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Half-Year Review January–June 2021:

Overall positive market development, differences between regions and businesses

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Merger consideration and forward-looking statements

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This presentation contains forward-looking statements that reflect the current views of Neles. These forward-looking statements include statements with regard to the expected development of business, results of operations and financial position of Neles. Accordingly, you should consider them with caution. Such statements are subject to risks and uncertainties, most of which are difficult to predict and are generally beyond the control of Neles. Among the factors that might influence our ability to achieve our objectives are the progress of our strategy implementation. In addition, stronger than expected competition, technological innovations, legal proceedings and regulatory developments, among other factors, may have a material adverse effect on our results. Further, the economic downturn in our markets, due to the COVID-19 pandemic or otherwise, may also have an impact on our business development and the availability of financing on favorable conditions. If these or other risks and uncertainties materialize, or if the assumptions underlying any of these statements prove incorrect, our actual performance may materially differ from the performance expressed or implied by forward-looking statements. We can offer no assurance that our estimates or expectations will be achieved. Without prejudice to existing obligations under capital market law, we do not assume any obligation to update forward-looking statements to take new information or future events into account or otherwise.

Important note about this financial information

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In this Half-Year Review, a comparable cash flow statement is disclosed in addition to IFRS financial information. Figures in parentheses refer to the corresponding period of the continuing operations in 2020 unless otherwise stated. Neles Group has been reported as one segment since June 30, 2020.

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Highlights of H1

- Q2 orders grew 16% y-o-y, strong performance in Services, North America and VCA. Recovery in EMEIA slower than estimated, delays in investment decisions in China
- Q2 project business slow in the Chemicals and O&G businesses. P&P and Bioproduct activity continued at Q1 good level. Project pipeline is healthy in all industries, orders are expected in H2
- Challenges in global logistics, availability of electronic components and customers delaying ongoing project execution postponed sales to H2 having a negative impact on profitability in Q2
- Launch of next generation butterfly valve platform and first 3D printed valve body delivered for field testing
- Assembly line expansion at technology center in Finland
- Short-term safety target reached (LTIF 0.7)
- Events after H1: Neles and Valmet announced a plan to merge

Markets and operating environment improved in Q2, differences between market areas

