LISTING PROSPECTUS

Valmet Corporation

EUR 200,000,000 4.000 percent Senior Unsecured Green Notes due 2029

The Notes are represented by units in denominations of EUR 100,000

On March 13, 2024, Valmet Corporation (the "**Issuer**" or the "**Company**") issued senior unsecured 4.000 percent green notes due 2029 with an aggregate principal amount of EUR 200,000,000 (the "**Notes**") to professional clients and eligible counterparties based on authorizations given by the Issuer's Board of Directors on February 7, 2024, and February 27, 2024. The Notes are represented by units in denomination of EUR 100,000. The principal amount of each book-entry unit (Finnish: *arvo-osuuden yksikkökoko*) is EUR 100,000. The Notes were offered for subscription in a minimum amount of EUR 100,000 through a book-building procedure that was carried out on March 6, 2024 (the "**Offering**"). The interest on the Notes will be paid annually in arrears commencing on March 13, 2025, and thereafter annually on each March 13 until the Notes have been repaid in full. The maturity of the Notes is on March 13, 2029, unless the Issuer prepays or redeems the Notes in accordance with the terms and conditions of the Notes (the "**Terms and Conditions**"). Net proceeds from the issue of the Notes will be used in accordance with the Issuer's green finance framework (the "**Green Finance Framework**").

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer. The Notes were issued in the book-entry securities system of Euroclear Finland Oy ("**Euroclear Finland**") in dematerialized form under the Finnish Act on Book-entry System and Clearing Activities (348/2017, as amended) (the "**Finnish Act on Book-entry System and Clearing Activities**"). The Notes may be held by holders of the Notes (the "**Noteholders**") directly through book-entry accounts with Euroclear Finland. The Notes are not evidenced by any physical note or document of title other than statements of account made by Euroclear Finland or its account operator and cannot be physically delivered.

This listing prospectus (the "**Listing Prospectus**") contains information on the Offering and the Notes. This Listing Prospectus has been drawn up as a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 (as amended, the "**Prospectus Regulation**"). This Listing Prospectus has been prepared solely for the purpose of admission to trading of the Notes on Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**") (the "**Listing**") and does not constitute a public offering of the Notes. The Issuer will apply for the Listing and the trading in the Notes is expected to commence by the end of March 2024. See "*Important Information*" for information on the Issuer's obligation to supplement this Listing Prospectus prior to the Listing. The Notes and the Issuer are not currently rated by any rating agency.

The Notes have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States, and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person (as such terms are defined in Regulation S under the Securities Act ("**Regulation S**")), except in certain transactions exempt from, or in a transaction not subject to the registration requirements of, the Securities Act and in accordance with applicable state securities laws. The Notes have been offered and sold in offshore transactions outside the United States in reliance on Regulation S.

Investment in the Notes involves certain risks. The summary of certain principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes is presented under "*Risk Factors*." This Listing Prospectus is valid until the Notes have been listed on Nasdaq Helsinki. Responsibility to supplement this Listing Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Listing Prospectus is no longer valid.

Joint Lead Managers

Danske Bank   Nordea

The date of this Listing Prospectus is March 14, 2024.

IMPORTANT INFORMATION

PRIIPs Regulation / Prohibition of sales to EEA or UK retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**") or in the United Kingdom (the "**UK**"). See "*General Information—Notice to Investors—Prohibition of Sales to EEA Retail Investors*" and "*General Information—Notice to Investors—Prohibition of Sales to EEA Retail Investors*." Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation, and consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK PRIIPs Regulation**"), for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**") (ii) the negative target market for the Notes is clients that seek full capital protection or full repayment of the amount invested, are fully risk averse/have no risk tolerance or need a fully guaranteed income or fully predictable return profile, and (iii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

In this Listing Prospectus, any reference to the "**Issuer**" means Valmet Corporation, "**Valmet**," the "**Company**" and the "**Group**" mean the Issuer and its consolidated subsidiaries, except where the context may otherwise require. Danske Bank A/S ("**Danske Bank**") and Nordea Bank Abp ("**Nordea**") are acting as joint lead managers (the "**Joint Lead Managers**") in relation to the offering and issue of the Notes (as defined herein).

This Listing Prospectus has been prepared in accordance with the Finnish Securities Markets Act (746/2012, as amended, the "**Finnish Securities Markets Act**"), the Prospectus Regulation, Commission Delegated Regulation (EU) 2019/979 of March 14, 2019, supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301, Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 (Annexes 8 and 16) supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (together, the "**Delegated Prospectus Regulation**") and the regulations and guidelines issued by the Finnish Financial Supervisory Authority (the "**FIN-FSA**"). The FIN-FSA has approved this Listing Prospectus as the competent authority under the Prospectus Regulation. The FIN-FSA has only approved this Listing Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the FIN-FSA of this Listing Prospectus should not be considered as an endorsement of the issuer that is the subject of this Listing Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. The journal number of the FIN-FSA's approval is FIVA/2024/247. This Listing Prospectus has been prepared in English only.

This Listing Prospectus should be read together with all documents which are incorporated herein by reference. This Listing Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Listing Prospectus. See "*Documents Incorporated by Reference*."

The Joint Lead Managers are acting exclusively for the Issuer as the lead managers in connection with the Listing and will not be responsible to anyone other than the Issuer for providing the protections afforded to its clients nor giving investment or other advice in relation to the Notes. Neither the Issuer nor the Joint Lead Managers have taken any action, nor will they take any action to make, in any jurisdiction, a public offer of the Notes in their possession, or the distribution of this Listing Prospectus or any other documents relating to the Notes admissible in any jurisdiction requiring special measures to be taken for the purpose of making a public offer. Any investor investing in the Notes becomes bound by the final terms and conditions for the Notes.

The distribution of the Listing Prospectus and the offer and sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Listing Prospectus comes are instructed by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. This Listing Prospectus may not be distributed in the United States, Australia, Canada, Hong Kong, Japan or Singapore, or such other countries or otherwise in such circumstances in which the offering of the Notes would be unlawful or require measures other than those required under the laws of Finland. This Listing Prospectus does not constitute an offer of, or an invitation to purchase, the Notes in any jurisdiction. No offer will be made to persons whose participation in the offering requires any additional Listing Prospectus or registration. None of the Issuer, the Joint Lead Managers or any of their respective affiliates or representatives accepts any legal responsibility for any such violations by any person or entity, whether or not a prospective purchaser of Notes, and whether or not the person or entity is aware of such restrictions.

Prospective investors should rely solely on the information contained in this Listing Prospectus. No person has been authorized to give any information or to make any representation not contained in or not consistent with this Listing Prospectus or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorized by the Issuer. In making an investment decision, each investor should rely on their examination, analysis and enquiry of the Issuer and the terms of the Notes, including the risks and merits involved. Neither the Issuer, nor the Joint Lead Managers nor any of their respective affiliated parties or representatives, is making any representation to any offeree or subscriber of the Notes regarding the legality of the investment by such person. Investors are recommended to make their independent assessment of the legal, tax, business, financial and other consequences of an investment in the Notes. The contents of this Listing Prospectus are not to be construed as legal, business, tax, financial or other advice.

The Joint Lead Managers assume no responsibility for the accuracy or completeness of the information herein and, accordingly, no representation or warranty, express or implied, is made by the Joint Lead Managers as to the accuracy or completeness of the information contained in this Listing Prospectus, and nothing contained in this Listing Prospectus is, or shall be relied upon as a promise or representation by the Joint Lead Managers in this respect, whether as to the past or the future. Apart from the responsibilities and liabilities, if any, which may be imposed on the Joint Lead Managers by Finnish law or under the regulatory regime of any other jurisdiction where exclusion of liability under Finnish law or the relevant regulatory regime of the other jurisdiction would be illegal, void or unenforceable, the Joint Lead Managers do not accept any responsibility whatsoever for the contents of this Listing Prospectus or for any statement made or purported to be made by them, or on their behalf, in connection with the Issuer or the Notes. The Joint Lead Managers accordingly disclaim to the fullest extent permitted by applicable law any and all liability whether arising in tort, contract, or otherwise (save as referred to above) which they may otherwise have in respect of such document or any such statement.

The information contained herein is current as of the date of this Listing Prospectus. The delivery of this Listing Prospectus, and the offer, sale or delivery of the Notes shall not mean that no adverse changes or events have occurred after the date of this Listing Prospectus, which could result in a material adverse effect on Valmet's business, financial position, and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as on the value of the Notes. Nothing contained in this Listing Prospectus is, or shall be relied upon as, a promise by the Issuer or the Joint Lead Managers as to the future. If a significant new factor, material mistake or material inaccuracy, which may affect the assessment of the Notes, arises or is noted in relation to the information in the Listing Prospectus prior to the Listing, this Listing Prospectus will be supplemented in accordance with the Prospectus Regulation.

The Notes are governed by and construed in accordance with the laws of Finland. Any dispute arising in relation to the Notes shall be settled exclusively by Finnish courts in accordance with Finnish law.

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RISK FACTORS

An investment in the Notes involves a number of risks, many of which are inherent to Valmet's business and could be significant. Investors considering an investment in the Notes should carefully review the information contained in this Listing Prospectus and, in particular, the risk factors described below. The following description of risk factors is based on information known and assessed on the date of this Listing Prospectus and, therefore, is not necessarily exhaustive. Some of these factors are potential events that may or may not materialize. Should one or more of the risk factors described in this Listing Prospectus materialize, it could have a material adverse effect on Valmet's business, financial condition and results of operations. Valmet also faces additional risks not currently known or not currently deemed material, which could also have a material adverse effect on Valmet's business, financial condition and results of operations and, therefore, on Valmet's ability to fulfil its obligations under the Notes as well as on the market price of the Notes, and investors could lose part or all of their investment.

The risk factors presented herein have been divided into five categories based on their nature. These categories are:

- *risks related to Valmet's operating environment;*
- *risks related to Valmet's business;*
- *risks related to Valmet's financial condition and financing;*
- *risks related to the Notes; and*
- *risks related to the Terms and Conditions.*

Within each category, the risk factor estimated to be the most material on the basis of an overall evaluation of the criteria set out in the Prospectus Regulation is presented first. However, the order in which the risk factors are presented after the first risk factor in each category is not intended to reflect either the relative probability or the potential impact of their materialization. The order of the categories does not represent any evaluation of the materiality of the risk factors within that category, when compared to risk factors in another category.

Risks Related to Valmet's Operating Environment

Geopolitical tensions, trade barriers and sanctions, political uncertainty and uncertain global economic and financial market conditions could adversely affect Valmet's business, financial position, results of operations and prospects.

Valmet has operations in over 40 countries worldwide. Valmet operates globally and, as a result, Valmet's revenue and operating profit are impacted by cycles and trends in customer industries as well as general economic conditions, which, in turn, are influenced by many factors beyond Valmet's control. See also "—*Valmet's business is affected by the cyclical nature of its customers' industries*" below. In recent years, the global economic and financial market conditions have repeatedly undergone significant turmoil due to, among other factors, Russia's invasion of Ukraine, trade restrictions against certain countries, companies and individuals, escalation of hostilities in the Middle East and the continuous tensions between the United States and China regarding, for example, geopolitics and trade, as well as the outbreak of the COVID-19 pandemic. With regard to trade tensions between the United States and China, those may affect Valmet's industries as a whole, and Valmet in particular, given that Valmet has significant operations and supply chains in the United States and China that support both global and local businesses and given its dependence on both Chinese and U.S. demand. Potentially increasing populism, patriotism and protectionism in the political environment may also hinder the access to markets required by Valmet's business operations, reduce sales and incur costs and expenses due to adjusting its business to changed circumstances. Economic slowdown or recession and the economic uncertainty in Valmet's markets in the EU, the United States, China, Brazil and elsewhere in the world may adversely affect Valmet's business in a number of ways, including having a negative impact on the demand for Valmet's products and services and causing new customer and/or capital projects under negotiation or projects in Valmet's order backlog to be postponed, suspended, or canceled and thus affecting sales, results and cash flow.

Uncertain economic conditions, fluctuations in exchange and interest rates as well as tightening financial market regulations may also have an adverse effect on the availability of financing from banks and capital markets and could reduce Valmet's customers' investment activity level. A prolonged period of recession in Valmet's primary segments or a decline in Valmet's order book may have a material adverse effect on its business, financial position and results of operations. Deliveries of large projects are common for Valmet's Process Technologies segment. Such large projects often commence against advance payments, which, among other things, reduce Valmet's need for capital employed. However, Valmet may not receive project payments as expected if projects are postponed or discontinued, or if the project activity in the market declines and the customers resolve to postpone larger investments. Uncertain market conditions could adversely affect customers' payment behavior and increase the risk of lawsuits, claims and disputes taken against Valmet in various countries related to its products, projects and other operations.

Furthermore, due to Russia's invasion of Ukraine, several countries, including the United States and the European Union (the "**EU**"), as well as international organizations have imposed significant economic sanctions and trade restrictions on Russia, Belarus, certain Ukrainian regions and certain Russian companies and Russian individuals as well as other measures, to which Russia and Belarus have responded with countersanctions. Russia's invasion of Ukraine has caused disruptions to the global economy, financial markets, and Valmet's business environment, and may further cause, particularly, if additional sanctions, trade restrictions or countersanctions are imposed or, if the conflict escalates or expands to other countries or regions. If the war is further prolonged or geopolitical tensions further increase, there could be additional adverse impacts on Valmet's operations, customer investment activity, project deliveries, availability and prices of energy, raw materials, components, supply chain and availability of financing for both Valmet and its customers. Any such development may pose a risk to an adverse economic development and weaken the market conditions in which Valmet operates. Valmet completed its withdrawal from Russia in December 2023. Valmet did not have employees in Russia during the second half of 2023 (as at December 31, 2022, Valmet had approximately 30 employees in Russia).

Tightening trade relations, uncertain market conditions and continued inflation, as well as the impact of tariffs, sanctions or other trade barriers could pose challenges to supply chain and price management, impacting Valmet's growth capability and margins. The trade barriers and sanctions may harm Valmet's direct sales and sales channel partners in affected areas partially or entirely. Exchange rate fluctuations and changes in commodity prices could affect orders received and sales as well as the overall financial position of Valmet. Other market- and customer -related risks could also cause planned and ongoing projects to be postponed, delayed or discontinued.

Valmet's business is affected by the cyclical nature of its customers' industries.

Business cycles in the global economy and in Valmet's customer industries, mainly the pulp, paper and energy as well as certain process industries, influence the demand for its products and services. End-product prices, production capacity and utilization rate, new projects and energy markets are the main demand drivers in the process industries. Variations in the prices and availability of raw materials, supplies, such as energy, and logistics, as well as subcontracting may have an effect on the demand for and prices of Valmet's customers' end-products, which may in turn reduce Valmet's customers' investments and need for Valmet's products and services. See also "*—Risks Related to Valmet's Operating Environment—Fluctuations in the prices and availability of raw materials, supplies and subcontracting could have a material adverse effect on Valmet's business, financial position, results of operations and prospects*" below.

Valmet's Services and Automation segments (representing 56 percent of net sales in 2023) represent relatively stable and moderately growing markets that are affected by the size of the installed base and customers' mill operating rates and maintenance as well as mill improvement, replacement and capacity needs. The markets of Valmet's Process Technologies segment (representing 44 percent of net sales in 2023) are affected by customers' new investments in machinery, mills and rebuilds, which makes this segment more cyclical. Valmet's business consists of both business driven by capital investments, as well as business driven by services and customer maintenance, repair and operations. Capital investment -driven business is cyclical in nature, and different customer industries and geographical areas may have different cycles. Valmet's business in the Services and Automation segments are mainly affected by customer operating volumes, the need to maintain operating performance and perform service and maintenance regularly, and customers need to upgrade their processes to accommodate new products or to meet safety, environmental and other regulatory requirements. Business cycles and industry trends as well as the customer needs arising therefrom affect the demand for Valmet's products as well as its business, financial position and results of operations.

Materialization of any of the above risks may have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet. See also "*—Risks Related to Valmet's Business*" below.

Valmet operates in highly competitive markets and it may not be successful in responding to changes in its operating environment and developing products and services that allow it to maintain its market position.

In relation to the Process Technologies segment, Valmet operates in highly competitive markets in which only a limited number of large suppliers bid for larger customer orders. In addition, in relation to the Services segment, there are many smaller, regionally and locally competing companies that have a comparatively low production cost bases. Furthermore, in relation to the Automation segment, Valmet has both large and smaller competitors. Although Valmet's main competitors are still European and North American companies, certain typically smaller and regional Asian suppliers are providing solutions that are able to compete due to their lower prices. Consolidation in the customer industries may also result in tightened competition. Any tightened competition in any of Valmet's segments or failure to execute its strategy to set Valmet apart from the wide spectrum of competitors may reduce Valmet's sales, profitability and/or market share, which, in turn, could have a material adverse effect on Valmet's business, financial position, results of operations or future prospects.

Structural changes in Valmet's operating environment may also affect its operations and impact its competitiveness and profitability. Such changes may result from the introduction of new technologies, shift in use of certain technology and end-user behavior. For example, the increasing role of digital media has decreased the demand for graphic papers, which has adversely affected the demand for Valmet's Services and Process Technologies segments for at least the past ten years. In addition to structural changes in operating environment, Valmet may also be subject to broader industry trends, such as the possible longer term impact on, among others, the energy industry of increased sustainability initiatives.

The markets in which Valmet operates are also characterized by continuously evolving technologies. Valmet is constantly focusing on new technologies and on research and development ("**R&D**") to improve product cost competitiveness and performance, to develop new technologies and services, and to address changes and trends related to customer preferences and sustainability. Customer needs and sustainability are key drivers in Valmet's R&D work and the company is continuously aiming to improve the raw material, energy and water efficiency of its customers' production processes. Valmet continuously also aims to control emissions from its and customers' operations and to reduce their environmental impact. However, there can be no assurance that Valmet will be able to respond to the customer needs and preferences as regard to the new or developed technologies and services, which could reduce the need for Valmet's products and services.

In planning and implementing its operations, Valmet must consider the development potential, new products and services, technological solutions and the different life cycle stages of its products and production plants and those of its customers. As tendering for new projects often is partly based on references to earlier projects, challenges with project deliveries or a failure to respond to demand for new products, services and technological solutions could result in dilution of Valmet's brand and reputation as a technological leader, which could have an adverse effect on its ability to win new projects. Furthermore, if Valmet is not successful in developing new technology or products or if demand for a new technology or new products that Valmet develops does not materialize or if new technology or products developed by Valmet are not competitive enough, Valmet may not receive benefit for its investment. In addition, if economic growth slows down significantly, the markets for Valmet's products and services may shrink, which may lead to, for example, tougher price competition and thus decrease Valmet's profitability. Increased competition and unanticipated actions by competitors, including aggressive pricing policies, could lead to downward pressure on prices or a decline in Valmet's market share and profitability.

Valmet aims to continuously improve its profitability and competitiveness in all its three segments. For example, in 2020, Valmet initiated measures to improve the long-term competitiveness of the Services segment (previously, the Services business line) especially related to mill improvements and rolls and workshop services business. The aim was to improve the profitability and competitiveness of the respective businesses by optimizing the local presence globally and streamlining the way of operating. However, there can be no assurance that Valmet will be able to improve the profitability and competitiveness of its respective segments.

Materialization of any of the above risks could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Valmet operates in emerging markets, where political, economic and legal developments, among others, could have a material adverse effect on Valmet's business, financial position, results of operations and prospects.

Although Valmet currently derives most of its net sales from North America and the Europe, the Middle East and Africa (together, "**EMEA**") region, emerging markets represent an important part of its business and business development opportunities. In such countries, the political, economic and legal systems may often be less predictable than in countries with more developed institutional structures. Various external stakeholders, such as authorities, industrial organizations, research institutes and non-governmental organizations on a national and international level, affect the business environment and the markets in which Valmet operates.

Operations in certain emerging markets also involve heightened social and employee related risks, human rights related risks, anti-corruption and bribery related risks that may harm Valmet's reputation as an ethical corporation, among others. Valmet is a committed participant of, and has signed, the United Nations Global Compact and its ten principles on human rights, labor, environment and anti-corruption, and the principles are included in Valmet's strategy, policies and procedures. However, Valmet may not be successful in overseeing that its personnel, customers, partners, or contractual parties do not engage in corrupt practices. There may also be inconsistencies or conflicts between and within various laws and regulations and lack of required guidance on interpretation of applicable laws and regulations or relative inexperience of judiciary and courts in certain matters. Any failure to comply with applicable laws and other standards, or claim thereof could expose any of these stakeholders or Valmet to fines and/or criminal sanctions, cause unfavorable publicity and reputational damage to Valmet, restrict Valmet's operations or tendering, or raise claims of non-performance of Valmet's contractual obligations and related penalties.

Many of Valmet's operations are being run from and in emerging countries, which may subject Valmet to numerous, and sometimes even conflicting, laws, rules, practices, and discretionary powers of authorities. Arbitrary intervention by authorities or other interested parties in Valmet's business, legal or administrative proceedings, or inability by Valmet to assert its rights in court or in other forum may jeopardize the predictability and uninterrupted continuity of Valmet's operations and incur significant expenses for Valmet. In particular, operating in emerging countries includes certain risks associated with the protection and enforcement of intellectual property rights. Furthermore, there has been an increasing trend in certain emerging countries to introduce local content requirements, which are policies imposed by governments that require companies to use domestically manufactured goods or domestically supplied services in order to operate in a country. Such local content requirements could have a material adverse effect on Valmet's business by reducing its revenue and/or margins and the quality of its products and services. Moreover, political and social unrest, terrorism and armed conflicts in different parts of the world may represent risks to Valmet's operations. Political or economic upheaval, changes in laws or other factors could have a material adverse effect on Valmet's operations in emerging markets.

Materialization of any of the above risks could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Fluctuations in the prices and availability of raw materials, supplies and subcontracting could have a material adverse effect on Valmet's business, financial position, results of operations and prospects.

Valmet's business is exposed to variations in the prices of raw materials and supplies, including energy and components, and subcontracting. Currently, Valmet's subsidiaries identify their commodity price hedging needs and Valmet's group treasury executes hedges concerning these commodity risks using approved counterparties and instruments. Valmet has defined and approved separate overall hedging limits for commodity risks. Valmet's commodity risk arises from variations in prices of raw materials and of supplies. Certain Valmet's units identify their commodity price hedging needs and hedges are executed through the group treasury using approved counterparties and instruments. Separate hedging limits have been defined and approved for commodity risks. Hedging is done by Valmet on a rolling basis with a declining hedging level over time. There can be no assurance that commodity, component and/or subcontracting price fluctuations will not have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

For example, in 2022 and 2023, significant and broad-based inflation affecting costs and energy prices, and fluctuations in the availability of raw materials, supplies and subcontracting as well as global challenges with logistics, such as delays in delivery schedules, damage to cargo and availability of logistics providers and transportation, had adverse effect on Valmet's business. See also "*—Risks Related to Valmet's Business—Valmet is dependent on functioning logistics and any problems in its logistics chain could have a material adverse effect on Valmet's business, financial position, results of operations and prospects*" below. Furthermore, should the economy stagnate or experience further recession or depression, Valmet's suppliers may face financial difficulties and even bankruptcies, which could result in delays, breaks or other disruptions in deliveries. Additionally, further adverse changes in the economy may also force Valmet to reduce the customer pricing of its products, and Valmet may not be able to reduce its costs and the price levels of its purchases accordingly. Conversely, during an upswing in economic activity, the rising cost of materials and components may not be immediately transferable to the customer prices of Valmet's products. It is also possible that suppliers will not invest in new capacity in time before the next turn of the cycle, which may cause slowdowns in supplies. This could in turn lead to delays and/or interruptions in Valmet's production, extended delivery times and weaker profitability and cash flow. See also "*—Risks Related to Valmet's Business—Valmet's operations may be interrupted due to problems associated with raw materials, components, subcontractor and supplier network*" below.

Materialization of any of the above risks could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Changes in environmental laws and regulations as well as changes in or non-compliance with environmental permits may have a material adverse effect on Valmet's business, financial position, results of operations and prospects.

Stricter energy and environmental legislation around the world requires, for example, the reduction of greenhouse gases, more efficient use of energy and raw materials, adequate procedures for chemical safety and the processing of hazardous waste as well as increases in recycling and in the use of renewable energy sources. The changes in environmental legislation may have a significant impact on the business and cost structures of industrial companies, including Valmet. As laws and regulations are amended or as their application or enforcement is changed, significant costs in complying with new and more stringent regulations may be imposed on Valmet. Further, the operations of Valmet require environmental and other regulatory permits and licenses that are subject to modification, renewal or, subject to certain conditions, revocation by the issuing authorities. In certain countries, the procedures for obtaining these permits and licenses are often long and complex and there can be no assurance that the requested permit or license will be granted or renewed. See also "*—Changes in laws and regulations may have a material adverse effect on Valmet's business, financial position, results of operations and prospects, and non-compliance with laws and regulations may result in administrative sanctions and fines and harm Valmet's reputation*" below.

Valmet has developed biomass conversion technology applications that may provide new market opportunities. The market for these biomass conversion technology applications is emerging as the first plants for some of these applications are technically and commercially fully proven and as the EU as well as several countries, including the United States and Brazil, have set targets and developed plans, which include the use of mandates, incentives and other support mechanisms, to significantly increase the production and consumption of biomass-based materials and energy. However, governments may not implement such mandates, incentives and other support mechanisms as a result of prevailing economic conditions, changes in government policies or other reasons beyond Valmet's control, which could reduce demand for Valmet's biomass conversion technology applications and have a material adverse effect on Valmet's business, financial position and results of operations.

When planning its energy needs, Valmet seeks to take into account the risks related to climate change by, among other things, sustainability initiatives, and developing more energy efficient products and solutions. In the beginning of 2021, Valmet introduced a climate program, which targets to significantly reduce carbon dioxide emissions in its own operations and supply chain and to enable carbon neutral production for pulp and paper industry customers by 2030, which requires Valmet both to develop new technologies enabling fossil free pulp and paper production and to further improve the energy efficiency of the current technology offering. Although the target of enabling carbon neutral production for all Valmet's pulp and paper customers was achieved ahead of schedule in the first half of 2023, there can be no assurance that Valmet is able to further improve energy efficiency or reduce emissions. Furthermore, environmental, social and governance ("**ESG**") requirements are becoming stricter both in emerging and developed markets and in industries that are material to Valmet, such as pulp, paper and energy industries as well as other process industries. This may increase the costs of Valmet and its customers and suppliers and may reduce its customers' interest if any of its main products are no longer considered environmentally friendly or if the customer's industry faces ESG regulation that no longer warrants further investments within the industry in question.

Although Valmet is not aware of any current environmental matters that could reasonably be expected to have a material adverse effect on Valmet's business, financial position, results of operations or future prospects of Valmet, there can be no assurance that continued compliance with the existing or future environmental permits or licenses, and the costs associated therewith, will not have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet. Materialization of any of the above risks could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Increases in taxes and customs could adversely affect the demand for Valmet's products.

Due to the global and project-based nature of part of Valmet's business, Valmet has tax liabilities in multiple jurisdictions either by way of its subsidiaries or based on its other type of taxable presence in a jurisdiction. In addition, Valmet has customs or other tariffs duties on imports and importation related compliance responsibilities. Governments in the countries Valmet operates in may increase such taxes, customs or other tariffs or impose new taxes, customs or other tariffs altogether. Demand for Valmet's products is generally sensitive to fluctuations in taxes, customs or other tariffs on imports. Changes in tax, customs or other tariffs structures could weaken Valmet's ability to sell its products and services in both developed and emerging markets, and thus, result in decreases in net sales of Valmet. The tax, customs and other tariffs regimes applicable to Valmet's operations have in the past resulted, and could result in the future, in temporary increases or decreases in net sales or increases in compliance costs that are responsive to the timing of any changes in taxation, customs or other tariffs. Materialization of any of the above risks could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Changes in laws and regulations may have a material adverse effect on Valmet's business, financial position, results of operations and prospects, and non-compliance with laws and regulations may result in administrative sanctions and fines and harm Valmet's reputation.

Valmet must comply with multiple laws and regulations, such as environmental laws and regulations, labor laws, corporate laws, competition laws, health and safety regulations, international trade sanctions, tax laws, anti-corruption and anti-bribery legislation as well as data and artificial intelligence related regulations, enacted at the national, EU and international levels concerning its operations. Laws and regulations in the markets in which Valmet operates may change and new laws and regulations may be introduced and implemented, which may require Valmet to amend its operations, services, products, policies or practices, and such changes may also adversely affect the profitability and demand for Valmet's services and products. For example, several ongoing data and artificial intelligence related regulation projects, such as the upcoming Regulation (EU) 2023/2854 of the European Parliament and of the Council of December 13, 2023, on harmonized rules on fair access to and use of data and amending Regulation (EU) 2017/2394 and Directive (EU) 2020/1828 (the European Data Act) and the proposal for a Regulation of the European Parliament and of the Council on horizontal cybersecurity requirements for product with digital elements and amending Regulation (EU) 2019/1020 (the European Cyber Resilience Act) may require Valmet to implement certain amendments to its services and products, such as, to design and manufacture so called Valmet Industrial Internet related products and services in such manner that the data is accessible to the user directly from the product or related service.

Illegal activities such as fraud, misconduct or criminal acts, present a potential risk for Valmet. Even though the potential risk of illegal activity or misconduct is considered to be relatively limited, this type of activity could undermine Valmet's reputation and have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet. Although Valmet seeks to comply with all applicable laws and regulations and ethical business practices, it could unknowingly breach such laws and regulations and practices due to erroneous interpretations or other reasons. In addition, such breaches could be committed by Valmet's suppliers or third-party sales channel partners (distributors, resellers and agents). Such breaches, even without any direct fault on Valmet's part, may result in significant damage to its brand and reputation as a responsible company with high ethical standards.

Although Valmet is not aware of any regulatory matters that could reasonably be expected to have a material adverse effect on Valmet's business, financial position, results of operations or future prospects of Valmet, there can be no assurance that continued compliance with the existing or future laws and regulations and the costs associated therewith, will not have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet. Furthermore, Valmet's failure to comply with applicable laws and regulations could give rise to administrative fines and other sanctions or other financial implications and damage Valmet's reputation. Materialization of any of the above risks could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Risks Relating to Valmet's Business

Valmet derives a significant portion of its net sales from projects, which exposes Valmet to risks relating to project completion and may result in cost overruns.

