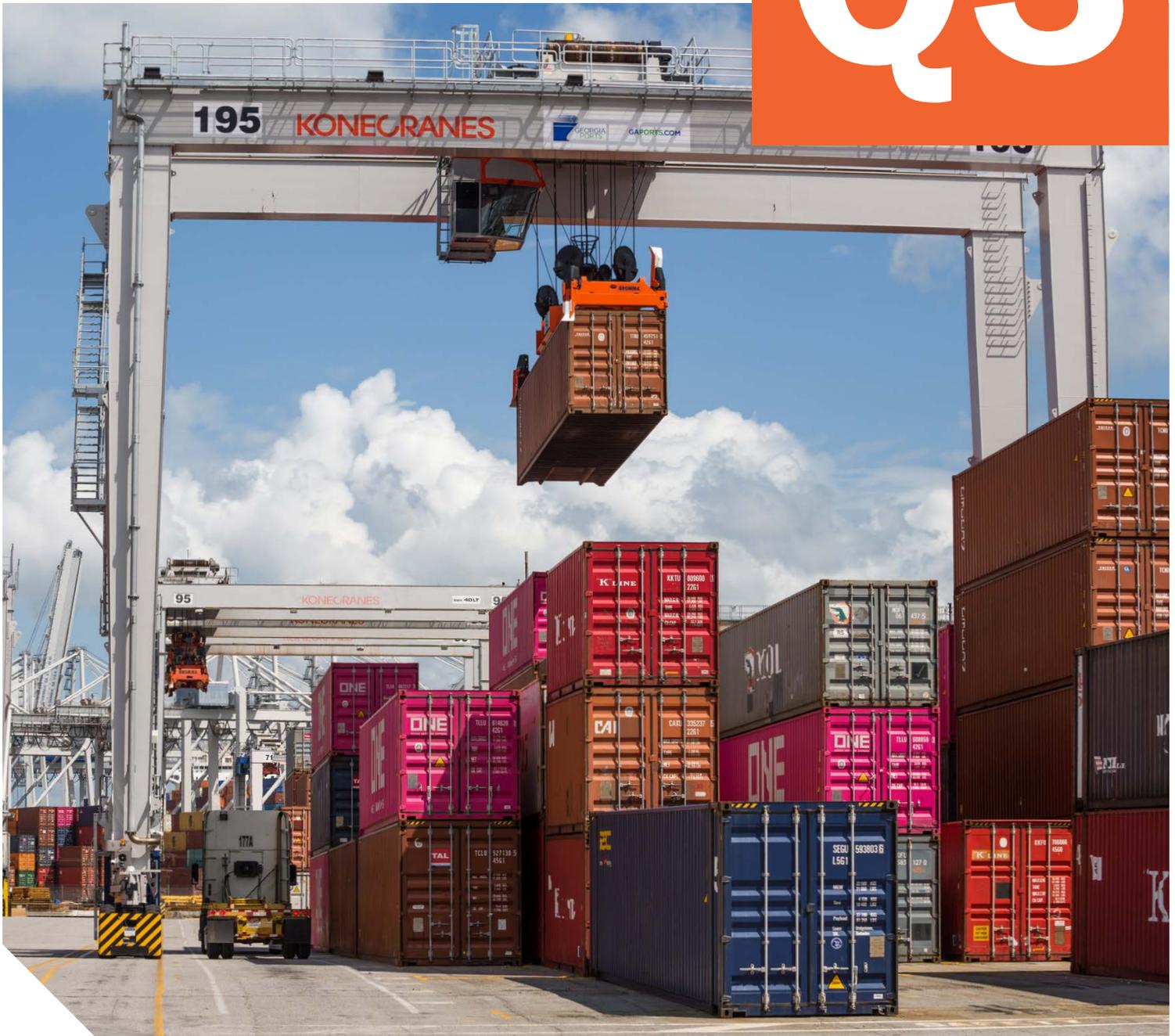


Solid performance  
in the quarter

Interim Report  
January–September 2022

Q3



# Solid performance in the quarter

The figures presented in this report are unaudited. Figures in brackets, unless otherwise stated, refer to the same period a year earlier.

Since the beginning of June, Service and Industrial Equipment have been focused under the same leadership. Following this change, Konecranes has two Business Areas: Industrial Service and Equipment, and Port Solutions. Konecranes continues to report three segments: Service, Industrial Equipment, and Port Solutions, and the segment figures are comparable with historical figures.

## THIRD QUARTER HIGHLIGHTS

- Order intake EUR 1,012.5 million (713.7), +41.9 percent (+34.5 percent on a comparable currency basis), driven by order intake increase in all three segments
- Service annual agreement base value EUR 315.5 million (286.7), +10.1 percent (+1.8 percent on a comparable currency basis)
- Service order intake EUR 298.3 million (257.9), +15.6 percent (+6.8 percent on a comparable currency basis)
- Order book EUR 3,052.1 million (1,997.4) at the end of September, +52.8 percent (+44.8 percent on a comparable currency basis)
- Sales EUR 884.6 million (773.6), +14.4 percent (+8.8 percent on a comparable currency basis), sales increased in all three segments
- Adjusted EBITA margin 10.8 percent (10.0) and adjusted EBITA EUR 95.3 million (77.4); the increase in the adjusted EBITA margin was mainly attributable to sales growth driven by pricing, and positive sales mix
- Operating profit EUR 91.5 million (49.9), 10.3 percent of sales (6.4), adjustments totaled EUR -7.2 million (19.4), mainly comprising of the positive impact of re-evaluating the exposure related to projects cancelled in Q1 due to the war in Ukraine
- Earnings per share (diluted) EUR 0.77 (0.40)
- Free cash flow EUR -38.2 million (39.0)

## FINANCIAL GUIDANCE

Konecranes expects net sales to remain on the same level or to increase in full-year 2022 compared to 2021. Konecranes expects the adjusted EBITA margin to remain on the same level or to decrease in full-year 2022 compared to 2021.

## JANUARY–SEPTEMBER 2022 HIGHLIGHTS

- Order intake EUR 3,049.9 million (2,283.2), +33.6 percent (+28.3 percent on a comparable currency basis)
- Service order intake EUR 878.6 million (770.6), +14.0 percent (+7.3 percent on a comparable currency basis)
- Sales EUR 2,343.9 million (2,236.8), +4.8 percent (+0.6 percent on a comparable currency basis)
- Adjusted EBITA margin 8.5 percent (8.9) and adjusted EBITA EUR 200.2 million (199.0); the adjusted EBITA margin increased in Service but decreased in Industrial Equipment and Port Solutions
- Operating profit EUR 120.1 million (134.0), 5.1 percent of sales (6.0), adjustments totaled EUR 55.3 million (40.1), mainly comprised of costs related to the impacts of the war in Ukraine and merger related costs
- Earnings per share (diluted) EUR 0.86 (0.99)
- Free cash flow EUR -66.2 million (72.0)
- Net debt EUR 749.7 million (592.8) and gearing 56.7 percent (46.7)

## FOURTH QUARTER DEMAND OUTLOOK

The worldwide demand picture remains subject to volatility due to the war in Ukraine and COVID-19 having increased inflation, interest rates and material availability concerns.

Within industrial customer segments, in North America, the demand environment remains active. In Europe, the level of uncertainty is higher compared to North America, and the demand environment has started to show signs of weakening. In Asia-Pacific, the demand environment is stable.

Global container throughput continues high, and long-term prospects related to global container handling remain good overall.

# Key figures

|  | Third quarter |          |          | January–September |          |          | R12M    | 1–12/2021 |
|--|---------------|----------|----------|-------------------|----------|----------|---------|-----------|
|  | 7–9/2022      | 7–9/2021 | Change % | 1–9/2022          | 1–9/2021 | Change % |         |           |
| Orders received, MEUR                                | 1,012.5       | 713.7    | 41.9     | 3,049.9           | 2,283.2  | 33.6     | 3,942.2 | 3,175.5   |
| Order book at end of period, MEUR                    |               |          |          | 3,052.1           | 1,997.4  | 52.8     |         | 2,036.8   |
| Sales total, MEUR                                    | 884.6         | 773.6    | 14.4     | 2,343.9           | 2,236.8  | 4.8      | 3,292.8 | 3,185.7   |
| Adjusted EBITDA, MEUR <sup>1)</sup>                  | 117.1         | 98.6     | 18.8     | 265.9             | 264.1    | 0.7      | 400.7   | 398.9     |
| Adjusted EBITDA, % <sup>1)</sup>                     | 13.2%         | 12.7%    |          | 11.3%             | 11.8%    |          | 12.2%   | 12.5%     |
| Adjusted EBITA, MEUR <sup>2)</sup>                   | 95.3          | 77.4     | 23.0     | 200.2             | 199.0    | 0.6      | 313.4   | 312.2     |
| Adjusted EBITA, % <sup>2)</sup>                      | 10.8%         | 10.0%    |          | 8.5%              | 8.9%     |          | 9.5%    | 9.8%      |
| Adjusted operating profit, MEUR <sup>1)</sup>        | 84.3          | 69.2     | 21.8     | 175.4             | 174.1    | 0.8      | 280.4   | 279.1     |
| Adjusted operating margin, % <sup>1)</sup>           | 9.5%          | 9.0%     |          | 7.5%              | 7.8%     |          | 8.5%    | 8.8%      |
| Operating profit, MEUR                               | 91.5          | 49.9     | 83.5     | 120.1             | 134.0    | -10.3    | 206.1   | 220.0     |
| Operating margin, %                                  | 10.3%         | 6.4%     |          | 5.1%              | 6.0%     |          | 6.3%    | 6.9%      |
| Profit before taxes, MEUR                            | 83.4          | 43.1     | 93.5     | 91.7              | 110.9    | -17.3    | 173.3   | 192.5     |
| Net profit for the period, MEUR                      | 60.0          | 31.4     | 91.1     | 66.0              | 78.2     | -15.6    | 135.2   | 147.4     |
| Earnings per share, basic, EUR                       | 0.77          | 0.40     | 94.2     | 0.86              | 0.99     | -12.5    | 1.73    | 1.86      |
| Earnings per share, diluted, EUR                     | 0.77          | 0.40     | 93.4     | 0.86              | 0.99     | -12.9    | 1.72    | 1.85      |
| Gearing, %   |               |          |          | 56.7%             | 46.7%    |          |         | 39.8%     |
| Net debt/Adjusted EBITDA, R12M <sup>1)</sup>         |               |          |          | 1.9               | 1.5      |          |         | 1.4       |
| Return on capital employed, %                        |               |          |          |                   |          |          | 8.4%    | 9.3%      |
| Adjusted return on capital employed, % <sup>3)</sup> |               |          |          |                   |          |          | 13.5%   | 13.4%     |
| Free cash flow, MEUR                                 | -38.2         | 39.0     |          | -66.2             | 72.0     |          | -0.6    | 137.7     |
| Average number of personnel during the period        |               |          |          | 16,573            | 16,638   | -0.4     |         | 16,625    |