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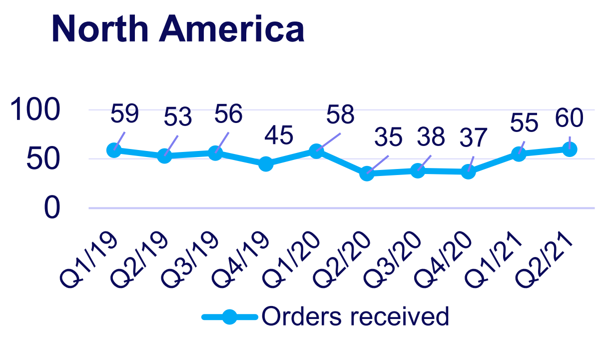
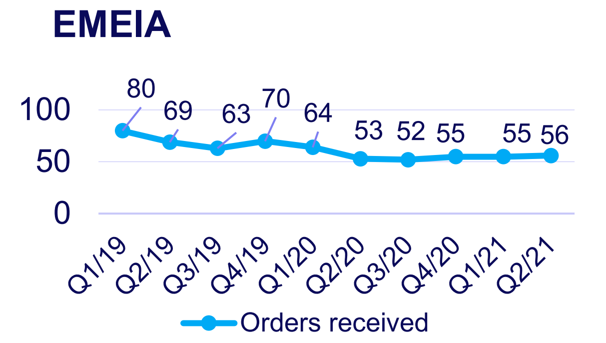
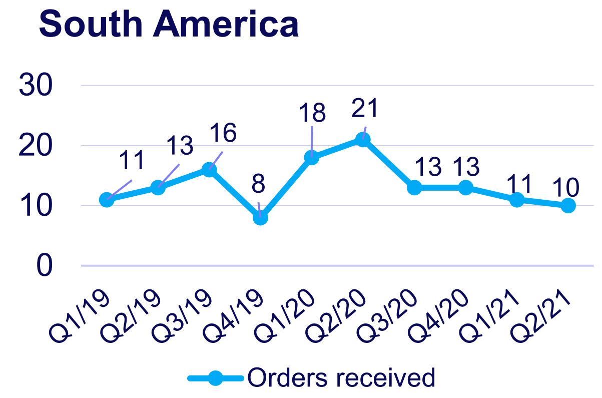
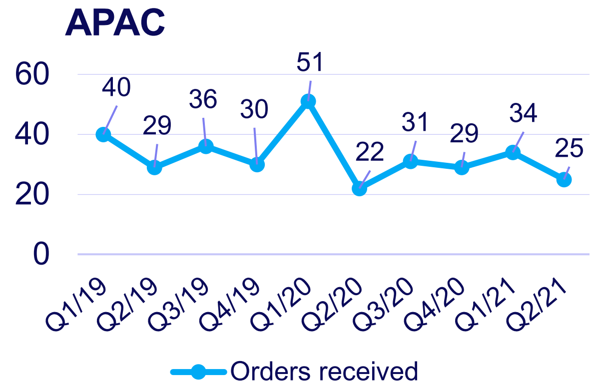
- The improvement of market sentiment in the North American MA continued in Q2, orders grew by 23.7% in H1/21 y-o-y
- The Services and MRO-driven businesses improved clearly y-o-y in the EMEIA and APAC MAs
- EMEIA and APAC Chemicals and O&G project businesses suppressed in H1/21. In H1/20, project orders in the APAC market area were particularly strong
- South America MA orders in H1/21 clearly below y-o-y, when large P&P and Bioproducts project orders were received. Overall activity solid, despite challenging Covid-19 situation









Market outlook

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Market activity in Pulp and Paper projects is expected to continue at a good level.

Market activity in Chemicals and Oil & Gas projects was weak in the first half of 2021. The market activity is expected to return to a satisfactory level in the second half of 2021. Postponements of projects and global uncertainties continue to reduce visibility in the Chemicals and Oil & Gas project businesses.