For the year ended December 31, 2023, 44 percent of Valmet's net sales were derived from the Process Technologies segment including orders related to hundreds of projects of different sizes that typically takes many months or even years to complete. See also "*Description of Valmet*." The majority of these projects are based on fixed price contracts. These orders present project-specific risks to Valmet related to, for example, pricing, manufacturing, contract management, delivery schedules, equipment start-up, production capacity, end-product quality and performance as well as guarantee obligations and liabilities, the materiality of which depends on, for example, the size of the project. In some projects, risks may also arise from new technology included in the deliveries. Contract awards are also affected by events outside Valmet's control, such as events affecting the delivery site, prices, demand, general economic conditions, granting of governmental approvals, and securing of project financing. This uncertainty can cause difficulties in managing Valmet's fixed costs and predicted order volume. Operating margins realized in a fixed price contract may vary from original estimates as a result of changes in costs, especially fluctuating material costs, design flaws, installation flaws and productivity over the term of the contract. In addition, since certain items that Valmet supplies are outsourced, Valmet may be forced to quote at a fixed price to customers without knowing the final costs of the purchased parts or services. While estimates are made using empirical data and quotes from potential suppliers, these may not always be accurate. While Valmet has a long history in executing and delivering projects and procedures to mitigate such risks, there can be no assurance that these risks, if materialized, would not have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Valmet's ability to perform according to the estimates it used when preparing its bid and its ability to execute the project affect the profitability of the project. If Valmet is unable to perform the contract in accordance with the estimates it used in preparing its bid, it could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Valmet's operations, products and services rely on data networks, software and digital solutions, and any malfunctions, breaches and cyber security breaches in such networks, software and solutions as well as potential failures in information system development projects may adversely affect the business and financial position of Valmet and lead to reputational damage

Valmet's operations depend highly on the availability, confidentiality and integrity of its information management, operational technology ("**OT**") systems and information technology ("**IT**") systems as well as IT/OT services and digital solutions (the "**IT/OT Systems**"), which may, to a large extent, be hosted and managed by third parties, including public cloud, private cloud, data centers and application support. These IT/OT Systems process, transmit and store electronic information, including sensitive data, such as confidential business information, and personally identifiable data relating to employees, customers and other business partners, and provide tools to manage or support a variety of critical business processes and activities of Valmet as well as those of its customers. Valmet's focus on intelligent service technology also makes the functioning of its IT/OT Systems crucial in reaching its strategic, operational and financial goals.

Multiple factors, such as hackers, viruses, phishing, advertent or inadvertent human errors or misconduct, technological errors, the use of outdated systems or power outages, may cause malfunctions or cybersecurity breaches of IT/OT Systems or software intensive products and services relevant to Valmet, or its customers, contractors, business partners, vendors or other third parties:

Any malfunctions in the IT/OT Systems or cybersecurity breaches in IT security of Valmet or its software intensive products and services could cause disruptions to production and delivery and decreased demand for Valmet's products and services. Such malfunctions or breaches could expose Valmet and its customers, distributors and suppliers to risks of misuse of information or systems, the compromise of confidential information, manipulation and destruction of data, fraudulent actions, defective products, production downtimes and operational disruptions. In addition, such breaches in security could result in litigation, regulatory action and potential liability, as well as the costs and operational consequences of implementing further data protection or cybersecurity measures. It may also be difficult for Valmet to detect cybersecurity breaches upon their occurrence, which could have an impact on the extent of damage. Any and all information security risks and incidents may adversely affect Valmet's and its customers' business performance and may lead to higher total project costs, reputational damage and a loss of market share to competitors or market disruptors. Particularly, as Valmet's business is to some extent dependent on software intensive products and services offered by Valmet to its customers, in particular due to the continuing increase in focus on the digitalization of such products and services and industrial internet solutions, materialization of any information security risks and incidents relating to its software intensive products and services could result in reputational damage as well as in legal claims or penalties and/or costly countermeasures, which may not be covered by Valmet's insurance coverage.

In addition, Valmet may not succeed in realizing the benefits of improving operations, products and services through technology and data systems. The success of development projects is important as Valmet's Enterprise Resource Planning ("**ERP**"), financial, human resources and risk management functions and software intensive products and services are highly dependent on information systems and on Valmet's ability to operate and develop them efficiently and safely. Such information systems include, among others, the ERP system, client relationship and maintenance management systems, R&D engineering software, as well as software applications and other systems, which Valmet uses to control business operations, manage its risks, create operating and financial reports, to execute treasury operations and to develop competitive technologies and services. Valmet is, for example, currently in the process of renewing and modernizing its ERP system in order to improve operational capability through process harmonization and standardization as well as to increase efficiency. Higher than expected development or implementation costs, or a failure to extract business benefits from the renewal process could lead to an impairment of Valmet's assets or decrease its profitability.

Materialization of any of the above risks could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Valmet's operations may be interrupted due to problems associated with raw materials, components, subcontractor and supplier network.

The risks associated with raw materials, components, subcontractor and supplier network are significant for Valmet's operations. Valmet is dependent on functioning information communication technology and ERP, whose functioning may be in whole or in part dependent on external suppliers. In particular, Valmet's business needs a synchronized and timely flow of goods to its sites especially in large projects, where the availability risks of parts and components from different geographical areas are interconnected in terms of the project's business continuation. For the supply network, in particular in relation to new suppliers, availability, price, quality and delivery schedule risks are critical for Valmet's operations.

For the year ended December 31, 2023, Valmet's suppliers in its key markets in Finland, Sweden, China, the United States and Brazil accounted for a majority of its total procurement by value. In order to increase its competitiveness, Valmet aims to increase sourcing both from cost-competitive countries and locally in countries where Valmet has production facilities. Alternatively, Valmet may shift certain production functions to locations where it has significant customer projects. Supply problems faced by Valmet's suppliers can influence the price and availability of the raw materials and components used in their products. Therefore, raw material and component procurement costs may increase and delivery lead times lengthen. Some of current customers are also raw material producers whose ability to operate and invest may be hampered by declining raw material prices. The price and availability of nickel and stainless and carbon steel, which are among the most important raw materials for Valmet, can fluctuate and, therefore, adversely affect Valmet's operations. In addition, changes in raw material and component prices may also to some extent affect the value of inventories and result in inventory write-downs. There can be no assurance that such risks, if materialized, would not have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet. See also "*—Risks Related to Valmet's Operating Environment—Fluctuations in the prices and availability of raw materials, energy, logistics and subcontracting could have a material adverse effect on Valmet's business, financial position, results of operations and prospects*" above.

Valmet mainly purchases raw materials, components, energy and services. On the other hand, outsourcing has increased the importance of, and the risks related to, suppliers and subcontractors. Valmet has limited control over these suppliers and subcontractors and any problems encountered by the suppliers or subcontractors may adversely affect Valmet's operations. Further, Valmet may not be able to find alternative suppliers or subcontractors without a delay, or at all. Disruptions in the deliveries by suppliers or subcontractors could have a material adverse effect on Valmet's customer relationships and, accordingly, on the business, financial position, results of operations or future prospects of Valmet. See also "*—Risks Related to Valmet's Operating Environment—Fluctuations in the prices and availability of raw materials, energy, logistics and subcontracting could have a material adverse effect on Valmet's business, financial position, results of operations and prospects*" above.

Valmet is dependent on functioning logistics and any problems in its logistics chain could have a material adverse effect on Valmet's business, financial position, results of operations and prospects.

Valmet is dependent on functioning logistics and transportation. Challenges in Valmet's logistics chain, for example delays in delivery schedules or damage to cargo, may result in production or customer delivery delays and increase costs. The impact of the long transportation times can severely impact the time schedule of Valmet's projects and expose Valmet to liability to pay liquidated damages due to delay in case of any failure of Valmet's logistics management or logistics chain. Valmet may also face significant losses if cargo damage or other shipping losses are not accurately reported to the insurer due to currency conversions or other reasons. Furthermore, for example in 2022 and 2023, there were global challenges with logistics, such as delays in delivery schedules, damage to cargo and availability of logistics providers and transportation, which have had adverse effect on Valmet's business. There has been, for example, availability challenges of sea containers, which may prolong the expected delivery times and cause delays in logistics chain. In addition, the current geopolitical conflicts and tensions have affected the Red Sea trade route, which has resulted in significant reroutings of maritime traffic. See also "*—Risks Related to Valmet's Operating Environment—Fluctuations in the prices and availability of raw materials, energy, logistics and subcontracting could have a material adverse effect on Valmet's business, financial position, results of operations and prospects*" above. Materialization of any of the above factors could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Damage to Valmet's production facilities and inventories could significantly undermine Valmet's business.

Valmet's inventories or production facilities may be damaged, they may be closed or the machines and equipment on the premises may be damaged due to extraordinary, sudden and unforeseen events, accidents, natural disasters, extreme weather events, variability in weather patterns, water shortage and scarcity of raw materials. These include, among others, fire, explosion, release of high-temperature steam or water, structural collapse, machinery failure, chemical spill, mechanical failure, extended or extraordinary maintenance, road construction or closures of primary access routes, earthquake, flood, windstorm or other extreme weather events, other disasters, epidemics or pandemics. The materialization of such extraordinary or other events could significantly disrupt Valmet's production and deliveries or result in Valmet not necessarily being able to fulfil its customer commitments. Valmet's insurance policies are subject to limitations in their terms and conditions, such as deductibles and maximum liability amounts or limits of indemnity, and they may not cover all damages or losses, including loss of sales or profits, resulting from extraordinary events. Valmet could experience significant losses if any of its manufacturing facilities were damaged or if the operations carried out at these facilities would be interrupted or ceased for any other reason, and there can be no assurance that Valmet would be able to completely or partially locate alternative production facilities or transfer its manufacturing to other facilities or to repair the damaged premises, machinery or equipment in a timely and cost-effective manner. Valmet's operational interruptions could compromise its production capacity, increase costs and delay delivery of products. Production capacity limits could lead to loss of customers and cause Valmet to reduce or delay sales efforts until production capacity is available, which could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Failure to successfully complete and integrate potential future acquisitions could have a material adverse effect on Valmet's business, financial position, results of operations and prospects.

In addition to organically growing its business, Valmet has grown through acquisitions and it is expected that it will carry out acquisitions also in the future. In 2023, Valmet acquired, for example, Körber AG's ("**Körber**") Business Area Tissue and NovaTech Automation's ("**NovaTech**") Process Solutions business, in addition to which Valmet has entered into agreements to acquire the Process Gas Chromatography business of Siemens AG ("**Siemens**"), and a holding company owning the shares in two Brazilian woodhandling technology and services companies Demuth Máquinas Industriais Ltda and Estruturas Metalicas e Sistemas Construtivos Demuth LTDA (together, "**Demuth**"), the acquisition of which is estimated to be completed during the second or third quarter of 2024. See also "*Description of Valmet—History*."

The acquisition and subsequent integration of acquired businesses is a complex, costly and time-consuming process. Although Valmet will continue to utilize defined processes for any future acquisitions, such transactions are subject to several risks relating to the assessment of the acquired business, including its value, strengths, weaknesses, potential profitability, assets and liabilities, the materiality of which depends on, for example, the size of the acquisition. Accordingly, even a detailed review may fail to identify and discover potential liabilities and deficiencies, including legal claims, claims for breach of contract, employment related claims, environmental liabilities, conditions and contamination, the presence of or liability for hazardous materials, tax liabilities, and other liabilities (whether or not contingent), which could result in significant additional costs and liabilities.

The success of any potential acquisition will also be dependent on management's ability to successfully integrate the acquired business into Valmet's existing operations. An integration process may also disrupt the businesses of both the acquirer and the target and, if implemented ineffectively, can restrict the realization of the expected benefits. Acquisitions may be subject to, among others, obtaining necessary approvals by competition authorities, which can require a considerable amount of time and resources. Any failure to integrate acquired businesses by Valmet could result in a decrease in profitability and impairment of goodwill and other assets of Valmet.

Materialization of any of the above factors could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Failure to protect or enforce intellectual property rights could have a material adverse effect on Valmet's competitiveness as well as on its business, financial position, results of operations and prospects.

Valmet has taken measures to protect the products and intellectual property rights related to it through patents, utility models and trademarks, among others, and the protection of intellectual property rights is important for Valmet. The importance of the protection and enforcement of the intellectual property rights has increased due to certain products having been copied, especially in emerging markets. Valmet monitors intellectual property rights protected by third parties in order to avoid infringement on such rights. However, there can be no assurance that the measures Valmet has taken will effectively deter third parties, which may be acting knowingly in bad faith, from improper use of intellectual property rights or prevent claims of infringement on third-party intellectual property rights. Particularly in certain emerging markets, local competitors or other parties may engage in unauthorized use of trademarks. Such parties may also attempt to and succeed in registering local trademarks or other intellectual property rights in bad faith in order to benefit from or damage Valmet's reputation and brand. Any failure to protect or enforce intellectual property rights or resulting claims of infringement on third-party intellectual property rights could have a material adverse effect on Valmet's competitiveness as well as on its business, financial position, results of operations or future prospects of Valmet.

Hazard risks, if materialized, could have a material adverse effect on Valmet's business, financial position, results of operations and prospects.

Hazard risks include occupational health and safety -related risks, personnel security and well-being risks, environmental, fire and other catastrophe risks, natural phenomenon risks and premises security risks. Health and safety-related accidents have occurred in the past at Valmet's operations. In January 2022, a fatal work-related accident involving an employee of Valmet's contractor occurred during installation work at Valmet's customer site in Sweden, and in December 2022, a contractor passed away after an incident during flow control product testing at Valmet's factory in Ambernath, India. There can be no assurance that hazard risks would not materialize also in the future. The occurrence of any of these risks could delay production, increase production costs and result in death or injury to employees, damage to property and liability for Valmet as well as substantially harm its reputation. Accordingly, any of the abovementioned risks, if materialized, could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Valmet may be subject to product liability, intellectual property rights, occupational safety and other claims that could have a material adverse effect on its business, financial position, results of operations and prospects.

Valmet has, from time to time, been involved in product liability claims that are typical for companies operating in its industry and several lawsuits, claims and disputes based on various grounds are pending against Valmet in various countries, including product liability lawsuits and claims as well as legal disputes related to Valmet's deliveries. Valmet will continue to face such potential risks also in the future. Product liability claims typically include claims based on bodily injury and property damage. In addition, Valmet has historically been involved in lawsuits and claims related to intellectual property rights and asbestos, and as at the date of this Listing Prospectus, Valmet is involved in a few disputes related to intellectual property rights and several disputes related to asbestos. Such disputes have not in the recent past had or are not in the near future expected to have significant effects on the financial position or profitability of Valmet and/or the Group nor is Valmet aware of any such material disputes or lawsuits being threatened. However, Valmet may be subject to such material claims and lawsuits from time to time in the future. Valmet's products may also be used in locations where customers' activities can endanger the environment and result in liability for Valmet.

In an attempt to reduce the risk of product liability, intellectual property rights, occupational safety and other claims, Valmet has generally taken various measures, including providing start-up training for customers, providing comprehensive instruction manuals, investing in product safety development and automation, including provisions limiting its liability in sales contracts (subject to applicable laws). However, Valmet may be liable for damages, which could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Valmet's business may be adversely affected by the loss of senior managers or employees in key positions, and it may fail in recruiting and retaining people with the required skill set

Valmet is dependent on the working capacity of its senior management and key personnel and their continued employment with Valmet. The loss of key employees, or an inability to hire and retain additional senior management could prevent Valmet from carrying out its business successfully. Valmet's performance also depends upon the mobility of skilled personnel and its ability to identify, attract, develop, motivate and retain professional personnel, including highly skilled engineers, IT professionals, technicians, highly capable project, product and business managers, and effective sales managers. Valmet competes with other companies to recruit and hire from a limited pool of potential employees with the required skill set and relevant industry experience.

It is also possible that Valmet would become unpreferred employer in its industry. The training of new employees requires a large amount of time and resources and disrupts the normal course of Valmet's operations. Remote working has become more usual, which necessitates an increased focus and commitment to management and employee engagement. Furthermore, a high employee turnover in general, prolonged and large-scale sick leaves of personnel in relevant markets and an inability to move personnel according to Valmet's operational needs could also cause delays or quality failures in customer deliveries, leading to penalties or losses of existing and potential customers or to recruiting of people with the required skill set. Failure in retaining senior managers or key personnel or recruiting new talent could have a negative impact on the reputation, performance, efficiency, and profitability of Valmet's operations or implementation of its strategy.

In addition, the operation and maintenance of several digital solutions and IT/OT Systems could be adversely affected by narrow resources and skill bases. Remaining competitive in attracting and retaining key employees as well as being able to maintain and adjust their required skill sets may require Valmet to increase investments in recruiting, training and retaining key employees. Failure to recruit and retain key personnel with the required competences to operate and maintain these solutions and systems may, in turn, have a negative impact on service level in the near term and on development capability for the longer term.

Materialization of any of the above factors could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Valmet is subject to the risk of adverse employee relations or labor disputes, including any restructuring of operations that may be carried out by Valmet, and stringent labor and employment laws in certain jurisdictions may limit Valmet's flexibility to restructure its operations or organization.

Valmet had a total of 19,160 employees as at December 31, 2023, around the world. As Valmet's business is labor intensive, maintaining good relationships with its employees, unions and other employee representatives is important to Valmet's operations. For example, any potential workforce reductions or restructurings of organization in the future could lead to concerns and restlessness among the employees. For example, Valmet announced on February 15, 2024, that it commences change negotiations that will affect certain parts of Valmet's Services and Paper business lines, EMEA area organization and corporate functions. Any deterioration of the relationships with its employees and dissatisfaction among employees could result in disruptions of Valmet's operations.

Labor and employment laws are relatively stringent in certain jurisdictions in which Valmet operates. These laws, regulations or requirements could limit Valmet's flexibility to change its organizational structure, and the increased number of employees and operating countries of Valmet could lead to an increase in administrative burden as well as increase costs and prolong collaboration or labor processes. For example, any potential plans to develop or restructure certain aspects of Valmet's business would be subject to the applicable national or local information and consultation obligations which may affect to some extent Valmet's ability to restructure its operations and organization or entail additional costs. Labor laws also provide for periodic inspections by the competent authorities, and any findings of violations of applicable regulations may result in administrative, civil and punitive penalties, which could damage Valmet's reputation in the eyes of its current and future employees and hamper its ability to recruit and retain key employees.

In certain jurisdictions, such as Finland, Sweden, Italy, France and Germany, majority of Valmet's employees are members of unions or are represented by a works council. Valmet may be required to consult with the representatives of these unions or works councils about specific matters materially affecting employees' rights and obligations. Additionally, the increased number of employees in Valmet may require different structures in previous works council practices or a need to harmonize the group level practices. The terms and conditions of any agreements with unions or works councils could increase Valmet's costs and affect how future operational changes (such as restructuring and workforce reduction) are carried out.

Increased costs of labor, including the costs of labor disputes, work stoppages or labor union activity could undermine Valmet's competitiveness or lead to disruptions in operations. Valmet cannot assure that potential future issues with its employees or labor unions will be resolved favorably or that it will not encounter future strikes, further unionization efforts or other types of conflicts with labor unions or employees. Valmet's customers and suppliers may also be subjected to their own labor disputes or industrial actions, which may then result in delays in projects and higher costs than estimated. This could have a negative impact on Valmet's profitability.

Materialization of any of the above factors could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Valmet collects and processes personal data as part of its business and the leakage of such data or failure to process the data in accordance with applicable regulation could have a material adverse effect on Valmet's business and reputation as well as result in claims for damages as well as fines and orders imposed by the authorities.

Valmet collects, stores and processes significant amounts of its employees, customers and suppliers personal data as part of its business operations. Processing of personal data is subject to legislation that sets the requirements for the processing and data security as well as defines the obligations of the data controller and data processor. The EU's General Data Protection Regulation (regulation (EU) 2016/679, the "**GDPR**") is a general regulation on the processing of personal data. The GDPR is supplemented by a number of other applicable data protection and privacy laws and regulations. In addition, there are other applicable local privacy laws and regulations around the world. Certain conflicts between laws and regulations may create contradictions between complying with local regulations, on one hand, and the duties imposed on Valmet by the GDPR, by the adequate safeguarding of international transfers, and by agreements concerning the storage or processing of data, on the other hand, and this may result in regulatory non-compliance or breaches of agreements.

If Valmet fails to comply with applicable data protection and privacy laws and regulations, it will be exposed to the risk of monetary fines and liabilities towards data subjects or other third parties, material remediation costs, damages, loss of goodwill, criminal charges and other possible costs. Under the GDPR, a national data protection authority has the power to impose corrective actions, such as a temporary or definitive ban on personal data processing, and to impose administrative fines for breaches of the GDPR up to EUR 20 million or 4 percent of the total worldwide annual turnover of a company. In addition, there are other data protection laws with similar requirements and sanctions which could affect Valmet's operations. Valmet may also need to take corrective actions, delete or cease the processing of personal data, change its processes and operations, or revise or change its information systems and related processes to ensure compliance with the GDPR and other applicable legislation. Further, certain uncertainty in the interpretation GDPR and other applicable legislation increases the risk of unintended regulatory breaches.

Valmet may also be subject to personal data breaches, which may adversely affect its reputation and cause a loss of customers, among other things. Possible causes of personal data breaches include hacking, malware, encryption errors in information systems, human errors in the processing of personal data in physical or electronic form, errors in the transfer of large amounts of personal data from one system to another, or the unlawful viewing, disclosure or use of personal data by employees or third parties.

Despite Valmet has instituted and maintained comprehensive policies and procedures to ensure compliance with data protection and privacy laws and regulations, it may not be able to ensure full compliance with the requirements of the applicable laws and regulations, or to prevent intentional or unintentional misuse of its systems containing personal data. Materialization of any of the above factors could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

A failure to meet customers' expectations as regards Valmet's product and services offering may have an adverse effect on Valmet's reputation, business, financial position and results of operations.

The quality, performance and safety of Valmet's products and services are critical to the success of its business. Valmet develops and supplies technologies, flow control, automation and services for process industries globally. All Valmet's products and services are designed to meet the expectations of the customers as regards their quality, and Valmet's R&D function has a significant role in meeting all applicable product requirements. Valmet's products and services are also designed to satisfy the applicable legal and regulatory requirements as well as the standards established by a number of regulatory and testing bodies. However, there can be no assurance that Valmet's products and services will in all circumstances meet all of the aforementioned expectations and/or requirements or that the R&D of Valmet will be sufficient in this respect. In addition, components produced in serial production are exposed to a risk of defects in the entire production process, which could have severe financial consequences. Disruptions in supply chains, human error or equipment fault could lead to problems in production capacity and continuity which could in turn lead to quality or safety issues, which could have severe consequences and could adversely affect Valmet's financial position. A failure to meet the customers' expectations or product liability requirements or the emergence of defects in production could lead to reputational damage or loss of customers and business opportunities or incur significant costs due to product recalls, damages, or replacement or repair of defective products. Materialization of any of the above factors could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

The loss of one or more key customers could have a material adverse effect on Valmet's business, financial position and results of operations.

Valmet is not dependent on any individual customer, however, individual purchases made by certain key customers of Valmet are significant and certain of such customers have considerable purchasing power. These key customers may not continue purchasing Valmet's products or services, or they may not purchase them at least in the same amounts or on terms as favorable to Valmet due to multiple reasons. In addition, any reputational damage of Valmet may have a material effect on the behavior of its customers, and they may resolve to not purchase Valmet's products or services, which could negatively impact on Valmet's order book and future sales. The loss of one or more of key customers, if not replaced on similar terms, may have a material adverse effect on Valmet's business, financial position or results of operations.

Risks Related to Valmet's Financial Condition and Financing

Fluctuations in foreign exchange rates could have a material adverse effect on Valmet's business, financial position, results of operations and prospects.

Valmet is exposed to foreign exchange risk in several currencies. Substantial proportion of Valmet's net sales and costs are generated in euro, U.S. dollar, the Swedish krona and the Chinese yuan. The currency exchange rate impacts on Valmet's orders in 2023 came mainly from the Swedish krona, the Chinese yuan and U.S. dollar.

The principal forms of Valmet's risks associated with exchange rate fluctuations include transaction exposure and translation exposure. Foreign exchange transaction exposure arises when a subsidiary of Valmet has commercial or financial transactions and payments in another currency than its own functional currency and when related cash inflow and outflow amounts are not equal or concurrent. In accordance with Valmet's treasury policy, Valmet's subsidiaries are required to hedge in full the foreign currency exposures on consolidated statement of financial position and other firm commitments. Future cash flows denominated in a currency other than the functional currency of the subsidiary are hedged with internal forward exchange contracts with the treasury for periods that do not usually exceed two years. Valmet's subsidiaries also carry out hedging directly with the banks in countries where the regulation does not allow corporate internal cross-border contracts.

Foreign exchange translation exposure of Valmet arises when goodwill or fair value step ups, or equity of a subsidiary, is denominated in currency other than the functional currency of its respective parent company. This exposure may lead to translation differences in Valmet's consolidated equity. The major translation exposures of Valmet are in U.S. Dollar and Chinese yuan, which altogether comprised approximately 57 percent of the total equity exposure of Valmet in the financial year ended December 31, 2023. Valmet is not currently hedging any translation exposure.

Uncertainty in the economy is likely to increase exchange rate fluctuations. Exchange rate fluctuations may also weaken the cost competitiveness of Valmet's products as compared to its competitors' products that are manufactured in other currency areas. There can be no assurance that exchange rate fluctuations would not have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Valmet is exposed to liquidity risks.

Valmet's material liquidity needs mainly relate to short- and long-term debt servicing costs, capital expenditure, dividend and tax payments, corporate acquisitions, investments and changes in working capital. Valmet's primary sources of liquidity to meet these needs is cash flow from operations, funds available from credit facilities as well as cash and cash equivalents, which also include cash in hand and at banks as well as short-term deposits and investments. As at December 31, 2023, Valmet's cash and cash equivalents amounted to EUR 432 million and current interest-bearing financial assets amounted to EUR 25 million. In addition, Valmet also has a EUR 300 million committed revolving credit facility, which was undrawn as at December 31, 2023, committed overdraft limits of EUR 15 million, which were undrawn as at December 31, 2023, and a EUR 300 million uncommitted commercial paper program of which EUR 44 million was outstanding as at December 31, 2023.

Adverse developments in the general economic situation could have a significant effect on Valmet's ability to maintain its liquidity. In addition, disruptions in the supply chain may lead to an increase in inventories, which may affect Valmet's liquidity position. Decreased customer demand and investment appetite resulting from economic downturns or market volatility could have a negative impact on Valmet's sales and ability to maintain its operating cash flows. This could in turn lead to the depletion of its cash and cash equivalents reserves, resulting in the need to obtain further funding from markets. In the event of uncertainty and volatility in the financial markets, such financing may be unavailable at favorable terms or at all.

Materialization of any of the above factors could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Valmet is exposed to risks related to employee benefit plans and pension liabilities.

Valmet has various employee benefit schemes in accordance with local regulations and practices in different countries in which Valmet operates. Valmet has in certain countries employee benefit schemes that involve defined benefit plans with retirement, disability, death, and other post-retirement benefits, such as health benefits, and termination income benefits. Valmet's defined benefit plans are post-employment benefit plans other than defined contribution plans. In addition, certain entities within Valmet have multiemployer pension arrangements. In certain countries, the plans are defined benefit plans providing retirement, disability, death, and other post-employment benefits, termination and retirement lump sums. The retirement benefits are usually based on the number of service years and the salary levels of the final service years. Valmet has both defined contribution and defined benefit pension plans.

In the case of Valmet's defined benefit plans, the net defined benefit liability recognized from the plan is the present value of the defined benefit obligation as at end of the reporting period, reduced by the fair value of the plan assets. Independent actuaries calculate the defined benefit obligation by applying the projected unit credit method under which the estimated future cash flows are discounted to their present value using a duration specific discount rate. The cost of providing pension and other post-retirement benefits is charged by Valmet to profit or loss concurrently with the service rendered by the employees.

Valmet's most financially significant arrangements are in the United States, Canada and Sweden, which together represented 85 percent of Valmet's defined benefit obligations and 90 percent of Valmet's defined benefit plan assets as of December 31, 2023.

Valmet is exposed to various risks related to the defined benefit plans, including the risk of change in discount rates, actual investment returns being lower than assumed rates of return and the risk of results deviating from actuarial assumptions for areas such as mortality of plan participants. As at December 31, 2023, Valmet's defined benefit net liabilities amounted to EUR 146 million. If the costs of the defined benefit plans or the defined benefit net liabilities of Valmet increase significantly, that could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Failure to effectively manage credit and counterparty risk could have a material adverse effect on Valmet's business, financial position, results of operations and prospects.

Valmet's credit or counterparty risk is defined as the possibility of a customer, subcontractor or a financial counterparty not fulfilling its commitments towards Valmet. For example, some of Valmet's sales is financed through third-party financiers on behalf of the customers of Valmet, and deterioration of the creditworthiness of Valmet's customers or failure to meet the payment obligations may adversely affect customers' payment behavior and increase the risk of lawsuits, claims and disputes. Valmet's subsidiaries are primarily responsible for credit risks pertaining to sales and procurement activities. Valmet's subsidiaries assess the credit standing of their customers, by taking into account their financial position, past experience and other relevant factors. Valmet's treasury provides centralized services related to trade, project and customer financing and seeks to ensure that the principles of Valmet's treasury policy are adhered to with respect to terms of payment and required collateral.

Valmet's ability to manage its trade receivables exposure, customer financing, risk concentrations and financial counterparty-related risks depends on a number of factors, including its capital structure, market conditions affecting its counterparties, and its ability to mitigate exposure on acceptable terms. Counterparty risk, for which all open exposures such as cash at bank accounts, investments, deposits and other financial transactions, for example derivative contracts, are included, also arises from financial transactions agreed upon with banks, financial institutions and corporations. Valmet seeks to manage this risk by careful selection of banks and other counterparties and by applying counterparty specific limits and netting agreements. The compliance with financial counterparty limits is regularly monitored by the management.

Valmet may fail in managing the risks related to its trade receivables exposure, customer financing, risk concentrations or financial counterparties, which could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Valmet may encounter difficulties in refinancing its debt and financing its operations at competitive terms.

As at December 31, 2023 and 2022, Valmet's interest-bearing liabilities, excluding lease liabilities, were EUR 1,343 million and EUR 710 million, respectively. Liquidity or refinancing risk arises when a company is not able to arrange funding at terms and conditions corresponding to its creditworthiness. The terms of financing available for Valmet in the future will be affected by the development of Valmet's business. Exceptional financial market conditions could also lead to increased costs and weaker availability of external financing, which is needed in order to carry out Valmet's business. Failures in the efficient management of capital, including breaches of financial covenants contained in financing arrangements and agreements or negligence related to Valmet's financing arrangements, could result in premature termination of financing agreements or acceleration of credits and other financing arrangements. Such failures could also result in the triggering of cross default clauses in other loan or financing arrangements of Valmet, which could lead to premature acceleration of these other loan or financing arrangements. This could also hinder the availability of financing for Valmet and distress its liquidity and capital structure. Such events could prevent Valmet from maintaining its target equity to asset ratio, impair its ability to make necessary investments required to maintain and develop its operations, and could ultimately lead to financial distress or insolvency.

Materialization of any of the above factors could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Fluctuations in interest rates could have a material adverse effect on Valmet's business, financial position, results of operations and prospects.

Changes in market interest rates and interest margins may affect Valmet's financing costs, returns on financial investments and market valuation of interest-bearing liabilities. As at December 31, 2023 and 2022, Valmet's interest-bearing liabilities, excluding lease liabilities, were EUR 1,343 million and EUR 710 million, respectively, and of which 37 percent and 30 percent, respectively, carried a fixed interest rate. As at December 31, 2023, the average duration of Valmet's long-term debt was 1.3 years. There can be no assurance that interest rate fluctuations would not have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Valmet's actual tax benefits or tax liabilities may be materially different from estimates or expectations and Valmet may be unable to fully utilize its deferred tax assets and Valmet may be subjected to reversals or reassessments of tax liabilities under transfer pricing regulations.

