Q1

INTERIM REPORT

JANUARY-MARCH 2020

Sustainable use of
Earth's natural resources

Outotec

OUTOTEC OYJ

INTERIM REPORT JANUARY-MARCH 2020

Growth in sales and adjusted EBIT, uncertain operating environment affected order intake

"COVID-19 caused rapid uncertainty impacting the global operating environment and prompting travel restrictions, sourcing challenges and limiting access to customer sites.

Order intake decreased by 28% compared to the comparison period because customers started to slow down decision-making relating to large projects. In the Minerals Processing segment, smaller equipment orders continued to be at a good level.

Sales grew by 16%. Large projects received last year contributed to 22% growth in the Minerals Processing segment and 5% growth in the Metals Refining segment. Currencies and sales mix had a negative impact on profitability.

In the service business, travel restrictions and site closures restricted our field service personnel's access to customer sites. Customers also postponed service projects. This resulted in a 23% decline in service orders. Service sales were at the level of the comparison period. Spare parts continued to grow in spite of various challenges.

Net cash flow from operating activities was EUR -59 (-18) million. The cash flow was negative mainly due to inventory build-up related to the delivery phase of the three large projects received last year.

As we started to see signs of market uncertainty, we initiated actions on several fronts. Securing our employee's health and safety has been the key priority. I am pleased with the way we have been able to shift to remote working where necessary and actively continue to support our customers. Examples of our virtual support include remote installation and commissioning services, advanced process and control systems, as well as virtual seminars and trainings. We have also initiated cost-saving actions covering the whole organization.

Our planned merger with Metso's Minerals business is proceeding and the closing of the transaction is expected to take place on June 30 subject to regulatory approvals.

We are working actively with the existing market opportunities and strong backlog as well as achieving our cost-savings targets," concludes President & CEO **Markku Teräsvasara**.

THE COMBINATION OF OUTOTEC AND METSO'S MINERALS BUSINESS

Outotec and Metso expect the completion of the combination of Outotec and Metso's Minerals business to take place on June 30, 2020, subject to the receipt of all required regulatory and other approvals, including competition clearances.

Summary of key figures

EUR million	Q1 2020	Restated[3] Q1 2019	Change, %	Q1-Q4 2019
Order intake	**240.0**	332.2	**-28**	1,501.2
Service order intake	**120.0**	156.0	**-23**	586.3
Order backlog at end of period	**992.3**	926.9	**7**	1,069.6
Sales	**285.2**	245.6	**16**	1,210.3
Service sales	**109.7**	109.3	**0**	550.1
Gross margin, %	**24.7**	28.0		29.8
Adjusted EBITA[1]	**20.6**	18.9		141.7
Adjusted EBITA[1], %	**7.2**	7.7		11.7
Adjusted EBIT[2]	**15.5**	13.8		121.8
Adjusted EBIT[2], %	**5.4**	5.6		10.1
EBIT	**9.3**	12.7		107.3
EBIT, %	**3.3**	5.2		8.9
Net cash from operating activities	**-58.6**	-18.3		67.9
Earnings per share, continuing operations, EUR	**0.01**	0.03		0.35
Earnings per share, discontinued operations, EUR	**-0.00**	-0.02		-0.25
Earnings per share, EUR	**0.01**	0.02		0.10

[1]Excluding all amortizations, as well as adjustment items consisting of restructuring and capacity adjustment costs, costs related to mergers and acquisitions, the outcome of material intellectual property rights disputes, gains and losses on business disposals and goodwill impairments. Since the second quarter of 2019, Outotec has added adjusted EBITA to the reported numbers at the Group level to reflect the planned combination. The Q1-Q4 2019 figure has been recalculated.
[2]Excluding restructuring- and acquisition-related items as well as PPA amortizations.
[3]Comparison figures related to the income statement, order intake and order backlog have been restated due to business divestments in the Metals, Energy & Water segment being classified as discontinued operations.

OUTLOOK FOR 2020 REVISED

Due to the ongoing COVID-19 pandemic, market activity and visibility in the minerals processing and metals refining market have weakened. The timing of larger investments in particular is uncertain.

The previous outlook, issued on February 6, 2020: The market activity in minerals processing and metals refining is currently expected to remain at the present level. Copper, gold and nickel projects are expected to continue to be the most active. The timing of large investments is uncertain.

INTERIM REPORT JANUARY-MARCH 2020

MARKET DEVELOPMENT IN Q1

COVID-19 caused rapid uncertainty impacting the global operating environment and prompting travel restrictions, sourcing challenges and limiting access to customer sites.

Demand was solid for smaller equipment in minerals processing, but no large investment decisions were made in metals refining. The spare part business continued to be active despite sourcing and logistical constraints. Producers also postponed larger service projects. The most active markets have been North and Central America as well as South East Asia-Pacific. Copper, precious metals and zinc were the most active metals.

ORDER INTAKE AND BACKLOG

The order intake in the reporting period was EUR 240 (332) million, down 28% from the comparison period because there were less large plant orders. The service order intake for the reporting period was EUR 120 (156) million, down 23% from the comparison period. The reduction was attributable to less large service projects and field service orders than in the comparison period.

Order intake by region, %	**Q1 2020**	Restated[1] Q1 2019	Q1-Q4 2019
EMEA	**32**	50	57
Americas	**36**	31	24
APAC	**33**	19	19
Total	**100**	100	100

[1]Comparison figures related to the income statement have been restated due to business divestments in the Metals, Energy & Water segment being classified as discontinued operations.

Announced orders

Project/location (published)	Recorded into order backlog	Value, EUR million	Segment
Process equipment to a greenfield gold project in Cambodia (February 12)	Q1	approx. 13	MP
Technology and services for alumina refinery expansion in India (March 9)	Q1	approx. 15	MR
Minerals processing technology to a silver project in Mexico (April 8)	Q1	approx. 15	MP
Grinding mill order from a gold project in Kazakhstan (April 15)	Q1	not published, similar scopes approx. 10	MP

The order backlog at the end of the reporting period totaled EUR 992 (927) million, up 7% from the comparison period. The order backlog, including discontinued operations, totaled EUR 1,045 (1,040) million. The value of services in the order backlog totaled EUR 194 (234) million. At the end of the reporting period, Outotec had 8 (19) projects with an order backlog value in excess of EUR 10 million, which accounted for 45 (43)% of the total backlog. It is estimated that approximately 65%, or EUR 660 million of the order backlog at the end of March is expected to be delivered in 2020.

SALES AND FINANCIAL RESULT

Sales and financial result EUR million	**Q1 2020**	Restated[5] Q1 2019	**Change, %**	Q1-Q4 2019
Sales	**285.2**	245.6	**16**	1,210.3
Service sales[1]	**109.7**	109.3	**0**	550.1
Share of service sales, %	**38.5**	44.5		45.5
Gross margin, %	**24.7**	28.0		29.8
Adjusted EBITA[2]	**20.6**	18.9		141.7
Adjusted EBITA[2], %	**7.2**	7.7		11.7
Adjusted EBIT[3]	**15.5**	13.8		121.8
Adjusted EBIT[3], %	**5.4**	5.6		10.1
- Restructuring and acquisition-related costs[4]	**-5.1**	-		-10.2
- PPA amortization	**-1.1**	-1.1		-4.3
EBIT	**9.3**	12.7		107.3
EBIT, %	**3.3**	5.2		8.9
Result before taxes	**5.0**	10.9		93.3
Result for the period, continuing operations	**3.7**	8.4		72.6
Unrealized and realized exchange gains and losses	**1.0**	0.1		1.2

[1] *Included in the sales figures of the two reporting segments.*
[2] *Excluding all amortizations, as well as adjustment items consisting of restructuring and capacity adjustment costs, costs related to mergers and acquisitions, the outcome of material intellectual property rights disputes, gains and losses on business disposals and goodwill impairments. Since the second quarter of 2019, Outotec has added adjusted EBITA to the reported numbers at the Group level to reflect the planned combination. The Q1-Q4 2019 figure has been recalculated.*
[3] *Excluding restructuring and acquisition-related items and PPA amortizations.*
[4] *Including restructuring-related items of EUR -0.4 million and items related to acquisitions or business combinations of EUR -4.8 million. In the comparison period Q1 2019 there were no restructuring and acquisition-related items.*
[5] *Comparison figures related to the income statement have been restated due to business divestments in the Metals, Energy & Water segment being classified as discontinued operations.*

Sales in the reporting period totaled EUR 285 (246) million, up 16% from the comparison period. The increase was attributable to both segments due to three large plant orders received in 2019. Service sales totaled EUR 110 (109) million, and were at the level of the previous year due to delays in spare part deliveries.

Fixed costs in the reporting period – including selling and marketing, administrative, R&D and fixed delivery expenses – increased 2% from the comparison period, totaling EUR 60 (59) million, or 21 (24)% of sales.

In the first quarter, the adjusted EBIT was negatively impacted mainly by currencies and a lower share of service sales.

