Metals, Energy & Water	-4.7	-8.2	-135.5
Unallocated ² and intra-group items	-1.3	-1.4	-9.1
Total operating result	9.3	5.4	-66.1

² Unallocated items primarily include group management and administrative services

Note 2. Items excluded from adjusted EBIT

Restructuring and acquisition items EUR million	Q1 2019	Q1 2018	Q1-Q4 2018
Personnel-related restructuring costs	-	-0.0	-4.7
Impairments on non-current assets	-	0.0	-0.7
Other restructuring-related items	-	-	-8.2
Items related to restructuring, total	-	0.0	-13.5
Items related to acquisitions	-	-	0.3
Reversal of earn-out liability from acquisitions	-	-	-
Arbitration cost related to past acquisitions	-	-	-0.0
Restructuring and acquisition items, total	-	0.0	-13.3
Restructuring and acquisition items are allocated to:			
Minerals Processing	-	-0.0	-3.0
Metals, Energy & Water	-	0.0	-6.6
Unallocated items	-	-0.0	-3.7

Purchase price allocation (PPA) amortizations EUR million	Q1 2019	Q1 2018	Q1-Q4 2018
Minerals Processing	-0.7	-0.7	-2.7
Metals, Energy & Water	-1.0	-1.0	-4.0
Total PPA amortizations	-1.7	-1.7	-6.6

Note 3. Income taxes EUR million	Q1 2019	Q1 2018	Q1-Q4 2018
Current taxes	-3.6	-4.7	-7.1
Deferred taxes	1.6	3.8	15.2
Total income taxes	-2.1	-0.9	8.2

Note 4. Property, plant and equipment	March 31,	March 31,	December 31,
EUR million	2019	2018	2018
Historical cost at beginning of period	156.8	151.2	151.2
Translation differences	1.5	-2.0	-1.9
Additions	1.1	2.2	8.8
Disposals	-0.5	-0.4	-2.5
Reclassifications	-	-	1.3
Impairment during the period	-	-	-0.1
Historical cost at end of period	159.0	151.0	156.8
Accumulated depreciation and impairment at beginning of period	-103.4	-95.2	-95.2
Translation differences	-1.0	1.3	1.5
Disposals	0.3	0.2	1.8
Reclassifications	-	-	-0.8
Depreciation during the period	-2.7	-2.8	-10.9
Impairment during the period	-	-	0.1
Accumulated depreciation and impairment at end of period	-106.8	-96.5	-103.4
Carrying value at the end of the period	52.2	54.5	53.3

Note 5. Right-of-use assets	March 31,
EUR million	2019
Historical cost at beginning of period	70.7
Translation differences	0.4
Additions	-
Disposals	-
Historical cost at end of period	71.1
Accumulated depreciation and impairment at the beginning of the period	-
Disposals	-
Depreciation during the period	-3.5
Accumulated depreciation and impairment at end of period	-3.5
Carrying value at the end of the period	67.6

Note 6. Balance sheet items, customer contracts	March 31,	March 31,	December 31,
EUR million	2019	2018	2018
Gross advances received	1,571.7	1,598.0	1,557.1
Over time revenue recognition	-1,373.1	-1,368.4	-1,346.3
Contract liabilities (net advances received)	198.6	229.5	210.8
Contract assets	175.6	151.3	148.1

Note 7. Changes in significant provisions

On December 31, 2018, Outotec recorded a provision of EUR 110 million for possible costs relating to the ilmenite smelter project in Saudi Arabia. The provision was estimated based on progress made with the analysis of the furnace. The outcome of the analysis, together with other factors such as Outotec's contractual position, will determine the eventual liability and financial impact of this incident for Outotec. There were no changes in the provision during the first quarter of 2019. EUR 50 million of the provision is recognized under non-current liabilities and EUR 60 million under current liabilities.

Note 8. Changes in credit facilities

Outotec's committed revolving credit facilities (EUR 100 million unsecured multicurrency facility and EUR 60 million unsecured facility) have their final maturity in January 2020 and therefore have become short-term credit facilities during the first quarter of 2019. Both credit facilities were fully unutilized as of March 31, 2019.

Note 9. Commitments and contingent liabilities

No securities or collateral have been pledged.