In estimating Valmet's income tax payable, Valmet's management uses accounting principles to determine income tax positions that are expected to be sustained by applicable tax authorities. However, there can be no assurance that Valmet's final tax benefits or tax liability would not materially differ from its estimates or expectations. Due to the international nature of its business, Valmet is subject to tax laws, regulations, such as transfer pricing regulations, and interpretations of several jurisdictions. The tax legislation, regulations and interpretations that apply to Valmet's operations are continually changing, and changes may also be applicable retroactively. Future tax benefits and liabilities are dependent on factors that are inherently uncertain and subject to change, including future earnings, future tax rates, and future operations in the various jurisdictions in which Valmet operates.

As at December 31, 2023 and 2022, the recorded deferred tax assets of Valmet were EUR 90 million and EUR 60 million, respectively, and the deferred tax liabilities EUR 283 million and EUR 238 million, respectively. Valmet's ability to generate taxable income is also partially subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control. If lower taxable incomes than the amounts Valmet has assumed in determining its deferred tax assets are generated, then the value of its deferred tax assets could be reduced, which could have a material adverse effect on Valmet's business, financial position and results of operations. In addition, the amount of Valmet's deferred taxes would be changed if corporate tax rates were changed in the countries where the group is located.

Valmet's tax returns are continually subject to review by the competent tax authorities, in addition to which Valmet may be subject to tax or administrative audits in different jurisdictions according to the rules applicable to them. In the audits, the tax authorities determine the amounts of taxes payable or receivable, of any future tax benefits or liabilities and of income tax expenses that Valmet may ultimately recognize. Such taxation decisions will become final and binding on Valmet unless changed in potential adjustment or appeal processes. Unforeseen costs may also arise from protectionist government policies resulting in sudden changes to tax laws or interpretations of laws concerning the operations of foreign companies in certain countries, which would be detrimental to Valmet. The actions of tax authorities in different jurisdictions and government policies may lead to conflicting interpretations by tax authorities in different jurisdictions, and could increase the risk of multiple taxation as well as costly disputes concerning the taxation of Valmet, its subsidiaries or taxable permanent establishments. Resulting increases in Valmet's tax liabilities could have a material adverse impact on the profitability of Valmet's significant operations, and thus result in decreased results of operations at the group level.

According to the transfer pricing regulation, companies must conclude any intra-group transactions on an arm's length basis and provide sufficient documentation thereof in accordance with applicable rules of the relevant jurisdictions. Valmet conducts intra-group transactions between legal entities located in the different countries. Therefore, Valmet may be exposed to the transfer pricing risks, as authorities may question the conformance of the transfer pricing rules Valmet follows in its operations. Valmet has been and may in the future become subject to tax and administrative audits, and Valmet's tax liability may be revised in accordance with an inspection or audit carried out by the competent authorities. There can, however, be no guarantee that Valmet would not be subjected to reassessment decisions in the future, or that such decisions would be reversed.

Materialization of any of the above factors could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Valmet's actual custom liabilities or customs related costs may be materially different from estimates or expectations.

Valmet may be subject to customs audits in different jurisdictions according to the rules applicable to them. These audits may target the accounts and other business records of Valmet after the import or export transaction has been finalized. In the customs audits, the customs authorities check the correctness of the customs declaration, determine the amount of customs payable and may impose additional duty payments, fines and penalties. The actions of customs authorities in different jurisdictions and government policies may lead to customs related adjustments. Valmet has procedures and policies aimed at ensuring compliance with customs requirements in all countries where they operate, whether in import, transit, or export of goods. Valmet has, from time to time, been audited by custom officials and subject to non-substantial additional duty payments, fines and penalties.

Resulting increases in Valmet's customs related costs, could have a material adverse impact on the profitability of Valmet's significant operations, and thus result in decreased results of operations. Materialization of any of the above factors could have a material adverse effect on the business, financial position, results of operations or future prospects of Valmet.

Changes in assumptions, estimates or discretion underlying the carrying amounts of certain assets could result in impairment of such assets, including intangible assets such as goodwill.

As at December 31, 2023 and 2022, Valmet had EUR 1,735 million and EUR 1,611 million, respectively, of goodwill recognized on its balance sheet. Valmet assesses the carrying value of its goodwill for impairment annually, or more frequently if facts and circumstances indicate that carrying value may not be recoverable. Other intangible assets and property, plant and equipment are amortized or depreciated over their useful lives and tested for impairment when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

Impairment testing is based on a number of estimates. The valuation of goodwill is inherently judgmental and subject to change from period to period because it requires management to make assumptions on the discount rate used, the terminal growth rate and about future supply and demand related to its individual business units, future sales prices and achievable cost levels. Significant changes in net sales or cost items, cash flow projections, discount rates or growth rates based on Valmet's strategic plans could result in impairments of goodwill or other assets, which would lower Valmet's results. Also, other events or circumstances, such as increasing financial uncertainty, increasing competition and other factors leading to declining sales or profitability, could result in an impairment of goodwill or other assets. Intangible assets, such as recognized trademarks, technology, customer relationship and order backlog are particularly susceptible to impairments. In the event that a particular intangible asset would no longer be subject to a reasonable expectation of income due to, for example, technological developments that would render the product obsolete, this could result in a write-down of the intangible assets, which may have a material adverse impact on Valmet's results of operations. If Valmet's management's discretion, assumptions or estimates or market conditions change, the estimate of the recoverable amount of goodwill and other tangible assets and intangible assets or the net realization value of inventories could decline significantly, causing impairments. There can be no assurance that Valmet will not be required to record impairments in the value of goodwill, other intangible assets or property, plant and equipment in the future.

The timing of the revenue recognition of long-term capital projects and long-term service contracts could cause Valmet's result to fluctuate.

Valmet recognizes revenue from long-term capital projects and long-term service contracts over time. The progress towards complete satisfaction of the performance obligation is determined based on the cost-to-cost method, where accumulated costs for the projects are compared with estimated total costs. The cost-to-cost method involves the use of significant management judgment related to estimated costs of the projects and contracts and assessing the stage of completion.

The amount of revenue recognized for the long-term capital projects and long-term service contracts may increase or decrease from one period to another due to changes in conditions and circumstances over time, such as modifications and scope changes to the original contract due to changes in client specifications or uncertainties and risks relating to assumptions utilized in the estimation of project cost, components delays, overruns or other circumstances that impacts the project cost of completion, among others. Since the overall costs arising from long-term capital projects and long-term service contracts are based on estimates, the timing on which percentage-of-completion projects are recognized as income is highly dependent on the success of these estimates. Additionally, a change in cost estimates may affect already recognized income. When it becomes known that the total expenses of long-term capital projects and long-term service contracts will exceed its total income, the loss is recognized as an expense immediately.

Changes in cost estimates and the timing of the revenue recognition of the long-term capital projects and long-term service contracts could cause Valmet's result to fluctuate from one reporting period to another. Revenue recognition has a direct effect on the result for the period in question.

Risks Related to the Notes

Investors are exposed to credit risk in respect of the Issuer and may lose their investment in the Notes.

Investors in the Notes carry a credit risk relating to the Issuer. The payments by the Issuer to investors under the Notes will, therefore, be dependent on the Issuer's ability to meet its payment obligations, which in turn is to a large extent dependent on developments in the Issuer's business and financial performance.

An increased credit risk may cause the market to charge the Notes a higher risk premium, which could affect the value of the Notes negatively. Another aspect of the credit risk is that a deteriorating financial condition of the Issuer may reduce the Issuer's possibility to receive debt financing at the time of the maturity of the Notes and such debt financing might be needed for the Issuer to be able to meet its payment obligations under the Notes. In addition, should the Issuer become insolvent during the term of the Notes, an investor may forfeit interest payable on, and the principal amount of, the Notes in whole or in part.

The Notes constitute unsecured obligations of the Issuer.

The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer. The Notes are not guaranteed by any person or entity. No one other than the Issuer will accept any liability in respect of any failure by the Issuer to pay any amount due under the Notes.

This means that in the event of bankruptcy, reorganization or winding-up of the Issuer, the Noteholders normally receive payment after any priority creditors have been fully paid. Accordingly, the prospects of the Issuer may adversely affect the liquidity and the market price of the Notes and may increase the risk that the Noteholders will not receive prompt and full payment, when due, for interest, principal and/or any other amounts payable to the Noteholders pursuant to the Notes from time to time.

There is currently no public market for the Notes and if an active trading market for the Notes does not develop or is not maintained, it could have a material adverse effect on the market price of the Notes.

The Notes constitute a new issue of securities by the Issuer. Prior to the contemplated Listing on Nasdaq Helsinki, there is no public market for the Notes. Although an application will be made to list the Notes on Nasdaq Helsinki, no assurance can be given that such application will be approved within the contemplated timeframe, or at all. In addition, the Listing will not guarantee that a liquid public market for the Notes will develop, and even if such a market were to develop, neither the Issuer nor the Joint Lead Managers are under any obligation to maintain such market. The liquidity and the market price of the Notes can be expected to vary with changes in market and economic conditions, the financial position and prospects of the Issuer and many other factors that generally influence the market prices of securities. Such factors may significantly affect the liquidity and the market price of the Notes, which may trade at a discount to the price at which the Noteholders purchased the Notes.

If an active trading market for the Notes does not develop or is not maintained, it could have a material adverse effect on the market price of the Notes. Further, Noteholders may not be able to sell their Notes at all or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Moreover, if additional and competing capital markets products are introduced in the markets, it could have a material adverse effect on the market price of the Notes.

The Notes may not be a suitable investment for all investors seeking exposure to green assets.

As specified in the Terms and Conditions, the Issuer shall use the proceeds from the issue of the Notes, less costs and expenses incurred by the Issuer in connection with the issue of the Notes in accordance with the Issuer's Green Finance Framework. For further information, see "*Green Finance Framework*." No representation or assurance is given by the Issuer or the Joint Lead Managers that such use of proceeds will satisfy any present or future investment criteria or guidelines with which such investor or its investments are required or intend to comply, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses, the subject of or related to, the Green Finance Framework (including in relation to the Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment and any related technical screening criteria (the "**EU Taxonomy Regulation**"), the Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (the "**EU Green Bond Regulation**"), Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("**SFDR**"), and any implementing legislation and guidelines, or any similar legislation).

If the Notes are listed or admitted to trading on any dedicated "green," "environmental," "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), or are included in any dedicated "green," "environmental," "sustainable" or other equivalently-labelled index or indices, no representation or assurance is given by the Issuer, any of the Joint Lead Managers or any other person that such listing or admission, or inclusion in such index or indices, satisfied, whether in whole or in part, any present or future investor expectations or requirements as regard any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any eligible green projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another and also the criteria for inclusion in such index or indices may vary from one index to another. Nor is any representation or assurance given or made by the Issuer, the Joint Lead Managers or any other person that any such listing or admission to trading, or inclusion in such index or indices, will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading, or inclusion in such index or indices, will be maintained during the life of the Notes.

No representation or assurance is given by the Issuer or the Joint Lead Managers that any eligible projects or assets described in the Green Finance Framework will meet any or all present or future investor expectations or requirements regarding such "green," "sustainable," "social" or similar labels (including in relation to the EU Taxonomy Regulation and any related technical screening criteria, the EU Green Bond Regulation, SFDR, and any implementing legislation and guidelines, or any similar legislation) or any requirements of such labels as they may evolve from time to time, nor can any assurance be given that there will be no adverse environmental or other impacts during the implementation of, or otherwise attributable to, any eligible projects or assets described in the Green Finance Framework. The Notes will not be compliant with the EU Green Bond Regulation and are only intended to comply with the requirements and processes in the Green Finance Framework. It is not clear if the establishment of the EuGB label and the optional disclosures regime for bonds issued as "environmentally sustainable" under the EU Green Bond Regulation could have an impact on investor demand for, and pricing of, green use of proceeds bonds that do not comply with the requirements of the EuGB label or the optional disclosures regime, such as the Notes. It could result in reduced liquidity or lower demand or could otherwise affect the market price of the Notes that do not comply with those standards proposed under the EU Green Bond Regulation.

There can be no assurance that any eligible projects and assets described in the Green Finance Framework will be available or capable of being implemented in the manner set out in the Green Finance Framework, nor can there be any assurance that any eligible projects and assets described in the Green Finance Framework will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Issuer and that, accordingly, the proceeds from the issue of the Notes will be totally or partially disbursed for such eligible projects and assets, and there is a risk that the investors will not have appropriate or timely remedies, or any remedies at all, available in any such event or failure. Any failure to use the proceeds from the issue of the Notes for eligible projects and assets, and/or any failure to meet, or continue to meet, the investment requirements of certain investors with respect to the Notes, may affect the value and/or market price of the Notes, and/or may have consequences for certain investors with investment criteria, which may cause one or more of such investors to dispose of the Notes held by them which may affect the value, market price and/or liquidity of the relevant Notes.

The third-party opinions and post-issuance reviews on the Green Finance Framework may not be deemed reliable on an ongoing basis.

ISS ESG has provided the Issuer with a third-party second opinion confirming the alignment of the Green Finance Framework with the Green Bond Principles published by the International Capital Markets Association ("**ICMA**") and with the Green Loan Principles published by the Loan Market Association ("**LMA**"), Asia Pacific Loan Market Association ("**APLMA**") and the Loan Syndications and Trading Association ("**LSTA**") (the "**Second Party Opinion**"). Furthermore, the allocation of proceeds under the Green Finance Framework is subject to an external auditor's review (at least limited assurance) annually until full allocation or if material re-allocation is done for already allocated amounts. For further information, see "*Green Finance Framework*." The provider of the Second Party Opinion is not responsible for the implementation of the Green Finance Framework, nor following up on the investments made under the Green Finance Framework and thus, the opinion and the post-issuance reviews may be misleading on an ongoing basis. Furthermore, the Second Party Opinion and post-issuance reviews will only be current on the date of issue and could be deemed irrelevant at a later stage. The providers of such post-issuance reviews and the Second Party Opinion might not be subject to any supervision or regulatory regime and there is a risk that they will be deemed as not being reliable or objective in the future. There is a risk that the Green Finance Framework or the use of proceeds of the issue of the Notes will not satisfy any and all present or future investors as regards any investment criteria or guidelines which such investor or its investments are required to comply with.

No assurance or representation is given by the Issuer or the Joint Lead Managers as to the suitability or reliability for any purpose whatsoever of any opinion, including the Second Party Opinion, or certification of any third party, which may be made available in connection with such Notes and, in particular, with any eligible green projects to fulfil any environmental, sustainability, social and/or other criteria.

Neither of the Joint Lead Managers will verify or monitor the proposed use of proceeds of the Notes. Any failure to apply an amount equal to the net proceeds of the Notes to eligible green projects as aforesaid and/or withdrawal or amendment of any external party opinion or certification, and/or the amendment of any criteria on which such opinion or certification was given, or any such external party opinion or certification stating that the Issuer is not complying or fulfilling relevant criteria, in whole or in part, with respect to any matters for which such opinion or certification is opining or certifying and/or such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid, may have a material adverse effect on the value of such Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Neither the Issuer nor the Notes are rated.

The Issuer has no ratings solicited by it. Further, the Notes are currently not rated by any rating agency. Accordingly, investors are not able to refer to any independent credit rating when evaluating factors that may affect the value of the Notes. The absence of a rating may reduce the liquidity of the Notes as investors often base part of their decision to buy debt securities on credit ratings. The absence of a rating may also increase the borrowing costs of the Issuer. Furthermore, unrated notes may not be eligible for purchases for all institutions, and any absence of purchases may adversely affect the demand for the Notes in both primary and secondary markets, which could lower the overall liquidity of the Notes. A decrease in the liquidity of the Notes, in turn, may adversely affect the pricing of the Notes.

The Notes carry no voting rights at the Issuer's general meetings of shareholders.

The Notes carry no voting rights with respect to the general meetings of shareholders (the "**General Meeting of Shareholders**") of the Issuer. Consequently, in the Issuer's General Meetings of Shareholders, the Noteholders cannot influence any decisions by the Issuer to redeem the Notes or any decisions by the Issuer's shareholders concerning, for instance, the capital structure of the Issuer, which could affect the Issuer's ability to make payments under the Notes.

The Issuer is not obliged to compensate for withholding tax or similar on the Notes.

In the event any withholding tax, public levy or similar is being imposed in respect of payments to Noteholders on amounts due pursuant to the Notes, the Issuer is not obliged to gross-up or otherwise compensate the Noteholders for the lesser amounts the Noteholders will receive as a result of the impositions of withholding tax or similar. Furthermore, the Noteholders do not have any right to premature redemption of the Notes based on the same.

Risks Related to the Terms and Conditions

The Notes do not, as a rule, contain covenants on the Issuer's financial standing or operations and do not limit its ability to merge, demerge, effect asset sales or otherwise effect significant transactions that may have a material adverse effect on the Notes and the Noteholders.

As a rule, the Notes do not contain provisions designed to protect Noteholders from a reduction in the creditworthiness of the Issuer. In particular, the Terms and Conditions do not, except as set forth in Condition 9 (*Change of Control*) and Condition 11 (*Events of Default*) of the Terms and Conditions, which grant the Noteholders the right of repayment of the Notes in certain limited circumstances, restrict the Issuer's ability to enter into a merger as a receiving entity, partial demerger, asset sale or other significant transaction that could materially alter the Issuer's existence, legal structure of organization or regulatory regime and/or its composition and business. In the event the Issuer was to enter into any such transaction, the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes may be materially and adversely affected.

The Issuer may issue additional debt and/or grant security.

Except for as set out in Condition 10 (*Negative Pledge*) of the Terms and Conditions, the Issuer is not prohibited from issuing further notes or incurring other debt ranking *pari passu* or senior to the Notes or restricted from granting any security on any existing or future debts. Issuance or incurrence of further debt or granting of security may reduce the amount recoverable by the Noteholders upon the winding-up or insolvency of the Issuer, which could have an adverse effect on the Issuer's ability to fulfil its obligations under the Notes as well as on the market price and value of the Notes.

Since the Notes bear a fixed interest rate, their price may fall as a result of changes in the market interest rates.

The Notes bear interest on their outstanding principal at a fixed interest rate. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security could fall as a result of changes in the market interest rates. Market interest rates follow the changes in general economic conditions and are affected by, among many other things, demand and supply for money, liquidity, inflation rate, economic growth, central banks' benchmark rates and expectations of future interest rates.

While the nominal compensation rate of a security with a fixed interest rate is fixed during the term of such security or during a certain period of time, current interest rates on capital markets (market interest rates) typically change continuously. In case market interest rates increase, the market price of such a security typically falls. If market interest rates fall, the price of a security with a fixed interest rate typically increases. Consequently, the Noteholders should be aware that movements of market interest rates may result in a material decline in the market price of the Notes and can lead to losses for the Noteholders if they sell the Notes.

The Issuer using its right or being obligated to redeem and purchase the Notes prior to maturity may have an adverse effect on the Issuer and on any Notes outstanding.

As specified in the Terms and Conditions, the Noteholders are entitled to demand premature repayment of the Notes in cases specified in Condition 9 (*Change of Control*) and Condition 11 (*Events of Default*) of the Terms and Conditions. Such premature repayment may have an adverse effect on the Issuer's financial condition and prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes towards such Noteholders who elect not to exercise their right to have their Notes prematurely repaid as well as on the market price and value of such Notes.

Furthermore, if more than 75 percent of the aggregate principal amount of the Notes has been repaid pursuant to demands by Noteholders due to a change of control of the Issuer, the Issuer is entitled to prepay also the remaining outstanding Notes together with any accrued but unpaid interest by notifying the relevant Noteholders of such prepayment as specified in Condition 9 (*Change of Control*) of the Terms and Conditions. The Issuer is also entitled, as specified in Condition 6.3 (*Clean-up Call Option*) of the Terms and Conditions, to redeem the remaining outstanding Notes at their nominal principal amount together with any accrued but unpaid interest by notifying the Noteholders of such redemption, if at any time the aggregate principal amount of the outstanding Notes is 25 percent or less.

Moreover, the Issuer may redeem the Notes at any time prior to maturity in whole but not in part as specified in Condition 6.2 (*Voluntary Total Redemption*) of the Terms and Conditions. In case the date of the voluntary total redemption is on or after the date falling three months prior to the Redemption Date, the redemption price is 100 percent of the outstanding principal amount of the Notes plus accrued but unpaid interest. In case the date of the voluntary total redemption is before the date falling three months prior to the Redemption Date, the redemption price is the Make-Whole Redemption Amount (as defined below) calculated in accordance with Condition 6.2 (*Voluntary Total Redemption*) of the Terms and Conditions plus accrued but unpaid interest. Although the Make-Whole Redemption Amount payable in case the date of the voluntary total redemption is before the date falling three months prior to the Redemption Date is designated to avoid the incurrence of losses by the Noteholders, any such early redemption initiated by the Issuer may incur financial losses or damage, among other things, to such Noteholders who had prepared themselves to have the amount of the Notes invested until the contractual final maturity of the Notes and may be incapable of reinvesting the redemption amount at a yield comparable to that offered by the Notes or to projects and/or securities meeting investment criteria or guidelines such investor or its investments are required or intend to comply, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses.

In addition, as specified in Condition 18 (*Purchases*) of the Terms and Conditions, the Issuer may at any time purchase the Notes from the secondary market in any manner and at any price prior to maturity. Only if such purchases are made by tender, such tender must be available to all Noteholders alike subject only to restrictions arising from mandatory securities laws. The Issuer is entitled to cancel, dispose of or hold the purchased Notes at its discretion. Consequently, a Noteholder offering Notes to the Issuer in connection with such purchases may not receive the full invested amount. Furthermore, a Noteholder may not have the possibility to participate in such purchases. The purchases – whether by tender or otherwise – may have a material adverse effect on such Noteholders who do not participate in the purchases as well as on the market price and value of such Notes.

During any period when the Issuer may elect to redeem the Notes, the market value of the Notes may not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Amendments to the Terms and Conditions bind all Noteholders.

The Terms and Conditions may be amended in certain circumstances with the required consent of a defined majority of the Noteholders. The Terms and Conditions contain provisions, such as Condition 13 (*Noteholders' Meeting and Procedure in Writing*), for the Noteholders to convene and attend Noteholders' meetings or to initiate procedures in writing to consider and vote upon matters affecting their interests generally. Resolutions passed at such meetings or procedures in writing will bind all Noteholders, including those who did not attend and vote at the relevant meeting or procedure in writing and those who voted in a manner contrary to the majority. This may incur financial losses, among other things, to all Noteholders, including those who did not attend and vote at the relevant meeting or participate in the procedure in writing and those who voted in a manner contrary to the majority.

The right to receive payments under the Notes is subject to time limitations.

Under Condition 16 (*Prescription*) of the Terms and Conditions, if any payment under the Notes has not been claimed by the respective Noteholder within three years from the relevant due date thereof, the right to such payment shall become permanently forfeited. Such forfeiture to receive payment may cause financial losses to such Noteholders who have not claimed payment under the Notes within the time limit of three years.

GENERAL INFORMATION

Issuer

Valmet Corporation
Keilasatama 5
FI-02150 Espoo
Finland

Joint Lead Managers for the Issue of the Notes

Danske Bank A/S
Kasarmikatu 21 B
FI-00130 Helsinki
Finland

Nordea Bank Abp
Satamaradankatu 5
FI-00500 Helsinki
Finland

Legal Adviser

White & Case LLP
Aleksanterinkatu 44
FI-00100 Helsinki
Finland

Auditor

PricewaterhouseCoopers Oy
Itämerentori 2
FI-00180 Helsinki
Finland

Responsibility Statement

This Listing Prospectus has been prepared by the Issuer and the Issuer accepts responsibility regarding the information included in this Listing Prospectus. To the best of the Issuer's knowledge, the information contained in this Listing Prospectus is in accordance with the facts and this Listing Prospectus makes no omission likely to affect its import.

Forward-looking Statements

This Listing Prospectus contains forward-looking statements about Valmet's business that are not historical facts, but statements about future expectations. When used in this Listing Prospectus, the words "aims," "anticipates," "assumes," "believes," "could," "estimates," "expects," "intends," "may," "plans," "should," "will," "would" and similar expressions as they relate to Valmet or Valmet's management identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements are set forth in a number of places in this Listing Prospectus regarding the future results, plans and expectations with regard to Valmet's business, and on growth, profitability and the general economic conditions to which Valmet is exposed.

These forward-looking statements are based on Valmet's present plans, estimates, projections and expectations. They are based on certain expectations, which, even though they seem to be reasonable at present, may turn out to be incorrect. Such forward-looking statements are based on assumptions and are subject to various risks and uncertainties. Prospective investors should not unduly rely on these forward-looking statements. Numerous factors may cause actual results, realized revenues or performance to differ materially from the results, revenues and performance expressed or implied in the forward-looking statements of Valmet. See "*Risk Factors*" for information on factors that could cause Valmet's actual results of operations, performance or achievements to differ materially.

Valmet expressly disclaims any obligation to update forward-looking statements or to adjust them in light of future events or developments, save as required by law or regulation.

Market Information

This Listing Prospectus contains estimates regarding the market position of Valmet. Such information is prepared by Valmet based on third-party sources and Valmet's own internal estimates. In many cases, there is no publicly available information on such market data. Valmet believes that its estimates of market data and information derived therefrom are helpful in order to give investors a better understanding of the industry in which it operates as well as its position within this industry. Although Valmet believes that its internal market observations are fair estimates, they have not been reviewed or verified by any external experts and Valmet cannot guarantee that a third-party expert using different methods would obtain or generate the same results.

Availability of Documents

This Listing Prospectus will be published on Valmet's website at *www.valmet.com/investors* on or about March 14, 2024. In addition, this Listing Prospectus will be available on request from the debt capital markets units of Danske Bank and Nordea.

No Incorporation of Website Information

For the avoidance of doubt, other than the parts of the documents incorporated by reference and specified in "*Documents Incorporated by Reference*," this Listing Prospectus and any prospectus supplement published on the Issuer's website, the contents of the Issuer's website or any other website do not form a part of this Listing Prospectus, and prospective investors should not rely on such information in making their decision to invest in the Notes.

Notice to Investors

Each Joint Lead Manager has represented, warranted and undertaken, and each further Joint Lead Manager appointed will be required to represent, warrant and undertake, that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Listing Prospectus or any related offering material, in all cases at its own expense. Other persons into whose hands this Listing Prospectus comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Listing Prospectus or any related offering material, in all cases at their own expense.

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

  (ii) a customer within the meaning of the Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Prohibition of Sales to UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Listing Prospectus to any retail investor in the UK. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

  (i) a retail client, as defined in point (8) of Article 2 of EUWA; or

  (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Notice to Prospective Investors in the United States

The Notes have not been, and will not be, registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act. Terms used in this paragraph and not otherwise defined herein the preceding sentence have the meanings given to them by Regulation S.

Notice to Prospective Investors in the UK

The Listing Prospectus may only be distributed to, and is directed at (a) persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (b) high net worth entities falling within article 49(2)(a) to (d) of the Order, or (c) other persons to whom it may be lawfully communicated, falling within article 49(1) of the Order (all such persons together being referred to as "**relevant persons**"). Any person who is not a relevant person should not act or rely on this document or any of its contents.

The Notes May Not be a Suitable Investment for All Investors

Each prospective investor in the Notes should determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that investment in the Notes is consistent with its financial needs, objectives and condition, complies and is consistent with the investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the material risks inherent in investing in or holding the Notes.

A prospective investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or referred to in this Listing Prospectus;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the effect that the Notes can have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;

(iv) understand fully the terms of the Notes and be familiar with the behavior of any relevant financial market; and

(v) be able to evaluate (either on its own or with the help of its financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of the Noteholders may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential Noteholder should consult their legal advisers to determine whether and to what extent (i) the Notes are legal investments for them, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to their purchase or pledge of any of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules. There is a risk that investors in certain jurisdictions may be subject to restrictions or limitations that may affect the value of their investment.

Completion of Transactions Relating to the Notes is Dependent on Euroclear Finland's Operations and Systems

The Notes are issued in the book-entry securities system of Euroclear Finland. Pursuant to the Finnish Act on Book-entry System and Clearing Activities, the Notes will not be evidenced by any physical note or document of title other than statements of account made by Euroclear Finland or its account operator. The Notes are dematerialized securities and title to the Notes is recorded and transfers of the Notes are perfected only through the relevant entries in the book-entry system and registers maintained by Euroclear Finland and its account operators. Therefore, timely and successful completion of transactions relating to the Notes, including but not limited to transfers of, and payments made under, the Notes, depend on the book-entry securities system being operational and that the relevant parties, including but not limited to the payment transfer bank and the account operators of the Noteholders, are functioning when transactions are executed. Any malfunction or delay in the book-entry securities system or any failure by any relevant party may result in the transaction involving the Notes not taking place as expected or being delayed, which may cause financial losses or damage to the Noteholders whose rights depended on the timely and successful completion of the transaction.

The Issuer or any other third party will not assume any responsibility for the timely and full functionality of the book-entry securities system. Payments under the Notes will be made in accordance with the laws governing the book-entry securities system, the rules of Euroclear Finland and the Terms and Conditions. For purposes of payments under the Notes, it is the responsibility of each Noteholder to maintain with its respective book-entry account operator up to date information on applicable bank accounts.

Legislative Amendments May Take Place During the Term of the Notes

The Notes are governed by the laws of Finland, as in force from time to time. Finnish laws and regulations, including, but not limited to, tax laws and regulations, governing the Notes may change during the term of the Notes and new judicial decisions can be given and new administrative practices can be implemented. The Issuer makes no representations as to the effect of any such changes of laws or regulations, or new judicial decisions or administrative practices after the date of this Listing Prospectus.

TERMS AND CONDITIONS OF THE SENIOR UNSECURED GREEN NOTES

VALMET CORPORATION EUR 200 MILLION 4.000 PERCENT GREEN NOTES DUE 2029

ISIN CODE: FI4000567094

The Board of Directors of Valmet Corporation (the "**Issuer**") has in its meetings on February 7, 2024, and February 27, 2024, authorized the certain management members of the Issuer to decide on the issue of senior unsecured green notes (the "**Notes**") referred to in Paragraph 1 of Section 34 of the Act on Promissory Notes (622/1947, as amended, Fi: *velkakirjalaki*). Based on such authorization, the Issuer has decided to issue the Notes on the terms and conditions specified below.

Danske Bank A/S and Nordea Bank Abp will act as joint lead managers in connection with the offer and issue of the Notes (the "**Joint Lead Managers**").

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

Solely for the purposes of the product governance requirements set forth in Directive 2014/65/EU (as amended, the "**MiFID II**"), the target market assessment made by the Issuer for the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; (ii) the negative target market for the Notes is clients that seek full capital protection or full repayment of the amount invested, are fully risk averse/have no risk tolerance or need a fully guaranteed income or fully predictable return profile, and (iii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into consideration the Issuer's target market assessment, however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the Issuer's target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in point (e) of Article 2 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**"), for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

1. PRINCIPAL AMOUNT AND ISSUANCE OF THE NOTES

The maximum principal amount of the Notes is 200 million euros (EUR 200,000,000) or a higher Issuer decides to increase the maximum principal amount of the Notes. The Issuer may later create and issue further notes having the same terms and conditions as the Notes, as further set out below under Condition 19 (*Further Issues of Notes*).