The result before taxes for the reporting period was EUR 5 (11) million including costs associated with the Metso Outotec merger. Net finance expenses of EUR 4 (2) million were related to interest costs and the valuation of foreign exchange forward agreements. The net result was EUR 4 (5) million. The net impact from taxes totaled EUR -1 (-2) million. Earnings per share were EUR 0.01 (0.02), including an accrued hybrid bond interest net of tax of EUR -9 (-9) million.

MINERALS PROCESSING

Minerals Processing EUR million	Q1 2020	Q1 2019	Change, %	Q1-Q4 2019
Order intake	**192.1**	193.6	**-1**	1,048.6
Sales	**197.4**	161.6	**22**	799.1
Service sales	**81.6**	78.9	**3**	388.1
Adjusted EBIT[1]	**14.4**	15.9		81.4
Adjusted EBIT[1], %	**7.3**	9.9		10.2
- Restructuring and acquisition-related costs	**-0.4**	-		1.0
- PPA amortization	**-0.7**	-0.7		-2.7
EBIT	**13.3**	15.3		79.7
EBIT, %	**6.8**	9.4		10.0

[1]Excluding restructuring and acquisition-related items as well as PPA amortizations

In the reporting period, the order intake in the Minerals Processing segment decreased by 1% compared to the comparison period. The segment's sales increased by 22% due to large plant and equipment orders received in 2019. Service sales increased by 3%. Growth came mainly from spare parts and service projects. Currencies and sales mix had a negative impact on the segment's adjusted EBIT.

METALS REFINING

Metals Refining EUR million	Q1 2020	Restated[2] Q1 2019	Change, %	Q1-Q4 2019
Order intake	**48.0**	138.6	**-65**	452.6
Sales	**87.8**	84.0	**5**	411.2
Service sales	**28.1**	30.5	**-8**	162.0
Adjusted EBIT[1]	**2.5**	-0.9		46.5
Adjusted EBIT[1], %	**2.9**	-1.0		11.3
- Restructuring and acquisition-related costs	**-0.6**	-		-0.6
- PPA amortization	**-0.4**	-0.4		-1.7
EBIT	**1.6**	-1.3		44.2
EBIT, %	**1.8**	-1.5		10.8

[1] Excluding restructuring and acquisition-related items as well as PPA amortizations
[2] Comparison figures related to the income statement have been restated due to business divestments in the Metals, Energy & Water segment being classified as discontinued operations

In the reporting period, the order intake in the Metals Refining segment decreased by 65% from the comparison period due to the lack of large orders. The segment sales increased by 5%, primarily due to orders received in 2019. Service sales decreased by 8% from the comparison period, mainly as a result of fewer modernizations and service projects. Project execution improved the profitability for the reporting period.

BALANCE SHEET, FINANCING AND CASH FLOW

Balance sheet, financing and cash flow EUR million	**Q1** **2020**	Q1 2019	Q1-Q4 2019
Net cash from operating activities	**-58.6**	-18.3	67.9
Net interest-bearing debt at end of period[1]	**124.1**	60.3	18.0
Equity at end of period	**328.3**	376.9	379.2
Gearing at end of period[1], %	**37.8**	16.0	4.8
Equity-to-assets ratio at end of period[1], %	**25.0**	30.9	29.6
Net working capital at end of period	**-31.7**	-90.8	-101.0

[1] If the hybrid bond were treated as a liability, the net interest-bearing debt would be EUR 274.1 million, gearing 153.7%, and the equity-to-assets ratio 13.6% on March 31, 2020 (March 31, 2019: EUR 210.3 million, 92.7% and 18.6% respectively, December 31, 2019: EUR 168.0 million, 73.3% and 17.9% respectively).

The consolidated balance sheet total on March 31, 2020 was EUR 1,459 (1,419) million.

Outotec's cash and cash equivalents at the end of the reporting period totaled EUR 233 (210) million. Net cash flow from operating activities during the reporting period was EUR -59 (-18) million. The cash outflow was mainly related to the lack of advance payments from new large projects and the manufacturing of equipment for the three large projects received in 2019. The advance and milestone payments received at the end of the reporting period totaled EUR 147 (199) million. Advance and milestone payments to subcontractors totaled EUR 72 (53) million. In the reporting period, Outotec paid annual interest of EUR 11 (11) million for the hybrid bond.

Net interest-bearing debt on March 31, 2020 was EUR 124 (60) million, and the gearing was 38 (16) %. Outotec's equity-to-assets ratio was 25 (31) %.

The company's capital expenditure related to IT programs in preparation for the planned merger and IPRs, totaled EUR 5 (3) million during the reporting period.

At the end of the reporting period, guarantees for commercial commitments, including advance payment guarantees issued by the parent and other Group companies, totaled EUR 836 (621) million.

Equity attributable to shareholders of the parent company totaled EUR 326 (374) million, representing EUR 1.79 (2.06) per share. In the reporting period, equity was impacted by dividends paid of EUR 18 (0) million, hybrid bond interest net of tax totaling EUR -9 (-9) million, translation differences of EUR -25 (8) million and the net result of EUR 4 (5) million.

RESEARCH & DEVELOPMENT

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

R&D	**Q1** **2020**	Q1 2019	Q1-Q4 2019
R&D expenses, EUR million	**13**	13	55
New priority applications filed	**5**	6	28
New national patents granted	**65**	72	661
Total number of patent families	**779**	761	775
Total number of national patents and patent applications	**6,979**	6,494	6,928

R&D highlights in Q1

March 31: Outotec introduced the Outotec® Mill Control System, which provides all control functions required for the safe operation of grinding mills and their associated lubrication systems, as well as continuously monitoring the equipment's condition. Remote connectivity hardware is included as standard, enabling connection to Outotec's Connected Services for remote diagnostics and support.

March 18: Outotec launched a fully automated in-situ measurement system Outotec® CarbonSense for carbon-in-pulp (CIP) and carbon-in-leach (CIL) circuits to minimize gold solution losses. The system is designed to operate continuously in the agitated area of the reactor to ensure a highly representative analysis. As it is directly immersed in the slurry, there is no need for sample transfer.

February 10: Outotec expanded its flotation offering with new flotation cell and level-control solutions for a superior metallurgical performance. Outotec TankCell s-Series flotation units provide a superior metallurgical performance with a fast return on investment while improving the sustainability and minimizing the environmental impact of the process. Outotec CellStation is an intelligent solution that simplifies the often complex task of controlling the air feed and pulp levels in flotation cells, and improves the flotation cell's metallurgical performance.

January 31: Outotec introduced a major version upgrade to the Outotec® HSC Chemistry® process modeling platform, which is widely used in the metallurgical and chemical industry and universities for R&D, process design, and training workshops.

January 30: Outotec and Neste introduced 100% bio-based diluent as a new solution for metals extraction. Outotec and Neste jointly verified the viability of applying Neste MY Renewable Isoalkane™ as a fully bio-based diluent for extracting metals in hydrometallurgical processes. The diluent is based on Neste's NEXBTL technology and is produced entirely from bio-based waste and residue raw materials.

January 28: Outotec announced the introduction of Outotec® Pretium Water Advisor to improve the sustainability of mining operations through monitoring and optimizing the use of mine water. Outotec Pretium Water Advisor predicts changes in water balance and quality based on changing production and environmental conditions, enabling simulation and evaluation of proposed water-treatment investments and process changes.

PERSONNEL

At the end of the reporting period, Outotec had a total of 3,947 (4,027) full-time equivalent employees. During the first quarter of 2020, the company had an average of 3,944 (4,017) full-time equivalent employees. Temporary personnel accounted for 5 (6)% of the total.

Personnel by region	**March 31, 2020**	March 31, 2019	Change	December 31, 2019
EMEA	**2,686**	2,700	-14	2,743
Americas	**683**	737	-54	703
APAC	**579**	591	-13	599
Total	**3,947**	4,027	-81	4,045

At the end of the reporting period, the company had, in addition to its own personnel, 472 (426) full-time equivalent contracted professionals working in project execution.

Salaries and other employee benefits in the reporting period totaled EUR 76 (76) million, including EUR 0.7 million related to the termination of the Employee Share Savings Plan (O'Share).

RESOLUTIONS OF OUTOTEC'S AGM 2020

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

The AGM resolved that a dividend of EUR 0.10 per share should be paid for the financial year ended on December 31, 2019, i.e. EUR 18,212,825.40 in total based on the total number of outstanding shares of the company at the date of the General Meeting. The dividend will be paid to the shareholders who are registered in the company's register of shareholders as maintained by Euroclear Finland Ltd on the dividend record date of March 13, 2020. The AGM resolved that the dividend shall be paid on March 31, 2020.