<sup>1)</sup> Excluding adjustments, see also note 11 in the summary financial statements

<sup>2)</sup> Excluding adjustments and purchase price allocation amortization, see also note 11 in the summary financial statements

<sup>3)</sup> ROCE excluding adjustments, see also note 11 in the summary financial statements

## Interim CEO Teo Ottola (until October 18, 2022):

***Konecranes had a solid Q3 overall. Order intake continued high, and although we are still facing supply chain challenges, we managed to improve our delivery capability from the previous quarters. Our profitability improved, and we posted an adjusted EBITA margin of 10.8%. While the market uncertainty grows, as a global lifting industry leader and with a record-high order book, Konecranes is well positioned for the future.***

The overall market sentiment remained good in Q3, despite geopolitical tensions and growing macroeconomic concerns have increased uncertainty particularly in Europe. On Group level, our order intake continued high, and year-on-year, Konecranes' Q3 orders received grew almost 35% in comparable currencies, surpassing again €1 billion. The underlying order volume growth was driven by Port Solutions, while in Service and Industrial Equipment, order intake increased mainly because of pricing. Short-cycle orders declined sequentially but remained on a healthy level.

In Q3, component availability and other supply chain constraints, as well as COVID-19 related challenges continued to affect our revenues in all three business segments. That said, our sales execution improved versus the previous quarters, and sales were 8.8% higher year-on-year in comparable currencies. As a result of the continued high order intake and delivery challenges, our order book broke again a new record and was over €3 billion at the end of September.

Our adjusted EBITA margin improved year-on-year to 10.8%, mainly as a result from pricing driven sales growth and better sales mix. Profitability improved in Service and Port Solutions but declined in Industrial Equipment. At the same time, our free cash flow was negative mainly due to the increase in work-in-progress and semi-finished goods as material availability challenges and customer delays continued.

Service order intake improved by 6.8% year-on-year in comparable currencies. Supply chain constraints and COVID-19 related challenges impacted Service sales, yet sales increased 8.8% year-on-year in comparable currencies. Profitability improved and adjusted EBITA margin totaled 19.6% mainly thanks to pricing driven sales growth. The agreement base value grew by 1.8% from the previous year in comparable currencies.

Industrial Equipment's external order intake grew by 1.1% in comparable currencies. Although customer delays and supply chain constraints continued to impact sales execution, external sales increased 13.5% in comparable currencies. Adjusted EBITA margin declined year-on-year and was 4.0%, mainly driven by the inflation. However, the year-on-year decline was smaller compared to the previous quarters, as the price increases implemented earlier this year have started to impact Industrial Equipment profitability.

Market environment continued favorable within ports, and Port Solutions' booked record-high orders totaling €454 million. Order intake was strong across businesses and regions, and the growth was driven by mid- and small-size projects. Especially rubber-tire gantry cranes had a great order quarter. After two quarters with lower sales mainly due to orderbook timing, Port Solutions sales grew 5.6% year-on-year in comparable currencies and totaled €273 million. Adjusted EBITA margin increased to 7.7%.

We expect the market volatility caused by the ongoing war and other macroeconomic concerns, as well as the pandemic, to continue. Our demand environment has remained good so far, but uncertainty has increased especially in Europe. Within industrial customer segments, we have started to see signs of slowing down in the form of longer customer decision-making times, and we have updated our Q4 demand outlook to reflect the current market sentiment.

Despite our improved delivery capability, material availability issues and supply chain constraints are not over, and we expect them to continue to impact our performance both in Q4 and into next year. We have reiterated our guidance: we expect our net sales to remain on the same level or to increase in full-year 2022 compared to 2021 and our full-year adjusted EBITA margin to remain on the same level or to decline compared to 2021.

Turning to Konecranes' long-term competitiveness, we plan to optimize our Industrial Service and Equipment operations globally. This is a natural next step after our decision to focus Service and Industrial Equipment segments under one leadership, and continuum to our successful MHPS and MHE-Demag integrations.

The planned efficiency improvement actions<sup>1</sup>, and simplification of our industrial business model are essential for Konecranes' long-term success. They are planned to cover several areas and functions, such as go-to-market model, product platform harmonization, streamlining of manufacturing and logistics, and business support functions, and target mainly at Industrial Equipment business segment primarily outside of Finland. The positive annual EBITA impact of the planned actions is currently estimated at €30–35 million, and we plan to achieve it by the end of 2025. The related restructuring costs are expected to total €30–35 million.

Last but not least, our new President and CEO Anders Svensson joined the company a week ago, and at Konecranes, we are all excited that he has now started in his new role. Together with Anders and the Konecranes Leadership Team, we look forward to hosting our Capital Markets Day in Helsinki on May 10, 2023, to share what's next for Konecranes.

<sup>1</sup> Plans related to efficiency improvement and simplification of industrial business model are subject to separate decision-making and various local legal requirements. Konecranes has already started first required discussions with local employee representatives. The planned changes will not affect Konecranes' current customer commitments.

# Konecranes Plc's January–September 2022 Interim report

Note: The figures presented in this report are unaudited. Unless otherwise stated, the figures in brackets in the sections below refer to the same period in the previous year.

Since the beginning of June, Service and Industrial Equipment have been focused under the same leadership. Following this change, Konecranes has two Business Areas: Industrial Service and Equipment, and Port Solutions. Konecranes continues to report three segments: Service, Industrial Equipment, and Port Solutions, and the segment figures are comparable with historical figures.

## MARKET REVIEW

The world's manufacturing sector's operating conditions, according to the global manufacturing Purchasing Managers' Index (PMI), were slightly in contraction at the end of the third quarter. The PMI dropped below the neutral 50 mark in September after having been in expansion territory for more than two years. The PMI had been steadily decreasing in the previous months. In the third quarter, the global manufacturing sector continued to be negatively impacted by high inflation, economic uncertainty, and supply constraints. The war in Ukraine has increased energy costs and market volatility particularly in Europe.

In the eurozone, the manufacturing PMI was in deterioration with a reading of 48.4 in September, signaling contraction for the third consecutive month. September's PMI was the lowest level since June 2020. In the US, operating conditions in the manufacturing sector continued to signal expansion in Q3 and in September the PMI was 52.0. It was only marginally higher than August's PMI, which was the lowest reading since July 2020. In the emerging markets, September's PMI was in expansion territory in Brazil and India. In China, the PMI was in deterioration.

The manufacturing industry capacity utilization rate in the European Union decreased in the third quarter. The capacity utilization rate was lower compared to year-end 2021, but remained slightly above the pre-COVID level. The manufacturing industry capacity utilization rate in the US increased slightly in the third quarter after the decline at the end of the first half of 2022, it continued above the recent peaks of mid-2018.

Global container throughput, according to the RWI/ISL Container Throughput Index, began 2022 at a relatively strong level compared to the historical readings. In January–August, global container throughput was on an upward trend although there was fluctuation within the period. At the end

of August, global container throughput was approximately four percent higher than the year before.

Regarding raw material prices, at the end of the third quarter both steel and copper prices were below the previous year's levels. The average EUR/USD exchange rate was approximately 11 percent lower compared to the year-ago period.

## ORDERS RECEIVED

In the third quarter, orders received totaled EUR 1,012.5 million (713.7), representing an increase of 41.9 percent. On a comparable currency basis, order intake increased 34.5 percent. Orders received increased in the Americas, EMEA and APAC.

In Service, orders received increased 15.6 percent on a reported basis and 6.8 percent on a comparable currency basis. In Industrial Equipment, order intake increased 15.3 percent on a reported basis and 8.6 percent on a comparable currency basis. External orders received in Industrial Equipment increased 7.8 percent on a reported basis and 1.1 percent on a comparable currency basis. In Port Solutions, order intake increased 115.8 percent on a reported basis and 114.5 percent on a comparable currency basis.

In January–September, orders received totaled EUR 3,049.9 million (2,283.2), representing an increase of 33.6 percent. On a comparable currency basis, order intake increased 28.3 percent. Orders received increased in the Americas, EMEA and APAC.

In Service, order intake increased 14.0 percent on a reported basis and 7.3 percent on a comparable currency basis. In Industrial Equipment, orders received increased 20.6 percent on a reported basis and 15.1 percent on a comparable currency basis. External orders received in Industrial Equipment increased 18.0 percent on a reported basis and 12.1 percent on a comparable currency basis. In Port Solutions, order intake increased 69.4 percent on a reported basis and 68.2 percent on a comparable currency basis.

## ORDER BOOK

At the end of September, the value of the order book totaled EUR 3,052.1 million (1,997.4), which was 52.8 percent higher compared to previous year. On a comparable currency basis, the order book increased 44.8 percent. The order book increased 67.1 percent in Service, 30.6 percent in Industrial Equipment and 65.8 percent in Port Solutions.

**ORDERS RECEIVED AND NET SALES**

|                       | 7-9/<br>2022 | 7-9/<br>2021 | Change<br>percent | Change % at<br>comparable<br>currency<br>rates | 1-9/<br>2022 | 1-9/<br>2021 | Change<br>percent | Change % at<br>comparable<br>currency<br>rates | 1-12/2021 |
|-----------------------|--------------|--------------|-------------------|--|--------------|--------------|-------------------|--|-----------|
| Orders received, MEUR | 1,012.5      | 713.7        | 41.9              | 34.5   | 3,049.9      | 2,283.2      | 33.6              | 28.3   | 3,175.5   |
| Net sales, MEUR       | 884.6        | 773.6        | 14.4              | 8.8  | 2,343.9      | 2,236.8      | 4.8               | 0.6  | 3,185.7   |

**SALES**

In the third quarter, Group sales increased 14.4 percent to EUR 884.6 million (773.6). On a comparable currency basis, sales increased 8.8 percent. Sales increased 17.3 percent in Service, 16.2 percent in Industrial Equipment and 7.0 percent in Port Solutions. Industrial Equipment's external sales increased 20.2 percent.