The Notes will be issued in a dematerialized book-entry form in the CSD system defined in the rules and decisions of Euroclear Finland Ltd ("**Euroclear Finland**") (the "**CSD System**"), address Urho Kekkosen katu 5 C, FI-00100 Helsinki, Finland (or any system replacing or substituting the CSD System in accordance with the rules and decisions of Euroclear Finland) in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the rules and decisions of Euroclear Finland. The Notes cannot be physically delivered. The issue date of the Notes is March 13, 2024 (the "**Issue Date**").

The Notes will be offered for subscription in a minimum amount of one hundred thousand euros (EUR 100,000). The principal amount of each book-entry unit (Fi: *arvo-osuuden yksikkökoko*) is one hundred thousand euros (EUR 100,000). The aggregate number of the Notes is two thousand (2,000) or a higher number if the Issuer decides to increase the maximum principal amount of the Notes. Each Note will be freely transferable after it has been registered into the respective book-entry account.

Danske Bank A/S, Finland Branch shall act as the issuer agent (Fi: *liikkeeseenlaskijan asiamies*) of the Notes referred to in the rules of Euroclear Finland (the "**Issuer Agent**") and as the paying agent of the Notes (the "**Paying Agent**").

2. SUBSCRIPTION OF THE NOTES

The subscription period shall commence and end on March 6, 2024 (the "**Subscription Date**").

The Notes shall be offered for subscription to professional clients and eligible counterparties within the meaning of Directive 2014/65/EU "MiFID II" subject to relevant selling restrictions, through a book-building procedure (*private placement*). The Notes may not be issued to retail clients under MiFID II.

Bids for subscription shall be submitted during regular business hours to (i) Danske Bank A/S c/o Danske Bank A/S, Finland Branch, Kasarmikatu 21 B, FI-00075 DANSKE BANK, Finland, tel. +358 10 546 2070; or (ii) Nordea Bank Abp, Satamaradankatu 5, FI-00020 NORDEA, Finland, tel. +358 9 369 50880.

Subscriptions made are irrevocable. All subscriptions remain subject to the final acceptance by the Issuer. The Issuer may, in its sole discretion, reject a subscription in part or in whole. The Issuer shall decide on the procedure in the event of over-subscription. After the final allocation and acceptance (or rejection) of the subscriptions by the Issuer each investor that has submitted a subscription shall be notified by the Joint Lead Managers whether and, where applicable, to what extent such subscription is accepted.

Subscriptions shall be paid for as instructed in connection with the subscription. Notes subscribed and paid for shall be created by Euroclear Finland and routed by the Issuer Agent to the book-entry securities system to be recorded to the respective book-entry accounts of the subscribers on a date advised in connection with the issuance of the Notes in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the rules and decisions of Euroclear Finland.

3. USE OF PROCEEDS

The Issuer shall use the proceeds from the issue of the Notes, less costs and expenses incurred by the Issuer in connection with the issue of the Notes in accordance with the Issuer's Green Finance Framework.

In these terms and conditions, "**Green Finance Framework**" shall mean the Issuer's green finance framework published on the website of the Issuer on March 1, 2024 (as amended from time to time).

4. ISSUE PRICE

The issue price of the Notes is 99.871 percent of the principal amount of the Notes.

5. INTEREST

The Notes bear fixed interest at the rate of 4.000 percent per annum.

The interest on the Notes will be paid annually in arrears commencing on March 13, 2025, and thereafter annually on each March 13 (each an "**Interest Payment Date**") until the Notes have been repaid in full. Interest shall accrue for each interest period from (and including) the first day of the interest period to (but excluding) the last day of the interest period on the principal amount of Notes outstanding from time to time. The first interest period commences on the Issue Date and ends on the first Interest Payment Date. Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date (each an "**Interest Period**"). The last Interest Period ends on the earlier of the date when the Notes have been repaid in full or the Redemption Date.

Interest in respect of the Notes will be calculated on the basis of the actual number of days elapsed in the relevant interest period divided by 365 (or, if any portion of the interest period falls in a leap year, 366) (actual / actual ICMA).

6. REDEMPTION

6.1 Redemption at Maturity

The Notes shall be repaid in full at their nominal principal amount on March 13, 2029 (the "**Redemption Date**"), unless the Issuer has prepaid or redeemed the Notes in accordance with Condition 6.2 (*Voluntary Total Redemption*), Condition 6.3 (*Clean-up Call Option*), Condition 9 (*Change of Control*) or Condition 11 (*Events of Default*) below.

6.2 Voluntary Total Redemption

The Issuer may, at any time, having given not less than ten (10) nor more than sixty (60) calendar days' notice (an "**Optional Redemption Notice**") to the Issuer Agent and to the holders of the Notes (the "**Noteholders**") in accordance with Condition 14 (*Notices and Right to Information*) (which notice shall be irrevocable (other than in the circumstances set out below) and specify the date fixed for redemption) redeem, in whole but not in part, the aggregate principal amount of the Notes on the relevant date (the "**Optional Redemption Date**") specified for redemption in the relevant Optional Redemption Notice at a redemption price equal to:

(a) in the case of an Optional Redemption Date occurring before the date falling three (3) months prior to the Redemption Date, the Make-Whole Redemption Amount; or

(b) in the case of an Optional Redemption Date occurring on or after the date falling three (3) months prior to the Redemption Date, 100 percent of the outstanding principal amount of the Notes,

in each case together with accrued but unpaid interest up to (but excluding) the relevant Optional Redemption Date.

Any such notice of redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Optional Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Optional Redemption Date, or by the Optional Redemption Date so delayed.

For the purposes of this Condition 6.2:

(i) "**Make-Whole Redemption Amount**" shall be calculated by the Issuer or on behalf of the Issuer by such a person as the Issuer shall designate and will be the greater of:

   (a) 100 percent of the principal amount of the Notes to be redeemed; and

   (b) the sum of the then present values of each remaining scheduled payment of principal and interest from and including the Optional Redemption Date to the date falling three (3) months prior to the Redemption Date (for the avoidance of doubt, not including any interest accrued on the Notes to, but excluding, the relevant Optional Redemption Date) discounted to the relevant Optional Redemption Date on an annual basis at the Make-Whole Redemption Rate plus the Make-Whole Redemption Margin;

(ii) "**Make-Whole Redemption Margin**" means 0.25 percent;

(iii) "**Make-Whole Redemption Rate**" means with respect to the relevant Optional Redemption Date, the rate *per annum* equal to the annual yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for the Reference Date;

(iv) "**Reference Bond**" means DBR 0.25% 02/15/29 / ISIN: DE0001102465;

(v) "**Reference Bond Dealer**" means each of the banks selected by the Issuer, or their affiliates which are (a) primary government securities dealers, and their respective successors, or (b) market makers in pricing corporate bond issues;

(vi) "**Reference Bond Dealer Quotations**" mean, with respect to each Reference Bond Dealer and the relevant Optional Redemption Date, the arithmetic average, as determined by the Issuer or on behalf of the Issuer by such person as the Issuer shall designate, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at 11.00 a.m. (Brussels time) on the Reference Date quoted by such Reference Bond Dealer; and

(vii) "**Reference Bond Price**" means (a) the average of five (5) Reference Bond Dealer Quotations, after excluding the highest and lowest of such Reference Bond Dealer Quotations; or (b) if the Issuer obtains fewer than five (5) such Reference Bond Dealer Quotations, the average of all such Reference Bond Dealer Quotations; and

(viii) "**Reference Date**" means the third (3^{rd}) Business Day (as defined in Condition 9 (*Change of Control*)) prior to the Optional Redemption Date.

The calculations and determinations related to the Make-Whole Redemption Amount made by the Issuer or any party on behalf of the Issuer shall (save for manifest error) be final and binding upon all Noteholders.

6.3 Clean-up Call Option

If at any time the nominal principal amount of the outstanding Notes is twenty-five (25) percent or less of the aggregate nominal amount of the Notes issued at any time (as adjusted by the principal amount of any further issues of Notes under Condition 19 (*Further Issues of Notes*)), the Issuer may, at its option, at any time, by giving not less than fifteen (15) nor more than forty-five (45) calendar days' irrevocable notice, which shall specify the date fixed for redemption, to the Issuer Agent and the Noteholders in accordance with Condition 14 (*Notices and Right to Information*), elect to redeem all of the outstanding Notes, in whole but not in part, at their nominal principal amount together with any accrued but unpaid interest to, but excluding, the date of redemption without any premium or penalty.

7. STATUS AND SECURITY

The Notes constitute direct, unsecured, unguaranteed and unsubordinated obligations of the Issuer ranking *pari passu* among each other and at least *pari passu* with all other present and future unsecured, unguaranteed and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.

8. PAYMENTS

Interest on and principal of the Notes shall be paid in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the rules and decisions of Euroclear Finland.

Should any Interest Payment Date, Prepayment Date (as defined in Condition 9 (*Change of Control*)) or Redemption Date fall on a date which is not a CSD Business Day (as defined below), the payment of the amount due will be postponed to the following CSD Business Day. Any such postponement of the payment date shall not have an impact on the amount payable.

"**CSD Business Day**" means for the purposes of these terms and conditions a day on which the CSD System is operative.

9. CHANGE OF CONTROL

If, after the Issue Date, any person or group of persons acting in concert (as defined below), directly or indirectly, gains Control (as defined below) of the Issuer (such event a "**Change of Control Event**"), the Issuer shall promptly after becoming aware thereof notify the Noteholders of such Change of Control Event in accordance with Condition 14 (*Notices and Right to Information*).

Upon the occurrence of a Change of Control Event, the Issuer shall on the Prepayment Date (as defined below) prepay the outstanding nominal principal amount of, and the interest accrued but unpaid on, the Notes, but without any premium or penalty, held by the Noteholders who have required prepayment of Notes held by them by a written notice to be given to the Issuer no later than fifteen (15) Business Days before the Prepayment Date. Interest on the Notes to be prepaid accrues until the Prepayment Date (excluding the Prepayment Date).

If Notes representing more than seventy-five (75) percent of the aggregate nominal principal amount of the Notes have been prepaid on the Prepayment Date pursuant to this Condition Change of Control, the Issuer is entitled to prepay also the remaining outstanding Notes at their nominal principal amount with accrued but unpaid interest, but without any premium or penalty, by notifying the relevant Noteholders in accordance with Condition 14 (*Notices and Right to Information*) no later than fifteen (15) Business Days after the Prepayment Date. Such prepayment may be effected at the earliest on the tenth (10^{th}) Business Day and at the latest on the sixtieth (60^{th}) Business Day following the date of publication of such notice.

"**acting in concert**" (Fi: *yksissä tuumin toimiminen*) means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them, either directly or indirectly, of shares in the Issuer, to obtain or consolidate Control of the Issuer;

"**Business Day**" means a day on which banks in Helsinki are open for general business;

"**Control**" means either:

(a) acquiring or controlling, directly or indirectly, more than fifty (50) percent of the total voting rights represented by the shares of the Issuer (being votes which are capable of being cast at general meetings of shareholders); or

(b) capability to appoint or remove at least the majority of the members of the board of directors of the Issuer.

"**Prepayment Date**" means the date falling forty-five (45) Business Days after the publication of the notice referred to in the first paragraph of this Condition 9.

10. NEGATIVE PLEDGE

So long as any Note remains outstanding, the Issuer shall not, and the Issuer shall procure that none of its Subsidiaries (as defined below) will, create any mortgage, charge, lien, pledge or other security interest to secure any other notes, bonds or other similar debt securities issued after the issuance of the Notes that are capable of being listed on a stock exchange or subject to trading in a regulated market or multilateral trading facility (nor create any such security interest to secure any guarantee or indemnity over such notes, bonds or other similar debt securities), unless the granting of such security interest is required under Finnish law or other law governing such notes or other debt securities, or unless prior to or simultaneously therewith the Issuer's obligations under the Notes either (a) are secured equally and ratably therewith or (b) have the benefit of such other security interest or other arrangement (whether or not it includes the granting of a security interest) as shall be approved by a resolution of the Noteholders (as referred to in Condition 13 (*Noteholders' Meeting and Procedure in Writing*)).

"**Subsidiary**" means for the purposes of these terms and conditions a subsidiary within the meaning of Chapter 1, Section 6 of the Bookkeeping Act (1336/1997, as amended, Fi: *kirjanpitolaki*).

11. EVENTS OF DEFAULT

If an Event of Default (as defined below) occurs, any Noteholder may by a written notice to the Issuer declare the outstanding nominal principal amount of such Note together with the interest and any other amounts then accrued on such Note to be prematurely due and payable at the earliest on the tenth (10th) Business Day from the date such notice was received by the Issuer provided that an Event of Default is continuing on the date of receipt of the notice by the Issuer and on the specified early repayment date. Interest on such Note accrues until the early repayment date (excluding the early repayment date). The Issuer shall notify the Noteholders of any Event of Default (and the steps, if any, taken to remedy it) in accordance with Condition 14 (*Notices and Right to Information*) promptly upon becoming aware of its occurrence.

Each of the following events shall constitute an event of default (each an "**Event of Default**"):

(a) **Non-Payment**: any amount of interest on or principal of the Notes has not been paid within five (5) Business Days from the relevant due date, unless the failure to pay is caused by a reason referred to in Condition 15 (*Force Majeure*);

(b) **Cross-default**: any outstanding Indebtedness (as defined below) of the Issuer or any of its Material Subsidiaries (as defined below) in a minimum amount of twenty million euros (EUR 20,000,000) or its equivalent in any other currency is (i) declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), (ii) if any such Indebtedness is not paid when due nor within any originally applicable grace period, if any, or (iii) if any security given by the Issuer or any of its Material Subsidiaries for any such Indebtedness becomes enforceable by reason of an event of default.

A Noteholder shall not be entitled to demand repayment under this paragraph (b) if the Issuer or any of its Material Subsidiaries has *bona fide* disputed the existence of the occurrence of an Event of Default under this paragraph (b) in the relevant court or in arbitration within forty-five (45) days of the date when the Issuer or its Material Subsidiary became aware of such alleged Event of Default as long as such dispute has not been finally and adversely adjudicated against the Issuer without any appeal period;

(c) **Negative Pledge**: the Issuer does not comply with its obligations under Condition 10 (*Negative Pledge*);

(d) **Cessation of Business**: the Issuer ceases to carry on its current business in its entirety;

(e) **Winding-up**: an order is made or an effective resolution is passed for the winding-up (Fi: *selvitystila*), liquidation or dissolution of the Issuer or any of its Material Subsidiaries except for (i) actions which are frivolous (Fi: *perusteeton*) or vexatious (Fi: *oikeuden väärinkäyttö*), or (ii) in the case of a Material Subsidiary, on a voluntary solvent basis; or

(f) **Insolvency**: (i) the Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) the Issuer or any of its Material Subsidiaries, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors other than the Noteholders in their capacity as such with a view to rescheduling any of its Indebtedness, or (iii) an application is filed for the Issuer or any of its Material Subsidiaries becoming subject to bankruptcy (Fi: *konkurssi*) or re-organization proceedings (Fi: *yrityssaneeraus*), or for the appointment of an administrator or liquidator of any of the Issuer's or its Material Subsidiaries' assets, save for any such applications that are contested in good faith and discharged, stayed or dismissed within forty-five (45) days.

"**Indebtedness**" means, for the purposes of these terms and conditions, interest-bearing debt including guarantees (whether principal, premium, interest or other amounts) in respect of any notes, bonds or other debt securities or any borrowed money of the Issuer or any of its Material Subsidiaries.

"**Material Subsidiary**" means, for the purposes of these terms and conditions, at any time, any Subsidiary of the Issuer:

(a) whose net sales (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than ten (10) percent of the consolidated net sales or the consolidated total net assets of the Group (as defined below) taken as a whole, all as calculated by reference to the then most recent audited financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then most recent consolidated audited financial statements of the Issuer; or

(b) to which is transferred the whole or substantially the whole of the sales or assets and undertakings of a subsidiary which, immediately prior to such transfer, was a Material Subsidiary.

"**Group**" means for the purposes of these terms and conditions a group (Fi: *konserni*) within the meaning of Chapter 1, Section 6 of the Bookkeeping Act (1336/1997, as amended, Fi: *kirjanpitolaki*).

12. TAXATION

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of Finland or any political subdivision or authority of Finland having power to tax, unless the withholding or deduction of the Taxes is required by law. In such case, the Issuer shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. The Issuer will not be obligated to make any additional payments to Noteholders in respect of such withholding or deduction.

13. NOTEHOLDERS' MEETING AND PROCEDURE IN WRITING

(a) The Issuer may convene a meeting of Noteholders (a "**Noteholders' Meeting**") or request a procedure in writing among the Noteholders (a "**Procedure in Writing**") to decide on amendments of these terms and conditions or other matters as specified below. Euroclear Finland and the Issuer Agent must be notified of a Noteholders' Meeting or a Procedure in Writing in accordance with the rules of Euroclear Finland.

(b) Notice of a Noteholders' Meeting and the initiation of a Procedure in Writing shall be published in accordance with Condition 14 (*Notices and Right to Information*) no later than ten (10) calendar days prior to the Noteholders' Meeting or the last day for replies in the Procedure in Writing. Furthermore, the notice or the initiation shall specify the time, place and agenda of the Noteholders' Meeting or the last day and address for replies in the Procedure in Writing (or if the voting is to be made electronically, instructions for such voting) as well as any action required on the part of a Noteholder to attend the Noteholders' Meeting or to participate in the Procedure in Writing. No matters other than those referred to in the notice of Noteholder's Meeting or initiation of the Procedure in Writing may be resolved upon at the Noteholders' Meeting or the Procedure in Writing.

(c) Only those who, according to the register kept by Euroclear Finland in respect of the Notes, were registered as Noteholders on the fifth (5^{th}) CSD Business Day prior to the Noteholders' Meeting or on the last day for replies in the Procedure in Writing on the list of Noteholders to be provided by Euroclear Finland in accordance with Condition 14 (*Notices and Right to Information*), or proxies authorized by such Noteholders, shall, if holding any of the principal amount of the Notes at the time of the Noteholders’ Meeting or the last day for replies in the Procedure in Writing, be entitled to vote at the Noteholders’ Meeting or in the Procedure in Writing and shall be recorded in the list of the Noteholders present in the Noteholders’ Meeting or participating in the Procedure in Writing.

(d) A Noteholders’ Meeting shall be held in Helsinki, Finland, and its chairman shall be appointed by the Issuer. At the Issuer’s discretion, a Noteholder’s Meeting may also be held (or participation to a physical meeting enabled) by telecommunications or other electronical or technical means.

(e) A Noteholders’ Meeting or a Procedure in Writing shall constitute a quorum only if one (1) or more Noteholders holding in aggregate at least fifty (50) percent of the principal amount of the Notes outstanding are/is present (in person or by proxy) in the Noteholders’ Meeting or provide/provides replies in the Procedure in Writing. Any holdings of the Notes by the Issuer and any companies belonging to its Group are not included in the assessment whether or not a Noteholders’ Meeting or a Procedure in Writing shall constitute a quorum.

(f) If, within thirty (30) minutes after the time specified for the start of the Noteholders’ Meeting, a quorum is not present, any consideration of the matters to be dealt with at the Noteholders’ Meeting may, at the request of the Issuer, be adjourned for consideration at a Noteholders’ Meeting to be convened on a date no earlier than ten (10) calendar days and no later than forty-five (45) calendar days after the original Noteholders’ Meeting at a place to be determined by the Issuer. Correspondingly, if by the last day to reply in the Procedure in Writing no quorum is reached, the time for replies may be extended as determined by the Issuer. The adjourned Noteholders’ Meeting or the extended Procedure in Writing shall constitute a quorum if one (1) or more Noteholders holding in aggregate at least ten (10) percent of the principal amount of the Notes outstanding are/is present in the adjourned Noteholders’ Meeting or provide/provides replies in the extended Procedure in Writing.

(g) Notice of an adjourned Noteholders’ Meeting or the extension of the time for replies in the Procedure in Writing, shall be given in the same manner as notice of the original Noteholders’ Meeting or the Procedure in Writing. The notice shall also state the conditions for the constitution of a quorum.

(h) Voting rights of the Noteholders shall be determined according to the principal amount of the Notes held on the date referred to in Condition 13(c) above. The Issuer and any companies belonging to its Group shall not hold voting rights at the Noteholders’ Meeting or in the Procedure in Writing.

(i) Subject to Condition 13(j) below, resolutions shall be carried by a majority of more than fifty (50) percent of the votes cast.

(j) A Noteholders’ Meeting or a Procedure in Writing is entitled to make the following decisions that are binding on all the Noteholders:

(i) to amend these terms and conditions of the Notes; and

(ii) to grant a temporary waiver on these terms and conditions of the Notes.

However, consent of at least seventy-five (75) per cent of the amount of the votes cast in a Noteholders’ Meeting or a Procedure in Writing is required to:

(i) decrease the principal amount of or interest on the Notes;

(ii) extend the maturity of the Notes;

(iii) amend the requirements for the constitution of a quorum at a Noteholders’ Meeting or Procedure in Writing; or

(iv) amend the majority requirements of the Noteholders’ Meeting or Procedure in Writing.

The consents can be given at a Noteholders’ Meeting, in the Procedure in Writing or by other verifiable means.

The Noteholders’ Meeting and the Procedure in Writing can authorize a named person to take necessary action to enforce the decisions of the Noteholders’ Meeting or of the Procedure in Writing.

(k) When consent from the Noteholders representing the requisite majority, pursuant to Condition 13(i) or Condition 13(j), as applicable, has been received in the Procedure in Writing, the relevant decision shall be deemed to be adopted even if the time period for replies in the Procedure in Writing has not yet expired, provided that the Noteholders representing such requisite majority are registered as Noteholders on the list of Noteholders provided by Euroclear Finland in accordance with Condition 14 (*Notices and Right to Information*) on the date when such requisite majority is reached.

(l) A representative of the Issuer and a person authorized to act for the Issuer may attend and speak at a Noteholders' Meeting.

(m) Resolutions passed at a Noteholders' Meeting or in the Procedure in Writing shall be binding on all Noteholders irrespective of whether they have been present at the Noteholders' Meeting or participated in the Procedure in Writing, and irrespective of how and if they have voted.

(n) Resolutions passed at a Noteholders' Meeting or in the Procedure in Writing shall be notified to the Noteholders in accordance with Condition 14 (*Notices and Right to Information*). In addition, Noteholders are obliged to notify subsequent transferees of the Notes of the resolutions of the Noteholders' Meeting or the Procedure in Writing.

The Issuer shall have the right to amend the technical procedures relating to the Notes in respect of payments or other similar matters without the consent of the Noteholders, a Noteholders' Meeting or a Procedure in Writing. For the sake of clarity, any resolution at a Noteholders' Meeting or in a Procedure in Writing, which extends or increases the obligations of the Issuer, or limits, reduces or extinguishes the rights or benefits of the Issuer, shall be subject to the consent of the Issuer.

14. NOTICES AND RIGHT TO INFORMATION

Noteholders shall be advised of matters relating to the Notes by a stock exchange release or a press release. Any such notice shall be deemed to have been received by the Noteholders when published in the manner specified in this paragraph.

The Issuer may also deliver notices relating to the Notes in writing directly to the Noteholders at the address appearing on the list of the Noteholders provided by Euroclear Finland in accordance with the below paragraph (or, *e.g.*, through Euroclear Finland's book-entry system or account operators of the book-entry system). Any such notice shall be deemed to have been received by the Noteholders on the third (3rd) Business Day following dispatch.

The Noteholders consent to the Issuer being entitled to obtain information on the Noteholders, their contact details and their holdings of the Notes registered in the relevant book-entry securities system from Euroclear Finland and Euroclear Finland shall be entitled to provide such information to the Issuer notwithstanding any secrecy obligation applicable to the same. If requested by the Issuer Agent, the Issuer shall promptly obtain such information from Euroclear Finland and provide it to the Issuer Agent subject to the rules of Euroclear Finland and applicable laws. The Issuer may also on a case by case basis authorize the Issuer Agent or any third party to receive the information referred to above from Euroclear Finland.

Address for notices to the Issuer is as follows:

Valmet Corporation
Keilasatama 5
FI-02150 Espoo
Finland

15. FORCE MAJEURE

The Issuer, the Joint Lead Managers, the Issuer Agent or the Paying Agent shall not be responsible for any losses of the Noteholders resulting from:

(a) action of any authorities, war or threat of war, rebellion or civil unrest;

(b) disturbances in postal, telephone or electronic communications or the supply of electricity which are due to circumstances beyond the reasonable control of the Issuer, the Joint Lead Managers, the Issuer Agent or the Paying Agent and that materially affect operations of any of them;

(c) any interruption of or delay in any functions or activities of the Issuer, the Joint Lead Managers, the Issuer Agent or the Paying Agent as a result of fire, flood or other similar disaster;

(d) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of the Issuer, the Joint Lead Managers, the Issuer Agent or the Paying Agent even if it only affects part of the employees of any of them and whether any of them is involved therein or not; or

(e) any other similar force majeure or hindrance which makes it unreasonably difficult to carry on the activities of the Issuer, the Joint Lead Managers, the Issuer Agent or the Paying Agent.

16. PRESCRIPTION

In case any payment under the Notes has not been claimed by the respective Noteholder entitled to this payment within three (3) years from the original due date thereof, the right to such payment shall be forfeited by such Noteholder and the Issuer shall be permanently free from such payment.

17. LISTING

Following the issue of Notes, an application will be made to have the Notes listed on the Helsinki Stock Exchange maintained by Nasdaq Helsinki Ltd.

18. PURCHASES

Offers to purchase and sell Notes may be submitted to the Joint Lead Managers, but the Joint Lead Managers are under no obligation to maintain a secondary market for the Notes.

The Issuer may at any time repurchase Notes from the secondary market in any manner and at any price. If purchases are made through a tender offer, the possibility to tender must be available to all Noteholders alike subject only to restrictions arising from mandatory securities laws.

The Issuer shall be entitled to cancel, dispose of or hold the Notes purchased in accordance with the first paragraph of this Condition 18.

19. FURTHER ISSUES OF NOTES

The Issuer may from time to time, without the consent of or notice to the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them, the issue price and/or the minimum subscription amount thereof) by increasing the maximum principal amount of the Notes or otherwise. For the avoidance of doubt, this Condition 19 shall not limit the Issuer's right to issue any other notes.

20. INFORMATION

Copies of the documents relating to the Notes shall be available for inspection during regular office hours at the office of (i) the Issuer at Keilasatama 5, FI-02150 Espoo, Finland; (ii) Danske Bank A/S c/o Danske Bank A/S, Finland Branch, Kasarmikatu 21 B, FI-00075 DANSKE BANK, Finland, and (iii) Nordea Bank Abp, Satamaradankatu 5, FI-00020 NORDEA, Finland.

21. APPLICABLE LAW AND JURISDICTION

The Notes are governed by Finnish law.

Any disputes relating to the Notes shall be settled in the first instance at the District Court of Helsinki (Fi: *Helsingin käräjäoikeus*).

CERTAIN INFORMATION ON THE OFFERING AND THE NOTES

This overview is an overview of certain key features of the Offering and the Notes. Any decision by an investor to invest in any Notes should be based on a consideration of the Listing Prospectus as a whole, including the information incorporated by reference herein.

Words and expressions used in this section shall have the meanings given to them in the Terms and Conditions.

Issuer	Valmet Corporation, a public limited company incorporated in Finland.
Legal entity identifier ("**LEI**")	213800D9O7FUQDH83V62.
Risk factors	Investing in the Notes involves risks. The summary of certain principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes is presented under "*Risk Factors*."
Joint Lead Managers	Danske Bank A/S and Nordea Bank Abp.
Type and class of the Notes	Senior unsecured green notes with an aggregate principal amount of EUR 200,000,000.
Decisions and authorizations	Authorizations by the Board of Directors of the Issuer on February 7, 2024, and February 27, 2024.
Ranking of the Notes	The Notes constitute direct, unsecured, unguaranteed and unsubordinated obligations of the Issuer ranking *pari passu* among each other and with all other unsecured, unguaranteed and unsubordinated indebtedness of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.
Form of the Notes	Securities in dematerialized book-entry form issued in the CSD System defined in Euroclear Finland's rules and decisions.
International security identification number ("**ISIN**") of the Notes	FI4000567094.
Depository and settlement system	Euroclear Finland Oy, Urho Kekkosen katu 5 C, FI-00100 Helsinki, Finland, CSD System defined in Euroclear Finland's rules and decisions.
Issue price	Issue price of 99.871 percent.
Effective yield	As at the Issue Date at the issue price of 99.871 percent, the effective yield of the Notes was 4.029 percent per annum.
Minimum subscription amount	EUR 100,000.
Denomination of a book-entry unit	EUR 100,000.
Issue date	March 13, 2024.
Redemption Date	March 13, 2029.
Interest on the Notes	4.000 percent per annum.
Issuer Agent and Paying Agent	Danske Bank A/S, Finland Branch.
Publication date and investors	The result of the Offering was announced on March 6, 2024, and the Notes were allocated to certain professional clients and eligible counterparties.
Applicable law	Finnish law.
Description of restrictions on free transferability of the Notes	Each Note will be freely transferable after it has been registered into the respective book-entry account.
Listing	Application will be made to have the Notes listed on Nasdaq Helsinki. The trading in the Notes is expected to commence by the end of March 2024.

Interest of the Joint Lead Managers........	Business interest customary in the financial markets.
Estimated net proceeds from the Offering	The estimated aggregate net proceeds to the Issuer from the Offering, after the deduction of the fees and expenses payable by the Issuer, are approximately EUR 199,192,000.
Use of proceeds......................................	The Issuer shall use the proceeds from the issue of the Notes, less costs and expenses incurred by the Issuer in connection with the issue of the Notes in accordance with the Issuer's Green Finance Framework.
Estimated total expenses related to the Offering and the Listing........................	The estimated total fees and expenses incurred in connection with the Offering and the Listing payable by the Issuer amount in aggregate to approximately EUR 550,000.

DESCRIPTION OF VALMET

Overview

According to Valmet, it is a leading global developer and supplier of process technologies, automation and services for the pulp, paper and energy industries based on net sales in Services and Automation segments and orders received in Process Technologies segment. With its automation systems and flow control solutions, Valmet serves a wide base of process industries. Valmet's business is organized into three reportable segments: Services, Automation and Process Technologies. The Services segment consists of the Services business line, the Automation segment consists of the Automation Systems business line and the Flow Control business line (as of April 1, 2022) and the Process Technologies segment consists of the Pulp and Energy business line and the Paper business line. In addition, Valmet is organized around five geographical areas – North America, South America, EMEA (Europe, Middle East and Africa), Asia Pacific and China. Valmet has customers in more than 100 countries, especially in the pulp and paper, energy and other process industries. For the year ended December 31, 2023, Valmet's net sales were EUR 5,532 million. As at December 31, 2023, Valmet had operations in over 40 countries worldwide and it had 19,160 employees.

History

Valmet has over 220 years of industrial history, but Valmet in its current form was created through a partial demerger of Metso Corporation ("**Metso**") in 2013 when the Pulp, Paper, and Power segment of Metso was transferred to the new company, Valmet Corporation, and the Mining and Construction and Automation business remained part of Metso. In January 2015, Valmet and Metso signed an agreement on the sale of Metso's Process Automation Systems business with annual net sales of approximately EUR 300 million and approximately 1,600 employees to Valmet. The acquisition was completed on April 1, 2015. The acquisition strengthened Valmet's competitiveness by creating a customer offering combining paper, pulp and power plant technology, services, process know-how and automation. In 2020, Valmet increased its shareholding in Neles Corporation ("**Neles**") to 29.5 percent, and, in July 2021, Valmet and Neles announced that their respective boards of directors had signed a combination agreement and a merger plan to combine Valmet and Neles through a merger. On April 1, 2022, the merger of Neles into Valmet was completed, bringing together two companies with complementary offerings. Neles' former business and operations were organized in Valmet as the Flow Control business line. The flow control offering includes portfolio of valves, valve automation solutions and related services. As at the time of the merger, the annual net sales of Neles were approximately EUR 660 million and it had approximately 6,600 employees.