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

Resolutions effective until the completion of the partial demerger of Metso

The Board of Directors

The AGM resolved that the number of the Board members, including Chairman and Vice Chairman, shall be eight (8). Mr Matti Alahuhta, Mr Klaus Cawén, Ms Anja Korhonen, Ms Hanne de Mora, Mr Patrik Nolåker, Mr Ian W. Pearce, Ms Anu Hämäläinen and Ms Teija Sarajärvi were re-elected as members of the Board for the term ending at the closure of the next AGM.

The term of such members elected to the Board of Directors of Outotec that were not elected to continue as members of the Board of Directors of Metso Outotec shall, however, conditional upon the Completion, end on the Effective Date (as defined below).

The AGM resolved to elect Matti Alahuhta as Chairman of the Board of Directors and Ian W. Pearce as Vice Chairman of the Board of Directors. Conditional upon the Completion, their term as Chairman and Vice Chairman shall however end on the Effective Date.

The AGM confirmed that the members of the Board of Directors be paid the following annual remuneration:

- 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
- Chairman of the Human Capital Committee: an additional EUR 10,000
- Attendance fee: EUR 600/meeting
- Reimbursement for the direct costs arising from Board-related work

The above-mentioned fees shall be paid in cash within two weeks after the Completion, however no later than on December 31, 2020, and they shall be paid in proportion to the actual length of the term of office of each respective Board member and having regard to the conditional resolutions.

Authorised Public Accountants PricewaterhouseCoopers Oy was re-elected as the company's Auditor for the term ending on the Effective Date, conditional upon the Completion, or at the latest at the closing of the AGM of 2021.

Resolutions effective upon the completion of the partial demerger of Metso

The extraordinary general meetings of Outotec and Metso on October 29, 2019, approved a demerger plan concerning the combination of the business operations of Outotec and Metso through a partial demerger of Metso, to the effect that all such assets, rights, debts and liabilities of Metso which relate to or primarily serve Metso's Minerals business shall transfer to Outotec without the liquidation of Metso, and approved the said partial demerger in accordance with the demerger plan. The completion of the partial demerger is expected to be registered with the Finnish Trade Register during the year 2020 (the "Effective Date"), subject to the receipt of all required regulatory and other approvals, including competition clearances. On the Effective Date, and conditional upon the Completion, among other things the business name of Outotec will change to Metso Outotec Corporation in accordance with the demerger plan.

The Annual General Meeting resolved that, conditional upon the Completion and effective as of the Effective Date, the following annual remunerations be paid to the members of the Board of Metso Outotec, as well as to the members of the committees of such Board:

- Chairman of the Board: EUR 150,000
- Vice Chairman of the Board: EUR 80,000
- Members of the Board: EUR 65,000
- Chairman of the Audit and Risk Committee: an additional EUR 23,000
- Members of the Audit and Risk Committee: an additional EUR 10,000
- Chairman of the Human Capital Committee: an additional EUR 12,000
- Members of the Human Capital Committee: an additional EUR 5,000
- Attendance fee for members of the Board residing in the Nordic countries: EUR 900/meeting
- Attendance fee for members of the Board residing in other European countries: EUR 1,800/meeting
- Attendance fee for members of the Board residing outside Europe: EUR 2,700/meeting
- Reimbursement for the direct costs arising from Board-related work

The AGM resolved that, conditional upon the Completion and effective as of the Effective Date, the number of members of the Board of Directors shall be increased by two (2), i.e. to a total of ten (10) Board members.

The AGM resolved that, conditional upon the Completion, Mr Matti Alahuhta, Mr Ian W. Pearce, Mr Klaus Cawén and Ms Hanne de Mora, each a current member of the Board of Directors of Outotec, be elected to continue to serve on the Board of Metso Outotec, and Mr Mikael Lilius, Ms Arja Talma, Mr Kari Stadigh, Mr Christer Gardell and Mr Antti Mäkinen, each a current member of the Board of Directors of Metso, be elected as new members of the Board of Metso Outotec, and Ms Emanuela Speranza, currently a nominee for the Board of Directors of Metso, be elected as a member of the Board of Metso Outotec conditional upon her election to Metso's Board of Directors at the 2020 annual general meeting of Metso. All nominees listed are elected for the term commencing on the Effective Date and ending at the next annual general meeting of Metso Outotec.

The AGM resolved that, conditional upon the Completion, Mr Mikael Lilius, the current Chairman of the Board of Directors of Metso, be elected as the Chairman of the Board of Metso Outotec, and Mr Matti Alahuhta, the current Chairman of the Board of Directors of Outotec, be elected as the Vice Chairman of the Board of Metso Outotec, for the term commencing on the Effective Date and ending at the next annual general meeting of Metso Outotec.

In accordance with the demerger plan, the term of such members of the Board of Directors of Outotec that were elected to the Board but that were not elected to continue as members of the Board of Directors of Metso Outotec shall, conditional upon the completion, end on the Effective Date.

In the event that the completion does not occur, the members of the Board of Directors elected under the resolution set out in the item "The Board of Directors" above shall continue to serve on the Board of Directors of Outotec as resolved by the AGM.

The AGM resolved that, conditional upon the completion, Authorised Public Accountants Ernst & Young Oy will be elected as the company's Auditor for a term commencing on the Effective Date and ending at the next annual general meeting of Metso Outotec.

The AGM resolved to amend the Charter of the Shareholders' Nomination Board to the form attached to the notice to the AGM as an appendix to ensure the functionality and adequacy of the Charter with respect to the combined Metso Outotec. The most significant amendments pertain to changing the number of members of the Nomination Board from four to five and the relevant date for the shareholding in respect to the appointment of members to the Nomination Board from October 1 to August 15, revising the qualification requirements pertaining to the members of the Board of Directors to correspond with the needs of Metso Outotec, and amending the deadline for providing the Nomination Board's proposals to the Board of Directors from February 15 to January 31.

In deviation from the new dates proposed above and subject to the Completion, the AGM resolved that in 2020, the largest shareholders of the company shall be determined as at the Effective Date or, if not a business day, on the first business day following the Effective Date, and the written request for aggregation of holdings should be presented on the same date at the latest.

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 7, 2020.

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

Matti Alahuhta, Patrik Nolåker, Hanne de Mora and Teija Sarajärvi will act as members of the Human Capital Committee. Hanne de Mora acts as the Chairman of the 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 993,238 Outotec shares, representing 0.54% of Outotec Oyj's shares and votes.

TRADING, MARKET CAPITALIZATION AND SHAREHOLDERS

Shares on NASDAQ Helsinki

January-March 2020	Number of shares traded	Total value EUR	High EUR	Low EUR	Average EUR[1]	Last paid EUR
OTE1V	108,950,144	481,020,215	6.34	2.68	4.40	3.40

[1] *Volume-weighted average*

	March 31, 2020	March 31, 2019
Market capitalization, EUR million	**623**	716
Number of shareholders	**33,123**	27,009
Nominee registered shareholders (number of registers 12), %	**30.5**	36.4
Finnish private investors, %	**19.2**	16.2

SHARE-BASED INCENTIVES

Outotec has a Share-based Incentive Program for the company's key personnel. On February 6, 2020, Outotec's Board of Directors decided to terminate the Employee Share Savings Plan. The decision was related to the expected merger of Outotec and Metso. More detailed information about past and present programs is available at www.outotec.com/cg.

OTHER MAIN ANNOUNCEMENTS AND EVENTS IN Q1

March 31: Outotec initiated employee cooperation negotiations for temporary lay-offs in Finland.

March 25: S&P Global Ratings revised Metso Outotec's outlook from stable to negative but affirmed the preliminary 'BBB-' rating.

March 10: Metso and Outotec have received competition clearances from number of countries including the USA, Australia, Russia, South Africa and the Common Market for Eastern and Southern Africa (COMESA).

March 4: Outotec's sustainability report 2019, "Experts dedicated to sustainable partnerships", was published.

February 6: Outotec announced the termination of the Employee Share Savings Plan (O'Share). The decision was related to the expected merger of Outotec and Metso.

January 30: Outotec announced that Outotec and Neste will introduce 100% bio-based diluent as a new solution for metals extraction in hydrometallurgical processes.

January 21: Outotec announced that it has been ranked 18th on the Corporate Knights 2020 Global 100 Index of most sustainable companies. This marks the eighth consecutive year that Outotec has been included in the Global 100 list.

January 8: Outotec announced that it had been awarded a Gold level recognition for its corporate responsibility practices for the third consecutive year, and was ranked in the top 5% of companies evaluated by EcoVadis.

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 a continued risk of credit loss, especially in receivables from emerging markets. The supply situation may tighten, which may cause delays or price increases. Any uncertainty in the global macroeconomic environment, China's economic outlook and a prolonged coronavirus pandemic may impact the demand for metals as well as Outotec's financial results.

Due to the planned merger, the company has structured its financing based on short-term loans. In case of a delay in the Metso Outotec demerger closing (current estimate June 30, 2020), Outotec would have to renegotiate certain Revolving Credit Facilities which mature during the third quarter of 2020.