In January–September, Group sales totaled EUR 2,343.9 million (2,236.8), representing an increase of 4.8 percent. On a comparable currency basis, sales increased 0.6 percent. Sales increased 10.8 percent in Service and 9.5 percent in Industrial Equipment but decreased 6.6 percent in Port Solutions. Industrial Equipment's external sales increased 10.2 percent.

At the end of September, the regional breakdown of sales, calculated on a rolling 12-month basis, was as follows: EMEA 48 (54), Americas 37 (31) and APAC 15 (15) percent.

**FINANCIAL RESULT**

In the third quarter, the Group adjusted EBITA increased to EUR 95.3 million (77.4). The adjusted EBITA margin increased to 10.8 percent (10.0). The adjusted EBITA margin was 19.6 percent (18.9) in Service, 4.0 percent (4.4) in Industrial Equipment and 7.7 percent (6.3) in Port Solutions. The increase in the Group adjusted EBITA margin was mainly attributable to sales growth driven by pricing, and positive sales mix. Gross margin remained approximately on the same level on a year-on-year basis.

In January–September, the Group adjusted EBITA increased to EUR 200.2 million (199.0). The adjusted EBITA margin decreased to 8.5 percent (8.9). The adjusted EBITA margin increased in Service to 17.6 percent (17.5) but decreased in Industrial Equipment to 1.2 percent (2.3) and in Port Solutions to 6.1 percent (7.0). The decrease in the Group adjusted EBITA margin was mainly attributable to low sales volumes and cost inflation.

In January–September, the consolidated adjusted operating profit increased to EUR 175.4 million (174.1). The adjusted operating margin decreased to 7.5 percent (7.8).

In January–September, the consolidated operating profit totaled EUR 120.1 million (134.0). The operating profit includes adjustments of EUR 55.3 million (40.1), which mainly comprised of costs related to the impacts of the war in Ukraine, and merger related transaction and integration costs. Year-on-year, the operating margin increased in Service

to 16.3 percent (16.0) and decreased in Industrial Equipment to -2.7 percent (0.3) and in Port Solutions to 2.3 percent (6.3).

In January–September, depreciation and impairments totaled EUR 92.8 million (90.3). The impact arising from the purchase price allocation amortizations and goodwill impairments represented EUR 24.8 million (24.9) of the depreciation and impairments. In Q3 2022, EUR 3.9 million of goodwill in the Agilon business was impaired.

In January–September, the share of the result in associated companies and joint ventures was EUR 0.5 million (0.1).

In January–September, financial income and expenses totaled EUR -29.0 million (-23.3). Net interest expenses accounted for EUR 15.8 million (13.3) of the sum and the remainder was mainly attributable to realized and unrealized exchange rate differences related to the hedging of future cash flows, which are not included in the hedge accounting, and other financing expenses.

In January–September, profit before taxes was EUR 91.7 million (110.9).

In January–September, income tax was EUR 25.7 million (32.7). The Group's effective tax rate was 28.0 percent (29.5).

In January–September, net profit was EUR 66.0 million (78.2).

In January–September, the basic earnings per share were EUR 0.86 (0.99) and the diluted earnings per share were EUR 0.86 (0.99).

On a rolling 12-month basis, the return on capital employed was 8.4 percent (9.3) and the return on equity 10.4 percent (10.8). The adjusted return on capital employed was 13.5 percent (13.1).

**BALANCE SHEET**

At the end of September, the consolidated balance sheet amounted to EUR 4,406.5 million (3,789.7). The total equity at the end of the reporting period was EUR 1,321.7 million (1,268.3). The total equity attributable to the equity holders of the parent company was EUR 1,316.7 million (1,259.4) or EUR 16.63 per share (15.91).

Net working capital totaled EUR 578.5 million (403.3). Sequentially, net working capital increased by EUR 104.7 million. The increase in net working capital resulted mainly from an increase in inventories.

### CASH FLOW AND FINANCING

In January–September, net cash from operating activities was EUR -35.5 million (92.1). The decrease in net cash from operating activities was mainly due to change in net working capital during the period. Cash flow before financing activities was EUR -67.2 million (72.0), which included cash inflows of EUR 2.5 million (9.5) related to sale of property, plant and equipment, and EUR 0.5 million (0.0) related to divestment of Businesses. It included cash outflows of EUR 1.6 million (0.0) related to acquisition of Group companies and EUR 33.2 million (29.5) related to capital expenditure.

At the end of September, interest-bearing net debt was EUR 749.7 million (592.8). Net debt increased mainly due to weaker operating cashflow. The equity to asset ratio was 34.3 percent (37.1) and gearing 56.7 percent (46.7).

At the end of September, cash and cash equivalents amounted to EUR 434.5 million (257.7). None of the Group's committed EUR 400 million back-up financing facility was in use at the end of the period.

In June 2022, Konecranes paid dividends, amounting to EUR 98.9 million or EUR 1.25 per share, to its shareholders.

### CAPITAL EXPENDITURE

In January–September, capital expenditure excluding acquisitions and joint arrangements amounted to EUR 25.8 million (32.1). The amount consisted mainly of investments in machinery and equipment, buildings, office equipment and information technology.

### ACQUISITIONS AND DIVESTMENTS

In January–September, the cash impact of capital expenditure for acquisitions and joint arrangements was EUR -1.6 million (0.0). The cash impact of divestment of Businesses was EUR 0.5 million (0.0).

In July 2022, Konecranes acquired a small crane service business of Garabi Industrial Technologies in Spain. In September 2022, Konecranes also acquired the non-controlling interest of 6% of Konecranes Real Estate GmbH & Co. KG in Germany.

In September 2022, Konecranes divested the small automation business Motronica in Italy from Port Solutions segment. In September 2022, Konecranes divested parts of its Russian Service business to local management who have established their own companies.

### PERSONNEL

In January–September, the Group had an average of 16,573 employees (16,638). On September 30, the number of personnel was 16,527 (16,540). In January–September, the Group's personnel decreased by 46 people net.

At the end of September, the number of personnel by operating segment was as follows: Service 7,832 employees (7,819), Industrial Equipment 5,499 employees (5,594),

Port Solutions 3,112 employees (3,039) and Group staff 84 employees (88).

The Group had 9,564 (9,569) employees working in EMEA, 3,120 (2,958) in the Americas and 3,843 (4,013) in APAC.

### SUSTAINABILITY

Konecranes makes lifting and material flows more productive and sustainable and works for a decarbonized and circular world for its customers and society.

On February 1, 2022, Konecranes presented new climate targets in line with the Paris Agreement limiting global warming to 1.5°C. The new climate targets cover emissions in both Konecranes' own operations and its value chain and support Konecranes' efforts to cut emissions, further develop its low-carbon portfolio and mitigate climate risks. The targets have been validated by Science Based Targets initiative (SBTi).

Konecranes' Science Based 1.5°C climate targets are:

- For Scope 1 and 2 greenhouse gas (GHG) targets, Konecranes is committed to reduce its carbon emissions by 50 percent by 2030
- For scope 3, Konecranes aims to reduce absolute carbon emissions by 50 percent by 2030, encompassing the use of sold products and steel related purchases. This covers more than 70 percent of the value chain emissions.

In September 2022, Konecranes received a Gold rating from EcoVadis for its ambitious climate work for the second time. The company's actions, policies and reporting put it in the top 2% of its general-purpose machinery peers, and in the top 7% of all rated companies globally.

In January–September, sales of Konecranes' "eco portfolio", consisting of fully electrified and hybrid equipment, as well as modernizations and retrofits, totaled 51 percent of Konecranes' sales (50 percent in full-year 2021). For Service, the eco portfolio represented 15 percent of sales (16 percent in full-year 2021), for Industrial Equipment 100 percent (100 percent in full-year 2021) and for Port Solutions 46 percent (42 percent in full-year 2021). The relatively low eco portfolio share of Service is due to only modernizations and retrofits being included in the eco portfolio, although all maintenance work and spare parts aim at extending product life-cycle and increased resource-efficiency. For Port Solutions, the eco portfolio share is impacted by sales mix and timing of project revenues.

Konecranes has activities that qualify as environmentally sustainable according to the EU Taxonomy Regulation. Taxonomy-eligible products represented 14 percent of Konecranes' revenue in full-year 2021. More detailed information on Taxonomy eligibility and the calculation method is available in Konecranes' 2021 Annual Report.

**BUSINESS SEGMENTS****SERVICE**

|   | 7-9/<br>2022 | 7-9/<br>2021 | Change<br>percent | Change % at<br>comparable<br>currency<br>rates | 1-9/<br>2022 | 1-9/<br>2021 | Change<br>percent | Change % at<br>comparable<br>currency<br>rates | 1-12/2021 |
|---|--------------|--------------|-------------------|--|--------------|--------------|-------------------|--|-----------|
| Orders received, MEUR                           | 298.3        | 257.9        | 15.6              | 6.8  | 878.6        | 770.6        | 14.0              | 7.3  | 1,078.3   |
| Order book, MEUR                                | 490.0        | 293.1        | 67.1              | 52.3   | 490.0        | 293.1        | 67.1              | 52.3   | 343.5     |
| Agreement base value, MEUR                      | 315.5        | 286.7        | 10.1              | 1.8  | 315.5        | 286.7        | 10.1              | 1.8  | 290.4     |
| Net sales, MEUR                                 | 347.1        | 296.0        | 17.3              | 8.8  | 967.4        | 873.1        | 10.8              | 4.6  | 1,205.3   |
| Adjusted EBITA, MEUR <sup>1)</sup>              | 68.1         | 56.1         | 21.5              |  | 170.1        | 152.7        | 11.4              |  | 222.4     |
| Adjusted EBITA, % <sup>1)</sup>                 | 19.6%        | 18.9%        |                   |  | 17.6%        | 17.5%        |                   |  | 18.5%     |
| Purchase price allocation<br>amortization, MEUR | -3.6         | -3.9         | -7.1              |  | -10.6        | -11.6        | -8.5              |  | -15.5     |
| Adjustments, MEUR                               | -1.2         | -0.1         |                   |  | -2.1         | -1.0         |                   |  | -2.0      |
| Operating profit (EBIT), MEUR                   | 63.3         | 52.1         | 21.5              |  | 157.3        | 140.1        | 12.3              |  | 204.9     |
| Operating profit (EBIT), %                      | 18.2%        | 17.6%        |                   |  | 16.3%        | 16.0%        |                   |  | 17.0%     |
| Personnel at the end of period                  | 7,832        | 7,819        | 0.2               |  | 7,832        | 7,819        | 0.2               |  | 7,890     |

<sup>1)</sup> Excluding adjustments and purchase price allocation amortization. See also note 11 in the summary financial statements.