In addition to above-mentioned main events, Valmet has, after the partial demerger of Metso was completed in 2013, systematically grown through several acquisitions that, according to Valmet, have complemented its offering and significantly increased the amount of recurring, profitable and stable business in Valmet's business portfolio:

- On August 6, 2015, Valmet completed the acquisition of the MC Paper Machinery and Focus Rewinding business from Massimiliano Corsini srl. with annual net sales of approximately EUR 10 million and 33 employees.
- On October 2, 2018, Valmet completed the acquisition of Enertechnix Process Sensors, Inc. (Enertechnix), a high-tech combustion diagnostics and monitoring technology company based in the United States with approximately 20 employees.
- On April 1, 2019, Valmet completed the acquisition of North American-based GL&V, a global provider of technologies and services to the pulp and paper industry with annual net sales of approximately EUR 160 million and approximately 630 employees.
- On May 1, 2019, Valmet completed the acquisition of J&L Fiber Services Inc., a manufacturer and provider of refiner segments to the pulp, paper, and fiberboard industry with annual net sales of approximately EUR 30 million and approximately 100 employees.
- On October 15, 2020, Valmet completed the acquisition of PMP Group in Poland, a process technology and service provider for tissue, board, and paper machines globally with annual net sales of approximately EUR 70 million and approximately 650 employees.
- On July 1, 2021, Valmet completed the acquisition of EWK Umwelttechnik GmbH, a German company manufacturing and supplying air emission control systems and services with annual net sales of approximately EUR 22 million and approximately 50 employees, and ECP Group, a Finnish manufacturer and maintainer of air emission control systems with annual net sales of approximately EUR 6 million and approximately 20 employees.
- On March 1, 2022, Valmet completed the acquisition of Coldwater Seals, Inc., a North American-based global provider of consumables and services to the pulp and paper industry with annual net sales of approximately EUR 15 million and approximately 60 employees.

- On January 3, 2023, Valmet completed the acquisition of U.S. based NovaTech's Process Solutions business with annual net sales of approximately USD 18 million and approximately 75 employees.
- As the most recent acquisition, on November 3, 2023, Valmet completed the acquisition of Körber's Business Area Tissue with annual net sales of approximately EUR 305 million and approximately 1,170 employees. The Business Area Tissue specializes in converting and packaging technologies and services for the tissue industry and enables Valmet to cover the entire tissue value chain from fiber to finished products.

Valmet has also entered into an acquisition agreement on July 14, 2023, to acquire the Process Gas Chromatography business of Siemens with annual net sales of approximately EUR 120 million and approximately 300 employees, which is estimated to be completed on April 1, 2024, at the earliest, and, on December 21, 2023, Valmet entered into an agreement to acquire Demuth, Brazilian companies specializing in wood handling solutions for the pulp industry with annual net sales of approximately EUR 20–30 million and approximately 300–400 employees, which is estimated to be completed during the second or third quarter of 2024.

Strategy

General

Valmet develops and supplies competitive and reliable process technologies, services and automation to the pulp, paper and energy industries. Valmet's automation business covers a wide base of global process industries. Valmet is committed to moving its customers' performance forward with its offering and way to serve. Valmet's mission is converting renewable resources into sustainable results. Valmet's vision is to become the global champion in serving its customers and in moving the industries forward. Valmet's strategy is visualized as Valmet's Way Forward.

Valmet seeks to achieve its strategic targets by continuous improvement and renewal. Valmet has the following Must-Win initiatives: 'Customer Excellence,' 'Leader in Technology and Innovation,' 'Excellence in Processes' and 'Winning Team' as well as selected Business Accelerators, which are:

- expanding Valmet's offering for existing customers;
- finding new applications and customer segments for existing products;
- developing new technologies and offerings for emerging new market segments; and
- 'Active Growth' programs in the Industrial Internet, Emission Control, Biomass Concepts, Recycled and Cellulose-based Textile Fibers and 3D/Molded Fiber businesses.

According to Valmet, it has a unique and wide product and services offering that consists of process technologies that increase the value of the customers' end products, automation systems and flow control solutions, productivity enhancing services, plant upgrades and rebuilds, new cost-efficient equipment and solutions for optimizing raw material and energy usage. Part of Valmet's strategy is to differentiate itself from its competitors by an offering combining process technology, services, automation and flow control, offering technological know-how that supports sustainability, through local presence and a comprehensive automation and services offering, as well as through long-term commitment to its customers.

Valmet has an annual strategy process, where, among others, Valmet's strategy, Must-Wins and financial targets (see "—*Financial Targets*" below) are reviewed. Valmet continues to focus on improving profitability through implementing its four Must-Win initiatives: 'Customer excellence,' 'Leader in technology and innovation,' 'Excellence in processes' and 'Winning team.' Valmet targets to increase the comparable EBITA margin in all three segments (Services, Automation and Process Technologies).

Valmet also sees acquisitions as strategic opportunities to strengthen the Services, Automation and Process Technologies segments. Valmet aims to pursue selective acquisitions with a clear industrial logic and synergies, targeted to support Valmet in reaching its financial targets.

Sustainability

Valmet has defined a sustainability agenda, which is fully integrated to its strategy and Must-Wins. According to Valmet, its sustainability agenda takes a comprehensive approach to sustainability across Valmet's value chain. The sustainability agenda covers Valmet's entire value chain including the supply chain, own operations and the use phase of Valmet's technologies at customer sites. Valmet's sustainability agenda is based on the assessment and evaluation of the topics that are most material to Valmet's business and the stakeholders within Valmet's value chain. The nine main material topics of Valmet's sustainability agenda are grouped around three focus areas: Environment (circularity, climate and environmental efficiency), Social (engaged workplace, health and safety, and corporate citizenship) and Governance (transparent reporting, sustainable supply chain and ethical business practices). For all the material topics Valmet has defined targets, actions and key performance indicators, and they are integrated into Valmet's strategy process and annual planning. In 2021, Valmet introduced the Climate Program, which it believes has progressed well, as the target to enable carbon neutral production for the pulp and paper industry customers was achieved in 2023, seven years ahead of schedule.

The targets by 2030 of Valmet's Climate Program for the entire value chain are:

- *supply chain*: 20 percent reduction in CO_2 emissions compared to the baseline year 2019 – the target to engage 30 most relevant suppliers in terms of CO_2 emissions has been reached and exceeded with 75 suppliers engaged to the program as at December 31, 2023, and Valmet continues to focus on the engagement of additional suppliers;

- *own operations*: 80 percent reduction in CO_2 emissions compared to the baseline year 2019 – the roadmaps for (i) purchasing CO_2 free electricity, (ii) replacing fossil fuels in Valmet's locations, (iii) implementing energy efficiency improvements in Valmet's locations, (iv) reducing business travel flights, and (v) promoting low-carbon commuting are proceeding. Emissions from fuels, heating, and electricity in Valmet's offices and production units around the world have decreased by 41 percent since the baseline year 2019. During 2023, all electricity in Finland and Sweden, representing 60 percent of Valmet's total consumption, was purchased as carbon neutral; and

- *use phase of Valmet's technologies*: 20 percent further reduction in energy use of Valmet's current technologies compared to the baseline year 2019 – Valmet is engaged in continuous R&D work to further enhance energy efficiency of its existing technology offering; and 100 percent carbon-neutral production process for pulp and paper industry customers with access to fossil free energy sources – Valmet reached the target seven years ahead of schedule as Valmet's technologies already enable carbon-neutral board, tissue and paper production for customers who have access to fossil free energy sources.

Customer Excellence

Valmet aims to strengthen its customer base by implementing effective sales management practices and cultivating close relationships with customers. Valmet is targeting to increase its market share in the Services and Automation segments by growing a stable business over two times the market. In the Process Technologies segment, Valmet aims to maintain and improve its market share. In addition, Valmet aims to improve price and sales management.

Leader in Technology and Innovation

Valmet is known for its world-class technology and is always looking to bring advanced and innovative solutions to the market and to leverage its R&D for new product innovations. Furthermore, Valmet is placing a strong emphasis on product cost competitiveness and performance.

Excellence in Processes

Valmet is continuously developing and improving its processes and Valmet aims to improve its supply chain operations to harvest cost savings. Valmet aims to ensure excellent project management and project execution in order to reach a positive margin deviation in its projects. Supply chain management and efficient procurement are key for Valmet. Valmet is also streamlining its processes and renewing the enterprise resource planning ("**ERP**") system. In addition, Valmet aims to manage quality throughout its supply chain to minimize quality costs.

Winning Team

Valmet has a strong home base in the Nordic region but has also been increasing procurement, production, and engineering resources in cost-competitive countries. Valmet is investing heavily in its people, particularly through the global training portfolio, which supports the execution of the Must-Wins.

Financial Targets

The Board of Directors of the Company has adopted the following financial targets for Valmet:

- net sales for Services and Automation segments to grow over two times the market growth;

- net sales for Process Technologies segment to exceed market growth;

- comparable EBITA: 12–14 percent;

- comparable return on capital employed (ROCE) before taxes: at least 15 percent; and

- dividend payout at least 50 percent of net profit.

The above statements include forward-looking statements. These statements are not guarantees of future financial performance of Valmet. Valmet's actual results and financial position could differ materially from those expressed or implied by these forward-looking statements as a result of many factors. The Issuer cautions prospective investors not to place undue reliance on these forward-looking statements.

For the year ended December 31, 2023, Valmet's comparable EBITA, % of net sales, was 11.2 percent, comparable return on capital employed (ROCE) before taxes was 15 percent. A dividend of EUR 1.35 per share, corresponding to 70 percent of net profit, has been proposed to the Annual General Meeting of Valmet to be held on March 21, 2024 (for more information, see "*Summary of Recent Disclosures—The Annual General Meeting of Valmet*").

Operating Environment

According to Valmet, it has strong market positions in the industries in which it operates based on net sales in Services and Automation segments and orders received in Process Technologies segment. Especially the pulp and paper industry is in the core of Valmet's business, and Valmet expects the demand for pulp and paper to grow further in the future. Valmet believes that its global presence creates a robust platform for growth in particular for the Services and Automation segments. Valmet's EUR 3.1 billion stable business (Services and Automation segments) has grown steadily since 2013. According to Valmet, such stable business has a high comparable EBITA margin and provides resilience to business cycles. For further information on the development of the orders received, net sales and comparable EBITA margin, see "*—Business Segments—Overview*" below and "*Financial Information and Future Outlook—Certain Financial Information*." Valmet's Services and Automation segments represent relatively stable and moderately growing markets that are affected by the size of the installed base and customers' mill operating rates and maintenance as well as mill improvement, replacement and capacity needs. The markets of Valmet's Process Technologies segment are affected by customers' new investments in machinery, mills and rebuilds, which makes this segment more cyclical compared to the more stable Services and Automation segments.

According to Valmet, each segment has a strong position in the growing market for converting renewable resources into sustainable results and long-term growth possibilities supported by three megatrends identified by Valmet: (i) a resource-efficient and clean world, in which climate change, environmental awareness and resource scarcity are driving the need to improve resource efficiency and reduce emissions, (ii) digitalization and new technologies, in which digitalization, automatization and high-impact new technologies are driving efficiency and new business models, and (iii) urban, responsible and global consumers, in which urbanization, rising living standards, changing demographics and globalization are driving changes in consumer behavior and Valmet's customers' demand.

With respect to the Process Technologies segment, Valmet operates in highly competitive markets in which only a limited number of large suppliers bid for larger customer orders. In addition, in relation to the Services segment, there are many smaller, regionally and locally competing companies that have a comparatively low production cost bases. Furthermore, in relation to the Automation segment, Valmet has both large and smaller competitors.

Services

According to Valmet, the Services segment has historically been a growing business and demand for the Services segment is driven by a large and global installed base, which Valmet expects to grow. According to Valmet, the Services segment is one of the leading services providers in the industries in which it operates based on net sales. The Services segment has local presence in all geographic markets covering all key customer corporations. Valmet estimates that the Services segment's addressable market is worth approximately EUR 8 billion and expected to grow by approximately 2 percent annually until 2025.

Automation

According to Valmet, the Automation segment has historically been a growing business with high profitability measured by the comparable EBITA margin. For further information on the development of the comparable EBITA margin, see "*—Business Segments—Overview*" below and "*Financial Information and Future Outlook—Certain Financial Information*." According to Valmet, the Automation Systems business line has a leading market position in the energy and process and the pulp and paper industries based on net sales. Sustainability, digitalization and targets for operational efficiency drive the market in which the Automation Systems business line operates. According to Valmet, the Flow Control business line has a leading market position in renewable energy and gases, and is among the top ten providers of flow control solutions in the metals and mining and the refining and chemicals industries based on net sales. In addition, the Flow Control business line has the leading market position in the pulp and paper industry according to Valmet based on net sales. According to Valmet, the flow control market for critical valves and valve automation has barriers to entry that enable sold profitability for leading providers of flow control solutions. Valmet believes that it has opportunities to increase its market share outside the core pulp and paper industry both organically and through mergers and acquisitions. Valmet estimates that the Automation segment's large addressable market is expected to grow by approximately 3 percent annually until 2025.

Process Technologies

According to Valmet, the Process Technologies segment has historically benefited from the growing demand for bio-based products and energy, as new pulp and paper capacity is needed to satisfy the growing demand, and Valmet believes that favorable megatrends and sustainability support the large pulp and paper market. In addition, Valmet believes that the ongoing energy transition creates a growing market for Valmet's energy offering, and that large old and inefficient installed base generates a significant replacement market for Valmet. Valmet believes that the Process Technologies segment has a strong business model with large prepayments and a flexible organization, and Valmet develops and delivers technologies that it believes to enable customers' green transition. According to Valmet, its Paper business line has the leading position in the market for board, paper and tissue-making technology and the Pulp and Energy business line is one of the leading providers of process technologies for both pulp and energy industries based on orders received.

Business Segments

Overview

Valmet's business is organized into three reportable segments: Services, Automation and Process Technologies. The Services segment consists of the Services business line, the Automation segment consists of the Flow Control business line (as of April 1, 2022) and the Automation Systems business line and the Process Technologies segment consists of the Pulp and Energy business line and the Paper business line.

The following table sets forth Valmet's net sales, earnings before interest, taxes and amortization ("**EBITA**"), comparable EBITA, orders received and comparable EBITA, % of net sales, by reportable segment for the years indicated:

	For the year ended December 31,		
	2023	2022	2021[1]
	(audited, unless otherwise indicated)		(unaudited, unless otherwise indicated)
	(EUR in millions, unless otherwise indicated)		
Net sales			
Services	1,784	1,606	1,360
Automation	1,328	1,040	412
Process Technologies	2,420	2,428	2,163
Total	5,532	5,074	3,935[2]
EBITA			
Services	302	228	210
Automation	245	170	83
Process Technologies	116	134	173
Other	(58)	18	(18)
Total	605	550	448[2]
Comparable EBITA			
Services	312	237	204
Automation	248	190	79
Process Technologies	110	145	175
Other	(50)	(39)	(30)
Total	619	533	429[2]
Orders received			
Services	1,760	1,756	1,481
Automation	1,340	1,081	467
Process Technologies	1,856	2,356	2,793
Total	4,955	5,194	4,740
Comparable EBITA, % of net sales, percent			
Services	17.5	14.8	15.0
Automation	18.6	18.3	19.2
Process Technologies	4.5	6.0	8.1
Total	11.2	10.5	10.9

(1) Valmet adopted its current financial reporting structure on January 1, 2022, and restated segment information for the year ended December 31, 2021. The restated figures are unaudited.
(2) Audited.

The following table sets forth Valmet's net sales by business line for the years indicated:

	For the year ended December 31,	
	2023	2022
	(audited) (EUR in millions)	
Net sales		
Services	1,784	1,606
Automation	1,328	1,040
Flow Control[(1)]	777	551
Automation Systems	551	489
Process Technologies	2,420	2,428
Pulp and Energy	1,067	1,081
Paper	1,353	1,347
Total	5,532	5,074

(1) The Flow Control business line was formed when Neles merged with Valmet on April 1, 2022.

Valmet Industry Exposure

For the year ended December 31, 2023, Valmet's orders received from the energy and other process industries amounted to EUR 1,319 million, of which EUR 744 million was for the Automation segment. For the year ended December 31, 2023, Valmet's orders received from the pulp and paper industry amounted to EUR 3,637 million.

Services

The Services segment provides customers with flexible and fit-for-purpose services throughout the lifecycle to improve process performance and reliability. The Services segment consists of the Services business line. According to Valmet, the Services business line's offering helps to increase the environmental efficiency and cost-effectiveness of its customers' production processes while also helping to ensure safe and reliable operations. The Services business line provides services and solutions mainly for the pulp, board and paper, tissue and energy industries. The offering ranges from spare and process parts, production consumables, workshop and roll services, and fabrics all the way to field services, maintenance development and outsourcing, shutdown services, process support and optimization services, as well as process upgrades. For example, in 2023, the Services segment provided roll reconditioning services for PT. Bukit Mura Jaya mill in Karawang, Indonesia, in which Valmet performed a roll and roll gear full reconditioning within a two-week turnaround. The services are complemented by onsite and remote Industrial Internet solutions. The Services segment's orders received have grown at a compound annual growth rate of over 5 percent between December 31, 2013 and 2023. Valmet also provides learning services. Valmet's Services business line had 6,493 employees as at December 31, 2023.

Automation

The Automation segment delivers flow control technologies and services, as well as automation solutions, ranging from single measurements to mill- or plant-wide process automation systems. The Automation segment consists of the Flow Control business line (as of April 1, 2022) and the Automation Systems business line.

Flow Control

The Flow Control business line delivers flow control technologies for the continuously evolving needs of various process industries. According to Valmet, the Flow Control business line helps customers to improve their process performance and environmental efficiency as well as to ensure the safe flow of materials. The Flow Control business line's offering includes valves, valve controllers and valve automation. The Flow Control business line's customers operate in a variety of process industries, including the pulp, paper and bioproducts industry, renewable energy, oil and gas refining, mining and metals processing, and chemicals. For example, Valmet announced on September 7, 2023, that it will deliver a valve solutions, including Neles™ ball valves, segment valves, butterfly valves and globe valves for on-off and control applications as well as Flowrox™ valve solutions for demanding conditions, for Sibanye-Stillwater's Keliber lithium refinery in Kokkola, Finland, the production ramp-up of which is expected in the second half of 2025. Valmet's Flow Control business line had 2,841 employees as at December 31, 2023.

Automation Systems

The Automation Systems business line delivers automation solutions ranging from single measurements to mill- or plant-wide process automation systems. The automation solutions are designed to maximize the profitability and sustainability of customers' businesses by improving production performance, quality management, raw material and energy efficiency as well as cost-effectiveness. The Automation Systems business line supplies and develops automation and information management systems, applications, products and services to companies in the pulp, board, tissue, paper, energy and other process industries as well as in the marine industry. The Automation Systems business line's offering includes Distributed Control Systems ("**DCS**"), Quality Management Systems ("**QMS**"), analyzers and measurements and Industrial Internet solutions. For example, Valmet announced on December 14, 2023, that it will supply Valmet DNA DCS and Valmet IQ QCS with the latest web-based Valmet DNA User Interface to Union Paper Mills' paper machine PM 2 in its Dubai facility, in the United Arab Emirates. Valmet's Automation Systems business line had 2,330 employees as at December 31, 2023.

Process Technologies

The Process Technologies segment provides technology solutions for pulp and energy production, as well as for biomass conversion and emission control, and complete production lines, machine rebuilds and process components for board, tissue and paper production. The Process Technologies segment consists of the Pulp and Energy business line and the Paper business line.

Pulp and Energy

The Pulp and Energy business line provides technology solutions for pulp and energy production as well as for biomass conversion and emission control. According to Valmet, the Pulp and Energy business line's technologies help to maximize the value renewable raw materials while helping to increase production efficiency and minimize the environmental impact. The Pulp and Energy business line supplies complete pulp mills and process equipment for chemical and mechanical pulp production as well as biomass- and waste-fueled power plants, boiler islands and related environmental systems. The Pulp and Energy business line's offering includes wood and pulp handling, fiber processing and recovery. Customers in the Pulp and Energy business line are mainly pulp producers and power and heat producers. For example, Valmet announced on January 30, 2024, that it will deliver a complete tissue line, including a tissue making line and converting equipment, as well as a biomass boiler to Suzano Papel e Celulose in Brazil. Valmet's Pulp and Energy business line had 1,948 employees as at December 31, 2023.

Paper

The Paper business line delivers complete production lines, machine rebuilds and process components for board, tissue and paper production. The Paper business line's technologies are designed for high process and environmental efficiency, flexibility, reliability and safety. The Paper business line's solutions have a modular structure with as much standardization as possible and they are designed to be easy to use and cost-effective. The Paper business line supplies board, tissue and paper machinery, tissue converting lines, equipment and machine rebuilds for the board, tissue and paper industries. For example, Valmet announced on January 11, 2024, that it will supply key technology, including headboxes, a former and press section, finishing technologies, automation and services, to Shandong Jin Tian He Paper's board machine PM 13 food grade folding boxboard line in China. Valmet's Paper business line had 4,759 employees as at December 31, 2023.

Research and Development

The aim of Valmet's R&D work is to create new technologies, products and services that address the needs of its customers and help them to respond to global megatrends, such as enhancing the efficiency of raw materials, water and energy, promoting the use of renewable raw materials and reducing emissions. In 2022, Valmet launched an R&D program and ecosystem called Beyond Circularity. It targets transforming waste and emissions into valuable resources for sustainable growth and accelerating the green transition. Valmet's R&D work is carried out mainly in Finland and Sweden by the R&D organizations within Valmet's business lines. In addition, research and development takes place within a network of customers, suppliers, research institutes and universities. As at December 31, 2023, Valmet's R&D had 551 employees. For the year ended December 31, 2023, Valmet's R&D expenses amounted to EUR 114 million, or 2.1 percent of net sales, and the R&D expenses are expensed.

Supply Chain

Valmet's supply chain directly contributes to its profitability, cash flow, competitiveness and sustainability. Valmet aims to have a world-class supply chain operation that delivers sustainable and competitive results through close collaboration with suppliers. As at December 31, 2023, Valmet had more than 20,000 active suppliers in approximately over 60 countries. For the year ended December 31, 2023, Valmet's spending on direct and indirect purchases amounted to approximately EUR 3 billion. As at December 31, 2023, Valmet had 1,200 procurement, logistics and warehouse employees located in six continents in more than 25 countries.

Quality

Valmet's quality function aims to strengthen customer satisfaction and loyalty through continuous improvements across the value chain. Valmet has a quality governance model that it has implemented in recent years. Valmet's quality function has created standardized, structured process documentation, unified certain area-specific practices into global processes and broadened the scope of fundamental global processes. Key quality processes for global, business line and area operations are documented with established workflows for follow-up and improvement.

Information Technology

Valmet utilizes IT and OT Systems, which may, to a large extent, be hosted and managed by third parties, including public cloud, private cloud, data centers and application support for, among others, communications, reporting and monitoring of its business operations.

Valmet is currently in the process of renewing and modernizing its ERP system in order to improve operational capability through process harmonization and standardization as well as to increase efficiency.

Intellectual Property Rights

Valmet's registered intellectual property rights include, among others, patents, utility models, trademarks, copyrights and domain names. Valmet believes that its registered intellectual properties are important for its business and it invests in protecting its intellectual property rights.

Group Legal Structure

Valmet Corporation, the parent company of the Group, is a public limited company. Valmet Corporation was incorporated on December 31, 2013, and is organized under the laws of Finland. Valmet Corporation is domiciled in Espoo, Finland. Valmet Corporation is registered in the trade register maintained by the Finnish Patent and Registration Office under the business identity code 2553019-8, its registered office is located at Keilasatama 5, FI-02150 Espoo, Finland, and its telephone number is +358 10 672 0000. The Issuer's legal entity identifier is 213800D9O7FUQDH83V62.

Personnel

As at December 31, 2023, Valmet had a total of 19,160 employees, of which 11,644 were based in EMEA, 2,273 in North America, 2,432 in China, 1,647 in Asia-Pacific and 1,164 in South America. There have been no significant changes in the number of employees since December 31, 2023.

Some of Valmet's employees are members of unions or are represented by a works council.

Valmet has various employee benefit schemes in accordance with local regulations and practices in different countries in which Valmet operates.

Real Estate and Leases

Valmet operates in both leased and owned premises. Valmet's headquarters are located in Espoo, Finland. As at December 31, 2023, Valmet had more than 60 production units, of which 26 were located in EMEA, 18 in North America, 7 in China, 6 in Asia-Pacific and 3 in South America. Furthermore, as at December 31, 2023, Valmet had more than 130 service centers, of which 84 were located in EMEA, 29 in North America, 11 in Asia-Pacific, 5 in China and 5 in South America. As at December 31, 2023, Valmet had 32 R&D centers, of which 21 were located in EMEA, 4 in North America, 3 in China and 2 in Asia-Pacific. As at December 31, 2023, Valmet had more than 130 sales offices, of which 75 were located in EMEA, 30 in Asia-Pacific, 11 in North America, 8 in South America and 7 in China.

Regulation

Valmet must comply with multiple laws and regulations concerning its operations, such as environmental laws and regulations, labor laws, corporate laws, competition laws, health and safety regulations, international trade sanctions, anti-corruption and anti-bribery legislation as well as data and artificial intelligence related regulations, enacted at the national, EU and international levels in all of the countries in which Valmet pursues business.

Legal and Arbitration Proceedings

Several lawsuits, claims and disputes based on various grounds are pending against Valmet in various countries, including product liability lawsuits and claims as well as legal disputes related to Valmet's deliveries. Valmet is also a plaintiff in several lawsuits. Although some of the claims are substantial, in view of the grounds currently presented for them, provisions made, insurance coverage in force and the extent of Valmet's total business activities, Valmet has had no governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) during the previous 12 months which may have, or have had in the recent past significant effects on the financial position or profitability of the Issuer and/or the Group, nor is the issuer aware of any such proceedings being threatened.

Material Contracts

There are no material contracts that are not entered into in the ordinary course of the Issuer's business and which could result in any Group member being under an obligation or an entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes.

FINANCIAL INFORMATION AND FUTURE OUTLOOK

Historical Financial Information

The Issuer's audited consolidated financial statements as at and for the years ended December 31, 2023 and 2022, have been incorporated by reference into this Listing Prospectus. See "*Documents Incorporated by Reference*." The Issuer's audited consolidated financial statements as at and for the years ended December 31, 2023 and 2022, have been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union (the "**IFRS Accounting Standards**").

Financial information set forth in this Listing Prospectus has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row.

Alternative Performance Measures

This Listing Prospectus includes certain financial measures, which, in accordance with the "*Alternative Performance Measures*" guidance issued by the European Securities and Markets Authority, are not accounting measures defined or specified in the IFRS Accounting Standards and are, therefore, considered alternative performance measures ("**Alternative Performance Measures**"). These Alternative Performance Measures are (i) comparable EBITA; (ii) EBITA; (iii) adjusted earnings per share; (iv) comparable return on capital employed (ROCE) before taxes; (v) gearing; (vi) net debt to EBITDA ratio; (vii) net working capital; (viii) gross capital expenditure (excluding business combinations and right-of-use assets); (ix) operating profit; (x) comparable EBITA, % of net sales; (xi) operating profit, % of net sales; (xii) gross capital expenditure (excluding business combinations and right-of-use assets) to net sales ratio; (xiii) interest-bearing liabilities; (xiv) net interest-bearing liabilities; and (xv) cash flow provided by operating activities. For detailed calculation formulas of the Alternative Performance Measures, see "*—Calculation Formulas for Selected Key Figures and Alternative Performance Measures*" below.

Valmet presents the Alternative Performance Measures as additional information to the financial measures presented in the consolidated statement of income, consolidated statement of financial position, consolidated statement of cash flows and the notes to the consolidated financial statements, all prepared in accordance with the IFRS Accounting Standards. In Valmet's view, Alternative Performance Measures provide management, investors, securities market analysts and other parties with relevant and useful additional information on the results of operations, financial position and cash flows of Valmet.

Valmet presents comparable EBITA and comparable EBITA, % of net sales, to analyze performance excluding certain items of income and expense that reduce the comparability of the Valmet's performance from one period to another. EBITA, EBITA, % of net sales, operating profit and comparable return on capital employed (ROCE) before taxes are presented as complementing measures to the measures included in the consolidated statement of income, as Valmet believes they enhance the understanding of Valmet's financial performance and relative profitability. Interest-bearing liabilities, net interest-bearing liabilities, gearing, net debt to EBITDA ratio and net working capital are presented as complementing measures as they enhance the understanding of Valmet's indebtedness, liquidity and ability to obtain financing and repay its debts. Gross capital expenditure (excluding business combinations and leased assets) and gross capital expenditure (excluding business combinations and leased assets) to net sales ratio also provide additional information on Valmet's cash flows. For definitions of the Alternative Performance Measures, see "*—Calculation Formulas for Selected Key Figures and Alternative Performance Measures*" below.

Alternative Performance Measures are not accounting measures defined or specified in the IFRS Accounting Standards and, therefore, they should not be viewed in isolation or as a substitute to the measures defined in the IFRS Accounting Standards. Companies do not calculate Alternative Performance Measures in a uniform way and, therefore, the Alternative Performance Measures presented in this Listing Prospectus may not be comparable with similarly named measures presented by other companies. Furthermore, these Alternative Performance Measures may not be indicative of Valmet's historical results of operations and are not meant to be predictive of potential future results. Accordingly, undue reliance should not be placed on the Alternative Performance Measures presented in this Listing Prospectus.

Comparability of Certain Financial Information

Valmet implemented "*IFRS 16 – Leases*" ("**IFRS 16**") as of January 1, 2019, by applying the simplified transition method (the "**IFRS 16 Implementation**"). Figures for the years ended December 31, 2013–2018, have not been restated for the implementation of IFRS 16 and, therefore, are not directly comparable in all respects with the information presented for the years ended December 31, 2019–2023.

Valmet implemented "*IFRS 15 – Revenue from Contracts with Customers*" ("**IFRS 15**") as of January 1, 2018, and restated the comparative figures for the year ended December 31, 2017, due to the retrospective implementation (the "**IFRS 15 Implementation**"). Figures for the years ended December 31, 2013–2016, have not been restated for the implementation of IFRS 15 and, therefore, are not directly comparable in all respects with the information presented for the years ended December 31, 2017–2023.

Figures for the year ended December 31, 2013, are based on the carve-out financial information of Valmet Group for the year ended December 31, 2013, prepared on a combined basis from Metso's consolidated financial statements as at and for the year ended December 31, 2013, comprising the historical income and expenses, assets and liabilities and cash flows attributable to the Pulp, Paper and Power businesses (the "**Carve-out Financial Information**"). The Carve-out Financial Information includes allocations of income, expenses, assets, liabilities and cash flows from the former parent company Metso. The carve-out financial statements for the year ended December 31, 2013, have been audited by Ernst & Young Oy, Authorized Public Accountant Firm.