Outotec has a risk that disputes related to project execution 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. Outotec has identified a significant risk of claims related to a few large projects. This could in turn 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 provision was based on the progress made with the analysis of the furnace. The provision was recorded 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, the Democratic Republic of Congo and Turkey. The geopolitical situation, including the risk of trade wars, Brexit, sanctions, security situations, economic conditions and regulatory environments may change rapidly, causing ongoing business to be delayed, suspended or canceled; or may even 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. Moreover, Outotec is subject to local laws and regulations and is committed to conducting business in a legal and ethical manner in compliance with the laws and regulations applicable to its business. Nevertheless, there is a risk that Outotec's employees, suppliers, agents or other representatives may act in a way that violates applicable laws and regulations, or they may act unethically. This may make Outotec subject to investigations and may cause financial losses and damages to Outotec.

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.

OUTLOOK FOR 2020 REVISED

Due to the ongoing COVID-19 pandemic, market activity and visibility in the minerals processing and metals refining market have weakened. The timing of larger investments in particular is uncertain.

The previous outlook, issued on February 6, 2020: The market activity in minerals processing and metals refining is currently expected to remain at the present level. Copper, gold and nickel projects are expected to continue to be the most active. The timing of large investments is uncertain.

Espoo, May 7, 2020

Outotec Oyj
Board of Directors

Segment information by quarter

EUR million	Restated[3] Q1/18	Q2/18	Q3/18	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20
Order intake									
Minerals Processing	**162.5**	183.8	189.0	184.1	**193.6**	255.0	332.0	268.0	**192.1**
Metals Refining	**168.5**	158.8	20.0	99.2	**138.6**	144.9	114.3	54.9	**48.0**
Total	**331.0**	342.6	209.0	283.3	**332.2**	399.9	446.3	322.9	**240.0**
Sales									
Minerals Processing	**159.9**	193.0	187.3	217.7	**161.6**	196.9	212.5	228.2	**197.4**
Metals Refining	**108.2**	117.4	112.1	101.9	**84.0**	122.2	97.5	107.6	**87.8**
Total	**268.1**	310.4	299.5	319.6	**245.6**	319.0	309.9	335.8	**285.2**
Adjusted EBIT (aEBIT)[1]									
Minerals Processing	**15.6**	17.5	21.7	29.4	**15.9**	21.3	24.5	19.6	**14.4**
Metals Refining	**-4.6**	-2.9	2.7	-105.6	**-0.9**	5.4	23.1	18.8	**2.5**
Unallocated[2] and intra-group items	**-1.4**	-1.8	-1.4	-0.8	**-1.2**	-1.6	-1.6	-1.6	**-1.4**
Total	**9.6**	12.8	23.0	-77.1	**13.8**	25.2	46.0	36.9	**15.5**
Operating result (EBIT)									
Minerals Processing	**15.0**	15.7	20.8	27.1	**15.3**	20.7	25.9	17.8	**13.3**
Metals Refining	**-5.0**	-6.4	3.1	-107.7	**-1.3**	5.0	22.7	17.8	**1.6**
Unallocated[2] and intra-group items	**-1.4**	-5.0	-1.9	-0.9	**-1.3**	-3.4	-3.1	-8.8	**-5.6**
Total	**8.6**	4.4	22.0	-81.5	**12.7**	22.3	45.5	26.8	**9.3**

[1] *Excluding restructuring and acquisition-related items and PPA amortizations*
[2] *Unallocated items primarily include group management and administrative services*
[3] *Comparison figures for 2018 and 2019 quarters prior to Q4 2019 have been restated due to business divestments in MEW being classified as discontinued operations.*

Key figures	Q1 2020	Restated[3] Q1 2019	Last 12 months	Q1-Q4 2019
Order intake, EUR million	**240.0**	332.2	1,409.0	1,501.2
Service order intake, EUR million	**120.0**	156.0	550.3	586.3
Share of service in order intake, %	**50.0**	47.0	39.1	39.1
Order backlog at end of period, EUR million	**992.3**	926.9	992.3	1,069.6
Sales, EUR million	**285.2**	245.6	1,249.9	1,210.3
Service sales, EUR million	**109.7**	109.3	550.4	550.1
Share of service in sales, %	**38.5**	44.5	44.0	45.5
Gross margin, %	**24.7**	28.0	28.9	29.8
Operating result (EBIT), EUR million	**9.3**	12.7	103.9	107.3
EBIT, %	**3.3**	5.2	8.3	8.9
Result before taxes, EUR million	**5.0**	10.9	87.5	93.3
Result before taxes in relation to sales, %	**1.7**	4.4	7.0	7.7
Result for the period, continuing operations, in relation to sales, %	**1.3**	3.4	5.4	6.0
Earnings per share[1], continuing operations, EUR	**0.01**	0.03	0.33	0.35
Net cash from operating activities, EUR million	**-58.6**	-18.3	27.7	67.9
Net interest-bearing debt at end of period[2], EUR million	**124.1**	60.3	124.1	18.0
Gearing at end of period[2], %	**37.8**	16.0	37.8	4.8
Equity-to-assets ratio at end of period[2], %	**25.0**	30.9	25.0	29.6
Equity at end of period, EUR million	**328.3**	376.9	328.3	379.2
Equity per share, EUR	**1.79**	2.06	1.79	2.07
Net working capital at end of period, EUR million	**-31.7**	-90.8	-31.7	-101.0
Capital expenditure, EUR million	**5.2**	3.2	20.2	18.1
Capital expenditure in relation to sales, %	**1.8**	1.3	1.6	1.5
Research and development expenses, EUR million	**12.9**	13.0	55.2	55.3
Research and development expenses in relation to sales, %	**4.5**	5.3	4.4	4.6
Return on investment, %, LTM	**16.4**	-5.6	16.4	18.3
Return on equity, %, LTM	**19.3**	-11.4	19.3	19.2
Personnel at end of period	**3,947**	4,027	3,947	4,045
Number of shares outstanding at end of period[1], in thousands	**182,128**	181,610	182,128	181,710
Dividend per share, EUR	**-**	-	0.1	0.1

[1] The average number of shares used in calculating the EPS is 181,808 thousand for Q1 2020 (Q1 2019: 181,609 thousand, Q1-Q4 2019 181,669 thousand). EPS includes a reduction of accrued hybrid bond interest (net of tax) amounting to EUR 2.0 million for Q1 2020 (Q1 2019: EUR 2.2 million, Q1-Q4 2019: EUR 8.8 million).
[2] If the hybrid bond were treated as a liability, the net interest-bearing debt would be EUR 274.1 million, gearing 153.7%, and the equity-to-assets ratio 13.6% on March 31, 2020 (March 31, 2019: EUR 210.3 million, 92.7% and 18.6%, December 31, 2019: EUR 168.0 million, 73.3% and 17.9% respectively).
[3] Comparison figures related to the income statement have been restated due to business divestments in the Metals, Energy & Water segment being classified as discontinued operations.

Reconciliation of adjusted EBIT and EBITA		Restated[3]		
EUR million	**Q1 2020**	Q1 2019	Last 12 months	Q1-Q4 2019
Operating result (EBIT)	**9.3**	12.7	103.9	107.3
- Restructuring and acquisition-related costs	**5.1**	-	15.3	10.2
- PPA amortization	**1.1**	1.1	4.3	4.3
Adjusted EBIT[1]	**15.5**	13.8	123.5	121.8
Adjusted EBIT[1], %	**5.4**	5.6	9.9	10.1
- Amortization on intangible assets (other than PPA)	**5.1**	5.1	19.8	19.8
- Impairment on intangible assets (other than restructuring related cost)	**-**	-	-	-
Adjusted EBITA[2]	**20.6**	18.9	143.3	141.7
Adjusted EBITA[2], %	**7.2**	7.7	11.5	11.7

[1] Excluding restructuring and acquisition-related items and PPA amortizations.
[2] Excluding all amortizations, as well as adjustment items comprising of restructuring and capacity adjustment costs, costs related to mergers and acquisitions, the outcome of material intellectual property rights disputes, gains and losses on business disposals and goodwill impairments. The Q1-Q4 2019 figure has been recalculated.
[3] Comparison figures related to the income statement have been restated due to business divestments in the Metals, Energy & Water segment being classified as discontinued operations.

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 supplementary information to 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, which is 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.

Starting from the second quarter of 2019, Outotec has added adjusted EBITA to the key figures reported to reflect the upcoming combination of Metso Minerals and Outotec.

Alternative performance measures should not be viewed in isolation or as a substitute to the IFRS financial measures. Not all companies calculate alternative performance measures in a uniform manner, and therefore Outotec's alternative performance measures may not be comparable with measures with a similar name presented by other companies.