**Operational highlights in Q3 2022:**

- In Q3 2022, Konecranes received several orders for its smart modernization solutions for die handling cranes in the automotive industry.
- The quarter's delivery performance was relatively solid despite labor and material availability challenges. Sales increased in all three geographic regions.

**In the third quarter**, order intake in Service increased 15.6 percent to EUR 298.3 million (257.9). On a comparable currency basis, orders received increased 6.8 percent. Both field service orders and parts orders increased. Order intake increased in the Americas, EMEA and APAC.

The order book increased 67.1 percent to EUR 490.0 million (293.1). On a comparable currency basis, the order book increased 52.3 percent.

The annual value of the agreement base increased 10.1 percent year-on-year to EUR 315.5 million (286.7). On a comparable currency basis, the annual value of the agreement base increased 1.8 percent. Sequentially, the annual value of the agreement base increased 1.7 percent on a reported basis and decreased 0.3 percent on a comparable currency basis.

Sales increased 17.3 percent to EUR 347.1 million (296.0). On a comparable currency basis, sales increased

8.8 percent. Both field service sales and parts sales increased. Sales increased in the Americas, EMEA and APAC.

The third-quarter adjusted EBITA was EUR 68.1 million (56.1) and the adjusted EBITA margin 19.6 percent (18.9). The increase in the adjusted EBITA margin was attributable to higher sales mainly driven by pricing. Gross margin remained approximately on the same level on a year-on-year basis. The operating profit was EUR 63.3 million (52.1) and the operating margin 18.2 percent (17.6).

**In January–September**, orders received totaled EUR 878.6 million (770.6), corresponding to an increase of 14.0 percent. On a comparable currency basis, orders received increased 7.3 percent.

Sales increased 10.8 percent to EUR 967.4 million (873.1). On a comparable currency basis, sales increased 4.6 percent. Both field service sales and parts sales increased.

The adjusted EBITA was EUR 170.1 million (152.7) and the adjusted EBITA margin was 17.6 percent (17.5). The increase in the adjusted EBITA margin was mainly attributable to higher sales driven by pricing. The operating profit was EUR 157.3 million (140.1) and the operating margin 16.3 percent (16.0).

## INDUSTRIAL EQUIPMENT

|   | 7-9/<br>2022 | 7-9/<br>2021 | Change<br>percent | Change % at<br>comparable<br>currency<br>rates | 1-9/<br>2022 | 1-9/<br>2021 | Change<br>percent | Change % at<br>comparable<br>currency<br>rates | 1-12/2021 |
|---|--------------|--------------|-------------------|--|--------------|--------------|-------------------|--|-----------|
| Orders received, MEUR                           | 334.0        | 289.8        | 15.3              | 8.6  | 1,083.0      | 898.0        | 20.6              | 15.1   | 1,172.5   |
| of which external, MEUR                         | 278.2        | 258.1        | 7.8               | 1.1  | 933.8        | 791.3        | 18.0              | 12.1   | 1,033.7   |
| Order book, MEUR                                | 976.0        | 747.3        | 30.6              | 19.6   | 976.0        | 747.3        | 30.6              | 19.6   | 709.9     |
| Net sales, MEUR                                 | 311.0        | 267.7        | 16.2              | 10.3   | 828.7        | 756.6        | 9.5               | 4.5  | 1,088.7   |
| of which external, MEUR                         | 281.9        | 234.4        | 20.2              | 13.5   | 733.7        | 666.1        | 10.2              | 4.6  | 960.2     |
| Adjusted EBITA, MEUR <sup>1)</sup>              | 12.5         | 11.7         | 6.9               |  | 10.0         | 17.4         | -42.4             |  | 38.0      |
| Adjusted EBITA, % <sup>1)</sup>                 | 4.0%         | 4.4%         |                   |  | 1.2%         | 2.3%         |                   |  | 3.5%      |
| Purchase price allocation<br>amortization, MEUR | -5.7         | -2.7         | 112.2             |  | -9.2         | -8.1         | 13.2              |  | -10.8     |
| Adjustments, MEUR                               | 2.8          | -4.5         |                   |  | -22.8        | -7.3         |                   |  | -8.5      |
| Operating profit (EBIT), MEUR                   | 9.7          | 4.6          | 112.0             |  | -22.0        | 1.9          | -1,231.5          |  | 18.7      |
| Operating profit (EBIT), %                      | 3.1%         | 1.7%         |                   |  | -2.7%        | 0.3%         |                   |  | 1.7%      |
| Personnel at the end of period                  | 5,499        | 5,594        | -1.7              |  | 5,499        | 5,594        | -1.7              |  | 5,516     |

<sup>1)</sup> Excluding adjustments and purchase price allocation amortization. See also note 11 in the summary financial statements.

## Operational highlights in Q3 2022:

- In Q3 2022, Konecranes successfully handed over to a customer its first fully automated die handling crane in the automotive industry and booked several new orders for die handling cranes.
- Konecranes received several significant orders from various green industries including EV manufacturing and wind energy.
- Despite the supply chain challenges continued to impact negatively, the delivery performance was relatively solid, sales increased in standard cranes, process cranes and components.

**In the third quarter**, Industrial Equipment's orders received totaled EUR 334.0 million (289.8), corresponding to an increase of 15.3 percent. On a comparable currency basis, orders received increased 8.6 percent. External orders received increased 7.8 percent on a reported basis and 1.1 percent on a comparable currency basis. Order intake increased in standard cranes and process cranes but decreased in components. Orders received increased in the Americas and EMEA but decreased in APAC.

The order book increased 30.6 percent to EUR 976.0 million (747.3). On a comparable currency basis, the order book increased 19.6 percent.

Sales increased 16.2 percent to EUR 311.0 million (267.7). On a comparable currency basis, sales increased 10.3 percent. External sales increased 20.2 percent on a reported basis and 13.5 percent on a comparable currency

basis. Sales increased in standard cranes, process cranes and components. Sales increased in the Americas and APAC but decreased in EMEA.

The third-quarter adjusted EBITA was EUR 12.5 million (11.7) and the adjusted EBITA margin 4.0 percent (4.4). The decrease in the adjusted EBITA margin was mainly attributable to cost inflation. Gross margin decreased on a year-on-year basis. Operating profit was EUR 9.7 million (4.6) and the operating margin 3.1 percent (1.7).

**In January–September**, orders received totaled EUR 1,083.0 million (898.0), corresponding to an increase of 20.6 percent. On a comparable currency basis, orders received increased 15.1 percent. External orders received increased 18.0 percent on a reported basis and 12.1 percent on a comparable currency basis. Order intake increased in standard cranes, process cranes and components.

Sales increased 9.5 percent to EUR 828.7 million (756.6). On a comparable currency basis, sales increased 4.5 percent. External sales increased 10.2 percent on a reported basis and 4.6 percent on a comparable currency basis. Sales increased in standard cranes and components but decreased in process cranes.

The adjusted EBITA was EUR 10.0 million (17.4) and the adjusted EBITA margin 1.2 percent (2.3). The decrease in the adjusted EBITA margin was mainly attributable to low sales volumes as well as cost inflation. The operating profit was EUR -22.0 million (1.9) and the operating margin -2.7 percent (0.3).

## PORT SOLUTIONS

|   | 7-9/<br>2022 | 7-9/<br>2021 | Change<br>percent | Change % at<br>comparable<br>currency<br>rates |       | 1-9/<br>2022 | 1-9/<br>2021 | Change % at<br>comparable<br>currency<br>rates |      | 1-12/2021 |
|---|--------------|--------------|-------------------|--|-------|--------------|--------------|--|------|-----------|
|   |              |              |                   |  |       |              |              |  |      |           |
| Orders received, MEUR                           | 453.6        | 210.2        | 115.8             | 114.5  | 114.5 | 1,283.8      | 757.8        | 69.4   | 68.2 | 1,112.7   |
| Order book, MEUR                                | 1,586.2      | 957.0        | 65.8              | 63.6   | 63.6  | 1,586.2      | 957.0        | 65.8   | 63.6 | 983.5     |
| Net sales, MEUR                                 | 273.3        | 255.5        | 7.0               | 5.6  | 5.6   | 686.6        | 734.9        | -6.6   | -7.4 | 1,072.9   |
| of which service, MEUR                          | 56.2         | 48.8         | 15.1              | 11.1   | 11.1  | 161.4        | 131.0        | 23.2   | 19.2 | 181.9     |
| Adjusted EBITA, MEUR <sup>1)</sup>              | 21.0         | 16.0         | 31.2              |  |       | 42.2         | 51.1         | -17.5  |      | 79.9      |
| Adjusted EBITA, % <sup>1)</sup>                 | 7.7%         | 6.3%         |                   |  |       | 6.1%         | 7.0%         |  |      | 7.4%      |
| Purchase price allocation<br>amortization, MEUR | -1.6         | -1.6         | 0.0               |  |       | -4.9         | -5.2         | -4.7   |      | -6.8      |
| Adjustments, MEUR                               | 5.8          | 0.7          |                   |  |       | -21.5        | 0.3          |  |      | 1.7       |
| Operating profit (EBIT), MEUR                   | 25.1         | 15.0         | 67.1              |  |       | 15.8         | 46.3         | -65.9  |      | 74.8      |
| Operating profit (EBIT), %                      | 9.2%         | 5.9%         |                   |  |       | 2.3%         | 6.3%         |  |      | 7.0%      |
| Personnel at the end of period                  | 3,112        | 3,039        | 2.4               |  |       | 3,112        | 3,039        | 2.4  |      | 3,083     |

<sup>1)</sup> Excluding adjustments and purchase price allocation amortization. See also note 11 in the summary financial statements.