Certain Financial Information

The following table sets forth certain Valmet's key figures as at and for the years indicated:

	As at and for the year ended December 31,			
	2023	2022	2021	2020
	(unaudited, unless otherwise indicated) (EUR in millions, unless otherwise indicated)			
Orders received	4,955[(1)]	5,194[(1)]	4,740	3,653
Order backlog, at the end of period	3,973	4,403	4,096	3,257
Net sales[(1)]	5,532	5,074	3,935	3,740
EBITA[(1)]	605	550	448	355
Comparable EBITA[(1)]	619	533	429	365
% of net sales, percent	11.2[(1)]	10.5[(1)]	10.9	9.8
Operating profit[(1)]	507	436	399	319
% of net sales, percent	9.2	8.6	10.1	8.5
Earnings per share[(1)], EUR	1.94	1.92	1.98	1.54
Adjusted earnings per share, EUR	2.28	2.37	2.09	1.64
Comparable return on capital employed (ROCE) before taxes, percent	15	17	23	22
Cash flow provided by operating activities	352	36	482	532
Net debt to EBITDA ratio	1.46	0.78	(0.17)	0.35
Gearing, percent	40	20	(7)	13

(1) Audited.

The following table sets forth certain historical financial information and Alternative Performance Measures as at and for the years ended December 31, 2013–2023:

	For the year ended December 31,										
	2023	2022	2021	2020	2019	2018[(1)]	2017[(1)(2)]	2016[(1)(2)]	2015[(1)(2)]	2014[(1)(2)]	2013[(1)(2)(3)(4)]
	(unaudited, unless otherwise indicated) (EUR in millions, unless otherwise indicated)										
Net sales											
Net sales[(5)]	5,532	5,074	3,935	3,740	3,547	3,325	3,058	2,926	2,928	2,473	2,613
Services and Automation segments[(6)]	3,112[(7)]	2,646[(7)]	1,773	1,661	1,715	1,525	1,474	1,453	1,357	989	1,032
Process Technologies segment[(6)]	2,420[(7)]	2,428[(7)]	2,163	2,079	1,832	1,799	1,584	1,473	1,572	1,484	1,581
Orders received[(6)]											
Services	1,760[(7)]	1,756[(7)]	1,481	1,356	1,459	1,315	1,242	1,182	1,119	1,055	1,035
Automation	1,340[(7)]	1,081[(7)]	467	415	416	386	368	337	248	–	–
Automation Systems[(8)]	551	505	467	415	416	386	368	337	248	–	–
Flow Control[(9)]	789	576	–	–	–	–	–	–	–	–	–
Process Technologies	1,856[(7)]	2,356[(7)]	2,793	1,962	2,168	2,077	1,713	1,658	1,537	2,016	1,148
Pulp and Energy	854	1,072	1,160	934	1,125	1,000	678	939	864	1,344	680
Paper	1,002	1,285	1,634	1,029	1,043	1,077	1,035	718	673	671	467
EBITA[(10)]	605	550	448	355	315	241	202	183	157	94	(32)
Comparable EBITA[(10)]	619	533	429	365	316	257	218	196	182	106	54
Comparable EBITA, % of net sales, percent	11.2[(7)]	10.5[(7)]	10.9	9.8	8.9	7.7	7.1	6.7	6.2	4.3	2.1

(1) Figures for the years ended December 31, 2013–2018, have not been restated for the IFRS 16 Implementation and, therefore, are not directly comparable in all respects with the information presented for the years ended December 31, 2019–2023.

(2) Figures for the year ended December 31, 2017, have been restated due to the IFRS 15 Implementation and are unaudited. Figures for the years ended December 31, 2013–2016, have not been restated for the IFRS 15 Implementation and, therefore, are not directly comparable in all respects with the information presented for the years ended December 31, 2017–2023.

(3) Figures for the year ended December 31, 2013, are based on the Carve-out Financial Information.

(4) For the year ended December 31, 2013, comparable EBITA was referred to as "EBITA before non-recurring items."

(5) Audited, except for the year ended December 31, 2017, which has been restated and is unaudited as explained in footnote (2) above.

(6) Valmet changed its financial reporting structure as of January 1, 2022, to consist of three reportable segments: Services, Automation and Process Technologies and restated the information for the year ended December 31, 2021, accordingly. The figures for the years ended December 31, 2013–2020, have not been restated and, therefore, are not directly comparable in all respects with the information presented for the years ended December 31, 2021–2023. The information for the years ended December 31, 2013–2020, presented for the Services and Automation segments consist of net sales and orders received previously reported for the Services business line and the Automation business line (from the year 2015 onwards), and for the Process Technologies segment consist of net sales and orders received previously reported for the Pulp and Energy and Paper business lines. The orders received for the Automation Systems business line for the years ended December 31, 2015–2020, also include internal orders received, which differs from the presentation for the years ended December 31, 2021–2023.

(7) Audited.

(8) The Automation Systems business line was formed on April 1, 2015, when the acquisition of the Process Automation Systems business from Metso was completed.

(9) The Flow Control business line was formed on April 1, 2022, when the merger of Neles into Valmet was completed.

(10) Audited, except for the years ended December 31, 2013–2015 and 2017.

The following table sets forth certain Alternative Performance Measures as at and for the years ended December 31, 2014–2023:

	As at and for the year ended December 31,									
	2023	2022	2021	2020	2019	2018[1]	2017[1][2]	2016[1][2]	2015[1][2]	2014[1][2]
	(unaudited) (EUR in millions, unless otherwise indicated)									
Net working capital[3]	191	(82)	(673)	(595)	(426)	(474)	(387)	(294)	(238)	(353)
Orders received	4,955[4]	5,194[4]	4,740	3,653	3,986	3,722	3,272	3,139	2,878	3,071
Net working capital / rolling twelve months orders received, percent	4	(2)	(14)	(16)	(11)	(13)	(12)	(9)	(8)	(11)
Cash flow provided by operating activities	352	36	482	532	295	284	291	246	78	236
Gross capital expenditure (excluding business combinations and right-of-use assets)[5]	125	112	97	89	79	79	66	60	44	46
Gross capital expenditure (excluding business combinations and right-of-use assets) to net sales ratio, percent	2.3	2.2	2.5	2.4	2.2	2.4	2.2	2.1	1.5	1.8

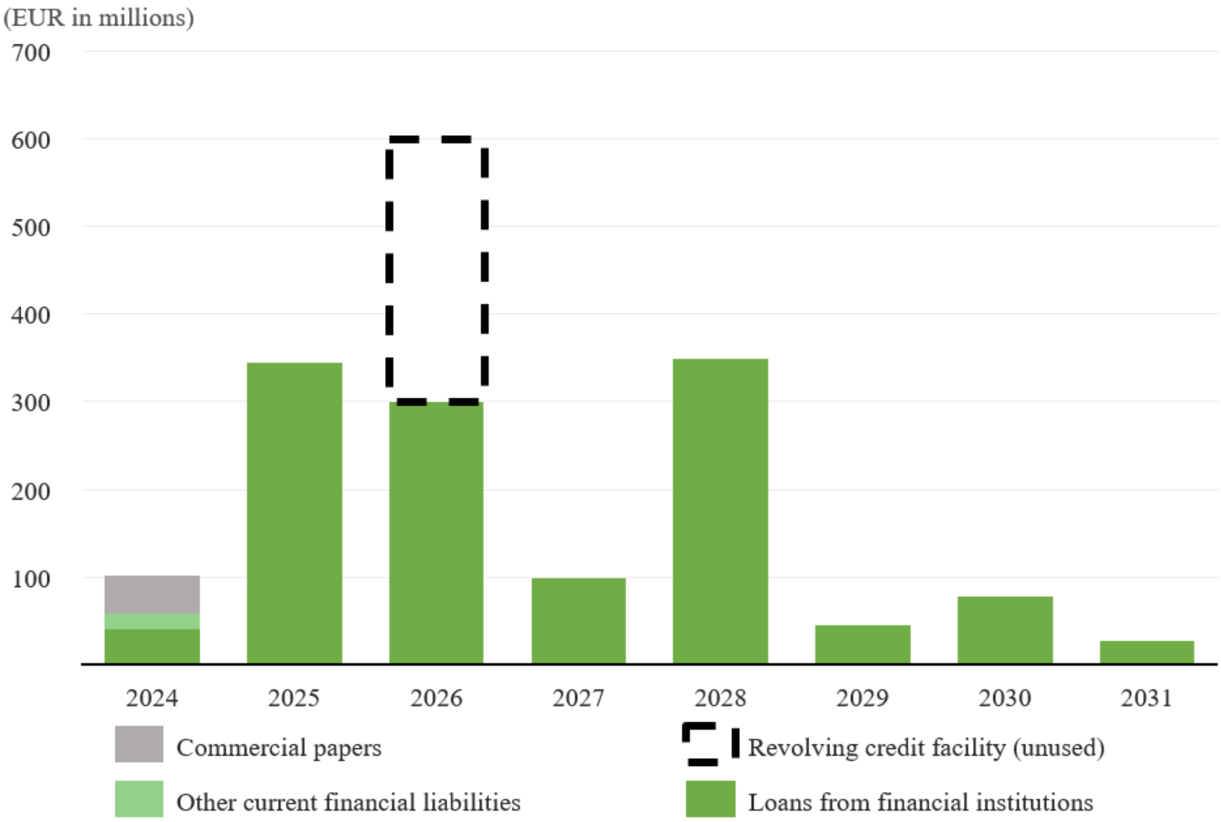
(1) Figures for the years ended December 31, 2014–2018, have not been restated for the IFRS 16 Implementation and, therefore, are not directly comparable in all respects with the information presented for the years ended December 31, 2019–2023.
(2) Figures for the year ended December 31, 2017, have been restated due to the IFRS 15 Implementation. Figures for the years ended December 31, 2014–2016, have not been restated for the IFRS 15 Implementation and, therefore, are not directly comparable in all respects with the information presented for the years ended December 31, 2017–2023.
(3) Audited, except for the year ended December 31, 2020, which is restated and unaudited, for the year ended December 31, 2017, which has been restated due to the IFRS 15 Implementation as explained in the footnote (2) above and is unaudited, and for the years ended December 31, 2014–2016.
(4) Audited.
(5) Valmet does not expect any significant increase in annual capital expenditure compared to current levels in the near future.

The following table sets forth certain Alternative Performance Measures as at and for the years ended December 31, 2019–2023:

	As at and for the year ended December 31,				
	2023	2022	2021	2020	2019
	(unaudited) (EUR in millions, unless otherwise indicated)				
Net interest-bearing liabilities	1,027	502	(88)	149	(90)
Gearing, percent	40	20	(7)	13	(9)
Net debt to EBITDA ratio	1.46	0.78	(0.17)	0.35	(0.23)

__Debt Financing__

The following chart sets forth information on Valmet's debt maturity structure excluding lease liabilities as at December 31, 2023:



As at December 31, 2023, the average interest rate of Valmet's total debt, excluding lease liabilities, was 4.5 percent and average maturity of non-current debt was 3.0 years. Valmet has an uncommitted commercial paper program of EUR 300 million, of which EUR 44 million was outstanding as at December 31, 2023. As at December 31, 2023, Valmet's interest-bearing liabilities, excluding lease liabilities, amounted EUR 1,343 million. As at December 31, 2023, cash and cash equivalents amounted to EUR 432 million and interest-bearing current financial assets amounted to EUR 25 million. Valmet has a EUR 300 million committed revolving credit facility, which matures in October 2026 and was undrawn as at December 31, 2023. Valmet's loan agreements are unsecured, but include customary covenants on Valmet's operations, including a financial covenant. As at the date of this Listing Prospectus, Valmet complies with all covenants under its loan agreements.

Reconciliation of Certain Alternative Performance Measures

The following tables set forth the reconciliation of certain Alternative Performance Measures as at and for the years indicated:

	For the year ended December 31,										
	2023	2022	2021	2020	2019	2018[1]	2017[1][2]	2016[1][2]	2015[1][2]	2014[1][2]	2013[1][2][3][4]
	(unaudited, unless otherwise indicated) (EUR in millions, unless otherwise indicated)										
EBITA											
Net sales[5]	5,532	5,074	3,935	3,740	3,547	3,325	3,058	2,926	2,928	2,473	2,613
Cost of goods sold[5]	(4,136)	(3,857)	(2,943)	(2,844)	(2,688)	(2,561)	(2,362)	(2,259)	(2,291)	(2,004)	(2,172)
Gross profit[5]	1,396	1,217	992	896	859	764	696	667	637	469	441
Other operating income[5]	64	100	27	17	32	14	18	32	29	27	15
Selling, general and administrative expenses[5]	(920)	(852)	(597)	(571)	(588)	(532)	(517)	(518)	(501)	(401)	(469)
Other operating expenses[5]	(36)	(36)	(27)	(25)	(22)	(36)	(27)	(33)	(47)	(23)	(47)
Share in profits and losses of associated companies, operative investments[5]	3	7	3	2	0	1	1	1	2	0	1
Operating profit[5]	507	436	399	319	281	211	170	147	120	72	(59)
Amortization[5]	98	114	49	36	34	30	31	35	37	22	27
EBITA[6]	605	550	448	355	315	241	202	183	157	94	(32)

	For the year ended December 31,										
	2023	2022	2021	2020	2019	2018[1]	2017[1][2]	2016[1][2]	2015[1][2]	2014[1][2]	2013[1][2][3][4]
	(unaudited, unless otherwise indicated) (EUR in millions, unless otherwise indicated)										
Items affecting comparability[6]											
Items affecting comparability in cost of sales:											
Expenses related to capacity adjustments	(8)	(3)	–	(6)	(3)	–	(2)	(8)	(3)	(4)	(31)
Expensing of fair value adjustments recognized in business combinations	(8)	(13)	(2)	(1)	(2)	–	–	–	(7)	–	–
Other items affecting comparability	(17)[7]	(31)[7]	1	(1)	(8)	(1)	(7)	–	(1)	–	–
Items affecting comparability in cost of sales	(33)	(46)	(1)	(8)	(12)	(1)	(9)	(8)	(10)	(4)	(31)
Items affecting comparability in selling, general and administrative expenses:											
Expenses related to capacity adjustments	–	(1)	–	(5)	–	–	(3)	(1)	(2)	(3)	(16)
Expenses related to acquisitions	(6)	(11)	(6)	(1)	(1)	–	–	–	(3)	(1)	–
Costs related to demerger process	–	–	–	–	–	–	–	–	–	–	(10)
Other items affecting comparability	(14)[7]	(11)[7]	–	(0)	–	(1)	(1)	–	–	–	–
Items affecting comparability in selling, general and administrative expenses	(19)	(23)	(6)	(6)	(1)	(1)	(3)	(1)	(4)	(4)	(27)
Items affecting comparability in other operating income and expenses:											
Impairments	–	–	–	–	–	–	–	–	(5)	–	–
Expenses related to capacity adjustments	3	–	–	–	–	–	(4)	(4)	(5)	(2)	(29)
Income and expenses arising from unused facilities	–	–	–	–	–	(5)	1	–	–	–	–
Other items affecting comparability	32[8]	77[8]	10	2	13	(9)	(2)	–	–	(2)	–
Items affecting comparability in other operating income and expenses	35	77	10	2	13	(14)	(5)	(4)	(11)	(4)	(29)
Items affecting comparability in share in profits and losses of associated companies, operative investments[9]	3	9	16	3	–	–	–	–	–	–	–
Items affecting comparability	(14)	17	19	(10)	(1)	(16)	(17)	(13)	(26)	(12)	(86)
Comparable EBITA											
EBITA[6]	605	550	448	355	315	241	202	183	157	94	(32)
Items affecting comparability[6]	14	(17)	(19)	10	1	16	17	13	26	12	86
Comparable EBITA[6]	619	533	429	365	316	257	218	196	182	106	54
Comparable EBITA, % of net sales, percent	11.2[10]	10.5[10]	10.9	9.8	8.9	7.7	7.1	6.7	6.2	4.3	2.1

(1) Figures for the years ended December 31, 2013–2018, have not been restated for the IFRS 16 Implementation and, therefore, are not directly comparable in all respects with the information presented for the years ended December 31, 2019–2023.
(2) Figures for the year ended December 31, 2017, have been restated due to the IFRS 15 Implementation and are unaudited. Figures for the years ended December 31, 2013–2016, have not been restated for the IFRS 15 Implementation and, therefore, are not directly comparable in all respects with the information presented for the years ended December 31, 2017–2023.
(3) Figures for the year ended December 31, 2013, are based on the Carve-out Financial Information.
(4) For the year ended December 31, 2013, comparable EBITA was referred to as "EBITA before non-recurring items" and items affecting comparability was referred to as "non-recurring items."
(5) Audited, except for the year ended December 31, 2017, which has been restated and is unaudited as explained in footnote (2) above.
(6) Audited, except for the years ended December 31, 2013–2015 and 2017.
(7) Other items affecting comparability in cost of sales and in selling, general and administrative expenses for the years ended December 31, 2023 and 2022, include expenses related to the fire in 2022 at Valmet's Rautpohja factory site in Jyväskylä, Finland, and expenses from Valmet's withdrawal from Russia.
(8) Other items affecting comparability in other operating income and expenses for the years ended December 31, 2023 and 2022, include income related to the fire in 2022 at Valmet's Rautpohja factory site in Jyväskylä, Finland, expenses from Valmet's withdrawal from Russia. The figure for the year ended December 31, 2022, also includes a gain of EUR 59 million from remeasurement of Valmet's previously held equity interest in Neles.
(9) Valmet has reported items affecting comparability in share of profits and losses of associated companies, operative investments as an item affecting comparability as of January 1, 2020. No such material items had been identified for prior periods and, therefore, years ended December 31, 2013–2019, have not been restated.
(10) Audited.

	As at and for the year ended December 31,									
	2023	2022	2021	2020	2019	2018	2017[1]	2016[1]	2015[1]	2014[1]
	(unaudited, unless otherwise indicated) (EUR in millions, unless otherwise indicated)									
Net working capital										
Non-current trade receivables[2]	8	–	1	1	–	–	2	0	0	0
Other non-current assets[2]	15	14	8	7[4]	17	14	10	12	12	13
Inventories[3]	1,049	934	662	553	514	419	415	471	508	474
Trade receivables[3]	973	834	644	602	656	555	546	561	476	333
Amounts due from customers under revenue contracts[3][5]	475	485	280	229	262	169	164	197	216	192
Derivative financial instruments (assets)[2]	40	69	43	68	21	19	24	18	15	20
Other receivables[2]	257	223	150	133	108	95	116	85	98	111
Employee benefits[3]	(154)	(132)	(189)	(201)	(190)	(163)	(150)	(151)	(149)	(144)
Provisions[3]	(211)	(219)	(214)	(211)	(173)	(149)	(137)	(128)	(108)	(107)
Other non-current non-interest-bearing liabilities[2]	(1)	(1)	(2)	(3)	(3)	(3)	(1)	(1)	(0)	(1)
Trade payables[3]	(520)	(442)	(374)	(372)	(354)	(286)	(287)	(226)	(250)	(226)
Amounts due to customers under revenue contracts[3][6]	(1,151)	(1,205)	(1,263)	(1,002)	(913)	(771)	(716)	(577)	(524)	(473)
Derivative financial instruments (liabilities)[2]	(46)	(56)	(26)	(44)	(19)	(29)	(13)	(29)	(16)	(33)
Other current liabilities[2]	(544)	(588)	(394)	(355)	(355)	(343)	(361)	(526)	(515)	(514)
Net working capital[2]	191	(82)	(673)	(595)[4]	(426)	(474)	(387)	(294)	(238)	(353)

	As at and for the year ended December 31,									
	2023	2022	2021	2020	2019	2018	2017[(1)]	2016[(1)]	2015[(1)]	2014[(1)]
	(unaudited, unless otherwise indicated) (EUR in millions, unless otherwise indicated)									
Net working capital / rolling twelve months orders received										
Net working capital[(2)]	191	(82)	(673)	(595)[(4)]	(426)	(474)	(387)	(294)	(238)	(353)
Orders received	4,955[(7)]	5,194[(7)]	4,740	3,653	3,986	3,722	3,272	3,139	2,878	3,071
Net working capital / rolling twelve months orders received, percent	4	(2)	(14)	(16)	(11)	(13)	(12)	(9)	(8)	(11)
Gross capital expenditure (excluding business combinations and right-of-use assets) to net sales ratio										
Net sales[(3)]	5,532	5,074	3,935	3,740	3,547	3,325	3,058	2,926	2,928	2,473
Gross capital expenditure (excluding business combinations and right-of-use assets)	125	112	97	89	79	79	66	60	44	46
Gross capital expenditure (excluding business combinations and right-of-use assets) to net sales ratio, percent	2.3	2.2	2.5	2.4	2.2	2.4	2.2	2.1	1.5	1.8

(1) Figures for the year ended December 31, 2017, have been restated due to the IFRS 15 Implementation and are unaudited. Figures for the years ended December 31, 2014–2016, have not been restated for the IFRS 15 Implementation and, therefore, are not directly comparable in all respects with the information presented for the years ended December 31, 2017–2023.
(2) Audited, except for the years ended December 31, 2014–2017, and unless otherwise indicated.
(3) Audited, except for the year ended December 31, 2017, which has been restated and is unaudited.
(4) Restated and unaudited.
(5) For the years ended December 31, 2015 and 2016, the figures consist of the line item Amounts due from customers under construction contracts and for the year ended December 31, 2014, the figure consists of the line item Cost and earnings of projects under construction in excess of advance billings. The figures for the years ended December 31, 2014–2016, have not been restated for the IFRS 15 Implementation and, therefore, are not directly comparable in all respects with the information presented for the years ended December 31, 2017–2023.
(6) In 2019, Valmet changed the presentation of the line item Amounts due to customers under revenue contracts to also include the previously separately presented line item Advances received. The figures for the years ended December 31, 2017 and 2018, presented herein have been adjusted accordingly. The figures the years ended December 31, 2015 and 2016, in this line consist of the previously reported line items Advances received and Amounts due to customers under construction contracts and, for the year ended December 31, 2014, of Advances received and Billings in excess of cost and earnings of projects under construction. The figures for the years ended December 31, 2014–2016, have not been restated for the IFRS 15 Implementation and, therefore, are not directly comparable in all respects with the information presented for the years ended December 31, 2017–2023.
(7) Audited.

	As at and for the year ended December 31,				
	2023	2022	2021	2020	2019
	(audited, unless otherwise indicated) (EUR in millions, unless otherwise indicated)				
Net interest-bearing liabilities					
Non-current debt	1,240	555	195	417	159
Non-current lease liabilities	98	63	37	40	39
Current debt	103	155	222	18[(1)]	48[(1)]
Current lease liabilities	43	35	22	22	22
Cash and cash equivalents	(432)	(277)	(517)	(274)	(316)
Other interest-bearing assets	(25)	(30)	(47)	(74)	(42)
Net interest-bearing liabilities[(2)]	1,027	502	(88)	149	(90)
Gearing					
Total equity	2,572	2,499[(3)]	1,332	1,142	1,046
Net interest-bearing liabilities[(2)]	1,027	502	(88)	149	(90)
Gearing[(2)], percent	40	20	(7)	13	(9)
EBITDA					
Operating profit	507	436	399	319	281
Depreciation and amortization	196	203	120	106	105
EBITDA[(2)]	704	639	518	426	386
Net debt to EBITDA ratio					
Net interest-bearing liabilities[(2)]	1,027	502	(88)	149	(90)
EBITDA[(2)]	704	639	518	426	386
Net debt to EBITDA ratio[(2)]	1.46	0.78	(0.17)	0.35	(0.23)

(1) The figures include balances presented in the line item Current portion of non-current debt as at December 31, 2020 and 2019.
(2) Unaudited.
(3) Restated due to the implementation of amendments to "*IAS 12 – Income Taxes*" on deferred tax related to assets and liabilities arising from a single transaction in 2022. The restated figure is unaudited.

	As at and for the year ended December 31,			
	2023	**2022**	**2021**	**2020**
	(unaudited, unless otherwise indicated) **(EUR in millions, unless otherwise indicated)**			
Adjusted earnings per share				
Profit attributable to the shareholders of the Company[(1)]	357	337[(2)]	296	231
Expensing of fair value adjustments arising from business combinations, net of tax	(63)	(78)	(17)	(15)
Average number of shares outstanding during the period, in millions	184.2	175.6	149.5	149.5
Adjusted earnings per share, EUR	2.28	2.37	2.09	1.64
Comparable return on capital employed (ROCE) before taxes				
Profit before taxes[(1)]	473	431	395	307
Interest and other financial expenses	(49)	(20)	(13)	(12)
Items affecting comparability[(1)]	(14)	17	19	(10)
Total equity, average for the period[(3)]	2,535	1,915	1,237	1,094
Interest-bearing liabilities, average for the period[(3)]	1,146	643	487	382
Comparable return on capital employed (ROCE) before taxes, percent	15	17	23	22

(1) Audited.
(2) Unaudited. Restated due to the implementation of amendments to "*IAS 12 – Income Taxes*."
(3) Calculated as an average of the year-end balance for the reporting period and the comparison period.

Calculation Formulas for Selected Key Figures and Alternative Performance Measures

The following table sets forth the calculation formulas for Valmet's selected Alternative Performance Measures:

EBITA	=	Operating profit + Amortization
Comparable EBITA	=	Operating profit + Amortization +/- Items affecting comparability
Items affecting comparability	=	Items affecting comparability consist of income and expenses arising from activities that amend the capacity of Valmet's operations, such as restructuring costs, gains or losses on sale of businesses or non-current assets, and transaction costs related to business combinations, and income and expenses incurred outside Valmet's normal course of business, such as impairment charges and income and expenses recorded as a result of settlement payments to/from third parties (*e.g.*, penalties incurred as a result of tax audits or settlements to closed lawsuits), share in profits and losses of associated companies as well as expenses arising from changes in legislation expected to affect Valmet temporary only (*e.g.*, customs or other tariffs imposed by authorities on Valmet's products)
Comparable EBITA, % of net sales	=	$\frac{\text{Comparable EBITA}}{\text{Net sales}} \times 100$
Operating profit	=	Operating profit as the subtotal presented in the consolidated statement of income
Operating profit, % of net sales	=	$\frac{\text{Operating profit}}{\text{Net sales}} \times 100$
Earnings per share	=	$\frac{\text{Profit attributable to shareholders of the Company}}{\text{Average number of shares outstanding during the period}}$
Adjusted earnings per share	=	$\frac{\text{Profit attributable to shareholders of the Company - Expensing of fair value adjustments recognized in business combinations, net of tax}}{\text{Average number of shares outstanding during the period}}$
Comparable return on capital employed (ROCE) before taxes	=	$\frac{\text{Profit before taxes + Interest and other financial expenses +/-Items affecting comparability}}{\text{Total equity + Interest-bearing liabilities (average for the period)}} \times 100$
Gearing	=	$\frac{\text{Net interest-bearing liabilities}}{\text{Total equity}} \times 100$
EBITDA	=	Operating profit + Amortization + Depreciation
Net debt to EBITDA ratio	=	$\frac{\text{Net interest-bearing liabilities}}{\text{Operating profit + Amortization + Depreciation}}$

Net working capital	=	Non-current trade receivables + Other non-current assets + Inventories + Trade receivables + Amounts due from customers under revenue contracts + Derivative financial instruments (assets) + Other receivables - Employee benefits - Provisions - Other non-current non-interest-bearing liabilities - Trade payables - Amount due to customers under revenue contracts - Derivative financial instruments (liabilities) - Other current liabilities
Gross capital expenditure (excluding business combinations and right-of-use assets)	=	Capital expenditures on fixed assets as presented in the cash flows from investing activities in the consolidated statement of cash flows
Gross capital expenditure (excluding business combinations and right of use assets) to net sales ratio	=	$\frac{\text{Gross capital expenditure (excluding business combinations and right of use assets)}}{\text{Net sales}} \times 100$
Cash flow provided by operating activities		Net cash provided by (+) / used in (-) operating activities as presented in the consolidated statement of cash flows
Interest-bearing liabilities		Non-current debt + Non-current lease liabilities + Current debt + Current lease liabilities
Net interest-bearing liabilities		Non-current debt + Non-current lease liabilities + Current debt + Current lease liabilities - Cash and cash equivalents - Other interest-bearing assets

Material Adverse Changes in the Prospects of the Issuer

There has been no material adverse change in the prospects of the Issuer since December 31, 2023, which is the last day of the financial period in respect of which the most recent audited financial statements of the Issuer have been published.

Significant Changes in the Issuer's Financial Performance or Position

There has been no significant change in the Issuer's financial performance or position since December 31, 2023, which is the last day of the financial period in respect of which the most recent financial statements of the Issuer have been published.

Future Outlook and Guidance

The following guidance and short-term market outlook for 2024 and assumptions behind the short-term market outlook are included in Valmet's Report of the Board of Directors 2023:

"***Guidance for 2024***

Valmet estimates that net sales in 2024 will remain at the previous year's level in comparison with 2023 (EUR 5,532 million) and Comparable EBITA in 2024 will remain at the previous year's level or increase in comparison with 2023 (EUR 619 million).

Short-term Market Outlook

Valmet reiterates the good/satisfactory short-term market outlook for services (capacity utilization good, customer activity satisfactory), the good short-term market outlook for flow control, automation systems and energy, and the satisfactory short-term market outlook for pulp, board and paper, and tissue.

The short-term market outlook is given for the next six months from the end of the reported period. It is based on customer activity (50 percent) and Valmet's capacity utilization (50 percent), and the scale is 'weak–satisfactory–good'."

The above statements include forward-looking statements. These statements are not guarantees of future financial performance of Valmet. Valmet's actual results and financial position could differ materially from those expressed or implied by these forward-looking statements as a result of many factors. The Issuer cautions prospective investors not to place undue reliance on these forward-looking statements.

Valmet confirms that the above information on the guidance has been properly prepared on the basis stated that is both comparable with Valmet's historical financial information and consistent with Valmet's accounting principles. The guidance is the best considered view and understanding at the time based on the forecasts and estimates received. The assumptions upon which Valmet has based its conclusions and which the Board of Directors of the Company and the Executive Team of Valmet can influence typically include pricing of products and services, production, costs, project management, risk management, supply chain management, quality cost management, R&D and implementation of acquisitions. Factors outside the control of Valmet that affect the above-mentioned forward-looking statements are mostly related to macroeconomic conditions, geopolitics and demand for Valmet's products.