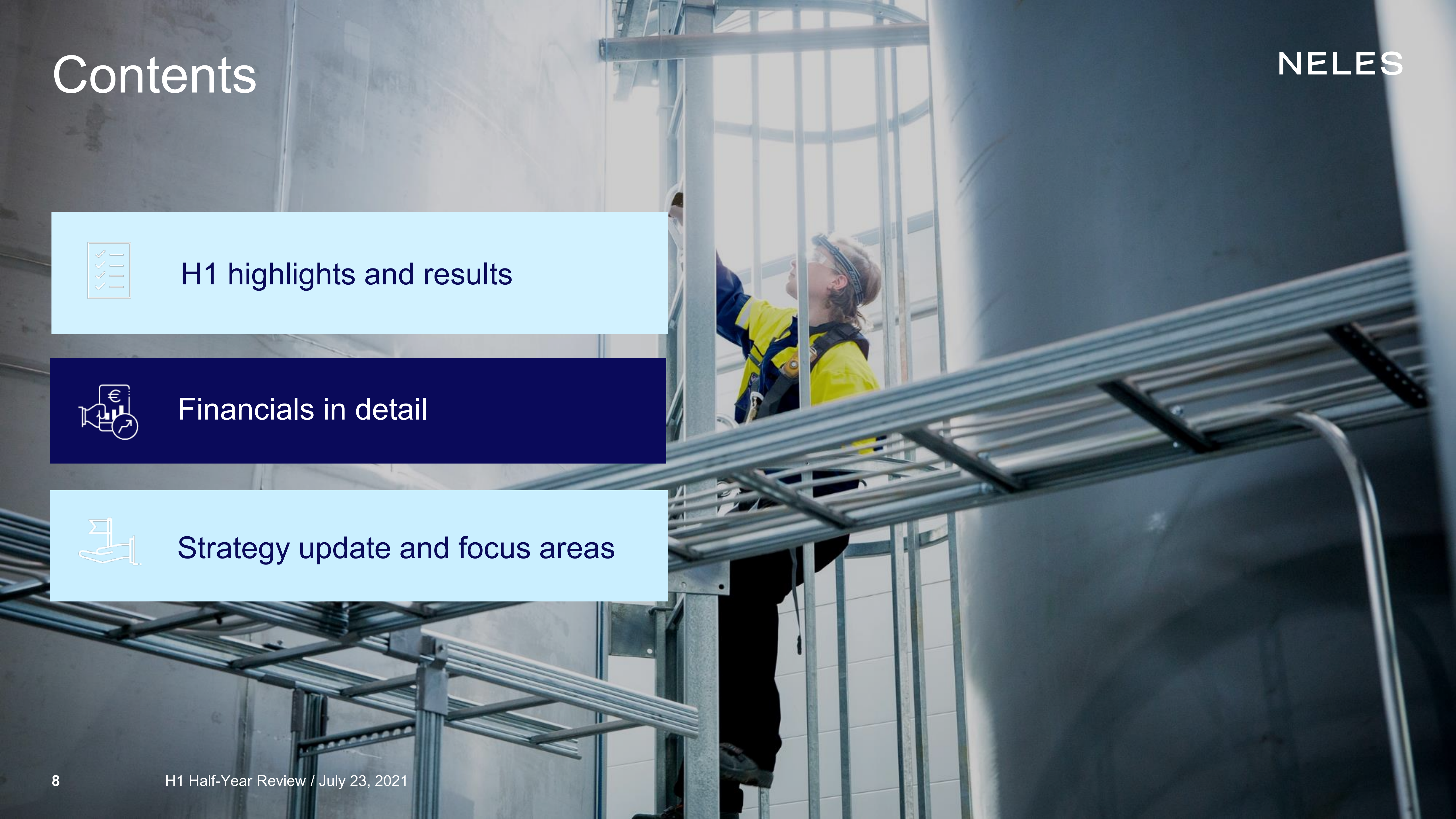
Market activity was satisfactory for the Services and the customer Maintenance, Repair and Operations-driven (MRO) businesses during the first half of 2021. These markets are expected to continue to improve, reaching a good level towards the end of 2021.

The ongoing Covid-19 pandemic continues to create uncertainty and risks of abrupt changes in all markets important to Neles.

The market outlook reflects the management's expectation for the next six months unless otherwise stated.

Market situation during the past four quarters						**Market outlook for the next six months**
	Q2/2020	**Q3/2020**	**Q4/2020**	**Q1/2021**	**Q2/2021**	**Q3-Q4/2021**
Pulp, Paper & Bio projects	Good	Good	Good	Good	Good	**Good**
Chemicals and Oil & Gas projects	Good	Satisfactory	Satisfactory	Weak	Weak	**Satisfactory**
Services & MRO businesses	Satisfactory/Weak	Weak	Weak	Satisfactory	Satisfactory	**Satisfactory/Good**

Market condition description: good -- satisfactory – weak
Market outlook reflects management's expectation for the next six months unless otherwise stated.



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Orders improved clearly compared to Q2/20