## Operational highlights in Q3 2022:

- In Q3 2022, Port Solutions booked record-high quarterly orders and the order intake exceeded EUR 450 million. Out of the businesses, all had a successful order quarter while order intake for RTGs was especially strong.
- Port Houston in Texas, USA, ordered 26 eco-efficient hybrid Konecranes RTGs which will be delivered to its Barbours Cut and Bayport container terminals.
- The Georgia Ports Authority (GPA) in the USA ordered 12 Konecranes RTGs for the Port of Savannah. The port already operates 198 Konecranes RTGs with another 24 on order, making it the largest RTG fleet in the USA. The current order will bring the fleet to 234 RTGs in Savannah.
- The terminal operator COSCO SHIPPING Ports (Spain) Terminals, (CSP) ordered 11 eco-efficient hybrid RTGs. The value of the order was approximately EUR 20 million.

**In the third quarter**, Port Solutions' order intake totaled EUR 453.6 million (210.2), representing an increase of 115.8 percent. On a comparable currency basis, orders received increased 114.5 percent. Orders received increased in the Americas, EMEA and APAC.

The order book increased 65.8 percent to EUR 1,586.2 million (957.0). On a comparable currency basis, the order book increased 63.6 percent.

Sales increased 7.0 percent to EUR 273.3 million (255.5). On a comparable currency basis, sales increased 5.6 percent.

The third-quarter adjusted EBITA was EUR 21.0 million (16.0) and the adjusted EBITA margin 7.7 percent (6.3). The increase in the adjusted EBITA margin was mainly attributable to higher sales and positive sales mix. Gross margin improved on a year-on-year basis. Operating profit was EUR 25.1 million (15.0) and the operating margin 9.2 percent (5.9).

**In January–September**, orders received totaled EUR 1,283.8 million (757.8), corresponding to an increase of 69.4 percent. On a comparable currency basis, orders received increased 68.2 percent.

Sales decreased 6.6 percent to EUR 686.6 million (734.9). On a comparable currency basis, sales decreased 7.4 percent.

The adjusted EBITA was EUR 42.2 million (51.1) and the adjusted EBITA margin 6.1 percent (7.0). The decrease in the adjusted EBITA margin was mainly attributable to lower sales due to timing of customer deliveries. In addition, the comparison period included a provision release of EUR 5 million. Gross margin improved on a year-on-year basis. Operating profit was EUR 15.8 million (46.3) and the operating margin 2.3 percent (6.3).

### GROUP OVERHEADS

In the third quarter, the adjusted unallocated Group overhead costs and eliminations were EUR 6.3 million (6.3), representing 0.7 percent of sales (0.8).

The unallocated Group overhead costs and eliminations were EUR 6.6 million (21.8), representing 0.7 percent of sales (2.8). These included adjustments of EUR 0.2 million (15.5).

In January–September, the adjusted unallocated Group overhead costs and eliminations were EUR 22.1 million (22.3), representing 0.9 percent of sales (1.0).

The unallocated Group overhead costs and eliminations were EUR 31.0 million (54.3), representing 1.3 percent of sales (2.4). These included adjustments of EUR 8.9 million (32.0), consisting mainly of merger related costs.

### THE IMPACT OF THE WAR IN UKRAINE ON KONECRANES

Konecranes operates a crane and component factory in Zaporizhzhia, in the south-eastern part of Ukraine. The factory is one of the Industrial Equipment supply factories for crane components and a crane manufacturing unit for Eastern Europe deliveries. It also offers extra capacity for Konecranes' western crane deliveries specialized in large steel structures. The factory has approximately 350 employees.

In addition, Konecranes has approximately 70 people working in crane service, port service, spare parts, and industrial crane sales operations mainly in Odessa, Mariupol and Zaporizhzhia.

Konecranes has supported its employees and their families based in Ukraine throughout the war and continues to pay salaries and wages to the Ukrainian employees. The safety and well-being of Konecranes' employees based in Ukraine, and their families, are a number one priority for Konecranes.

The production at the Ukrainian factory was stopped immediately after the war started. The planned production has been redirected to other Konecranes manufacturing sites. This has generated and will continue to generate additional operating costs mainly within Industrial Equipment. In January–September, these costs totaled approximately EUR 3 million.

As the level of uncertainty regarding Konecranes' operations in Ukraine remains high due to the ongoing war, Konecranes impaired all Ukraine related assets, including inventories and receivables, in the first quarter. The impact of the impairments on operating profit was approximately EUR 5.1 million negative in January–September.

Konecranes condemns Russia's aggression towards Ukraine and has decided not to take any new business from Russia. As a result of this decision, Konecranes wrote off EUR 78.9 million of orders from Russia and reversed EUR 32.1 million of sales to Russia in the first quarter. Out of the cancelled sales, EUR 18.9 million was in Port Solutions and EUR 13.2 million in Industrial Equipment. The orders had

been booked and the project revenues recognized prior to 2022. Accordingly, the impact on order book was EUR 65.6 million negative in the first quarter. In the first quarter, the impact of the cancelled sales on operating profit was approximately EUR 39.1 million negative, out of which EUR 23.9 million in Port Solutions and EUR 15.2 million in Industrial Equipment. The full amount was included in adjustments in the first quarter.

In the second quarter, Konecranes reversed further EUR 1.8 million of Russian sales with a negative impact of EUR 2.5 million on operating profit. The result impact was included in adjustments also in the second quarter.

In the third quarter, Konecranes revaluated the exposure related to the cancelled projects, which had a positive impact of EUR 7.9 million on operating profit. The positive result impact was again included in adjustments in the third quarter.

In the third quarter, Konecranes started to divest its Russian Service business to local management who have established their own companies. Konecranes cancelled all Russian maintenance agreements, and they were written-off from the Konecranes service agreement base, which had a EUR 3.5 million negative impact on the agreement base value.

At the end of September, Konecranes order book included EUR 1.2 million of orders from Russia.

The war has increased market volatility and uncertainty by increasing cost inflation and global material availability concerns and other supply chain issues. It is too early to estimate how long and to what extent they will impact Konecranes' business and performance.

### COVID-19 IMPACT ON KONECRANES

The worldwide demand picture remains subject to volatility due to the COVID-19 pandemic. Tight lockdowns and restrictions, impacting Konecranes' supply chains, continue to be applied in some areas and regions to prevent the virus from spreading. There remain uncertainties regarding the COVID-19 pandemic and related component availability issues as well as other supply chain constraints. It is too early to estimate how long and to what extent they will impact Konecranes' business and performance.

### ADMINISTRATION

#### Abandonment of the planned merger of Konecranes Plc and Cargotec Corporation

On October 1, 2020, Konecranes Plc ("Konecranes") and Cargotec Corporation ("Cargotec") announced that their respective Boards of Directors had signed a combination agreement and a merger plan ("the Merger Plan") to combine the two companies through a merger ("the Merger").

On March 29, 2022, Konecranes announced that the UK Competition & Markets Authority ("CMA") had blocked the merger. According to the CMA's final report issued on the same day, the remedies - which had been accepted by

the European Commission (“EC”) - would not be effective in addressing the CMA's concerns and thus the planned merger between Konecranes and Cargotec could not be completed. The completion of the planned merger would have required approvals from all relevant competition authorities. Thus, Konecranes and Cargotec decided to cancel the planned merger and immediately ceased the pursuit of the merger and the related processes and continue to operate separately as fully independent companies.

### Service and Industrial Equipment under one leadership

On April 27, 2022, Konecranes announced that as a result of the Industrial Assessment, which was started in October 2021, it had decided to focus Service and Industrial Equipment under one leadership to strengthen Konecranes' role as the global lifting leader. As a result, since the beginning of June, Konecranes has had two Business Areas: Industrial Service and Equipment, and Port Solutions. Despite the change, Konecranes continues to have three operating segments: Service, Industrial Equipment and Port Solutions, and the segment financials are comparable with historical figures.

### Decisions of the Annual General Meeting

The resolutions of the AGM have been published in the stock exchange release dated June 15, 2022.

### Board of Directors

The Board of Directors elected in the Annual General Meeting 2022 consists of

- Christoph Vitzthum, Chairman of the Board
- Pasi Laine, Vice Chairman of the Board
- Pauli Anttila, Member of the Board
- Janina Kugel, Member of the Board
- Ulf Liljedahl, Member of the Board
- Niko Mokka, Member of the Board
- Per Vegard Nerseth, Member of the Board
- Päivi Rekonen, Member of the Board
- Helene Svahn, Member of the Board
- Sami Piittisjärvi, Member of the Board

The term of office ends at the closing of the Annual General Meeting in 2023.

On June 15, 2022, Konecranes announced that the Board had held its first meeting. The Board decided to continue with an Audit Committee and a Human Resources Committee.

Ulf Liljedahl was elected Chairman of the Audit Committee, and Niko Mokka and Päivi Rekonen as Committee members. Janina Kugel was elected Chairwoman of the Human Resources Committee, and Per Vegard Nerseth and Christoph Vitzthum as Committee members.

All Board members with the exception of Sami Piittisjärvi are deemed to be independent of the Company and all Board members with the exception of Niko Mokka and Pauli Anttila are deemed to be independent of the Company's significant shareholders.

Sami Piittisjärvi is deemed not to be independent of the Company due to his current position as an employee of Konecranes. Niko Mokka is deemed not to be independent of a significant shareholder of the Company based on his current position as Managing Director at Hartwall Capital Oy Ab. Pauli Anttila is deemed not to be independent of a significant shareholder of the Company based on his current position as Investment Director and Member of the Management Team at Solidium Oy.