Definitions of key figures

Change in comparable currencies	=	Figures for the reporting period converted using foreign exchange rates during the comparison period
Gross margin, %	=	$\frac{\text{Sales – cost of sales}}{\text{Sales}} \times 100$
Adjusted EBITA (aEBITA)		Operating result excluding all amortizations, as well as adjustment items comprising of restructuring and capacity adjustment costs, costs related to mergers and acquisitions, the outcome of material intellectual property rights disputes, gains and losses on business disposals and goodwill impairments.
Adjusted EBIT (aEBIT)	=	Operating result excluding restructuring-related items, items related to mergers and acquisitions, purchase price allocation (PPA) amortizations, and goodwill impairments
Earnings per share	=	$\frac{\text{Result for the period attributable to the equity holders of the parent company – accrued hybrid bond interest, net of tax}}{\text{Average number of shares during the period}}$
Diluted earnings per share	=	$\frac{\text{Result for the period attributable to the equity holders of the parent company – accrued hybrid bond interest, net of tax}}{\text{Diluted average number of shares during the period}}$
Net interest-bearing debt	=	Borrowings + 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	=	$\frac{\text{Total equity}}{\text{Total assets – contract liabilities (net advances received)}} \times 100$
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 and dividend payable) – derivative financial instruments (liabilities)
Capital expenditure	=	Additions to 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)	=	$\frac{\text{Operating result + finance income (last 12 months)}}{\text{Total equity + borrowings + lease liabilities (12 months' average)}} \times 100$
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		Restated[1]	
EUR million	**Q1 2020**	Q1 2019	Q1-Q4 2019
Continuing operations			
Sales (note 1)	**285.2**	245.6	1,210.3
Cost of sales	**-214.9**	-176.7	-850.1
Gross profit	**70.3**	68.9	360.2
Other income	**1.0**	0.3	8.6
Selling and marketing expenses	**-27.7**	-27.4	-117.4
Administrative expenses	**-15.6**	-16.0	-76.7
Research and development expenses	**-12.9**	-13.0	-55.3
Other expenses	**-6.2**	-0.3	-12.8
Share of results of associated companies	**0.3**	0.2	0.7
Operating result (note 1)	**9.3**	12.7	107.3
Finance income	**1.3**	1.4	6.5
Finance expenses	**-3.2**	-3.1	-17.2
Market price gains and losses	**-2.4**	-0.2	-3.2
Net finance income or expense	**-4.3**	-1.8	-13.9
Result before income taxes	**5.0**	10.9	93.3
Income taxes (note 3)	**-1.2**	-2.5	-20.7
Result for the period from the continuing operations	**3.7**	8.4	72.6
Result for the period from the discontinued operations	**-0.0**	-3.0	-45.3
Result for the period	**3.7**	5.4	27.4
Result for the period attributable to:			
Equity holders of the parent company	**3.8**	5.3	27.3
Non-controlling interest	**-0.0**	0.0	0.1
Basic and diluted earnings per share for result attributable to the equity holders of the parent company:			
Earnings per share, continuing operations, EUR	**0.01**	0.03	0.35
Earnings per share, discontinued operations, EUR	**-0.00**	-0.02	-0.25
Earnings per share, EUR	**0.01**	0.02	0.10

[1] *Comparison figures related to the income statement have been restated due to business divestments in the Metals, Energy & Water segment being classified as discontinued operations.*

Consolidated statement of comprehensive income EUR million	**Q1 2020**	Q1 2019	Q1-Q4 2019
Continuing and discontinuing operations			
Other comprehensive income			
Items that will not be reclassified as profit or loss			
Remeasurements of defined benefit obligations	**6.6**	-5.5	-13.8
Changes in the fair value of other shares and securities	**-**	0.0	-0.0
Income tax relating to items that will not be reclassified as profit or loss	**-2.0**	1.6	3.9
Items that may be subsequently reclassified as profit or loss			
Exchange differences on translating foreign operations	**-24.8**	7.9	1.2
Cash flow hedges	**-9.3**	-1.2	0.3
Income tax relating to items that may be reclassified as profit or loss	**2.2**	0.5	-0.1
Other comprehensive income for the period, net of tax	**-27.4**	3.3	-8.5
Total comprehensive income for the period	**-23.7**	8.6	18.8
Total comprehensive income for the period attributable to:			
Equity holders of the parent company	**-23.4**	8.6	18.8
Non-controlling interest	**-0.3**	0.1	0.1

Consolidated statement of financial position EUR million	**March 31, 2020**	March 31, 2019	December 31, 2019
ASSETS			
Non-current assets			
Intangible assets (note 4)	**303.8**	336.1	318.2
Property, plant and equipment (note 5)	**40.9**	52.2	42.5
Right-of-use assets (note 6)	**57.2**	67.6	61.6
Deferred tax asset	**72.8**	84.5	72.3
Investments in associated companies	**1.8**	1.0	1.4
Other shares and securities (note 14)	**1.6**	1.6	1.6
Derivative financial instruments (note 11, 13)	**0.5**	2.3	0.5
Loan receivables	**0.5**	4.2	1.5
Trade and other receivables	**2.0**	2.3	2.0
Total non-current assets	**481.0**	551.8	501.7
Current assets			
Inventories[1]	**227.0**	234.4	196.2
Derivative financial instruments (note 11, 13)	**17.6**	4.1	6.0
Current tax assets	**11.5**	11.4	9.8
Trade and other receivables[2 3] (note 7)	**426.0**	407.3	443.3
Cash and cash equivalents	**232.8**	210.0	267.4
Total current assets	**915.0**	867.2	922.7
Disposal group assets classified as held for sale (note 16)	**62.6**	-	57.4
TOTAL ASSETS	**1,458.6**	1,419.0	1,481.9

[1] *Including advances paid for inventories of EUR 71.6 million as at March 31, 2020 (March 31, 2019: EUR 53.1 million, December 31, 2019: EUR 57.4 million).*

[2] *Including EUR 0.0 million that was interest-bearing as at March 31, 2020 (March 31, 2019: EUR 0.0 million, December 31, 2019: EUR 0.0 million).*

[3] *Including accrued interest of EUR 0.8 million as at March 31, 2020 (March 31, 2019: EUR 0.8 million, December 31, 2019: EUR 0.5 million).*

Consolidated statement of financial position EUR million	**March 31, 2020**	March 31, 2019	December 31, 2019
EQUITY AND LIABILITIES			
Equity			
Share capital	**17.2**	17.2	17.2
Hybrid bond	**150.0**	150.0	150.0
Other components of equity	**21.3**	63.5	44.0
Retained earnings	**137.0**	143.1	164.9
Equity attributable to the equity holders of the parent company	**325.5**	373.8	376.1
Non-controlling interest	**2.8**	3.1	3.1
Total equity	**328.3**	376.9	379.2
Non-current liabilities			
Borrowings	**0.9**	177.6	1.0
Lease liabilities	**45.0**	54.1	48.4
Derivative financial instruments (note 11, 13)	**2.2**	0.5	0.1
Deferred tax liabilities	**4.9**	7.5	7.5
Pension obligations	**62.2**	61.2	68.5
Provisions (note 8)	**50.2**	50.3	50.3
Trade and other payables	**4.3**	7.0	6.8
Total non-current liabilities	**169.7**	358.3	182.6
Current liabilities			
Borrowings	**300.4**	31.1	225.3
Lease liabilities	**12.8**	13.3	13.8
Derivative financial instruments (note 11, 13)	**18.8**	8.3	7.7
Current tax liability	**12.5**	13.1	10.7
Provisions (note 8)	**77.4**	96.3	77.5
Trade and other payables[4] [5] (note 7)	**496.5**	521.8	541.9
Total current liabilities	**918.4**	683.9	876.8
Total liabilities	**1,088.1**	1,042.2	1,059.4
Liabilities directly associated with assets classified as held for sale (note 16)	**42.2**	-	43.3
TOTAL EQUITY AND LIABILITIES	**1,458.6**	1,419.0	1,481.9

[4] *Including accrued interest of EUR 5.6 million as at March 31, 2020 (March 31, 2019: EUR 5.0 million, December 31, 2019: EUR 4.1 million).*

[5] *Including dividend payable of EUR 2.0 million as at March 31, 2020 (March 31, 2019 and December 31, 2019: no dividend payable).*