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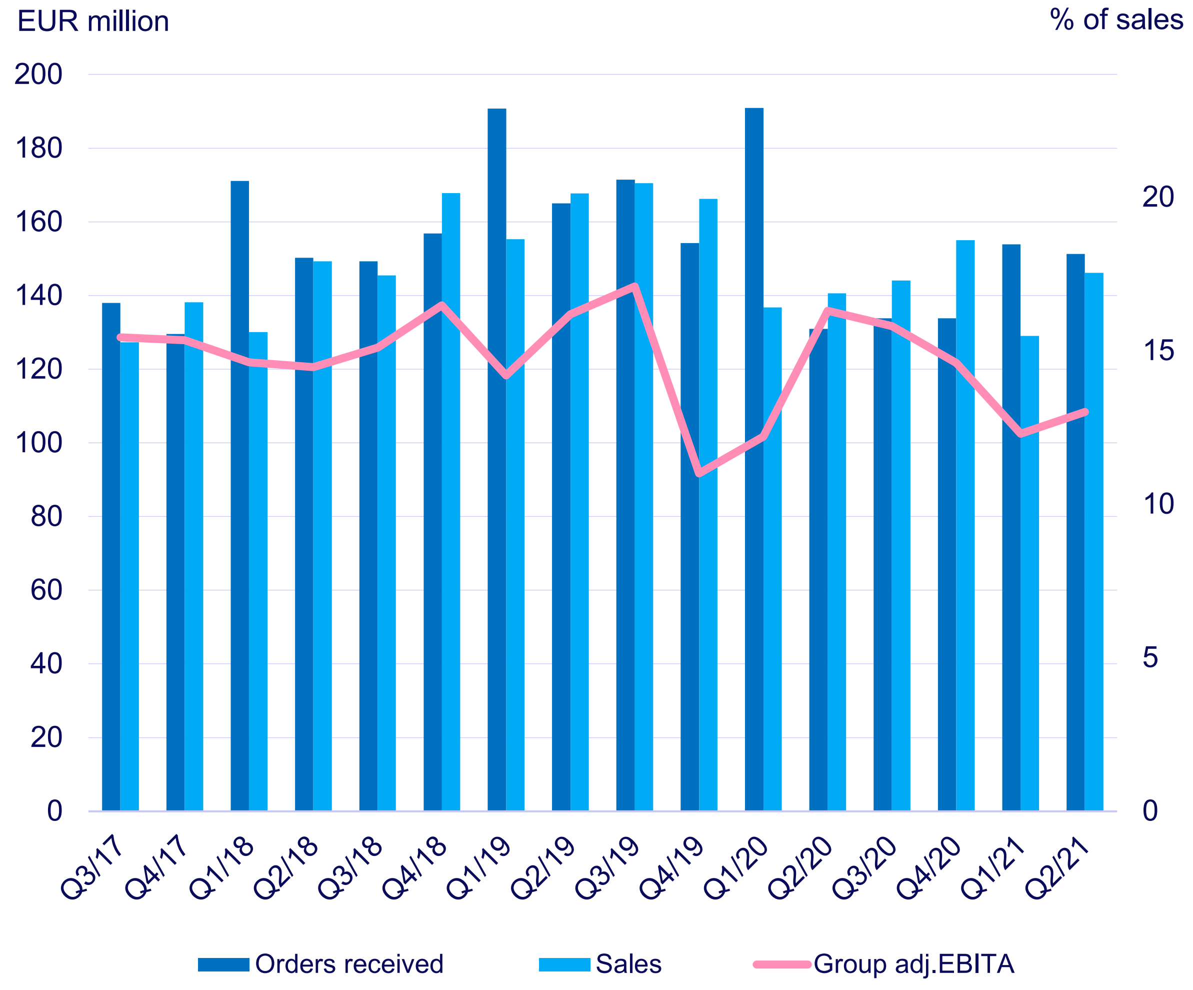
Group key figures – Q2/2021

- Orders +16% y-o-y (comp. curr. +21%)
- Sales +4% y-o-y (comp. curr. +9%)
- Adj. EBITA EUR 19.0 (22.9) million, -17% y-o-y
  - Profitability was negatively impacted by low sales due to postponements in deliveries, still higher sales and GP than in Q2/20.
  - Cost control continued during Q2/21. In Q2/20, costs were lower due to further Covid-19 pandemic related cost saving actions, for example temporary layoffs
  - Further negative impact from non-deductible withholding taxes, currency fluctuations and hedging result
- Operating profit EUR 17.3 million or 11.8% of sales, -3% y-o-y (EUR 17.8 million or 12.6%)
  - In Q2/21 adj. items EUR 1.0 (4.3) million consisted of M&A costs