### Konecranes Leadership Team

In January–September, Konecranes Leadership Team consisted of

- Teo Ottola, CFO, Deputy CEO (also interim CEO until October 18, 2022)
- Fabio Fiorino, Executive Vice President, Industrial Service and Equipment (until May 31, 2022, Executive Vice President, Service)
- Carolin Paulus, Executive Vice President, Industrial Equipment (until May 31, 2022)
- Mika Mahlberg, Executive Vice President, Port Solutions
- Juha Pankakoski, Executive Vice President, Technologies
- Anneli Karkovirta, Senior Vice President, People and Culture
- Sirpa Poitsalo, Senior Vice President, General Counsel
- Topi Tiitola, Senior Vice President, Integration and Project Management Office

### New President and CEO

On June 10, 2022, Konecranes announced that Anders Svensson had been appointed President and CEO. He assumed his role on October 19, 2022. Until he joined the company, Konecranes CFO Teo Ottola acted as the Interim CEO.

### Shareholders' Nomination Board

On September 20, 2022, Konecranes announced the composition of the Shareholders' Nomination Board.

The Shareholders' Nomination Board is comprised of one member appointed by each of the four largest shareholders of Konecranes Plc. The Nomination Board consists of:

- Reima Rytsölä, CEO of Solidium, appointed by Solidium Oy,
- Peter Therman, Deputy Chairman of the Board of Directors of Hartwall Capital, appointed by HC Holding Oy Ab,
- Mikko Mursula, Deputy CEO, Investments of Ilmarinen, appointed by Ilmarinen Mutual Pension Insurance Company, and
- Stig Gustavson, appointed by Stig Gustavson and family.

In addition, Christoph Vitzthum, the Chairman of the Board of Directors, serves as an expert in the Nomination Board without being a member.

The appointed Nomination Board will forward its proposals for the 2023 Annual General Meeting to the Board of Directors by 31 January 2023.

## SHARES AND TRADING

### Share capital and shares

On September 30, 2022, the company's registered share capital totaled EUR 30.1 million. On September 30, 2022, the number of shares including treasury shares totaled 79,221,906.

### Treasury shares

On September 30, 2022, Konecranes Plc was in possession of 55,307 treasury shares, which corresponds to 0.1 percent of the total number of shares, and which had on that date a market value of EUR 1.1 million.

On June 20, 2022, 32,140 treasury shares were conveyed without consideration to the key employees as a reward payment for the Konecranes Restricted Share Unit Plan 2017.

### Market capitalization and trading volume

The closing price for the Konecranes shares on the Nasdaq Helsinki on September 30, 2022, was EUR 20.48. The volume-weighted average share price in January–September was EUR 27.41, the highest price being EUR 38.43 in January and the lowest EUR 19.61 in September. In January–September, the trading volume on the Nasdaq Helsinki totaled 50.6 million, corresponding to a turnover of approximately EUR 1,386.9 million. The average daily trading volume was 266,295 shares representing an average daily turnover of EUR 7.3 million.

On September 30, 2022, the total market capitalization of Konecranes Plc was EUR 1,622.5 million including treasury shares. The market capitalization was EUR 1,621.3 million excluding treasury shares.

### Performance Share Plans 2020, 2021 and 2022

On February 3, 2022, Konecranes announced that Board of Directors had resolved adjusted earnings per Share (EPS)

as the criterion for 2022, which is the third measurement period of the Performance Share Plan 2020 and the second measurement period of the Performance Share Plan 2021. Adjustments to the EPS include defined restructuring costs, mergers and acquisitions related deal costs and other unusual items.

Additional information, including essential terms and conditions of the Plan 2020 are available in a stock exchange release published on July 23, 2020, and those of the Plan 2021 in a stock exchange release published on February 3, 2021.

On March 30, 2022, Konecranes announced that the Board of Directors had resolved to establish a new Performance Share Plan 2022. The Plan has a performance period from 2022 to 2024 with three separate measurement periods and separate targets for 2022, 2023 and 2024.

The criterion for the measurement period 2022 is adjusted earnings per Share (EPS). The EPS target for the first measurement period was also resolved by the Board of Directors.

The target group of the Plan for the performance period 2022–2024 consists of a maximum of 170 key employees of the Konecranes group.

Additional information, including essential terms and conditions of the Plan, is available in the stock exchange release dated March 30, 2022.

### Employee Share Savings Plan

On March 30, 2022, Konecranes announced that the Board of Directors had decided to launch a new Plan Period relating to the Employee Share Savings Plan. The new Plan Period began on August 1, 2022, and will end on June 30, 2023. The other terms and conditions of the Plan Period 2022–2023 approved by the Board on March 30, 2022, have been published in the stock exchange release on the same day.

## NOTIFICATIONS OF MAJOR SHAREHOLDINGS

In January–September, Konecranes received the following notifications of major shareholdings.

| Date         | Shareholder | Threshold | % of shares and voting rights | % of shares and voting rights through financial instruments | Total, % | Total, shares |
|--------------|-------------|-----------|-------------------------------|---|----------|---------------|
| May 20, 2022 | Solidium Oy | Above 10% | 10.02                         |   | 10.02    | 7,934,506     |

## RISKS AND UNCERTAINTIES

Global pandemics, such as COVID-19, have and may have a negative impact on Konecranes' customers and its own operations. Physical restrictions on the daily conduct of people and businesses can lead to lower revenue recognition and adversely impact cash flow. Physical restrictions may also lead to component availability and other supply chain issues and inventory obsolescence. Furthermore, global pandemics can increase the likelihood of weaker demand conditions and, as a result, may lead to overcapacity, impairment of assets and credit losses.

Global component and labour availability issues and other global supply chain constraints may lead to production and customer delivery delays and have a negative impact on Konecranes sales and cash flow. Accelerated inflation may increase risk for negative impact on Konecranes cash flow.

Konecranes operates in emerging countries that face political, economic, and regulatory uncertainties. Adverse changes in the operating environment of these countries may result in currency losses, elevated delivery costs, or loss of assets. Konecranes operates a crane factory in Zaporizhzhia, Ukraine. In Q1 2022, Konecranes impaired all Ukraine related assets as the level of uncertainty regarding Konecranes' operations in Ukraine remains high due to the ongoing war.

The operations in emerging countries have had a negative impact on the aging structure of accounts receivable and may increase credit losses or the need for higher provisions for doubtful accounts.

Political risks and uncertainties have also increased outside the emerging countries due to the emergence of populism, patriotism, and protectionism in a number of Western

economies. This has led and can lead to further increases in tariffs on imported goods, such as components that Konecranes manufactures centrally before exporting them to most of the countries in which it operates. The resulting tariffs may result in a decrease in profitability.

Konecranes has made several acquisitions and expanded organically into new countries. A failure to integrate the acquired businesses, MHPS and MHE-Demag in particular, or grow newly established operations may result in a decrease in profitability and impairment of goodwill and other assets.

One of the key strategic initiatives of Konecranes is oneKONECRANES. This initiative involves a major capital expenditure on information systems. A higher-than-expected development or implementation costs, or a failure to extract business benefits from new processes and systems may lead to an impairment of assets or decrease in profitability.

Konecranes delivers projects, which involve risks related, for example, to engineering and project execution with Konecranes' suppliers. A failure to plan or manage these projects may lead to higher-than-estimated costs or disputes with customers.

Challenges in financing, e.g. due to currency fluctuations, may force customers to postpone projects or even cancel the existing orders. Konecranes intends to avoid incurring costs for major projects under construction in excess of advance payments. However, it is possible that the cost-related commitments in some projects temporarily exceed the number of advance payments.

The Group's other risks are presented in the Notes to the Financial Statements and the Governance Supplement to the Annual Report.

**STOCK EXCHANGE RELEASES DURING JANUARY–SEPTEMBER**

| <b>Date</b>        | <b>Release</b>   | <b>Date</b>       | <b>Release</b>  |
|--------------------|--|-------------------|---|
| September 20, 2022 | Composition of the Shareholders' Nomination Board of Konecranes Plc  | March 30, 2022    | The Board of Directors of Konecranes Plc decided to continue the Employee Share Savings Plan  |
| July 27, 2022      | Konecranes Plc: Half-year financial report January–June 2022   | March 29, 2022    | Konecranes comments on its strategy and next steps following the abandonment of the planned merger and cancels its Annual General Meeting scheduled for March 30, 2022    |
| July 15, 2022      | Anders Svensson to start as President and CEO of Konecranes on October 19, 2022, Konecranes plans to host a CMD in H1/2023 | March 29, 2022    | The UK CMA blocks the merger between Konecranes and Cargotec and thus the Companies have Jointly Decided to Cancel the Planned Merger                                     |
| July 12, 2022      | Profit warning: Konecranes lowers full-year 2022 financial guidance  | February 28, 2022 | Konecranes Plc's Annual Report 2021 published   |
| June 15, 2022      | Konecranes Restricted Share Unit Plan 2017 - directed share issue  | February 25, 2022 | Notice to the Annual General Meeting of Konecranes Plc  |
| June 15, 2022      | Konecranes Plc: Board of Directors' organizing meeting   | February 24, 2022 | The European Commission Conditionally Approved the Proposed Merger; the Completion Remains Subject to Further Authority Approvals   |
| June 15, 2022      | Resolutions of Konecranes Plc's Annual General Meeting of shareholders   | February 3, 2022  | Proposals by the board of directors to the annual general meeting 2022  |
| June 10, 2022      | Anders Svensson appointed President and CEO of Konecranes  | February 3, 2022  | The Board of Directors of Konecranes Plc has resolved the criterion for the measurement period 2022 of the Performance Share Plans 2020 and 2021                          |
| May 20, 2022       | Konecranes Plc: Notice pursuant to the Finnish Securities Market Act, Chapter 9, Section 10                                | February 3, 2022  | Konecranes Plc: Financial statement release 2021  |
| May 13, 2022       | Konecranes Plc's Board of Directors convenes the Annual General Meeting 2022   | February 3, 2022  | Konecranes and Cargotec provide an update on planned merger: Remedy requirements are more complex than expected, dialogue with relevant competition authorities continues |
| May 11, 2022       | Konecranes Plc's Shareholders' Nomination Board revises its proposals for the Annual General Meeting                       | January 28, 2022  | Konecranes Plc's Shareholders' Nomination Board's proposals for the composition and compensation of the Board of Directors  |
| April 27, 2022     | Konecranes Plc: Interim report January–March 2022  |                   |   |
| April 27, 2022     | Changes in Konecranes Leadership Team  |                   |   |
| April 26, 2022     | Konecranes plans to hold the Annual General Meeting on June 15, 2022; the Board has decided its dividend proposal          |                   |   |
| April 21, 2022     | Konecranes comments on the impacts of the war in Ukraine on its business and financial performance                         |                   |   |
| March 30, 2022     | The Board of Directors of Konecranes Plc has resolved to establish a new Performance Share Plan                            |                   |   |