SUMMARY OF RECENT DISCLOSURES

*The following summary sets forth information disclosed by the Company pursuant to the Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (the "**Market Abuse Regulation**") as well as certain other information disclosed by the Issuer pursuant to the rules of Nasdaq Helsinki, over the last 12 months preceding the date of this Listing Prospectus, which is to the Company's knowledge still relevant as at the date of this Listing Prospectus. The following summary does not discuss periodic financial reporting nor other disclosure obligations not pertaining to the Market Abuse Regulation or the rules of Nasdaq Helsinki. Therefore, the following summary is not exhaustive and does not discuss all company releases issued by the Company during the above-mentioned period of time.*

The Annual General Meeting of Valmet

On March 22, 2023, Valmet announced the decisions of its Annual General Meeting of shareholders held on the same day. The Annual General Meeting of shareholders adopted Valmet's financial statements including the consolidated financial statements for the financial year ended December 31, 2022, discharged the members of the Board of Directors and the President and CEO from liability, and approved the Remuneration Report for the Company's governing bodies as well as all proposals made to the Annual General Meeting by the Board of Directors and the shareholders' nomination board of Valmet (the "**Nomination Board**"), including, among others, the following:

- a dividend of EUR 1.30 per share shall be paid based on the balance sheet adopted for the financial year ended December 31, 2022, and the dividend shall be paid in two instalments;
- the number of members of the Board of Directors was confirmed eight (8). Aaro Cantell, Jaakko Eskola, Anu Hämäläinen, Pekka Kemppainen, Per Lindberg, Monika Maurer, Mikael Mäkinen, and Eriikka Söderström were re-elected for a term ending at the end of the next Annual General Meeting of shareholders. Mikael Mäkinen was re-elected as the Chair of the Board of Directors, and Jaakko Eskola as the Vice Chair of the Board of Directors;
- PricewaterhouseCoopers Oy, Authorized Public Accountants, was re-elected as Valmet's auditor and Pasi Karppinen, Authorized Public Accountant (KHT), will continue to act as the Auditor with principal responsibility for the conduct of the audit;
- the Board of Directors of the Company was authorized to resolve on the repurchase of an aggregate maximum of 9,200,000 of the Company's own shares, which corresponds to approximately 5.0 percent of all the shares in the Company; and
- the Board of Directors of the Company was authorized to resolve on the issuance of shares as well as the issuance of special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act. The aggregate number of new shares to be issued may not exceed 18,500,000 shares which corresponds to approximately 10.0 percent of the current shares of the Company.

On November 30, 2023, Valmet announced the proposal of its Nomination Board to Valmet's Annual General Meeting for the composition of the Board of Directors of the Company. For more information, see "*Board of Directors, Management and Auditors—Board of Directors and Executive Team—Proposed Board of Directors*." On the same day, Valmet announced the proposal of its Nomination Board to Valmet's Annual General Meeting for the annual remuneration payable to the members of the Board of Directors of the Company to be elected at the Annual General Meeting in 2024 for the term until the close of the Annual General Meeting in 2025 be increased and as follows: EUR 150,000 for the Chair of the Board of Directors (2023: EUR 145,000); EUR 82,500 for the Vice Chair of the Board of Directors (2023: EUR 80,000); and EUR 66,000 for a member of the Board of Directors (2023: EUR 64,000). Furthermore, the Nomination Board proposed that a base fee of EUR 7,300 (2023: EUR 7,000) shall be paid for each member of the Audit Committee, EUR 16,700 (2023: EUR 16,000) for the Chair of the Audit Committee, EUR 4,200 (2023: EUR 4,000) for each member of the Remuneration and HR Committee, and EUR 8,500 (2023: EUR 8,000) for the Chair of the Remuneration and HR Committee.

On February 7, 2024, Valmet published the notice to the Annual General Meeting of shareholders to be held on March 21, 2024. The notice includes proposals to adopt the financial statements and the consolidated financial statements and to discharge the members of the Board of Directors of the Company and the President and the CEO from liability. In addition, it was proposed that the Annual General Meeting would adopt the remuneration report for governing bodies and the remuneration policy of the Company. It was further proposed to the Annual General Meeting, in particular, that (i) a dividend of EUR 1.35 per share would be paid on the basis of the approved balance sheet for 2023 which would be paid in two instalments, (ii) the number of the members of the Board of Directors would be set at eight (8) and that Mikael Mäkinen, Jaakko Eskola, Pekka Kemppainen, Monika Maurer, Anu Hämäläinen and Per Lindberg would be re-elected as members of the Board of Directors and Annareetta Lumme-Timonen and Annika Paasikivi as new members (for more information, see "*Board of Directors, Management and Auditors—Board of Directors and Executive Team—Proposed Board of Directors*"), and that the term of all of the members of the Board of Directors would end at the end of the Annual General Meeting of shareholders to be held in 2025, (iii) the annual remunerations payable to the members of the Board of Directors would be increased to EUR 150,000 for the Chair of the Board of Directors (2023: EUR 145,000), EUR 82,500 for the Vice Chair of the Board of Directors (2023: EUR 80,000) and EUR 66,000 for the members of the Board of Directors (2023: EUR 64,000), (iv) the meeting fees of the Board of Directors for the meetings attended, including the meetings of the committees of the Board of Directors would be EUR 750 for those members whose place of residence is in Nordic countries, EUR 1,500 for those members whose place of residence is elsewhere in Europe and EUR 3,000 for those members whose place of residence is outside of Europe, (v) the remuneration of the auditor would be paid in accordance with the auditor's invoice and the principles approved by the Audit Committee, (vi) PricewaterhouseCoopers Oy would be re-elected as the auditor of the Company and the term would expire at the end of the next Annual General Meeting following the election, and (vii) the Board of Directors would be authorized to decide on the repurchase of the Company's own shares in one or several tranches and to decide on the issuance of share and special rights entitling to shares as specified in Chapter 10, Section 1 of the Finnish Companies Act.

Share-based Incentive Plans

On March 15, 2023, Valmet announced that a total of 91,646 Valmet's treasury shares had been conveyed without consideration to the participants of its share-based incentive plans (the "**LTI Plans**"), the Deferred Share Plan and the Performance Share Plan, for the performance period 2022, in accordance with the terms and conditions of the plans. The directed share issue was based on the authorization granted to the Board of Directors of the Company by the Annual General Meeting of shareholders held on March 22, 2022.

On June 27, 2023, Valmet announced that the Board of Directors of the Company had decided on June 20, 2023, on a directed share issue related to the reward payment of the Deferred Share Plan and the Performance Share Plan, for the performance period 2022. On June 27, 2023, a total of 11,795 Valmet's treasury shares had been conveyed without consideration to the participants of the plans, in accordance with the terms and conditions of the plans. The directed share issue was based on the authorization granted to the Board of Directors of the Company by the Annual General Meeting of shareholders held on March 22, 2023.

On December 20, 2023, Valmet announced that the Board of Directors of the Company had decided on a continuation of its LTI Plans, the Performance Share Plan and the Deferred Share Plan, as well as the restricted shares pool (the "**Restricted Pool**") for Valmet's key employees.

Acquisition of Own Shares

On December 20, 2023, Valmet announced that the Board of Directors of the Company had decided to use the authorization granted by the Annual General Meeting of shareholders held on March 22, 2023, to repurchase the Company's own shares. Based on the authorization, the Board of Directors of the Company had decided to initiate a fixed-term share buy-back program for the purpose of acquiring the Company's own shares to meet part of the obligations arising from the LTI Plans and the Restricted Pool incentive. The share acquisitions will begin at the earliest on February 12, 2024, and will end at the latest on March 1, 2024. The maximum number of shares to be acquired is 100,000 corresponding to a value of approximately EUR 2.6 million based on the closing share price of the last trading day preceding December 20, 2023. The shares will be acquired at market price in public trading on Nasdaq Helsinki.

On February 12, 2024, Valmet announced that the fixed-term share buy-back program will start on February 12, 2024, and that it will end at the latest on March 1, 2024. On February 12, 2024, Valmet further announced that a total of 20,000 of the Company's own shares had been transferred to the Company with a total consideration of EUR 519,852. On February 13, 2024, Valmet announced that a total of 20,000 of the Company's own shares had been transferred to the Company with a total consideration of EUR 506,868. On February 14, 2024, Valmet announced that a total of 20,000 of the Company's own shares had been transferred to the Company with a total consideration of EUR 503,808. On February 15, 2024, Valmet announced that a total of 20,000 of the Company's own shares had been transferred to the Company with a total consideration of EUR 511,478. On February 16, 2024, Valmet announced that a total of 20,000 of the Company's own shares had been transferred to the Company with a total consideration of EUR 515,812. The acquisitions are part of Valmet's fixed-term share buy-back program that ended on February 16, 2024.

Changes in the Holding of Treasury Shares

On August 10, 2023, and September 29, 2023, Valmet announced that a total of 415 shares and 595 shares, respectively, had been returned free of consideration to Valmet according to the terms and conditions of the Deferred Share Plan 2021–2023. Originally, the shares were transferred to the participants after the performance period 2021 of the plan.

On March 11, 2024, Valmet announced that a total of 2,754 shares had been returned free of consideration to Valmet according to the terms and conditions of the Deferred Share Plans 2021–2023 and 2022–2024. Originally, the shares were transferred to the participants after the performance periods 2021 and 2022 of the plans.

Changes in the Composition of the Nomination Board

On July 11, 2023, Valmet announced that the following composition of the Nomination Board has been confirmed:

- Reima Rytsölä, appointed by Solidium Oy;
- Jari Paasikivi, appointed by Oras Invest Oy;
- Markus Aho, appointed by Varma Mutual Pension Insurance Company;
- Mikko Mursula, appointed by Ilmarinen Mutual Pension Insurance Company; and
- Mikael Mäkinen, (Expert member), Chair of the Board of Directors of Valmet Oyj.

Changes in the President and CEO

On August 18, 2023, Valmet announced that Pasi Laine, the President and CEO of Valmet, had decided to leave Valmet. He will continue as the President and CEO of Valmet until the end of September 2024. The Board of Directors had initiated the search for a successor.

On February 19, 2024, Valmet announced that the Board of Directors of Valmet had appointed Thomas Hinnerskov President and CEO of Valmet and he would start in the position during the second half of 2024 and at the end of September 2024 at the latest. For more information, see "*Board of Directors, Management and Auditors—Board of Directors and Executive Team—New Member Appointed to the Executive Team*."

Issue of the Notes

On March 1, 2024, Valmet announced that it is considering an issuance of the Notes. On March 6, 2024, Valmet announced that it issues the Notes.

BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

General

Pursuant to the provisions of the Finnish Companies Act and the Company's Articles of Association, responsibility for the control and management of the Company is divided between the general meeting of shareholders, the Board of Directors of the Company and the President and Chief Executive Officer (the "**President and CEO**") of Valmet. Shareholders participate in the control and management of the Company through actions taken at general meetings of shareholders. In general, general meetings of shareholders are convened upon notice given by the Board of Directors. In addition, general meetings of shareholders are held when requested in writing by an auditor of the Company or by shareholders representing at least one-tenth of all the outstanding shares of the Company.

In its decision-making and administration, the Company applies its Articles of Association, the Finnish Companies Act, the Finnish Securities Market Act, the rules of Nasdaq Helsinki and other applicable Finnish legislation and regulations. The Company also complies without deviation with the Finnish Corporate Governance Code issued by the Finnish Securities Market Association and the recommendation regarding the procedures to be complied with in public tender offers issued by the Finnish Securities Market Association. Valmet annually prepares and issues a Corporate Governance Statement in accordance with the requirements for Corporate Governance reporting of the Finnish Corporate Governance Code.

The business address of the members of the Board of Directors of the Company, the President and CEO and the members of the Executive Team of Valmet is Valmet Corporation, Keilasatama 5, FI-02150 Espoo, Finland.

Board of Directors and Executive Team

Board of Directors

The Board of Directors of the Company is responsible for the administration and proper organization of the operations of the Company. The Board of Directors of the Company also decides on significant matters related to strategy, investments, organization and finances and ensures that the Company operates according to its established values in all its operations. The main duties of the Board of Directors of the Company are defined in the Finnish laws and regulations, Valmet's Articles of Association, the Finnish Corporate Governance Code and Valmet's Corporate Governance and in the Charters of the Board of Directors. The main duties include approving Valmet's long-term goals and strategy, annual business plan and other major action plans as well as Valmet's organizational structure. It also makes proposals for and decides on convening the shareholders' meeting. Its duties also include approving related party transactions that are not part of the Company's ordinary course of business or are not implemented under arm's-lengths terms. It also approves Valmet's corporate policies in key management areas, such as code of conduct and corporate governance. The Board of Directors ensures that the supervision of the accounting and financial matters is properly organized and that the interim and annual financial statements are properly prepared. Its duties also include ensuring that the Company has adequate planning, information and control systems for monitoring result and managing risks in operations. The Board of Directors monitors and evaluates the performance of the President and CEO and decides upon his/her remuneration and benefits. The Board of Directors approves the main principles for the incentive systems within the Company. The main duties include other matters not belonging to the day-to-day operations of the Company, such as major investments, acquisitions and divestments, and major joint ventures and loan agreements. The Board of Directors conducts an annual evaluation of its operations and working methods. In 2023, the Board of Directors convened eleven times.

The Board of Directors comprises a minimum of five and a maximum of eight members, each of whom is elected at the annual general meeting of shareholders of the Company for a term expiring at the close of the following annual general meeting of shareholders of the Company.

As at the date of this Listing Prospectus, the members of the Board of Directors are as follows:

	Position	Year born	Year appointed to the Board of Directors
Mikael Mäkinen	Chair of the Board of Directors	1956	2019
Jaakko Eskola	Vice Chair of the Board of Directors	1958	2022
Pekka Kemppainen	Member of the Board of Directors	1954	2018
Monika Maurer	Member of the Board of Directors	1956	2018
Eriikka Söderström	Member of the Board of Directors	1968	2017
Aaro Cantell	Member of the Board of Directors	1964	2016
Anu Hämäläinen	Member of the Board of Directors	1965	2022
Per Lindberg	Member of the Board of Directors	1959	2021

Mikael Mäkinen has been the Chair and a member of the Board of Directors of the Company since 2019. Mr. Mäkinen is also the Chair of the Boards of Directors of Aker Arctic Technology Inc and Corvus Energy Ltd. Mr. Mäkinen is also a member of the Boards of Directors of Finnlines Plc and SSAB AB. Previously, Mr. Mäkinen was the President, Marine, and a member of the Executive Team of Rolls-Royce Plc between 2014 and 2019, the President of MacGregor Finland Oy between 2012 and 2014, the President and Chief Executive Officer of Cargotec Corporation between 2006 and 2012, the Chair of the Board of Directors of ICC Finland between 2011 and 2012, the Chair and a member of the Board of Directors of Finpro Oy between 2009 and 2011 and a member of the Boards of Directors of Stora Enso Oyj between 2010 and 2018, Lemminkäinen Corporation between 2009 and 2014, ICC Finland between 2009 and 2014, Technology Industries of Finland between 2008 and 2011, Glaston Corporation between 2008 and 2009, Volvo Penta AB between 2005 and 2008 and Delta Sigma between 2005 and 2007. Mr. Mäkinen has held several positions at Wärtsilä Group between 1982 and 2006. Mr. Mäkinen holds a Master of Science degree in Engineering.

Jaakko Eskola has been the Vice Chair and a member of the Board of Directors of the Company since 2022. Mr. Eskola is also the Chair of the Boards of Directors of Cargotec Corporation, Enersense International Plc, Oy HIFK-Hockey Ab, Suominen Corporation, Technology Industries of Finland and Varma Mutual Pension Insurance Company and a member of the Boards of Directors of Elinkeinoelämän keskusliitto ry and Suomen Pörssisäätiö sr. Previously, Mr. Eskola was the President and Chief Executive Officer of Wärtsilä Corporation between 2015 and 2021, Senior Executive Vice President and Deputy to the Chief Executive Officer of Wärtsilä Corporation between 2013 and 2015, the President, Marine Solutions, of Wärtsilä Corporation between 2016 and 2015, the Chair of the Boards of Directors of Neles Corporation between 2021 and 2022 and Ahlström-Munksjö Oyj between 2020 and 2021 and a member of the Boards of Directors of Cargotec Corporation between 2021 and 2022, Virala Acquisition Company Oy in 2021 and Ahlström-Munksjö Oyj between 2019 and 2020. Mr. Eskola holds a Master of Science degree in Engineering.

Pekka Kemppainen has been a member of the Board of Directors of the Company since 2018. Mr. Kemppainen is also a member of the Boards of Directors of Bittium Corporation and Junttan Oy. Previously, Mr. Kemppainen held several positions at Kone Corporation between 1984 and 2017, including the positions as Executive Vice President, Service Business, between 2010 and 2017, Executive Vice President & Area Director, Asia Pacific, Hong Kong, between 2004 and 2010 and Senior Vice President, New Equipment Business, between 1999 and 2004. Mr. Kemppainen holds a Licentiate of Science (Technology) degree.

Monika Maurer has been a member of the Board of Directors of the Company since 2018. Ms. Maurer is also the Chief Executive Officer of Radio Frequency Systems (RFS) GmbH and the Vice Chair and a member of the Board of Directors and a member of the HR and Remuneration Committee of Nokia Shanghai Bell, Co. Ltd. Previously, Ms. Maurer was the Chief Operating Officer of Nokia Corporation in 2017, Chief Operating Officer, Fixed Networks Business Group, of Nokia Corporation between 2016 and 2017 and held several positions at Alcatel-Lucent S.A. between 2006 and 2016, including the positions as Chief Operating Officer, Fixed Networks Business Line, between 2012 and 2016, Vice President, Presales EMEA, between 2010 and 2012 and President, Product Attached Services Division, between 2009 and 2010. Ms. Maurer also held several positions at Alcatel S.A. between 1985 and 2006, including the positions as President, Fixed Solutions Division, between 2005 and 2006 and President, Voice Networks Division, in 2004. Ms. Maurer holds a Diploma in Physics and Chemistry and a Diploma in Pedagogy.

Eriikka Söderström has been a member of the Board of Directors of the Company since 2017. Ms. Söderström is also a member of the Boards of Directors of Amadeus IT Group, Bekaert Group and Kempower Corporation and the Chair of the Audit Committees of Bekaert Group and Kempower Corporation. Previously, Ms. Söderström was the Chief Financial Officer of F-Secure Corporation between 2017 and 2021, Kone Corporation between 2014 and 2016, Vacon Ltd between 2009 and 2013 and Oy Nautor Ab in 2008, a member of the Boards of Directors of Comptel Oy between 2013 and 2017 and the University of Vaasa between 1992 and 1993, the Chair of the Audit Committee of Comptel Oy between 2016 and 2017 and a Corporate Controller at Kone Corporation between 2013 and 2014. Previously, Ms. Söderström also held several finance positions at Nokia Corporation between 1994 and 2007, including the position as a Corporate Controller of Nokia Siemens Networks. Ms. Söderström holds a Master of Science degree in Economics.

Aaro Cantell has been a member of the Board of Directors of the Company since 2016. Mr. Cantell is also the Chair of the Board of Directors of Normet Group Ltd., Technology Industries of Finland Centennial Foundation sr and Technology Industry Employers of Finland and a member of the Board of Directors of Solidium Oy. Previously, Mr. Cantell was a managing partner of Fenno Management Ltd between 1997 and 2007, Investment Director of the Finnish Innovation Fund Sitra between 1993 and 1997, the Chair of the Boards of Directors of VTT Technical Research Centre of Finland Ltd between 2013 and 2019 and Affecto Ltd between 2005 and 2017 and a member of the Board of Directors of the Federation of Finnish Technology Industries between 2014 and 2018. Mr. Cantell holds a Master of Science degree in Technology.

Anu Hämäläinen has been a member of the Board of Directors of the Company since 2022. Ms. Hämäläinen is also the Vice President, Group Treasury and Financial Services, of Kesko Corporation, a member of the Boards of Directors of Vähittäiskaupan Tilipalvelu VTP Oy and Finnish Fund for Industrial Cooperation Ltd and a deputy member of the Board of Directors of Kesko Pension Fund. Previously, Ms. Hämäläinen was the Vice President, Group Treasury and Financial Services and Support, of Wärtsilä Corporation between 2015 and 2020, Vice President, Group Control and Director, Financial Accounting, of Wärtsilä Corporation between 2008 and 2015 and a member of the Boards of Directors of Neles Corporation between 2020 and 2022, Outotec Oyj between 2019 and 2020, Fingrid Oyj between 2016 and 2020 and Glaston Corporation between 2012 and 2019. Ms. Hämäläinen holds a Master of Science degree in Economics.

Per Lindberg has been a member of the Board of Directors of the Company since 2021. Mr. Lindberg is also the Chair of the Boards of Directors of Nordic Brass Gusum AB and Permascand AB, a member of the Boards of Directors of Boliden AB, ReOcean AB and Vattenfall AB and Senior Advisor at Peymar Holding AB. Previously, Mr. Lindberg was the President and Chief Executive Officer of Epiroc AB between 2018 and 2020, the President and Chief Executive Officer of BillerudKorsnäs AB between 2012 and 2017, the President and Chief Executive Officer of Billerud AB between 2005 and 2012, the President of Korsnäs AB between 2001 and 2005, the Vice President of Investment AB Kinnevik between 2004 and 2005, the Chair of the Board of Directors of YKI AB between 2010 and 2012, a member of the Boards of Directors of Middlepoint AB between 2011 and 2020, Nordstiernan AB between 2014 and 2017, Bergvik Skog AB between 2015 and 2017, SP AB between 2013 and 2014 and Acando AB between 2006 and 2009, Management Consultant at Applied Value Corporation between 1997 and 2001 and an Associate professor at Chalmers University of Technology in Gothenburg between 1990 and 1997. Mr. Lindberg holds a Doctor of Philosophy degree in Industrial Management and Economics and a Master of Science degree in Mechanical Engineering.

Proposed Board of Directors

On November 30, 2023, the Nomination Board proposed to the Annual General Meeting planned to be held on March 21, 2024, that, of the current members of the Board of Directors, Mikael Mäkinen, Jaakko Eskola, Pekka Kemppainen, Monika Maurer, Anu Hämäläinen and Per Lindberg be re-elected members of the Board of Directors until the end of the Annual General Meeting of 2025, that Annareetta Lumme-Timonen and Annika Paasikivi be elected new members of the Board of Directors for the same term of office and that Mikael Mäkinen be re-elected as the Chair of the Board of Directors and Jaakko Eskola be re-elected as the Vice Chair of the Board of Directors. Eriikka Söderström and Aaro Cantell have announced that they are not available for re-election to the Board of Directors.

Annareetta Lumme-Timonen has been an Investment Director at Solidium Oy since 2009. Previously, Ms. Lumme-Timonen was an Investment Manager at 3i Nordic Plc between 2000 and 2007 and SFK Finance Oy between 1997 and 2000. Ms. Lumme-Timonen holds a Doctor of Philosophy degree in technology and a Master of Science degree in Engineering.

Annika Paasikivi has been the President and Chief Executive Officer of Oras Invest Oy since 2018. Previously, Ms. Paasikivi was the Chief Operating Officer of Oras Invest Oy between 2011 and 2018 and Integration Manager of Oras Group Ltd during the integration of Oras Group Ltd and Hansa Metallwerke AG between 2013 and 2015. Prior to joining Oras Invest Oy, Ms. Paasikivi was the Chief Operating Officer of Friitala Fashion Oy between 2009 and 2010 and held various positions at Varova Oy between 2003 and 2005. Ms. Paasikivi holds a Master of Science degree in Global Politics and a Bachelor of Arts degree in International Business.

Board Committees and the Nomination Board

Audit Committee

The Company has an Audit Committee that monitors the Company's financial reporting and prepares issues for the Board of Directors of the Company related to the monitoring of Valmet's financial situation, financial reporting, auditing, and risk management. Currently, the members of the Audit Committee are Eriikka Söderström (Chair), Anu Hämäläinen and Pekka Kemppainen. The Audit Committee works in accordance with its Charter approved by the Board of Directors and Valmet's Corporate Governance Policy. Matters dedicated to the Audit Committee include, among others, assessing Valmet's draft financial statements, interim reports and accounting policies, assessing compliance with laws, provisions and internal instructions, approving audit plans, monitoring external and internal audit processes and assessing Valmet's financial reporting and reporting methods. The Audit Committee reports to the Board of Directors on each meeting.

Remuneration and HR Committee

The Company has a Remuneration and HR Committee whose members are independent of the Company. The Remuneration and HR Committee focuses on the development of remuneration plans of the President and CEO and other members of the Executive Team as well as the remuneration principles in general observed by the Company. Currently, the members of the Remuneration and HR Committee are Mikael Mäkinen (Chair), Aaro Cantell, Jaakko Eskola and Monika Maurer. The Remuneration and HR Committee works in accordance with its Charter approved by the Board of Directors. Matters dedicated to the Remuneration and HR Committee include, among others, reviewing and monitoring the competitiveness of Valmet's remuneration and incentive systems and the development of personnel related issues, evaluation of the performance and compensation of the President and CEO, preparing and making proposals to the Board of Directors of the Company for the compensation and benefits of the President and CEO and for the appointment of the members of Executive Team of Valmet. The Remuneration and HR Committee also decides upon the remuneration and benefits of the members of the Executive Team of Valmet. The Committee reports to the Board of Directors on each meeting.

Nomination Board

On March 26, 2014, the Annual General Meeting of shareholders of the Company decided to establish the Nomination Board to prepare proposals concerning the election and remuneration of the members of the Board of Directors of the Company to the general meetings of shareholders. The Nomination Board comprises representatives nominated by the four largest shareholders of the Company and the Chair of the Board of Directors. The right to nominate representatives is vested with the four shareholders of the Company having the largest share of the votes represented by all the shares in the Company annually on July 1 based on the Company's shareholders' register maintained by Euroclear Finland. Currently, the members of the Nomination Board are Reima Rytsölä, Chief Executive Officer of Solidium Oy, Jari Paasikivi, Chair of the Board of Directors of Oras Invest Ltd, Markus Aho, Chief Investment Officer of Varma Mutual Pension Insurance Company, Mikko Mursula, Deputy to the Chief Executive Officer, Investments, at Ilmarinen Mutual Pension Insurance Company and, as an expert member, Mikael Mäkinen, the Chair of the Board of Directors of the Company. The Nomination Board works in accordance with its Charter approved by the annual general meeting of shareholders of the Company.

Director Independence and Conflicts

The independence of the members of the Board of Directors is evaluated in accordance with Recommendation 10 of the Finnish Corporate Governance Code 2020. According to the recommendation, a significant shareholder is a shareholder that holds at least 10 percent of all company shares or the votes carried by all the shares or a shareholder that has the right or the obligation to acquire the corresponding number of already issued shares. According to the evaluation carried out, all members of the Board of Directors, including the proposed new members of the Board of Directors, except Aaro Cantell and Annareetta Lumme-Timonen, are independent of the significant shareholders of the Company. Mr. Cantell is the Vice Chair of the Board of Directors of Solidium Oy and Ms. Lumme-Timonen is Investment Director at Solidium Oy. Solidium Oy owns over 10 percent of the Company's shares.

In addition, according to director-specific overall evaluation, all of the members of the Board of Directors, including the proposed new members of the Board of Directors Annareetta Lumme-Timonen and Annika Paasikivi, are independent of the Company.

President and CEO

The President and CEO manages Valmet's operations in accordance with the Finnish Companies Act, corporate governance rules and the instructions given by the Board of Directors of the Company. The President and CEO guides and supervises the operations of Valmet and its businesses. The President and CEO is appointed – and, if necessary, dismissed – by the Board of Directors of the Company, and he reports to the Board of Directors of the Company about, for example, Valmet's financial situation, business environment and other significant issues. The President and CEO prepares the matters on the agenda of the Board of Directors of the Company and its committees and implements their decisions. Additionally, the President and CEO acts as Chair of the Executive Team.

Executive Team

The Executive Team of Valmet consists of the President and CEO and other members appointed by the Board of Directors of the Company. The President and CEO acts as the Chair of the Executive Team. The Executive Team is not a decision-making body of Valmet. The Executive Team assists the President and CEO in the preparation of matters, such as Valmet's business plan, strategies, policies and other operative matters of joint importance.

As at the date of this Listing Prospectus, the members of the Executive Team are as follows:

	Position	Year born
Pasi Laine	President and CEO	1963
Aki Niemi	Business Line President, Services	1969
Emilia Torttila-Miettinen	Business Line President, Automation Systems	1979
Simo Sääskilahti	Business Line President, Flow Control	1971
Sami Riekkola	Business Line President, Pulp and Energy	1974
Petri Rasinmäki	Business Line President, Paper	1974
Jukka Tiitinen	Area President, North America	1965
Celso Tacla	Area President, South America	1964
Tero Kokko	Area President, EMEA	1973
Xiangdong Zhu	Area President, China	1967
Petri Paukkunen	Area President, Asia-Pacific	1966
Katri Hokkanen	Chief Financial Officer	1981
Janne Pynnönen	Senior Vice President, Operational Development	1977
Anu Salonsaari-Posti	Senior Vice President, Marketing, Communications, Sustainability and Corporate Relations	1968

Pasi Laine has been the President and CEO of Valmet since 2013. Mr. Laine is also the Chair of the Board of Directors of Ilmarinen Mutual Pension Insurance Company and the Vice Chair of Konecranes Plc. Previously, Mr. Laine held several positions at Metso Corporation between 1998 and 2013, including the positions as a member of the Executive Team between 2006 and 2013, the President of Pulp, Paper and Power between 2011 and 2013, Executive Vice President and Deputy to the Chief Executive Officer between 2011 and 2013, the President of Paper and Fiber Technology in 2011, the President of Energy and Environmental Technology segment between 2008 and 2011, the President of Metso Automation between 2006 and 2011 and the President of Metso Automation's Field Systems business line between 2003 and 2006, the Senior Vice President of Metso Automation's Pulp and Paper Automation Solutions business unit between 2002 and 2003 and the Vice President of the Process & Energy business unit between 1998 and 2002. Previously, Mr. Laine was also the Managing Director of Elsag Bailey Hartmann & Braun Oy between 1996 and 1998 and held various positions at Valmet Automation in Finland, Canada, Germany and the United Kingdom between 1988 and 1996. Mr. Laine holds a Master of Science degree in Engineering. As published on August 18, 2023, Mr. Laine will leave Valmet, and he will continue as the President and CEO of Valmet no later than until the end of September 2024.

Aki Niemi has been Business Line President, Services, of Valmet since 2017. Previously, Mr. Niemi was the Area President, China, of Valmet between 2013 and 2017, Customer Service Engineer at Valmet between 1994 and 1997 and held several positions at Metso Corporation between 1997 and 2013, including the positions as the Area President of China, Pulp, Paper and Power, in 2013, the Vice President of Operations of China, Pulp, Paper and Power, between 2011 and 2013, the General Manager of Onsite Operations of the Paper and Board Machine business unit between 2007 and 2011, the Manager of Process Start-ups of the Paper and Board business line between 2003 and 2007 and the Senior Manager of the Paper Technology between 1997 and 2003. Mr. Niemi holds a Master of Science degree in Engineering.

Emilia Torttila-Miettinen has been the Business Line President, Automation Systems, of Valmet since 2022. Previously, Ms. Torttila-Miettinen held several management positions of the automation business at Valmet, including the positions as the Vice President, Operations of Automation Systems business line, between 2020 and 2022, Director, Automation Services, North and East Europe, between 2018 and 2020, Manager, Automation Services, between 2014 and 2018 and Product Manager between 2013 and 2014 and held various engineering positions in automation and paper business at Metso Corporation between 2003 and 2013. Ms. Torttila-Miettinen holds a Master of Science degree in Engineering.