Order momentum improved in H1, sales lagging

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Group key figures – H1/2021

- Orders -5% y-o-y (comp. curr. 0%)
- Sales -1% y-o-y (comp. curr. +5%)
  - Challenges in global logistics
  - Lack of electronic components
  - Delays in project deliveries as well as customers delaying their ongoing projects
- Order backlog EUR 303.9 (305.3) million
- Adj. EBITA EUR 34.9 (39.5) million. Tight cost control continued in H1/2021
- H1/2021 adj. items EUR 1 (5.6) million were related to M&A
- Operating profit 32.4 (32.3) 11.8% of Sales

Share of Services and MRO-driven businesses increased y-o-y

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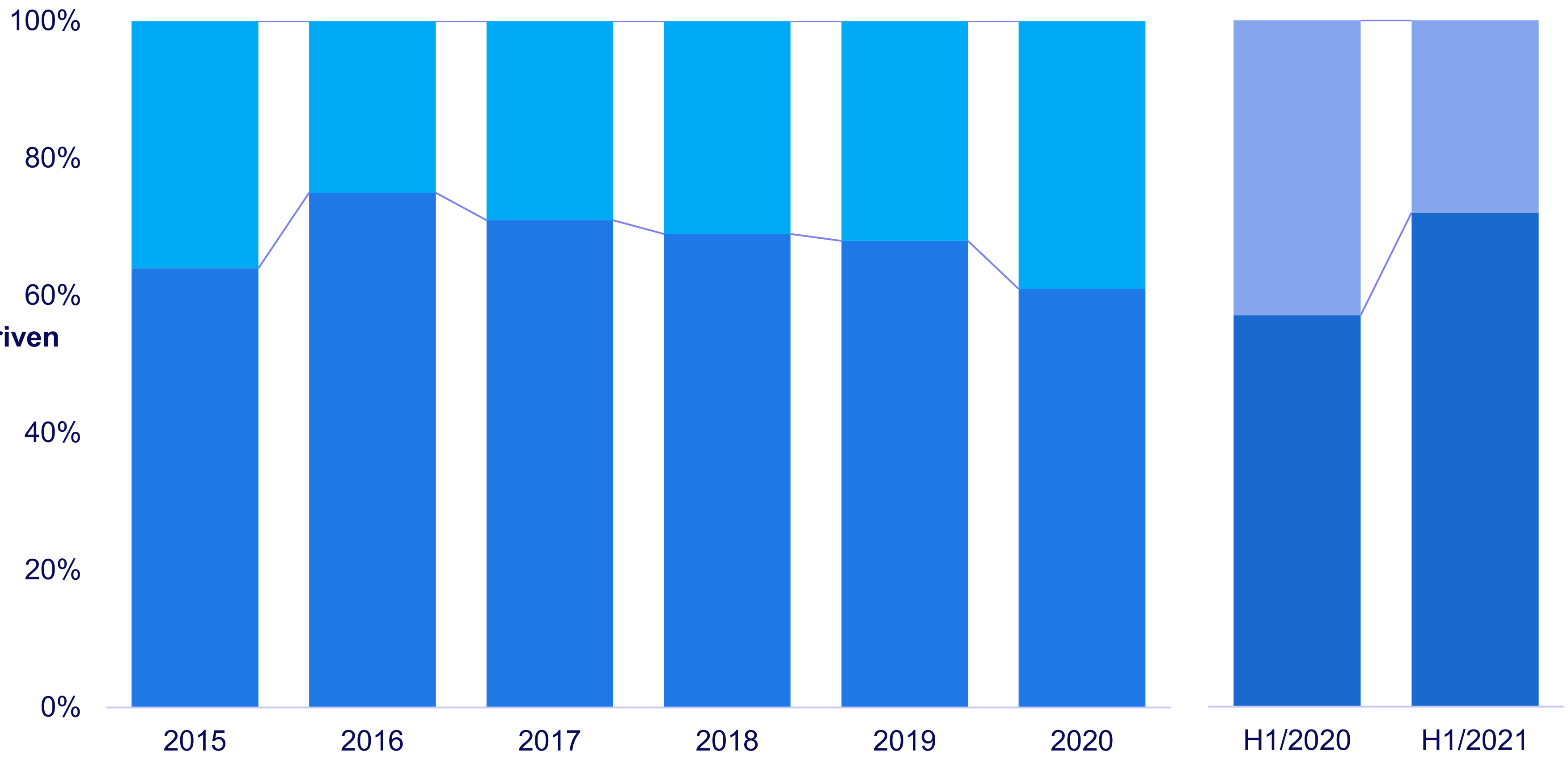
Business type, Orders received [1]