**CORPORATE PRESS RELEASES  
DURING JANUARY–SEPTEMBER**

- On September 30, 2022, Konecranes announced that a North Italian terminal ordered a Generation 6 Konecranes Gottwald Mobile Harbor Crane to lift productivity and eco-efficiency. The order was booked in July 2022.
- On September 15, 2022, Konecranes announced that the Konecranes-led international research project OPTIMUM was awarded by ITEA for Excellence for leaps in smart factory development.
- On September 5, 2022, Konecranes announced that Georgia Ports Authority ordered 12 Konecranes RTGs for the Port of Savannah. The order was booked Q3 2022.
- On July 13, 2022, Konecranes announced that it had successfully placed a €300 million ESG-linked Schuldschein loan on strong demand from investors.
- On July 13, 2022, Konecranes announced that its January–June 2022 half-year financial report will be published on July 27, 2022.
- On July 1, 2022, Konecranes announced that Kemi Shipping ordered eight Konecranes E-VER electric forklifts to its fleet in northern Finland. The order was booked in June 2022.
- On May 31, 2022, Konecranes announced that it is to supply nuclear fuel handling machines to Sweden's largest nuclear power plant. The order was booked in April 2022.
- On May 18, 2022, Konecranes announced that it had been named best Finnish Large Cap company on furthering diversity.
- On April 26, 2022, Konecranes announced that Georgia Ports Authority had ordered a fleet of 22 Konecranes container cranes. The order was booked in Q1 2022.
- On April 13, 2022, Konecranes announced that its January–March 2022 interim report will be published on April 27, 2022.
- On February 1, 2022, Konecranes presented new climate targets in line with limiting global warming to 1.5°C.
- On January 26, 2022, Konecranes announced that it provides 17 Automated Rubber-Tired Gantry Cranes in fully integrated solution for Port of Felixstowe. The order was booked in Q4 2021.
- On January 20, 2022, Konecranes announced that its financial statement release 2021 will be published on February 3, 2022.
- On January 10, 2022, Konecranes announced that it partnered with Pesimal to supply automated warehouse container handling systems.

**FOURTH QUARTER DEMAND OUTLOOK**

The worldwide demand picture remains subject to volatility due to the war in Ukraine and COVID-19 having increased inflation, interest rates and material availability concerns.

Within industrial customer segments, in North America, the demand environment remains active. In Europe, the level of uncertainty is higher compared to North America, and the demand environment has started to show signs of weakening. In Asia-Pacific, the demand environment is stable.

Global container throughput continues high, and long-term prospects related to global container handling remain good overall.

**FINANCIAL GUIDANCE**

Konecranes expects net sales to remain on the same level or to increase in full-year 2022 compared to 2021. Konecranes expects the adjusted EBITA margin to remain on the same level or to decrease in full-year 2022 compared to 2021.

Espoo, October 26, 2022

Konecranes Plc

Board of Directors

**Important Notice**

The information in this report contains forward-looking statements, which are information on Konecranes' current expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business. All statements other than statements of historical fact included herein are forward-looking statements including, without limitation, those regarding:

- expectations for general economic development and market situation,
- expectations for general developments in the industry,
- expectations regarding customer industry profitability and investment willingness,
- expectations for company growth, development, and profitability,
- expectations regarding market demand for Konecranes' products and services,
- expectations regarding the successful completion of acquisitions on a timely basis and Konecranes' ability to achieve the set targets and synergies,
- expectations regarding competitive conditions and
- expectations regarding cost savings.

These statements may include, without limitation, any statements preceded by, followed by or including words such as “target,” “believe,” “expect,” “aim,” “intend,” “may,” “anticipate,” “estimate,” “plan,” “project,” “will,” “can have,” “likely,” “should,” “would,” “could” and other words and terms of similar meaning or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond Konecranes' control that could cause Konecranes' actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Konecranes' present and future business strategies and the environment in which it will operate in the future.

Information in this report, including but not limited to forward-looking statements, applies only as of the date of this document and is not intended to give any assurances as to future results.

## Consolidated statement of income

| EUR million                                     | Note | 7–9/<br>2022 | 7–9/<br>2021 | Change<br>percent | 1–9/<br>2022   | 1–9/<br>2021   | Change<br>percent | 1–12/<br>2021  |
|---|------|--------------|--------------|-------------------|----------------|----------------|-------------------|----------------|
| <b>Sales</b>                                    | 7    | <b>884.6</b> | <b>773.6</b> | <b>14.4</b>       | <b>2,343.9</b> | <b>2,236.8</b> | <b>4.8</b>        | <b>3,185.7</b> |
| Other operating income                          |      | 3.4          | 3.3          |                   | 6.6            | 9.1            |                   | 11.3           |
| Materials, supplies and subcontracting          |      | -392.2       | -343.6       |                   | -1,007.3       | -948.3         |                   | -1,413.0       |
| Personnel cost                                  |      | -271.9       | -245.5       |                   | -821.2         | -766.7         |                   | -1,023.5       |
| Depreciation and impairments                    | 8    | -32.3        | -29.6        |                   | -92.8          | -90.3          |                   | -120.1         |
| Other operating expenses                        |      | -100.2       | -108.3       |                   | -309.1         | -306.7         |                   | -420.4         |
| <b>Operating profit</b>                         |      | <b>91.5</b>  | <b>49.9</b>  | <b>83.5</b>       | <b>120.1</b>   | <b>134.0</b>   | <b>-10.3</b>      | <b>220.0</b>   |
| Share of associates' and joint ventures' result |      | 0.0          | 0.0          |                   | 0.5            | 0.1            |                   | 0.3            |
| Financial income                                |      | 21.3         | 1.1          |                   | 45.2           | 18.2           |                   | 28.6           |
| Financial expenses                              |      | -29.4        | -7.9         |                   | -74.2          | -41.5          |                   | -56.4          |
| <b>Profit before taxes</b>                      |      | <b>83.4</b>  | <b>43.1</b>  | <b>93.5</b>       | <b>91.7</b>    | <b>110.9</b>   | <b>-17.3</b>      | <b>192.5</b>   |
| Taxes   | 10   | -23.4        | -11.7        |                   | -25.7          | -32.7          |                   | -45.1          |
| <b>PROFIT FOR THE PERIOD</b>                    |      | <b>60.0</b>  | <b>31.4</b>  | <b>91.1</b>       | <b>66.0</b>    | <b>78.2</b>    | <b>-15.6</b>      | <b>147.4</b>   |
| <b>Profit for the period attributable to:</b>   |      |              |              |                   |                |                |                   |                |
| Shareholders of the parent company              |      | 61.2         | 31.5         |                   | 68.2           | 78.0           |                   | 146.9          |
| Non-controlling interest                        |      | -1.2         | -0.1         |                   | -2.2           | 0.2            |                   | 0.5            |
| Earnings per share, basic (EUR)                 |      | 0.77         | 0.40         | 94.2              | 0.86           | 0.99           | -12.5             | 1.86           |
| Earnings per share, diluted (EUR)               |      | 0.77         | 0.40         | 93.4              | 0.86           | 0.99           | -12.9             | 1.85           |

### Consolidated statement of other comprehensive income

| EUR million  | 7–9/<br>2022 | 7–9/<br>2021 | 1–9/<br>2022 | 1–9/<br>2021 | 1–12/<br>2021 |
|--|--------------|--------------|--------------|--------------|---------------|
| <b>Profit for the period</b>   | <b>60.0</b>  | <b>31.4</b>  | <b>66.0</b>  | <b>78.2</b>  | <b>147.4</b>  |
| <b>Items that can be reclassified into profit or loss</b>                    |              |              |              |              |               |
| Cash flow hedges   | -13.5        | -4.1         | -29.4        | -11.2        | -11.0         |
| Exchange differences on translating foreign operations                       | 4.5          | 4.0          | 20.7         | 14.2         | 22.8          |
| Income tax relating to items that can be reclassified into profit or loss    | 2.7          | 0.8          | 5.9          | 2.2          | 2.2           |
| <b>Items that cannot be reclassified into profit or loss</b>                 |              |              |              |              |               |
| Re-measurement gains (losses) on defined benefit plans                       | 0.0          | 0.0          | 0.0          | 0.0          | 17.6          |
| Income tax relating to items that cannot be reclassified into profit or loss | 0.0          | 0.0          | 0.0          | 0.0          | -5.8          |
| <b>Other comprehensive income for the period, net of tax</b>                 | <b>-6.3</b>  | <b>0.7</b>   | <b>-2.9</b>  | <b>5.2</b>   | <b>25.8</b>   |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>                             | <b>53.7</b>  | <b>32.1</b>  | <b>63.1</b>  | <b>83.4</b>  | <b>173.2</b>  |
| <b>Total comprehensive income attributable to:</b>                           |              |              |              |              |               |
| Shareholders of the parent company   | 54.9         | 32.3         | 65.9         | 83.0         | 172.6         |
| Non-controlling interest   | -1.2         | -0.1         | -2.8         | 0.3          | 0.6           |