Simo Sääskilahti has been the Business Line President, Flow Control, of Valmet since 2022. Previously, Mr. Sääskilahti was the Interim President and Chief Executive Officer of Neles Corporation in 2022, the Chief Financial Officer and Deputy to the Chief Executive Officer of Neles Corporation between 2020 and 2022, Senior Vice President, Valve Technologies/Valve Equipment unit within the Valves business area, of Metso Corporation between 2016 and 2019, Senior Vice President, Strategy and Business Development, of Metso Corporation between 2013 and 2016, the Vice President, Business Development Automation Segment, of Metso Corporation between 2011 and 2013, held several management positions at Comptel Corporation between 2001 and 2011 and was a Management Consultant at McKinsey & Company between 1997 and 2001. Mr. Sääskilahti holds a Master of Science degree in Engineering and Economics.

Sami Riekkola has been the Business Line President, Pulp and Energy, of Valmet since 2022. Previously, Mr. Riekkola was the Business Line President, Automation Systems, of Valmet between 2018 and 2022, the Vice President of Energy and Process Systems in 2018 and Vice President, Central and Southern EMEA, Automation Business Line, between 2015 and 2018. Previously, Mr. Riekkola held several automation businesses positions at Metso Corporation between 1998 and 2015, including the positions as the Vice President, Automation, Sales, Central Eastern Europe, between 2013 and 2015, Director, Machine Vision Product Group, between 2010 and 2013, Engineering Manager between 2006 and 2010, Product Manager Profilers & Quality Management Systems between 2004 and 2006, Project Engineer between 1998 and 2003 and

Senior Customer Service Engineer, Australia and New Zealand, at Metso Automation Australia Ltd. between 2003 and 2004. Mr. Riekkola holds a Master of Science degree in Engineering, Automation Technologies.

Petri Rasinmäki has been the Business Line President, Paper, of Valmet since 2023. Previously, Mr. Rasinmäki was the Vice President, Board and Paper Mills business unit, Paper business line, at Valmet between 2021 and 2023, Director, Board and Paper Machines technology unit, Paper business line, at Valmet between 2018 and 2021, General Manager, Mill Improvements Finland, Services business line, at Valmet between 2013 and 2017, General Manager, Service Technology Center, at Metso Corporation between 2011 and 2013, Global Technology Manager at Metso Corporation between 2009 and 2011, Manager, CCR Paper Technology, at Metso Corporation between 2007 and 2009, Paper Technology Manager at Metso Corporation between 2004 and 2007 and Production Superintendent, Verzuolo Mill, at Cartiere Burgo S.p.A between 2001 and 2004. Mr. Rasinmäki holds a Master of Science degree in Engineering and an Executive Master of Business Administration (EMBA) degree.

Jukka Tiitinen has been the Area President, North America, of Valmet since 2021. Previously, Mr. Tiitinen led the Asia-Pacific area organization at Valmet between 2017 and 2021, was the Business Line President of the Services business line of Valmet between 2013 and 2017, the President of the Services business line, Pulp, Paper and Power, at Metso Corporation between 2011 and 2013, the President of Metso Paper, Inc. North America between 2004 and 2011, the President, Service business line, of Metso Paper Oy between 2001 and 2004, the Vice President, Roll Services of North America business unit, of Metso Paper USA Inc./Valmet Inc. between 2000 and 2001. Mr. Tiitinen has also held various management positions at Valmet and Metso Corporation in North America, Australia, Finland and Thailand. Mr. Tiitinen holds a Master of Science degree in Engineering.

Celso Tacla has been the Area President, South America, of Valmet since 2014. Mr. Tacla is a member of the Boards of Directors of the Brazilian Technical Association of Pulp and Paper (ABTCP) and the Brazilian Association for the Machinery and Equipment Industry, PR Regional Office (ABIMAQ/SINDIMAQ-PR) and an associate member of the IBGC (Brasilian Institute of Corporate Governance). Previously, Mr. Tacla was the South America Area President, Pulp, Paper and Power, of Metso Corporation between 2011 and 2013, the President of Metso Paper South America Ltda between 2008 and 2011 and Director, Power business line, between 2007 and 2008, Director, Power business line, at Kvaerner do Brasil Ltda between 2004 and 2007 and Commercial Manager between 2000 and 2004, Sales Manager at Kvaerner Pulping Ltda between 1994 and 2000, Sales Manager at Gotaverken Energy do Brasil Representacoes between 1992 and 1994 and held various positions at Cocelpa Cia de Celulose e Papel do Paraná between 1986 and 1992. Mr. Tacla holds a Master of Business Administration degree and is Production engineer and Chemical engineer.

Tero Kokko has been the Area President, EMEA, of Valmet since 2023. Previously, Mr. Kokko was the Vice President, Fabrics business unit, Services business line, of Valmet between 2020 and 2023, held several positions at Cargotec Corporation, including the positions as the Senior Vice President, Kalmar Automation Solution, between 2019 and 2020, Senior Vice President, Automation and Projects division, Kalmar business area, between 2016 and 2019, Managing Director, Cargotec Finland, between 2016 and 2020, Vice President, Horizontal Transportation, Kalmar business area, between 2012 and 2016 and Vice President, Yard Cranes, between 2011 and 2012, Director, Control Measurement solution, at Metso Automation between 2009 and 2011, Director, Business Development, at Metso Automation GmbH between 2008 and 2009 and Product Manager at Metso Automation between 2004 and 2008. In addition, Mr. Kokko was a Senior Researcher at Tampere University of Technology between 2003 and 2004 and a Research Engineer at Tampere University of Technology between 1998 and 2002. Mr. Kokko holds a Doctor of Technology degree in Engineering and Master of Science degree in Economics.

Xiangdong Zhu has been the Area President, China, of Valmet since 2017. Previously, Mr. Zhu was the Vice President, Services, China, of Valmet between 2013 and 2017, Vice President, Automation, of Voith Paper (China) Co. Ltd. between 2011 and 2012, the Vice President, Capital Sales and Application, of Voith Paper (China) Co. Ltd. between 2012 and 2013, held several management positions at Valmet Automation in China, including the positions of a Country Manager between 2007 and 2011, Sales Director between 2004 and 2006 and Sales Manager between 1998 and 2003, Department Manager, Automation and Electrification, of Stora Enso (Suzhou) Paper Co. Ltd. between 1992 and 1998 and Engineer at Suzhou Signal and Communication Department of Shanghai Railway Bureau between 1989 and 1992. Mr. Zhu holds a Bachelor of Science degree in Industrial Automation and Master of Business Administration degree (MBA).

Petri Paukkunen has been the Area President, Asia-Pacific, of Valmet since 2021. Previously, Mr. Paukkunen was the Vice President, Board and Paper Mills business unit, Paper Business Line, of Valmet between 2018 and 2021, the Vice President, Sales and Marketing, Board and Paper Mills business unit, Paper Business Line, of Valmet between 2012 and 2018, Vice President, Finishing Rebuild, of Metso Paper Oy between 2009 and 2012, General Manager, Winder Business, of Metso Paper Oy between 2007 and 2008, General Manager, Roll Finishing System Sales, of Metso Paper Oy between 2004 and 2007 and held various process specialist and manager positions at Valmet and Metso Corporation in Finland and the United States between 1991 and 2004. Previously, Mr. Paukkunen was a member of the Boards of Directors of Allimand Group between 2012 and 2021 and the Finnish Forest Products Engineers Association between 2012 and 2019. Mr. Paukkunen holds a Bachelor of Science degree in Paper Engineering.

Katri Hokkanen has been the Chief Financial Officer of Valmet since 2022. Previously, Ms. Hokkanen was the interim Chief Financial Officer of Valmet in 2022, the Vice President, Finance, Pulp and Energy business line, of Valmet between 2017 and 2022, Head of Finance, Asia Pacific, of Valmet between 2015 and 2017, Manager, Finance of EMEA Services Business, of Valmet between 2013 and 2015, Business Controller, Services, of Metso Paper between 2011 and 2013, Assistant Business Controller of Metso Paper between 2008 and 2011 and Accountant and Senior Accountant, Shared Services, of Metso Corporation between 2006 and 2008. Ms. Hokkanen holds a Master of Science degree in Economics.

Janne Pynnönen has been the Senior Vice President, Operational Development, of Valmet since 2024. Mr. Pynnönen is a member of the Board of Directors of CLIC Innovation Ltd and the Vice Chair and a member of the delegation of the Finnish Foundation for Technology Promotion. Previously, Mr. Pynnönen was the Vice President, R&D, of Valmet between 2020 and 2024, Head of LVL business line, Wood Products, of Stora Enso Oyj between 2018 and 2020, Head of Innovation and Head of Building Systems, Wood Products, of Stora Enso Oyj between 2015 and 2018, Director, R&D and Innovation, Building and Living, of Stora Enso Oyj between 2014 and 2015, Platform Director, Building and Living, of Stora Enso Oyj between 2012 and 2014, Manager, Business Development, Building and Living, of Stora Enso Oyj between 2010 and Research Scientist/Project Manager, Consumer Boards, of Stora Enso Oyj between 2004 and 2010.

Anu Salonsaari-Posti has been the Senior Vice President, Marketing, Communications, Sustainability and Corporate Relations, of Valmet since 2014. Previously, Ms. Salonsaari-Posti was the Senior Vice President of Marketing and Communications, Pulp, Paper and Power, of Metso Corporation in 2013, the Vice President of Group Communications of Metsä Group between 2010 and 2013, the Head of Communications and Sustainability of Heat Division at Fortum Corporation between 2009 and 2010, the Vice President of Communications and Marketing of Fortum Power and Heat Oy between 1999 and 2009 and held various positions at Imatran Voima Oy, including the positions as Marketing and Communications Manager between 1997 and 1998, Marketing Manager between 1995 and 1997 and Marketing Planner between 1994 and 1995. Ms. Salonsaari-Posti holds a Master of Science degree in Economics and Business Administration and a Master of Business Administration (MBA) degree.

New Member Appointed to the Executive Team

On February 19, 2024, Valmet announced that the Board of Directors of Valmet had appointed Thomas Hinnerskov President and CEO of Valmet and he would start in the position during the second half of 2024 and at the end of September 2024 at the latest.

Thomas Hinnerskov has been previously the Chief Executive Officer of Mediq B.V. between 2022 and 2024. Previously, Mr. Hinnerskov held several positions at Kone Corporation between 2016 and 2022, including the positions as the Executive Vice President responsible for South Europe, Middle East and Africa between 2021 and 2022 and the Executive Vice President responsible for Central Europe between 2016 and 2021. Previously, Mr. Hinnerskov held several leadership positions in ISS A/S between 2003 and 2016. Mr. Hinnerskov holds a Master of Science degree in Economics (Finance and Accounting).

Conflicts of Interest

Provisions regarding conflicts of interest of the management of a Finnish company are set forth in the Finnish Companies Act. Pursuant to Chapter 6, Section 4 of the Finnish Companies Act, a member of the Board of Directors may not participate in the handling of a contract between himself/herself and the company. Further, pursuant to Chapter 6, Section 4 a of the Finnish Companies Act, a member of the Board of Directors may not participate in the handling of a contract between himself/herself or an entity that is related to himself/herself as defined in the "*IAS 24 – Related Party Disclosures*," and the company or its subsidiary, unless the agreement is part of the company's ordinary course of business or is conducted on normal market terms. The above provision regarding contracts also applies to other legal acts and proceedings and to other similar matters. These provisions are also applied with regard to the President and CEO.

None of the members of the Board of Directors of the Company, the President and CEO or the other members of the Executive Team of Valmet have any conflicts of interests between any duties to the Company and their private interests and/or their other duties.

Auditors

In accordance with Valmet's Articles of Association, Valmet shall have one auditor, which must be an auditing firm approved by the Finland Chamber of Commerce. Valmet's Audit Committee prepares the auditor selection process and the fees payable to the auditor will be in accordance with the invoice approved by the Audit Committee. The auditor's term of office will end at the next Annual General Meeting.

On March 22, 2023, the annual general meeting of shareholders of the Company re-elected PricewaterhouseCoopers Oy, Authorized Public Accountants, as the Company's auditor with Pasi Karppinen, Authorized Public Accountant (KHT), as the auditor with principal responsibility for the conduct of the audit. The audited consolidated financial statements of the Company as at and for the years ended December 31, 2023 and 2022, were audited by PricewaterhouseCoopers Oy, Authorized Public Accountants, with Pasi Karppinen, Authorized Public Accountant (KHT), as the auditor with principal responsibility for the conduct of the audit. Pasi Karppinen is registered in the register of auditors referred in Section 9 of Chapter 6 of the Finnish Auditing Act (1141/2015, as amended).

SHARE CAPITAL AND OWNERSHIP STRUCTURE

As at the date of this Listing Prospectus, Valmet's share capital is EUR 140,000,000.00 and the total number of shares issued is 184,529,605. As at the date of this Listing Prospectus, the Company holds 471,254 of its own shares for which no dividend is paid. The Company has one share class. Each share carries one vote at general meetings of shareholders.

The following table sets forth the ten largest shareholders of Valmet that appear on the shareholder register maintained by Euroclear Finland as at February 29, 2024:

	As at February 29, 2024	
	Number of shares	**Percent of shares and votes**
Oras Invest Oy	19,200,000	10.40
Solidium Oy	18,640,665	10.10
Varma Mutual Pension Insurance Company	6,345,983	3.44
Ilmarinen Mutual Pension Insurance Company	5,985,818	3.24
Elo Mutual Pension Insurance Company	2,649,000	1.44
Finnish State Pension Fund	2,400,000	1.30
OP-Finland	724,946	0.39
Finnish Cultural Foundation	720,684	0.39
Sigrid Jusélius Foundation	716,954	0.39
Samfundet Folkhälsan i Svenska Finland	661,923	0.36
10 largest registered shareholders total	58,045,973	31.46
Nominee-registered shares	70,735,390	38.33
Other registered shareholders	55,748,242	30.21
Total	184,529,605	100.00

To the extent known to the Issuer, the Issuer is not directly or indirectly owned or controlled by any person for the purposes of Chapter 2, Section 4 of the Finnish Securities Markets Act and the Issuer is not aware of any arrangement related to the Issuer's ownership the operation of which may result in a change of control of the Issuer.

GREEN FINANCE FRAMEWORK

The following is a summary of the Green Finance Framework published on March 1, 2024, and available on Valmet's website at www.valmet.com/greenfinance.

General

Valmet's mission is to convert renewable resources into sustainable results. This means that Valmet's technology and services make it possible for Valmet's customers to manufacture sustainable products from renewable resources. The Green Finance Framework is established to support Valmet on this mission.

The Green Finance Framework is done in alignment with the Green Loan Principles published by LMA, APLMA and LSTA in 2023 and with the 2021 version of the Green Bond Principles published by ICMA. In addition, Valmet has taken into account market developments, voluntary standards and recent regulatory developments in the preparation of the Green Finance Framework.

The four components of the Green Loan Principles and the Green Bond Principles are:

(1) Use of Proceeds;

(2) Process for Project Evaluation and Selection;

(3) Management of Proceeds; and

(4) Reporting.

The Green Finance Framework is applicable for the issuance of green debt instruments, including but not limited to, green bonds, green commercial papers, green loans and other types of debt instruments where an amount equal to the net proceeds will be applied to finance or refinance, in part or in full, new and/or existing expenditures and assets with clear environmental benefits, as defined in the Green Finance Framework ("**Green Financing**").

In relation to the EU taxonomy set out in the EU Taxonomy Regulation (the "**EU Taxonomy**"), the Green Finance Framework refers to the EU environmental objectives and, as, at the time of publication of the Green Finance Framework, the full EU Taxonomy reporting is not yet in place, the Green Finance Framework does not take the full technical screening criteria into account for all eligible activities. The "—*Use of Proceeds*" section below builds upon two primary objectives, which are transition to a circular economy and climate change mitigation. Valmet's services aim to advance circularity by extending products' lifetime and to reduce environmental impacts through energy efficiency and the reduction of emissions and raw material use.

Use of Proceeds

General Principles

An amount equivalent to the net proceeds from Valmet's Green Financing will be used to finance or refinance, in part or in full, Green Assets and Expenditures (as defined below). The environmental objectives are the transition to a circular economy and climate change mitigation through the provision of products and services that advance circularity by extending products' lifetime and increase environmental efficiency by, for example, reducing CO_2 emissions or material use and by offering production processes that enable carbon neutral production.

Financing and refinancing of tangible assets and capital expenditure (with no specific age restriction) and operational expenditure (with up to three-year lookback period before the issuance of any Green Financing) can qualify. The combined allocated amount to a specific asset or expenditure, by one or several sources of financing through eligible use of proceeds, may not exceed its value.

For the purpose of defining tangible assets, capital expenditures and operational expenditures, the Green Finance Framework applies the accounting principles as described in Annex I of the Commission Delegated Regulation (EU) 2021/2178 of July 6, 2023, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council (as amended, the "**Taxonomy Disclosures Delegated Act**").

Valmet currently operates in more than 40 countries worldwide. The Green Finance Framework and listed Green Assets and Expenditures cover all of its operations.

Green Assets and Expenditures

ICMA GBP Green Project Category: Circular economy adapted products, production technologies and processes	**Contribution towards European Union Environmental Objective:** Transition to a circular economy

Valmet provides services and solutions mainly for the pulp, board and paper, tissue and energy industries throughout the products' lifecycle to continuously improve process performance and reliability and extend the lifecycle of the products. Valmet's solutions include rebuilds, upgrades, conversions, and maintenance services for various types of paper machines and industrial processes, such as renewable energy plants.

Machine modernization and single section business is the process of upgrading and improving the performance and extending lifetime of machines and equipment by for example replacing old or obsolete parts, installing new technologies, optimizing process parameters, and enhancing quality and efficiency.

In order for the relevant expenditure or asset to be eligible, it must meet the below criteria:

- capital and operating expenditures, including R&D, related to Valmet's services that extend the lifetime of Valmet's products by repairing, refurbishing or remanufacturing products that have already been used for their intended purpose by Valmet's customers; and
- additionally, eligible expenditures must be classified as economic activities listed in the Annex II of Commission Delegated Regulation (EU) 2023/2486 of June 27, 2023 (the "**Environmental Delegated Act of EU Taxonomy**"), such as 5.1 (*Repair, refurbishment and remanufacturing*) or 4.1 (*Provision of IT/OT data-driven solutions*). Activities must meet all Minimum Safeguards, and Technical Screening Criteria having been screened in line with the EU Taxonomy Regulation reporting requirements applicable at the time of Green Financing transaction being issued.

United Nations Sustainable Development Goals

ICMA GBP Green Project Category: Climate change mitigation	**Contribution towards European Union Environmental Objective:** Climate change mitigation

Valmet believes that technology plays a crucial role in mitigating climate change and global warming and Valmet's technology and services enable its customers to manufacture sustainable products from renewable resources. Valmet's technologies enable 100 percent carbon neutral production for customers with access to fossil free energy sources.

Valmet's process technology, automation and services are designed to enhance environmental performance of its customers by improving, for example, raw material, energy, water and chemical efficiency. With Valmet's products customers can reduce energy and raw material usage, optimize quality and enhance environmental performance.

In order for the relevant expenditure or asset to be eligible, it must meet at least one of the below criteria:

- expenditure related to activities fully aligned with the Technical Screening Criteria for the following categories, as defined in the Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021 (the "**Climate Delegated Act of EU Taxonomy**"), such as 3.1 (*Manufacture of renewable energy technologies*), 3.2 (*Manufacture of equipment for the production and use of hydrogen*) and 3.6 (*Manufacture of other low carbon technologies*);
    - examples include, but are not limited to, aligning extraction technologies;
- R&D expenditure related to developing solutions enabling Valmet's customer's green transition; and
    - examples include research and development activities that result in technologies or solutions being classified under category 1 or 3 of this section;
- capital and operating expenditures relating to developing and delivering technologies and solutions enabling Valmet's customer's green transition, including;
    - expenditures related to technologies for biomass energy generation, such as:
        - solutions for utilization of biomass residues and industrial side streams;

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- expenditures related to the technologies enabling reduction of GHG and other emissions in pulp, paper, board and tissue mills, such as:
  - solutions for the whole process line from pulping to finishing and automation, including electrification of processes, heat recovery and emissions control;
  - solutions for fossil free pulp mills, including fossil free lime kilns; and
- expenditures related to the technologies enabling replacement of virgin fibers with recycled materials or more efficient use of raw materials in pulp, paper, board and tissue production, such as:
  - solutions for stock preparation technologies for recycled fibers.

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<tr><td>United Nations Sustainable Development Goals</td><td>


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Do No Significant Harm

In relation to the use of proceeds of Green Financing, Valmet has procedures in place to ensure that its operations do not cause significant harm to relevant environmental objectives. Screening is conducted at an appropriate level for each environmental objective as listed in EU Taxonomy Regulation. Valmet's group-level approach is in line with the recommendations of the Task Force on Climate-Related Financial Disclosures ("**TCFD**"), and Valmet assesses climate risks as part of its groupwide risk management system. As TCFD has been merged with IFRS Foundation's International Sustainability Standards Board's ("**ISSB**") new standards, Valmet will evaluate alignment with ISSB's standards.

Minimum Safeguards

Valmet is committed, through corporate social safeguards, to ensure that its operating instructions, company policies, and management system are following the United Nations Guiding Principles on Business and Human Rights, Organisation for Economic Co-operation and Development Guidelines for multinational enterprises and International Labour Organization Declaration on Fundamental Principles and Rights at Work.

Valmet ensures its compliance with the minimum safeguards as required in Article 18 of the EU Taxonomy Regulation through the group-level policies and due diligence process and compliance with national labor legislation.

Process for Project Evaluation and Selection

Selection of Eligible Green Assets and Expenditures

The evaluation and selection process for eligible Green Assets and Expenditures is a key in ensuring that an amount equal to net proceeds from Green Financing is allocated to assets and expenditure that meet the criteria in the Green Finance Framework.

To oversee the selection of eligible Green Assets and Expenditures, Valmet has established a green finance committee with members from financial management, treasury, technology and sustainability (the "**Green Finance Committee**"). All decisions in the Green Finance Committee are made in consensus; however, Valmet's Vice President, Sustainability, holds veto right on decisions related to the definitions of eligible Green Assets and Expenditures. The Green Finance Committee will convene when necessary, and at least once a year to validate and report eligible Green Assets and Expenditures and will keep track of all decisions made.

The Green Finance Committee will continuously exercise its professional judgement, discretion and sustainability expertise when identifying and evaluating the Green Assets and Expenditures.

The Green Finance Committee holds the following responsibilities:

- any Green Finance Committee member may propose potential assets and/or expenditures to be evaluated in alignment with the Green Finance Framework;
- the Green Finance Committee confirms, with the help of other Valmet units where necessary, that proposed potential assets and/or expenses are eligible and aligned with the criteria in the Green Finance Framework;

- if necessary, the Green Finance Committee may escalate decisions to the Executive Team of Valmet; and
- the Green Finance Committee is responsible for the maintenance of the Green Finance Framework.

Management of Proceeds

Approach to Managing Proceeds

Amount equal to the net proceeds from Valmet's Green Financing will be tracked by Group Treasury using a register where all issued amounts of green debt instruments and underlying Green Assets and Expenditures will be monitored ("**Green Debt Register**"). The purpose of the Green Debt Register is to ensure that an amount equal to the Green Financing net proceeds only support the financing or refinancing of Green Assets and Expenditures.

Valmet will maintain a possibility to choose, at its own discretion, the most suitable allocation method for any Green Financing net proceeds. Commonly used approaches, as described in the Green Bond Principles, are based on a portfolio approach and bond-by-bond approach. Valmet will maintain high level of transparency in reporting to investors and will always state the chosen allocation method at the latest in connection to the first allocation and impact reporting of each Green Financing instrument. Valmet will ensure full allocation of proceeds at each individual Green Financing instrument's maturity or redemption or repayment at latest, in line with the EU Green Bond Regulation approach.

The list of Green Assets and Expenditures is monitored on a regular basis during the term of Green Financing to ensure that the proceeds are sufficiently allocated to eligible Green Assets and Expenditures. Assets and expenditures can, if deemed by the Green Finance Committee to not fulfil the eligibility criteria, be removed or added to/from the Green Debt Register.

Temporary Holdings

There may be periods where the net proceeds of Green Financing have not yet been fully allocated to Green Assets and Expenditure. Any unallocated proceeds will be placed in the liquidity reserve and are managed in accordance with Valmet's liquidity management policy.

Reporting

General

To enable investors, lenders, and other stakeholders to follow the development of the assets and expenditure (re-)financed by Green Financing, a dedicated or investor report will be made available on Valmet's website ("**Green Finance Report**"). First such report will, subject to the timing of inaugural Green Financing instrument issuance, cover either (i) rolling 12-month period from issuance or (ii) the ongoing financial year. The Green Finance Report will be published either as a stand-alone document or it may be integrated into Valmet's annual review or financial statements.

The Green Finance Report will include information about allocation and impact of proceeds. The Green Finance Report will be published annually as long as there are Green Financing outstanding or until full allocation of proceeds. Each Green Financing instrument will have at least one Green Finance Report available during its lifetime, and multiple Green Finance instruments may be combined in one Green Finance Report.

In case Valmet has Green Financing outstanding in a form of bank loans or other bilateral facilities, Valmet may report necessary annual details related to such loans directly to its lenders, as may be agreed in respective instruments' final documentation.

Allocation Reporting

Information included in the allocation section shall include at least:

- total amount (EUR and/or other currencies) of Green Financing outstanding during the reporting period;
- share of proceeds used for refinancing and financing;
- share of unallocated proceeds (if any);
- chosen allocation method (portfolio or bond-by-bond); and
- distribution of allocated proceeds between each eligible category listed in the Green Finance Framework.

Impact Reporting

The impact report includes metrics related to the environmental impacts of Valmet's eligible Green Assets and Expenditures financed under the Green Finance Framework.

Given the enabling nature of Valmet's products and services, the impact report is dependent on the data collected from end-customers, and calculations will be made on a best effort basis, potentially relying on estimates, with used methodologies always explained. The impact report will include at least one of the below listed metrics:

- circular economy adapted products, production technologies and processes: EU Taxonomy reporting, Descriptions of selected projects in which lifecycle of customers' products have been extended, Descriptions of gained lifecycle benefits; and/or

- climate change mitigation: EU Taxonomy reporting, Environmental impacts through solutions provided, such as estimated CO_2 emission reductions, energy efficiency improvements or reduction in raw material usage.

External Review

Pre-issuance Review

To confirm the transparency, robustness and alignment with market standards of the Green Finance Framework, Valmet has engaged ISS ESG to act as an external reviewer of this Green Finance Framework. Among other things, the independent Second Party Opinion by ISS ESG confirms the alignment of the Green Finance Framework with the Green Bond Principles set out in 2021 by ICMA and the Green Loan Principles set out in 2023 by LMA, LSTA, and APLMA.

The Green Finance Framework and the Second Party Opinion are both publicly available under the investors section on Valmet's website. Valmet shall acquire new Second Party Opinion in connection with any potential update to the Green Finance Framework, and shall publish both updated documents on Valmet's website.

Post-issuance Review

Allocation of proceeds shall be subject to an external auditor's review (at least limited assurance) annually until full allocation or if material re-allocation is done for already allocated amounts.

Valmet may publish external review in connection to the Green Finance Report or the external review may be included as a part of Valmet's annual review or financial statements. The impact report will not be part of the audited reporting scope.

FINNISH TAXATION

The following summary is based on the tax laws of Finland as in effect on the date of this Listing Prospectus, and is subject to changes in Finnish law, including changes that could have a retroactive effect. The following summary does not take into account or discuss the tax laws of any country other than Finland and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Finnish Resident Noteholders

Individual

If the recipient of interest paid on the Notes is an individual (natural person) residing in Finland or an undistributed estate of a deceased Finnish resident, such interest is, when paid by the Issuer or securities dealer (*i.e.*, a Finnish financial institution making the payment), subject to an advance withholding tax in accordance with the Finnish Withholding Tax Act (*Ennakkoperintälaki* 1118/1996, as amended) and final taxation as capital income in accordance with the Finnish Income Tax Act (*Tuloverolaki* 1535/1992, as amended). The current withholding tax and capital income tax rate is 30 percent. Should the amount of capital income received by a resident natural person exceed EUR 30,000 in a calendar year, the capital income tax rate is 34 percent on the amount that exceeds the EUR 30,000 threshold. However, advance tax withholdings will still be made at the rate of 30 percent.

If Notes are disposed of during the loan period, any capital gain as well as accrued interest received (secondary market compensation) is taxed as capital income. The Issuer or a securities dealer (*i.e.*, a Finnish financial institution making the payment) must deduct an advance withholding tax from the secondary market compensation paid to an individual (natural person) residing in Finland or an undistributed estate of a deceased Finnish resident.

An individual (natural person) residing in Finland or an undistributed estate of a deceased Finnish resident may deduct eventual capital losses from its taxable capital gains in the year of disposal and in the five subsequent calendar years.

If Notes are acquired in the secondary market, any accrued interest paid (secondary market compensation) is deductible from the capital income or, to the extent exceeding capital income, from earned income subject to the limitations of the Finnish Income Tax Act.

Corporate Entity or Partnership

Interest paid to Finnish corporate entities (other than non-profit associations) and to Finnish partnerships is deemed to be taxable income of the recipient of interest. Any gain or loss realized following a disposal of the Notes will be taxable income or a tax deductible loss for the relevant Noteholder. The current tax rate for corporate entities is 20 percent. Interest paid to such Noteholders is not subject to any withholding tax.

Non-Resident Noteholders (Individuals and Corporate Entities)

Interest paid to an individual or a corporate entity who is non-resident in Finland for tax purposes is exempt from Finnish withholding tax in accordance with the Finnish Income Tax Act (*Tuloverolaki* 1535/1992, as amended) when the interest is paid on, for example, a bond. However, if the non-resident Noteholder is engaged in trade or business through a permanent establishment or a fixed place of business in Finland, the Noteholder is liable to pay income tax on all income attributable to that permanent establishment.

Capital gain arising from the disposal of the Notes is not subject to taxation in Finland for the non-resident Noteholder.

DOCUMENTS INCORPORATED BY REFERENCE

The documents listed in paragraphs (i)–(ii) below have been incorporated by reference into this Listing Prospectus. The non-incorporated information in the documents incorporated by reference into this Listing Prospectus is not relevant for investors or can be found elsewhere in this Listing Prospectus. The documents incorporated by reference are available on the Issuer's website:

(i) the Issuer's audited consolidated financial statements, including auditor's report and Valmet's financial indicators as at and for the year ended December 31, 2023, as set out on pages 31 to 114 of Valmet's Financial Statements and information for investors 2023:

www.valmet.com/globalassets/investors/reports--presentations/annual-reports/2023/valmet-financial-statements-2023.pdf; and

(ii) the Issuer's audited consolidated financial statements, including auditor's report and Valmet's financial indicators as at and for the year ended December 31, 2022, as set out on pages 30 to 112 of Valmet's Financial Statements and information for investors 2022:

www.valmet.com/globalassets/investors/reports--presentations/annual-reports/2022/valmet-financial-statements-2022.pdf

DOCUMENTS ON DISPLAY AND AVAILABLE INFORMATION

In addition to the documents incorporated by reference, the Issuer's Articles of Association are available on the Company's website at *www.valmet.com/investors/governance/articles-of-association*.

The Issuer publishes annual reports, including audited consolidated financial statements, unaudited quarterly interim financial information and other information as required by the Finnish Securities Market Act and the rules of Nasdaq Helsinki. All annual reports, interim reports and stock exchange releases are published in Finnish and English. Such information will be available on the Issuer's website at *www.valmet.com/investors*.

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