CAPEX-driven business

OPEX-driven Services and MRO-driven businesses



Delivery delays caused by logistics challenges increased NWC

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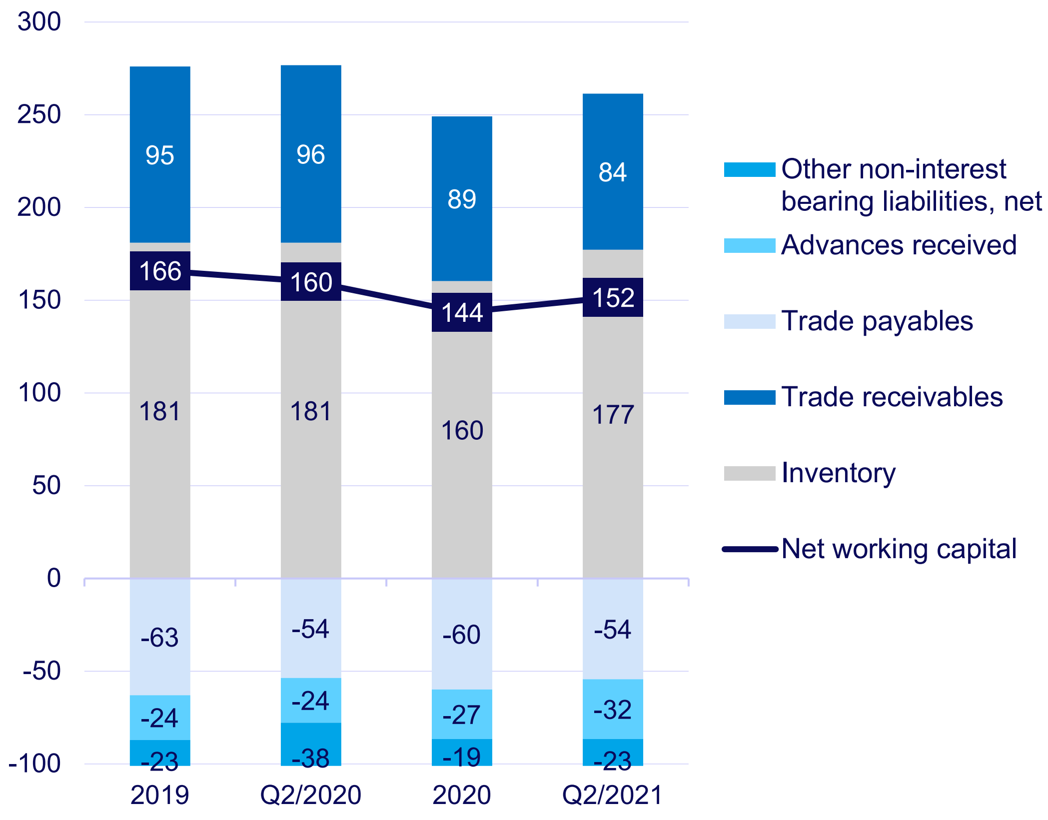
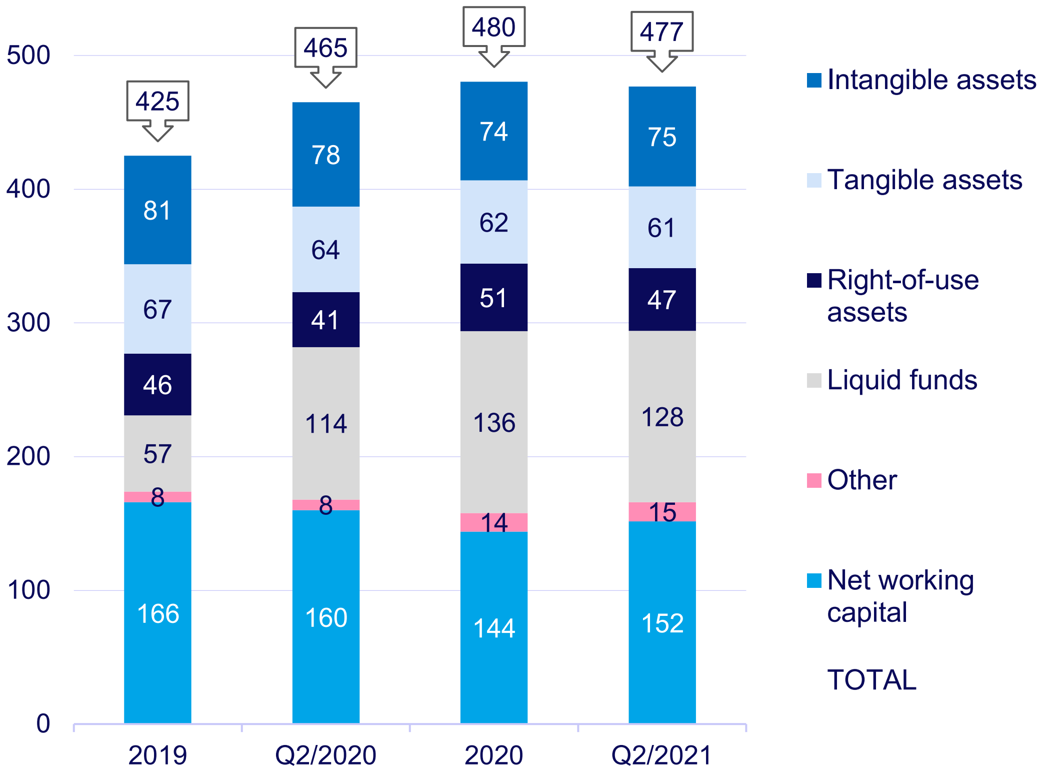
Net working capital, EUR million



