

MARCH 3, 2022



NELES

SUPPLEMENT NO. 3 DATED MARCH 3, 2022 TO THE MERGER AND LISTING PROSPECTUS

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This document (the "**Supplement**") is a supplement to the merger and listing prospectus dated September 2, 2021 as supplemented on October 29, 2021 and February 9, 2022 (the "**Merger Prospectus**") in respect of the merger of Neles Corporation ("**Neles**") into Valmet Oyj ("**Valmet**").

The definitions used in this Supplement have the same meaning as in the Merger Prospectus, unless otherwise stated. This Supplement constitutes a part of the Merger Prospectus and should be read together with the Merger Prospectus.

On February 22, 2022, Valmet published its audited consolidated financial statements as at and for the year ended December 31, 2021 (the "**Valmet Financial Statements**"), and on February 23, 2022, Neles published its audited consolidated financial statements as at and for the year ended December 31, 2021 (the "**Neles Financial Statements**").

Due to the publication of the Valmet Financial Statements and Neles Financial Statements and the changed geopolitical situation, the information contained in the Merger Prospectus is supplemented in the manner set out in this Supplement. The Valmet Financial Statements and Neles Financial Statements are hereby incorporated by reference into the Merger Prospectus. The section "*Documents Incorporated by Reference into this Merger Prospectus*" on page 166 of the Merger Prospectus is updated accordingly as presented below.

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SUPPLEMENTS TO THE MERGER PROSPECTUS

Supplements to the section “Summary”

Due to the publication of the Valmet Financial Statements and Neles Financial Statements, the section of the Merger Prospectus entitled “*Summary*” is supplemented as follows:

- (1) The following text is inserted to replace the first paragraph of the section entitled “*Summary – Key Information on Valmet and Neles – What Is the Key Financial Information Regarding the Issuer?*” on page 3 of the Merger Prospectus:

The following table presents selected consolidated financial information of Valmet as at and for the financial years ended December 31, 2021, and December 31, 2020. The selected consolidated financial information presented below has been derived from Valmet’s audited consolidated financial statements as at and for the years ended December 31, 2021, and December 31, 2020 prepared in accordance with IFRS as adopted by the European Union (“EU”), both of which are incorporated by reference into this Merger Prospectus.

- (2) The following table is inserted to replace the table contained in the section entitled “*Summary – Key Information on Valmet and Neles – What Is the Key Financial Information Regarding the Issuer?*” on page 3 of the Merger Prospectus:

EUR million, unless otherwise indicated	As at and for the year ended December 31, 2021 (unaudited, unless otherwise indicated)	As at and for the year ended December 31, 2020 (unaudited, unless otherwise indicated)
Consolidated Statement of Income		
Net sales	3,935 ¹⁾	3,740 ¹⁾
Net sales change, %.....	5%	5%
Comparable EBITA.....	429	365
% of net sales	10.9%	9.8%
Comparable return on capital employed (ROCE) before taxes, %	23%	22%
Operating profit.....	399 ¹⁾	319 ¹⁾
% of net sales	10.1%	8.5%
Profit for the period.....	296 ¹⁾	231 ¹⁾
% of net sales	7.5%	6.2%
Earnings per share, EUR	1.98 ¹⁾	1.54 ¹⁾
Consolidated Balance Sheet		
Total assets	4,420 ¹⁾	3,959 ¹⁾
Total equity	1,332 ¹⁾	1,142 ¹⁾
Net interest-bearing liabilities	-88	149
Consolidated Statement of Cash Flows		
Net cash provided by (+) / used in (-) operating activities.....	482 ¹⁾	532 ¹⁾
Net cash provided by (+) / used in (-) investing activities.....	-99 ¹⁾	-592 ¹⁾
Net cash provided by (+) / used in (-) financing activities.....	-155 ¹⁾	28 ¹⁾

¹⁾ Audited.

- (3) The following text is inserted to replace the third paragraph of the section entitled “*Summary – Key Information on Valmet and Neles – What Is the Key Financial Information Regarding the Issuer?*” on page 3 of the Merger Prospectus:

There are no qualifications in the audit report relating to Valmet’s audited consolidated financial statements as at and for the year ended December 31, 2021.

- (4) The following text is inserted to replace the first paragraph of the section entitled “*Summary – Key Information on Valmet and Neles – What Is the Key Financial Information Regarding the Merging Company?*” on page 4 of the Merger Prospectus:

The following table presents selected consolidated financial information of Neles as at and for the financial years ended December 31, 2021, and December 31, 2020. The selected consolidated financial information presented below has been derived from Neles’ audited consolidated financial statements as at and for the years ended December 31, 2021, and December 31, 2020 prepared in accordance with IFRS as adopted by the EU, both of which are incorporated by reference into this Merger Prospectus.

- (5) The following table is inserted to replace the table contained in the section entitled “*Summary – Key Information on Valmet and Neles – What Is the Key Financial Information Regarding the Merging Company?*” on page 5 of the Merger Prospectus:

EUR million, unless otherwise indicated	As at and for the year ended December 31,	As at and for the year ended December 31,
	2021 (audited, unless otherwise indicated)	2020 (audited, unless otherwise indicated)
Consolidated Statement of Income		
Sales	611	576
Adjusted EBITA.....	87 ¹⁾	85 ¹⁾
% of sales	14.2% ¹⁾	14.8% ¹⁾
Operating profit.....	76	70
% of sales	12.4% ¹⁾	12.2% ¹⁾
Profit for the period, continuing operations.....	57	48
% of sales	9.3% ¹⁾	8.4% ¹⁾
Earnings per share, EUR, continuing operations.....	0.38	0.32
Consolidated Balance Sheet		
Total assets.....	700	644
Total equity	304	263
Net interest bearing liabilities.....	81	81
Consolidated Statement of Cash Flows, continuing operations ²⁾		
Net cash provided by (+) / used in (-) operating activities.....	88	81
Net cash provided by (+) / used in (-) investing activities.....	-51	-12
Net cash provided by (+) / used in (-) financing activities.....	-44	13

¹⁾ Unaudited.