Condensed consolidated statement of cash flows EUR million	**Q1** **2020**	Q1 2019	Q1-Q4 2019
Cash flows from operating activities			
Result for the period	**3.7**	5.4	27.4
Adjustments for			
Depreciation and amortization	**11.7**	13.1	51.9
Other adjustments	**-4.9**	1.2	26.2
Decrease (+) / Increase (-) in net working capital	**-65.0**	-38.9	-28.8
Dividend received	**-**	-	0.4
Interest received	**1.0**	1.2	6.1
Interest paid	**-1.0**	-0.7	-8.7
Income tax paid	**-4.1**	0.3	-6.5
Net cash from operating activities	**-58.6**	-18.3	67.9
Purchases of fixed assets	**-5.3**	-3.1	-18.4
Proceeds from sale of fixed assets	**1.1**	-	0.3
Acquisitions, net of cash	**-**	-0.3	-9.3
Proceeds from other investing activities	**1.0**	-	-
Net cash used in investing activities	**-3.2**	-3.3	-27.4
Cash flow before financing activities	**-61.8**	-21.6	40.5
Repayment of non-current debt	**-0.1**	-0.1	-0.3
Decrease in current debt	**-25.2**	-1.4	-64.3
Increase in current debt	**101.3**	9.4	89.6
Repayment of lease liabilities	**-3.8**	-3.7	-14.1
Dividends paid	**-18.5**	-	-
Interest paid on hybrid bond	**-11.1**	-11.1	-11.1
Cash outflows from other financing activities	**-**	-0.3	-1.1
Cash inflows from other financing activities	**0.5**	-	-
Net cash used in financing activities	**43.2**	-7.1	-1.4
Net change in cash and cash equivalents	**-18.5**	-28.7	39.1
Cash and cash equivalents at beginning of period	**267.4**	233.4	233.4
Foreign exchange rate effect on cash and cash equivalents	**-16.3**	5.3	-1.2
Cash classifed as assets held for sale (note 16)	**0.2**	-	-4.0
Net change in cash and cash equivalents	**-18.5**	-28.7	39.1
Cash and cash equivalents at end of period	**232.8**	210.0	267.4

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 reser-ves	Trea-sury shares	Reserve for invested non-restricted equity	Hybrid bond	Cumu-lative trans-lation differ-rences	Retained earnings	Total equity attribu-table to equity holders of parent company	Non-cont-rolling interest	Total equity
Equity at Jan 1, 2019	17.2	20.2	-18.4	-12.5	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 Jan 1, 2019	17.2	20.2	-18.4	-12.5	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 comprehen-sive income for the period	-	-	-4.6	-	-	-	7.9	5.3	8.6	0.1	8.6
Equity at Mar 31, 2019	17.2	20.2	-23.0	-12.5	98.3	150.0	-19.4	143.1	373.8	3.1	376.9
Equity at Jan 1, 2020	17.2	20.2	-36.7	-12.0	98.7	150.0	-26.1	164.9	376.1	3.1	379.2
Dividends paid	-	-	-	-	-	-	-	-18.5	-18.5	-	-18.5
Hybrid bond interest (net of tax)	-	-	-	-	-	-	-	-8.9	-8.9	-	-8.9
Share-based compensation	-	-	-	2.5	1.5	-	-	-3.9	0.1	-	0.1
Total comprehen-sive income for the period	-	-	-2.6	-	-	-	-24.6	3.8	-23.4	-0.3	-23.7
Other changes	-	-	0.5	-	-	-	-	-0.5	-	-	-
Equity at Mar 31, 2020	**17.2**	**20.2**	**-38.9**	**-9.5**	**100.2**	**150.0**	**-50.7**	**137.0**	**325.5**	**2.8**	**328.3**

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

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME AND FINANCIAL POSITION

These Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting policies and methods have been applied in these Interim Financial Statements as in the latest Annual Financial Statements, except for the changes specified below. These Interim Financial Statements have not been audited.

The following new standards and interpretations have been adopted as of January 1, 2020:

Amendments to IAS 1 and IAS 8

Amendments to IAS 1 (Presentation of Financial Statements) and IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), effective for financial periods beginning on or after January 1, 2020, use a consistent definition of materiality throughout the International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material, and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of ‘primary users of general purpose financial statements’ to whom those financial statements are directed, by defining them as existing and potential investors, lenders and other creditors that must rely on general purpose financial statements for much of the financial information they need.

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term ‘outputs’ is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions. The impact in the Group’s financial statements is not material.

Amendments to IFRS 9, IAS 39 and IFRS 7

The IASB has amended the hedge accounting requirements in IFRS 9 (Financial Instruments), IAS 39 (Financial Instruments -Recognition and Measurement) and IFRS 7 (Financial Instruments - Disclosures), effective for financial periods beginning on or after January 1, 2020. The amendments modify some specific hedge accounting requirements to provide relief from the potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The Group does not currently have any hedge accounting relationships that would directly be impacted by the uncertainty caused by the IBOR reform. The Company is monitoring the situation and assessing the impact of the amendments in its future financial reporting.

The following new standards and interpretations have been published, but they are not effective in 2020 and nor has Outotec early-adopted them:

Amendments to IFRS 3

Amendments to IFRS 3 (Business Combinations), effective for financial periods beginning on or after April 22, 2020, when it was endorsed for use by the EU, include the amended definition of a business which requires an acquisition to include an input and a substantive process, that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The impact in the Group's financial statements is not material.

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 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

Outotec's business logic is to serve its customers by providing solutions throughout the entire life cycle of customer operations in order to ensure an optimized total cost of ownership. Outotec reports its result in line with the Group's strategy and internal financial reporting structure. The Group has defined its nine business lines as operating segments which have been aggregated into two segments in financial reporting, Minerals Processing and Metals Refining. The Board of Directors (CODM) assesses the Group's financial position and its development as a whole based on the reportable segments and operating segments.

Minerals Processing

Outotec provides the mining industry with sustainable mineral processing solutions, from pre-feasibility studies to complete plants and lifecycle services. Outotec's comprehensive offering makes the efficient and profitable treatment of virtually all ore types possible. Segment Minerals Processing consists of six business lines which have been classified as operating segments: Grinding, Flotation, Filtration, Analyzers and Automation, Thickening and Clarification and Concentrator Plant Solutions. The operating segments have been aggregated into one segment due to their shared customers, shared projects and strong interlink between technologies to form a complete Concentrator Plant. Business lines use the same resources, and their technologies support each other. They also operate in a similar regulatory environment and have similar economic characteristics.

Metals Refining

Outotec provides sustainable solutions for metal processing and industrial water treatment. Metals include an extensive range of metal processing solutions for processing virtually all types of ores and concentrates into refined metals. Water includes solutions to produce water that meets environmental discharge standards and to maximize water recycling as well as to reduce water and energy consumption. Segment Metals Refining consists of three business lines which have been classified as operating segments: Smelting and Converting, Hydrometallurgy and Metals and Chemicals processing. The operating segments have been aggregated into one segment as they operate in a similar regulatory environment and have similar economic characteristics. Business lines use the same resources, partially share the same customers and their technologies support each other.

Disaggregation of sales EUR million	**Q1 2020**	Restated[3] Q1 2019	Q1-Q4 2019
Minerals Processing			
Project sales (major portion recognized over time)	**115.8**	82.7	411.0
Service sales (major portion recognized at a point in time)	**81.6**	78.9	388.1
Sales total, Minerals Processing	**197.4**	161.6	799.1
Metals Refining			
Project sales (major portion recognized over time)	**59.7**	53.6	249.2
Service sales (major portion recognized at a point in time)	**28.1**	30.5	162.0
Sales total, Metals Refining	**87.8**	84.0	411.2
Sales total	**285.2**	245.6	1,210.3
of which is recognized over time	**197.9**	133.9	711.6
of which is recognized at a point in time	**87.3**	111.7	498.7

Adjusted EBIT[1] by segment EUR million	**Q1 2020**	Restated[3] Q1 2019	Q1-Q4 2019
Minerals Processing	**14.4**	15.9	81.4
Metals Refining	**2.5**	-0.9	46.5
Unallocated[2] and intra-group items	**-1.4**	-1.2	-6.0
Total adjusted EBIT[1]	**15.5**	13.8	121.8

[1] Excluding restructuring and acquisition-related items and PPA amortizations disclosed in note 2.
[2] Unallocated items primarily include group management and administrative services.
[3] Comparison figures related to the income statement have been restated due to business divestments in the Metals, Energy & Water segment being classified as discontinued operations.

Operating result by segment EUR million	**Q1 2020**	Restated[1] Q1 2019	Q1-Q4 2019
Minerals Processing	**13.3**	15.3	79.7
Metals Refining	**1.6**	-1.3	44.2
Unallocated[2] and intra-group items	**-5.6**	-1.3	-16.6
Total operating result	**9.3**	12.7	107.3

[1] Comparison figures related to the income statement have been restated due to business divestments in the Metals, Energy & Water segment being classified as discontinued operations.
[2] Unallocated items primarily include group management and administrative services.

Reconciliation of adjusted EBIT and EBITA	**Q1 2020**	Restated[3] Q1 2019	Q1-Q4 2019
Operating result (EBIT), EUR million	**9.3**	12.7	107.3
- Restructuring and acquisition-related costs (note 2)	**5.1**	-	10.2
- PPA amortization (note 2)	**1.1**	1.1	4.3
Adjusted EBIT[1], EUR million	**15.5**	13.8	121.8
Adjusted EBIT[1], %	**5.4**	5.6	10.1
- Amortization on intangible assets (other than PPA)	**5.1**	5.1	19.8
- Impairment on intangible assets (other than restr. related cost)	**-**	-	-
Adjusted EBITA[2], EUR million	**20.6**	19.8	141.7
Adjusted EBITA[2], %	**7.2**	7.7	11.7

[1]Excluding restructuring and acquisition-related items and PPA amortizations.
[2] Excluding all amortizations, as well as adjustment items comprising of restructuring and capacity adjustment costs, costs related to mergers and acquisitions, the outcome of material intellectual property rights disputes, gains and losses on business disposals and goodwill impairments. The Q1-Q4 2019 figure has been recalculated.
[3] Comparison figures related to the income statement have been restated due to business divestments in the Metals, Energy & Water segment being classified as discontinued operations.