Capital employed, EUR million



IFRS Income Statement

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EUR million	1–6/2021	1–6/2020	Change, %	2020
Sales	**275.2**	277.4	-1	576.3
Adj. EBITA	**34.9**	39.5	-12	85.0
of Sales, %	**12.7**	14.3		14.8
Operating profit [1]	**32.4**	32.3	0	70.3
of Sales, %	**11.8**	11.7		12.2
Profit before taxes	**29.8**	29.2	2	63.8
Profit for the period, continuing operations	**22.5**	21.7	4	48.2
Earnings per share, continuing operations	**0.15**	0.14	-	0.32
Earnings per share, discontinuing operations	**-**	14.32	-	14.31[2]
Earnings per share, total	**0.15**	14.46	-	14.63

[1] In H1/2021 EUR 1.0 million adjusting items (negative impact of EUR 5.6 million in H1/2020 and EUR 11.3 million in 2020)
[2] In 2020 profit for the discontinuing operations includes EUR 2,022 million gain recognized on the distribution of net assets of discontinued operations at fair value

IFRS balance sheet

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EUR million	Jun 30, 2021	Dec 31, 2020
Intangible assets	**74.9**	73.9
Tangible assets	**60.9**	62.3
Right-of-use assets	**47.1**	50.5
Other non-current assets	**32.0**	30.6
Inventories	**177.3**	160.3
Receivables (trade and other)	**128.0**	130.2
Cash and cash equivalents	**127.9**	135.9
TOTAL ASSETS	**648.1**	**643.8**
Total equity	**259.4**	263.1
Interest bearing liabilities	**217.8**	217.3
Non-interest bearing liabilities	**171.0**	163.3
TOTAL EQUITY AND LIABILITIES	**648.1**	**643.8**