Commercial guarantees relating to project performance obligations and equipment deliveries totaled EUR 494.6 million on March 31, 2019 (March 31, 2018: EUR 459.9 million, December 31, 2018: EUR 490.7 million). These are issued by financial institutions or Outotec Oyj on behalf of Group companies.

The total value of the commercial guarantees above does not include advance payment guarantees issued by the parent or other Group companies, or guarantees for financial obligations. The total amount of guarantees for financing issued by Group companies amounted to EUR 5.5 million as of March 31, 2019 (March 31, 2018: EUR 5.0 million, December 31, 2018: EUR 4.4 million) and for commercial commitments including advance payment guarantees EUR 620.6 million as of March 31, 2019 (March 31, 2018: EUR 647.7 million, December 31, 2018: EUR 688.1 million). The high exposure of on-demand guarantees may increase the risk of claims that may have an impact on Outotec's liquidity.

Note 10. Derivative instruments

Currency and interest derivatives EUR million	March 31, 2019	March 31, 2018	December 31, 2018
Foreign exchange forward contracts			
Designated as cash flow hedges	-4.1	0.9	-4.5
Other foreign exchange forward contracts	-0.5	1.8	1.3
Interest rate swaps			
Designated as cash flow hedges	-	-	-
Designated as fair value hedges	2.2	3.6	2.6
Fair values of derivative contracts, total	-2.4	6.3	-0.6
Nominal values	659.3	582.3	662.2

Note 11. Carrying amounts of financial assets and liabilities by category

March 31, 2019

EUR million	Fair value through profit or loss	Amortized cost	Fair value through other comprehensive income	Carrying amounts by balance sheet item	Fair value
Non-current financial assets					
Derivative assets					
- foreign exchange forward contracts	0.0	-	-	0.0	0.0
- interest rate swaps under hedge accounting	2.2	-	-	2.2	2.2
- foreign exchange forward contracts under hedge accounting	0.1	-	-	0.1	0.1
Other shares and securities	-	-	1.6	1.6	1.6
Loans receivable	-	4.2	-	4.2	4.2
Other non-current receivables	-	2.3	-	2.3	2.3
Current financial assets					
Derivative assets					
- foreign exchange forward contracts	1.8	-	-	1.8	1.8
- foreign exchange forward contracts under hedge accounting	2.3	-	-	2.3	2.3
Loans receivable and other investments	-	0.0	-	0.0	0.0
Trade and other receivables	-	231.6	-	231.6	231.6
Cash and cash equivalents	-	210.0	-	210.0	210.0
Carrying amount by category	6.4	448.2	1.6	456.3	456.3
Non-current financial liabilities					
Bonds					
	-	149.6	-	149.6	153.7
Revaluation of bonds and debentures	-	2.3	-	2.3	-
Loans from financial institutions	-	24.5	-	24.5	24.7
Derivative liabilities					
- foreign exchange forward contracts	0.1	-	-	0.1	0.1
- foreign exchange forward contracts under hedge accounting	0.4	-	-	0.4	0.4
Other non-current loans	-	1.2	-	1.2	1.2
Other non-current liabilities	-	7.0	-	7.0	7.0
Current financial liabilities					
Loans from financial institutions					
	-	4.1	-	4.1	4.7
Derivative liabilities					
- foreign exchange forward contracts	2.2	-	-	2.2	2.2
- foreign exchange forward contracts under hedge accounting	6.1	-	-	6.1	6.1
Other current loans	-	27.0	-	27.0	27.0
Trade and other payables	-	262.9	-	262.9	262.9
Carrying amount by category	8.8	478.6	-	487.4	490.0