Note 2. Items excluded from adjusted EBIT

Restructuring and acquisition items EUR million	**Q1 2010**	Restated[1] Q1 2019	Q1-Q4 2019
Personnel-related restructuring costs	**-0.3**	-	0.6
Other restructuring-related items	**-0.1**	-	0.4
Items related to restructuring, total	**-0.4**	-	1.0
Items related to acquisitions or business combinations	**-4.8**	-	-13.2
Reversal of earn-out liability from acquisitions	**-**	-	2.0
Restructuring and acquisition items, total	**-5.1**	-	-10.2
Restructuring and acquisition items are allocated to:			
Minerals Processing	**-0.4**	-	1.0
Metals Refining	**-0.6**	-	-0.6
Unallocated items	**-4.2**	-	-10.6

[1]Comparison figures related to the income statement have been restated due to business divestments in the Metals, Energy & Water segment being classified as discontinued operations.

Purchase price allocation (PPA) amortizations EUR million	**Q1 2020**	Restated[1] Q1 2019	Q1-Q4 2019
Minerals Processing	**-0.7**	-0.7	-2.7
Metals Refining	**-0.4**	-0.4	-1.7
Total PPA amortizations	**-1.1**	-1.1	-4.3

[1]Comparison figures related to the income statement have been restated due to business divestments in the Metals, Energy & Water segment being classified as discontinued operations.

Note 3. Income taxes

EUR million	**Q1 2020**	Restated[1] Q1 2019	Q1-Q4 2019
Current taxes	**-3.1**	-3.6	-9.1
Deferred taxes	**1.9**	1.2	-11.6
Total income taxes	**-1.2**	-2.5	-20.7

[1]Comparison figures related to the income statement have been restated due to business divestments in the Metals, Energy & Water segment being classified as discontinued operations.

Note 4. Intangible assets EUR million	**March 31, 2020**	March 31, 2019	December 31, 2019
Historical cost at beginning of period	**491.5**	524.4	524.4
Translation differences	**-9.9**	3.6	3.2
Additions	**2.6**	2.0	9.8
Disposals	**-0.0**	-4.3	-4.9
Classification as held for sale	**-4.9**	-	-41.4
Reclassifications	**-**	-	0.3
Impairment during the period	**-**	-	-
Historical cost at end of period	**479.3**	525.6	491.5
Accumulated depreciation and impairment at beg. of period	**-173.3**	-186.0	-186.0
Translation differences	**1.5**	-1.0	-0.8
Disposals	**0.0**	4.3	4.7
Classification as held for sale	**2.3**	-	33.0
Reclassifications	**-**	-0.0	-0.0
Amortization during the period	**-6.1**	-6.9	-24.2
Impairment during the period	**-**	-	-
Accumulated depreciation and impairment at end of period	**-175.5**	-189.6	-173.3
Carrying value at the end of the period	**303.8**	336.1	318.2

Note 5. Property, plant and equipment EUR million	**March 31, 2020**	March 31, 2019	December 31, 2019
Historical cost at beginning of period	**147.0**	156.8	156.8
Translation differences	**-4.5**	1.5	1.2
Additions	**2.6**	1.1	8.3
Disposals	**-1.1**	-0.5	-3.5
Classification as held for sale	**-0.1**	-	-15.5
Reclassifications	**-**	-	-0.3
Impairment during the period	**-0.0**	-	-0.0
Historical cost at end of period	**143.9**	159.0	147.0
Accumulated depreciation and impairment at beginning of period	**-104.6**	-103.4	-103.4
Translation differences	**3.4**	-1.0	-0.8
Disposals	**0.1**	0.3	2.8
Classification as held for sale	**-0.0**	-	5.8
Reclassifications	**-**	-	-0.0
Depreciation during the period	**-1.9**	-2.7	-8.8
Impairment during the period	**0.0**	-	-
Accumulated depreciation and impairment at end of period	**-103.0**	-106.8	-104.6
Carrying value at the end of the period	**40.9**	52.2	42.5

Note 6. Right-of-use assets EUR million	**March 31, 2020**	March 31, 2019	December 31, 2019
Historical cost at the beginning of the period	**76.3**	70.7	70.7
Translation differences	**-1.7**	0.4	0.2
Additions	**0.3**	-	7.4
Disposals	**-0.1**	-	-0.3
Classification as held for sale	**-**	-	-1.7
Historical cost at end of period	**74.8**	71.1	76.3
Accumulated depreciation and impairment at the beginning of the period	**-14.7**	-	-
Translation differences	**0.6**	-	-
Disposals	**0.1**	-	0.0
Depreciation during the period	**-3.6**	-3.5	-14.9
Classification as held for sale	**0.0**	-	0.2
Accumulated depreciation and impairment at end of period	**-17.6**	-3.5	-14.7
Carrying value at the end of the period	**57.2**	67.6	61.6

Note 7. Breakdown of current trade and other receivables and payables

EUR million	**March 31, 2020**	March 31, 2019	December 31, 2019
Trade receivables	**177.0**	173.3	222.4
Customer contract assets	**170.4**	175.6	145.1
Other accruals and receivables	**78.6**	58.3	75.8
Current trade and other receivables, total	**426.0**	407.3	443.3
Trade payables	**135.5**	123.1	147.6
Customer contract liabilities (net advances received)	**266.7**	317.3	295.6
Other accruals and payables	**94.4**	81.3	98.6
Current trade and other payables, total	**496.5**	521.8	541.9

Note 8. Changes in significant provisions

On December 31, 2018, Outotec recorded a provision of EUR 110.0 million for possible costs relating to the ilmenite smelter project in Saudi Arabia. The provision was estimated based on the 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. During the reporting period, EUR 11.1 million of the provision has been utilized. EUR 50.0 million of the provision is recognized under non-current liabilities and EUR 48.9 million under current liabilities.

Note 9. Changes in credit facilities

Outotec's committed revolving credit facilities (EUR 100 million unsecured multicurrency facility and EUR 60 million unsecured facility) had their original final maturity in January 2020 and therefore became short-term credit facilities during the first quarter of 2019. In October 2019, the maturities of both facilities were extended to August 31, 2020.

On October 7, 2019, Outotec signed a EUR 50 million Revolving Credit Facility with OP Corporate Bank. The facility has its final maturity on April 30, 2021, and it has been put in place to provide Outotec with liquidity reserves for general corporate purposes.

On October 7, 2019, Outotec signed a EUR 120 million Forward Start Term Facility with Nordea Bank. The facility has its final maturity on April 30, 2021 at the latest, and it has been put in place to provide Outotec with liquidity reserves for the purpose of partially refinancing the company's EUR 150,000,000 senior unsecured bond, which matures on September 16, 2020.

All the above facilities were unutilized as of March 31, 2020 except for the EUR 50 million Revolving Credit Facility with OP Corporate Bank, which was fully drawn in March 2020.

Note 10. Commitments and contingent liabilities

No securities or collateral have been pledged.

Commercial guarantees relating to project performance obligations and equipment deliveries totaled EUR 631.1 million on March 31, 2020 (March 31, 2019: EUR 494.6 million, December 31, 2019: EUR 661.9 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 2.5 million as of March 31, 2020 (March 31, 2019: EUR 5.5 million, December 31, 2019: EUR 3.9 million), and for commercial commitments, including advance payment guarantees, EUR 836.0 million as of March 31, 2020 (March 31, 2019: EUR 620.6 million, December 31, 2019: EUR 856.1 million). The high exposure of on-demand guarantees may increase the risk of claims that may have an impact on Outotec's liquidity.