Key figures	Jun 30, 2021
Net debt, EUR million	**88.1**
Gearing, %	**33.9**
Equity-to-assets ratio, %	**42.1**
Debt to capital, %	**45.6**
Net debt/EBITDA ratio	**0.9**
Return on capital employed, before taxes, %	**13.7**

Cash Flow

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EUR million	1–6/2021	1–6/2020	2020
Profit for the period	22.5	21.7	48.2
Adjustments	24.7	9.3	33.9
Change in NWC	-6.0	-6.4[1]	17.1[1]
Financial income and expenses paid, net	-2.5	-0.9	-6.4
Income taxes paid	-7.3	-1.2	-11.8
Net cash flow from operating activities	**31.3**	**22.6**	**81.1**
Capital expenditure on fixed assets	-3.8	-8.0	-12.6
Proceeds from and investments in financial assets, net	0.5	-	-0.5
Net cash flow from investing activities	**-3.5**	**-8.0**	**-12.4**
Free cash flow	**27.8**	**14.8**	**68.7**

[1] For the period of 1–12/2020, carve out related items are excluded from *Change in net working capital* and presented in *Financing*, *Metso Group*

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Our customer promise

Reinventing reliability

We draw on our long heritage, experience and know-how to feed our ambition to continuously develop and innovate solutions that redefine how process industries experience reliable flow control performance.

Innovation for sustainable performance

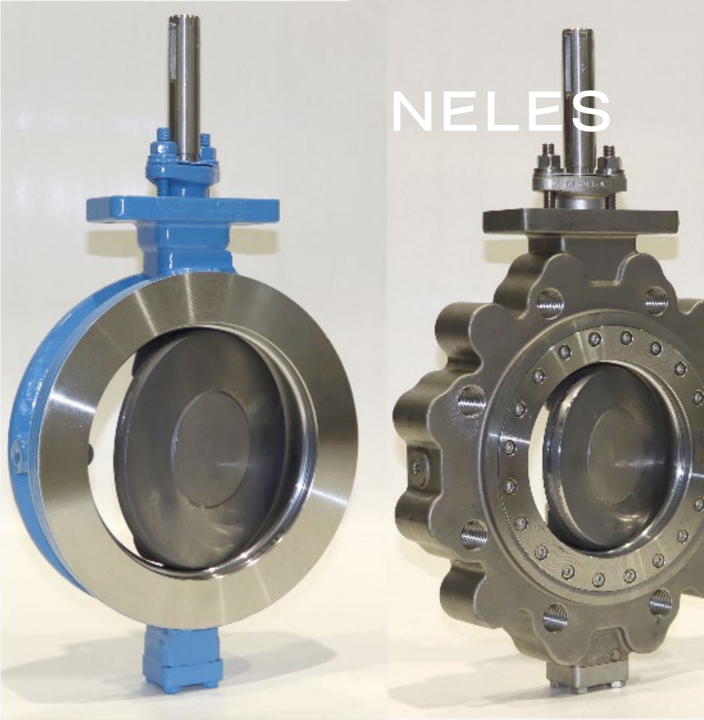
Q2 milestones in R&D

Next generation versatile butterfly valves launched

- New functionality while leaning on field-proven technologies
- Engineered for sustainable, yet profitable performance at minimized emissions
- Reduced size, weight, and complexity through modularization
- Longer maintenance intervals and fewer shutdowns over the extended valve lifecycle

The first valve with a 3D printed valve body delivered for field testing

- The field tests will provide valuable information for using 3D printing to produce pressure-retaining parts faster
- 3D printing also enables more efficient use of materials and optimized flow paths in noise attenuation trims
- Superior performance compared to conventionally produced trims



Strategy execution back to normal

- Catching up delayed deliveries in H2/21
- Continuous development of sales channels
- Speeding up R&D
- Expansion of technology center in Finland to improve project delivery times and accuracy

Reinventing reliability

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