²⁾ Cash flows for the period 1–12/2020 are for Neles’ continuing operations, which are calculated based on Neles carve-out figures for the period 1–6/2020.

- (6) The following text is inserted to replace the third paragraph of the section entitled “*Summary – Key Information on Valmet and Neles – What Is the Key Financial Information Regarding the Merging Company?*” on page 5 of the Merger Prospectus:

There are no qualifications in the audit report relating to Neles’ audited consolidated financial statements as at and for the year ended December 31, 2021.

Supplements to the section “Risk Factors”

Due to the changed geopolitical situation, the section of the Merger Prospectus entitled “*Risk Factors – Risks Related to the Combined Company’s Operating Environment – Geopolitical tensions, trade barriers and sanctions, political uncertainty and uncertain global economic and financial market conditions could adversely affect the Combined Company’s business, financial position, results of operations and prospects.*” is supplemented as follows:

- (1) The following text is inserted to the end of the first paragraph of the section entitled “*Risk Factors – Risks Related to the Combined Company’s Operating Environment – Geopolitical tensions, trade barriers and sanctions, political uncertainty and uncertain global economic and financial market conditions could adversely affect the Combined Company’s business, financial position, results of operations and prospects*” on page 16 of the Merger Prospectus:

Furthermore, the conflict between Russia and Ukraine that started on 2014 concerning certain parts of eastern Ukraine expanded in February 2022 to Russia’s military attack on Ukraine, which causes significant risks and uncertainties to the markets affecting the entire global economic environment and financial markets.

- (2) The following text is inserted to the end of the second paragraph of the section entitled “*Risk Factors – Risks Related to the Combined Company’s Operating Environment – Geopolitical tensions, trade barriers and sanctions, political uncertainty and uncertain global economic and financial market conditions could adversely affect the Combined Company’s business, financial position, results of operations and prospects*” on page 16 of the Merger Prospectus:

Should the additional sanctions, imposed on Russia from February 2022 or the counter-sanctions imposed by Russia, result in economic sanctions imposed on Neles’ or Valmet’s customers, suppliers, their owners or customer industries, or a total or partial disruption of payment transactions between Neles or Valmet and their customers or suppliers, or if Neles’ or Valmet’s products were subject to export restrictions and the business could not adapt to the changed circumstances, this would complicate Neles’ and Valmet’s business operations in Russia and decrease sales.

Supplements to the section “Certain Matters”

Due to the publication of the Valmet Financial Statements and Neles Financial Statements, the section of the Merger Prospectus entitled “*Certain Matters – Presentation of Financial and Certain Other Information*” is supplemented as follows:

- (1) The following texts are inserted to replace the sections entitled “*Certain Matters – Presentation of Financial and Certain Other Information – Historical Financial Information of Valmet*” and “*Certain Matters – Presentation of Financial and Certain Other Information – Historical Financial Information of Neles*”, respectively, on page 40 of the Merger Prospectus:

Historical Financial Information of Valmet

The financial information of Valmet included in this Merger Prospectus has been derived from Valmet’s audited consolidated financial statements as at and for the years ended December 31, 2021, and December 31, 2020 prepared in accordance with IFRS as adopted by the EU, both of which are incorporated by reference into this Merger Prospectus.

Historical Financial Information of Neles

The financial information of Neles included in this Merger Prospectus has been derived from Neles’ audited consolidated financial statements as at and for the years ended December 31, 2021, and December 31, 2020 prepared in accordance with IFRS as adopted by the EU, both of which are incorporated by reference into this Merger Prospectus. Until June 30, 2020, Neles was part of the Metso Group.

Supplements to the section “Documents Incorporated by Reference into this Merger Prospectus”

Due to the publication of the Valmet Financial Statements and Neles Financial Statements, the section of the Merger Prospectus entitled “*Documents Incorporated by Reference into this Merger Prospectus*” is supplemented as follows:

- (1) The following text is inserted as the first bullet point of the second paragraph under the heading “*Documents Incorporated by Reference into this Merger Prospectus*” on page 166 of the Merger Prospectus:
 - The report of the Board of Directors, audited consolidated financial statements, audited parent company financial statements and independent auditor’s report as at and for the year ended December 31, 2021 (included on pages 2 to 103 of Valmet’s “Financial Statements 2021 and information for investors” document prepared for the year ended December 31, 2021, which is available at <https://www.valmet.com/globalassets/investors/reports--presentations/annual-reports/2021/valmet-financial-statements-2021.pdf>);
- (2) The following text is inserted as the first bullet point of the third paragraph under the heading “*Documents Incorporated by Reference into this Merger Prospectus*” on page 166 of the Merger Prospectus:
 - The Board of Directors’ report, audited consolidated financial statements, audited parent company financial statements and independent auditor’s report as at and for the year ended December 31, 2021 (included on pages 6 to 91 of Neles’ Annual Report prepared for the year ended December 31, 2021; Annual Report is available at https://www.neles.com/siteassets/documents/2021/annual-report/neles_annual_report_2021.pdf);