Note 11. Derivative instruments

Currency and interest derivatives EUR million	**March 31** **2020**	March 31, 2019	December 31, 2019
Foreign exchange forward contracts			
Designated as cash flow hedges	**-9.7**	-4.1	-0.6
Other foreign exchange forward contracts	**5.9**	-0.5	-1.6
Interest rate swaps			
Designated as cash flow hedges	-	-	-
Designated as fair value hedges	**0.8**	2.2	1.0
Fair values of derivative contracts, total	**-3.0**	-2.4	-1.1
Nominal values, total	**788.2**	659.3	791.0

Note 12. Carrying amounts of financial assets and liabilities by category

March 31, 2020

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 under hedge accounting	0.5	-	-	0.5	0.5
Other shares and securities	-	-	1.6	1.6	1.6
Loans receivable	-	0.5	-	0.5	0.5
Other non-current receivables	-	2.0	-	2.0	2.0
Current financial assets					
Derivative assets					
- foreign exchange forward contracts	13.4	-	-	13.4	13.4
- interest rate swaps under hedge accounting	0.8	-	-	0.8	0.8
- foreign exchange forward contracts under hedge accounting	3.5	-	-	3.5	3.5
Trade and other receivables	-	255.6	-	255.6	255.6
Cash and cash equivalents	-	232.8	-	232.8	232.8
Carrying amount by category	**18.1**	**490.9**	**1.6**	**510.6**	**510.6**
Non-current financial liabilities					
Derivative liabilities					
- foreign exchange forward contracts	0.6	-	-	0.6	0.6
- foreign exchange forward contracts under hedge accounting	1.6	-	-	1.6	1.6
Other non-current borrowings	-	0.9	-	0.9	0.9
Other non-current liabilities	-	4.3	-	4.3	4.3
Current financial liabilities					
Bonds	-	149.9	-	149.9	151.6
Revaluation of bonds and debentures		0.8	-	0.8	-
Borrowings from financial institutions	-	50.0	-	50.0	50.3
Derivative liabilities					
- foreign exchange forward contracts	6.8	-	-	6.8	6.8
- foreign exchange forward contracts under hedge accounting	12.0	-	-	12.0	12.0
Other current borrowings	-	99.7	-	99.7	99.7
Trade and other payables	-	263.6	-	263.6	263.6
Carrying amount by category	**21.0**	**569.2**	**-**	**590.2**	**591.5**

Carrying amounts of financial assets and liabilities by category

December 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	0.2	-	-	0.2	0.2
- foreign exchange forward contracts under hedge accounting	0.4	-	-	0.4	0.4
Other shares and securities	-	-	1.6	1.6	1.6
Loans receivable	-	1.5	-	1.5	1.5
Other non-current receivables	-	2.0	-	2.0	2.0
Current financial assets					
Derivative assets					
- foreign exchange forward contracts	2.5	-	-	2.5	2.5
- interest rate swaps under hedge accounting	1.0	-	-	1.0	1.0
- foreign exchange forward contracts under hedge accounting	2.5	-	-	2.5	2.5
Loans receivable and other investments	-	0.0	-	0.0	0.0
Trade and other receivables	-	298.2	-	298.2	298.2
Cash and cash equivalents	-	267.4	-	267.4	267.4
Carrying amount by category	6.6	569.2	1.6	577.4	577.4
Non-current financial liabilities					
Derivative liabilities					
- foreign exchange forward contracts under hedge accounting	0.1	-	-	0.1	0.1
Other non-current borrowings	-	1.0	-	1.0	1.0
Other non-current liabilities	-	6.8	-	6.8	6.8
Current financial liabilities					
Bonds	-	149.8	-	149.8	153.4
Revaluation of bonds and debentures		1.0	-	1.0	-
Borrowings from financial institutions	-	24.5	-	24.5	24.8
Derivative liabilities					
- foreign exchange forward contracts	4.2	-	-	4.2	4.2
- foreign exchange forward contracts under hedge accounting	3.4	-	-	3.4	3.4
Other current borrowings	-	49.9	-	49.9	49.9
Trade and other payables	-	289.5	-	289.5	289.5
Carrying amount by category	7.7	522.6	-	530.3	533.1

Note 13. Fair value hierarchy

March 31, 2020 EUR million	**Level 1**	**Level 2**	**Level 3**	**Total**
Other shares and securities	0.0	-	1.6	**1.6**
Derivative financial assets	-	18.1	-	**18.1**
Derivative financial liabilities	-	21.0	-	**21.0**
December 31, 2019				
Other shares and securities	0.0	-	1.6	1.6
Derivative financial assets	-	6.6	-	6.6
Derivative financial liabilities	-	7.7	-	7.7

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

EUR million	**Q1 2020**	Q1 2019	Q1-Q4 2019
Carrying value on Jan 1	**1.6**	1.6	1.6
Translation differences	**0.0**	0.0	0.0
Decreases	**-**	-	-
Carrying value at end of period	**1.6**	1.6	1.6

Note 15. Related party transactions

Transactions and balances with associated companies EUR million	**Q1 2020**	Q1 2019	Q1-Q4 2019
Sales	**0.0**	-	0.2
Other income	**-**	-	0.1
Purchases	**0.4**	0.6	1.7
Loan receivables	**0.5**	1.5	1.5
Trade and other receivables	**0.3**	0.6	0.4
Current liabilities	**0.2**	0.1	0.2

Outotec has a 40% investment in Enefit Outotec Technology Oü, from which the company had EUR 0.5 million in loan receivables as at March 31, 2020 (March 31, 2019: 1.5 million, December 31, 2019: EUR 1.5 million).

Note 16. Discontinued operations and disposal group assets classified as held for sale

Discontinued operations

On December 10, 2019, Outotec announced its decision to divest three businesses from the Metals, Energy & Water segment's portfolio. These businesses relate to aluminum, waste-to-energy and sludge incineration.

The aluminum business to be divested includes green anode plant, rod shop and certain casthouse technologies as well as related service operations. The waste-to-energy business to be divested comprises of biomass, wood waste and various other fuel plants, including related service operations. The sludge incineration business to be divested comprises of the delivery of plants for the treatment of municipal and industrial sludge and related service operations. In total, approximately 250 experts are working in these three businesses.

The divested businesses have been classified as discontinued operations, including the transfer of assets held for sale and liabilities directly attributable to them on separate lines in the statement of financial position. The figures in the statement of income have been adjusted to show the discontinued operations separately from continuing operations. The comparative figures for Q1-Q3 2019 have been restated correspondingly.

Pursuing these strategic actions will enable Outotec to better focus on its core technologies in minerals processing and metals refining. Divestments of the businesses are expected to be implemented during 2020 through selling of the businesses.

Result of the discontinued operations EUR million	**Q1** **2020**	Q1 2019	Q1-Q4 2019
Sales	**16.6**	9.2	40.8
Cost of sales	**-13.9**	-9.0	-72.2
Gross profit	**2.7**	0.2	-31.5
Other income	**-**	0.1	1.8
Selling and marketing expenses	**-1.5**	-1.9	-7.0
Administrative expenses	**-0.3**	-0.7	-3.1
Research and development expenses	**-0.5**	-1.1	-4.3
Other expenses	**0.0**	0.1	-0.6
Operating result	**0.3**	-3.4	-44.7
Income taxes	**-0.3**	0.4	-0.5
Result for the period	**0.0**	-3.0	-45.3
Basic earnings per share, discontinued operations, EUR	**-0.00**	-0.02	-0.25
Other comprehensive income			
Items that will not be reclassified as profit or loss			
Remeasurements of defined benefit obligations	**0.1**	-0.1	-0.2

Statement of cash flows of the discontinued operations EUR million	**Q1 2020**	Q1 2019	Q1-Q4 2019
Net cash from operating activities	**-3.5**	-8.4	-37.7
Net cash used in investing activities	**-**	-0.3	-1.1
Net cash used in financing activities	**-0.0**	-0.0	-0.0
Total	**-3.5**	-8.7	-38.8

Financial position of the discontinued operations EUR million	**March 31, 2020**	December 31, 2019
Intangible assets	**8.0**	5.5
Property, Plant and Equipment	**8.5**	8.2
Right-of-use assets	**1.5**	1.5
Inventories	**9.9**	8.4
Trade and other receivables	**29.2**	28.2
Assets total, classified as held for sale	**57.1**	51.8
Lease liabilities	**1.5**	1.5
Pension obligations	**1.2**	1.3
Provisions	**11.6**	17.0
Trade and other payables	**27.6**	23.3
Liabilities directly associated with assets classified as held for sale, total	**41.9**	43.1

Disposal group classified as held for sale

On May 10, 2019, Outotec accounced its decision to sell the fabrication and manufacturing businesses in South Africa and Mozambique. The sale of the business in South Africa was realized in December 2019. The business in Mozambique has been classified as held for sale. This transaction is expected to be completed by the end of Q2 2020. Both businesses were part of the Metals Refining segment.

EUR million	**March 31, 2020**	December 31, 2019
Property, Plant and Equipment	**0.3**	0.3
Inventories	**0.6**	0.5
Trade and other receivables	**1.0**	0.8
Cash and cash equivalents	**3.7**	4.0
Disposal group assets classified as held for sale, total	**5.6**	5.6
Trade and other payables	**0.3**	0.2
Liabilities directly associated with assets classified as held for sale, total	**0.3**	0.2

Note 17. Events after the balance sheet date

On April 15, Outotec received a grinding mill order from Kazakhstan's largest gold miner RG Gold. The contract price is not disclosed, but deliveries with similar scope are typically worth approximately EUR 10 million. The order has been booked in Outotec's 2020 first quarter order intake.

On April 8, Outotec was awarded a contract to deliver minerals processing technology to First Majestic in Mexico. The order of approximately EUR 15 million has been booked in Outotec's 2020 first quarter order intake.