Carrying amounts of financial assets and liabilities by category

December 31, 2018

EUR million	Fair value through profit or loss	Amortized cost	Fair value through other comprehensive income	Carrying amounts by balance sheet item	Fair value
Non-current financial assets					
Derivative assets					
- foreign exchange forward contracts	0.0	-	-	0.0	0.0
- interest rate swaps under hedge accounting	2.6	-	-	2.6	2.6
- foreign exchange forward contracts under hedge accounting	0.2	-	-	0.2	0.2
Other shares and securities	-	-	1.6	1.6	1.6
Loans receivable	-	4.1	-	4.1	4.1
Other non-current receivables	-	2.3	-	2.3	2.3
Current financial assets					
Derivative assets					
- foreign exchange forward contracts	4.5	-	-	4.5	4.5
- foreign exchange forward contracts under hedge accounting	1.4	-	-	1.4	1.4
Loans receivable and other investments	-	0.0	-	0.0	0.0
Trade and other receivables	-	269.4	-	269.4	269.4
Cash and cash equivalents	-	233.4	-	233.4	233.4
Carrying amount by category	8.7	509.2	1.6	519.6	519.6
Non-current financial liabilities					
Bonds					
Bonds	-	149.5	-	149.5	154.4
Revaluation of bonds and debentures	-	2.7	-	2.7	-
Loans from financial institutions	-	24.5	-	24.5	24.9
Derivative liabilities					
- foreign exchange forward contracts	0.3	-	-	0.3	0.3
- foreign exchange forward contracts under hedge accounting	0.3	-	-	0.3	0.3
Other non-current loans	-	1.3	-	1.3	1.3
Other non-current liabilities	-	7.1	-	7.1	7.1
Current financial liabilities					
Loans from financial institutions					
Loans from financial institutions	-	4.1	-	4.1	4.7
Derivative liabilities					
- foreign exchange forward contracts	2.9	-	-	2.9	2.9
- foreign exchange forward contracts under hedge accounting	5.8	-	-	5.8	5.8
Other current loans	-	18.9	-	18.9	18.9
Trade and other payables	-	266.1	-	266.1	266.1
Carrying amount by category	9.3	474.3	-	483.6	486.7

Note 12. Fair value hierarchy

March 31, 2019

EUR million	Level 1	Level 2	Level 3	Total
Other shares and securities	0.0	-	1.6	1.6
Derivative financial assets	-	6.4	-	6.4
Derivative financial liabilities	-	8.8	-	8.8

December 31, 2018

Other shares and securities	0.0	-	1.6	1.6
Derivative financial assets	-	8.7	-	8.7
Derivative financial liabilities	-	9.3	-	9.3

Techniques used for the valuation of financial instruments included in the level 2-3 fair value hierarchy:

- For interest rate swaps (level 2), the present value of the estimated future cash flows is based on observable yield curves.
- For foreign currency forwards (level 2), the present value of future cash flows is based on the forward exchange rates at the balance sheet date.
- For unlisted equity securities (level 3), the fair value is estimated based on market information for similar types of companies.

The Group's finance department, which reports to the chief financial officer (CFO), performs the valuations of non-property assets required for financial reporting purposes, including level 3 fair values. Changes in level 3 fair values are analyzed at the end of each reporting period. In the event of any changes, the team will present a report to the CFO explaining the reason for the fair value movements.

Note 13. Other shares and securities (level 3 of fair value hierarchy)

EUR million	Q1 2019	Q1 2018	Q1-Q4 2018
Carrying value on Jan 1	1.6	2.2	2.2
Translation differences	0.0	-0.0	-0.0
Decreases	-	-	-0.5
Carrying value at end of period	1.6	2.1	1.6

Note 14. Related party transactions

Transactions and balances with associated companies EUR million	Q1 2019	Q1 2018	Q1-Q4 2018
Sales	-	0.1	0.1
Other income	-	-	0.1
Purchases	0.6	0.5	3.1
Loan receivables	1.5	1.5	1.5
Trade and other receivables	0.6	0.5	0.6
Current liabilities	0.1	0.1	0.1

Outotec has a 40% investment in Enefit Outotec Technology Oü, from which the company had EUR 1.5 million loan receivables at March 31, 2019 (March 31, 2018 and December 31, 2018: EUR 1.5 million).

Transactions and balances with management and prior management

There were no loan receivables from current or former key management at March 31, 2019 (March 31, 2018: EUR 0.1 million from former key management, December 31, 2018: no loan receivables).

Outotec develops leading technologies and services for the sustainable use of Earth's natural resources. Our 4,000 top experts are driven by each customer's unique challenges across the world. Outotec's comprehensive offering creates the best value for our customers in the mining, metal, energy, and chemical industries. Outotec shares are listed on NASDAQ Helsinki. www.outotec.com