# Consolidated balance sheet

EUR million

| ASSETS  | Note | 30.9.2022      | 30.9.2021      | 31.12.2021     |
|---|------|----------------|----------------|----------------|
| <b>Non-current assets</b>                         |      |                |                |                |
| Goodwill  |      | 1,027.1        | 1,020.4        | 1,022.1        |
| Intangible assets                                 |      | 483.9          | 509.0          | 503.1          |
| Property, plant and equipment                     |      | 352.5          | 327.1          | 339.3          |
| Construction in progress                          |      | 17.9           | 17.5           | 10.9           |
| Investments accounted for using the equity method |      | 7.3            | 6.6            | 6.8            |
| Other non-current assets                          |      | 0.8            | 0.8            | 0.8            |
| Deferred tax assets                               |      | 137.4          | 124.4          | 120.2          |
| <b>Total non-current assets</b>                   |      | <b>2,026.7</b> | <b>2,005.8</b> | <b>2,003.2</b> |
| <b>Current assets</b>                             |      |                |                |                |
| Inventories                                       |      |                |                |                |
| Raw material and semi-manufactured goods          |      | 400.9          | 314.7          | 324.6          |
| Work in progress                                  |      | 598.0          | 444.3          | 380.7          |
| Advance payments                                  |      | 50.5           | 23.5           | 21.1           |
| Total inventories                                 |      | 1,049.4        | 782.4          | 726.4          |
| Accounts receivable                               |      | 526.6          | 454.1          | 492.1          |
| Other receivables                                 |      | 34.2           | 30.8           | 25.3           |
| Loans receivable                                  |      | 4.0            | 2.5            | 2.8            |
| Income tax receivables                            |      | 35.8           | 23.6           | 16.2           |
| Contract assets                                   | 7    | 178.3          | 132.5          | 161.3          |
| Other financial assets                            |      | 17.3           | 3.5            | 3.6            |
| Deferred assets                                   |      | 99.4           | 96.7           | 94.2           |
| Cash and cash equivalents                         |      | 434.5          | 257.7          | 320.7          |
| <b>Total current assets</b>                       |      | <b>2,379.6</b> | <b>1,783.9</b> | <b>1,842.6</b> |
| <b>TOTAL ASSETS</b>                               |      | <b>4,406.3</b> | <b>3,789.7</b> | <b>3,845.8</b> |

# Consolidated balance sheet

EUR million

| EQUITY AND LIABILITIES   | Note | 30.9.2022      | 30.9.2021      | 31.12.2021     |
|--|------|----------------|----------------|----------------|
| <b>Equity attributable to equity holders of the parent company</b>       |      |                |                |                |
| Share capital  |      | 30.1           | 30.1           | 30.1           |
| Share premium  |      | 39.3           | 39.3           | 39.3           |
| Paid in capital  |      | 752.7          | 752.7          | 752.7          |
| Fair value reserves  | 14   | -26.3          | -2.9           | -2.7           |
| Translation difference   |      | 32.2           | 2.4            | 11.0           |
| Other reserve  |      | 65.9           | 63.2           | 65.7           |
| Retained earnings  |      | 354.6          | 296.6          | 308.4          |
| Net profit for the period  |      | 68.2           | 78.0           | 146.9          |
| <b>Total equity attributable to equity holders of the parent company</b> |      | <b>1,316.7</b> | <b>1,259.4</b> | <b>1,351.4</b> |
| Non-controlling interest   |      | 5.0            | 8.9            | 9.2            |
| <b>Total equity</b>  |      | <b>1,321.7</b> | <b>1,268.3</b> | <b>1,360.6</b> |
| <b>Non-current liabilities</b>   |      |                |                |                |
| Interest-bearing liabilities   | 13   | 1,059.0        | 444.6          | 447.1          |
| Other long-term liabilities  |      | 284.9          | 305.1          | 289.0          |
| Provisions   |      | 22.9           | 21.1           | 20.7           |
| Deferred tax liabilities   |      | 137.5          | 138.0          | 142.6          |
| <b>Total non-current liabilities</b>                                     |      | <b>1,504.3</b> | <b>908.7</b>   | <b>899.4</b>   |
| <b>Current liabilities</b>   |      |                |                |                |
| Interest-bearing liabilities   | 13   | 129.3          | 408.5          | 418.0          |
| Advance payments received  | 7    | 556.0          | 372.2          | 344.7          |
| Accounts payable   |      | 299.0          | 244.0          | 255.4          |
| Provisions   |      | 98.6           | 113.7          | 105.4          |
| Other short-term liabilities (non-interest bearing)                      |      | 49.3           | 47.0           | 53.2           |
| Other financial liabilities  |      | 57.0           | 12.5           | 16.9           |
| Income tax liabilities   |      | 34.1           | 26.2           | 23.0           |
| Accrued costs related to delivered goods and services                    |      | 170.3          | 202.3          | 178.3          |
| Accruals   |      | 186.8          | 186.1          | 190.9          |
| <b>Total current liabilities</b>   |      | <b>1,580.4</b> | <b>1,612.7</b> | <b>1,585.8</b> |
| <b>Total liabilities</b>   |      | <b>3,084.6</b> | <b>2,521.4</b> | <b>2,485.2</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                      |      | <b>4,406.3</b> | <b>3,789.7</b> | <b>3,845.8</b> |

# Consolidated statement of changes in equity

| EUR million                          | Equity attributable to equity holders of the parent company |               |                 |                  |                        |
|--------------------------------------|---|---------------|-----------------|------------------|------------------------|
|                                      | Share capital   | Share premium | Paid in capital | Cash flow hedges | Translation difference |
| <b>Balance at 1 January, 2022</b>    | <b>30.1</b>   | <b>39.3</b>   | <b>752.7</b>    | <b>-2.7</b>      | <b>11.0</b>            |
| Dividends paid to equity holders     |   |               |                 |                  |                        |
| Equity-settled share based payments  |   |               |                 |                  |                        |
| Profit for the period                |   |               |                 |                  |                        |
| Other comprehensive income           |   |               |                 | -23.5            | 21.2                   |
| Total comprehensive income           |   |               |                 | -23.5            | 21.2                   |
| <b>Balance at 30 September, 2022</b> | <b>30.1</b>   | <b>39.3</b>   | <b>752.7</b>    | <b>-26.3</b>     | <b>32.2</b>            |
| <b>Balance at 1 January, 2021</b>    | <b>30.1</b>   | <b>39.3</b>   | <b>752.7</b>    | <b>6.0</b>       | <b>-11.6</b>           |
| Dividends paid to equity holders     |   |               |                 |                  |                        |
| Equity-settled share based payments  |   |               |                 |                  |                        |
| Profit for the period                |   |               |                 |                  |                        |
| Other comprehensive income           |   |               |                 | -9.0             | 14.0                   |
| Total comprehensive income           |   |               |                 | -9.0             | 14.0                   |
| <b>Balance at 30 September, 2021</b> | <b>30.1</b>   | <b>39.3</b>   | <b>752.7</b>    | <b>-2.9</b>      | <b>2.4</b>             |

| EUR million                          | Equity attributable to equity holders of the parent company |                   |                |                          | Total equity   |
|--------------------------------------|---|-------------------|----------------|--------------------------|----------------|
|                                      | Other Reserve   | Retained earnings | Total          | Non-controlling interest |                |
| <b>Balance at 1 January, 2022</b>    | <b>65.7</b>   | <b>455.3</b>      | <b>1,351.3</b> | <b>9.2</b>               | <b>1,360.6</b> |
| Dividends paid to equity holders     |   | -98.9             | -98.9          | -0.3                     | -99.2          |
| Equity-settled share based payments  | 0.2   | 0.0               | 0.2            |                          | 0.2            |
| Acquisitions                         |   | -1.8              | -1.8           | -1.2                     | -3.0           |
| Profit for the period                |   | 68.2              | 68.2           | -2.2                     | 66.0           |
| Other comprehensive income           |   | 0.0               | -2.3           | -0.5                     | -2.9           |
| Total comprehensive income           | 0.0   | 68.2              | 65.9           | -2.8                     | 63.1           |
| <b>Balance at 30 September, 2022</b> | <b>65.9</b>   | <b>422.8</b>      | <b>1,316.7</b> | <b>5.0</b>               | <b>1,321.7</b> |
| <b>Balance at 1 January, 2021</b>    | <b>58.0</b>   | <b>367.5</b>      | <b>1,242.0</b> | <b>9.1</b>               | <b>1,251.1</b> |
| Dividends paid to equity holders     |   | -69.6             | -69.6          | -0.2                     | -69.8          |
| Equity-settled share based payments  | 5.2   | 0.0               | 5.2            |                          | 5.2            |
| Acquisitions                         |   | -1.2              | -1.2           | -0.4                     | -1.6           |
| Profit for the period                |   | 78.0              | 78.0           | 0.2                      | 78.2           |
| Other comprehensive income           |   | 0.0               | 5.1            | 0.2                      | 5.2            |
| Total comprehensive income           | 0.0   | 78.0              | 83.0           | 0.3                      | 83.4           |
| <b>Balance at 30 September, 2021</b> | <b>63.2</b>   | <b>374.6</b>      | <b>1,259.4</b> | <b>8.9</b>               | <b>1,268.3</b> |

# Consolidated cash flow statement

| EUR million   | 1-9/2022      | 1-9/2021      | 1-12/2021     |
|---|---------------|---------------|---------------|
| <b>Cash flow from operating activities</b>                        |               |               |               |
| Profit for the period   | 66.0          | 78.2          | 147.4         |
| Adjustments to net income   |               |               |               |
| Taxes   | 25.7          | 32.7          | 45.1          |
| Financial income and expenses                                     | 29.0          | 23.3          | 27.8          |
| Share of associates' and joint ventures' result                   | -0.5          | -0.1          | -0.3          |
| Depreciation and impairments                                      | 92.8          | 90.3          | 120.1         |
| Profits and losses on sale of fixed assets and businesses         | -2.6          | -3.9          | -4.2          |
| Other adjustments   | -2.9          | 7.5           | 10.1          |
| <b>Operating income before change in net working capital</b>      | <b>207.5</b>  | <b>227.9</b>  | <b>346.0</b>  |
| Change in interest-free current receivables                       | -41.2         | 22.3          | -28.0         |
| Change in inventories   | -298.2        | -127.0        | -65.3         |
| Change in interest-free current liabilities                       | 198.1         | 37.4          | -5.7          |
| <b>Change in net working capital</b>                              | <b>-141.3</b> | <b>-67.4</b>  | <b>-99.0</b>  |
| <b>Cash flow from operations before financing items and taxes</b> | <b>66.1</b>   | <b>160.5</b>  | <b>247.0</b>  |
| Interest received   | 18.5          | 9.1           | 13.1          |
| Interest paid   | -36.2         | -22.4         | -28.1         |
| Other financial income and expenses                               | -36.7         | -11.0         | -16.2         |
| Income taxes paid   | -47.3         | -44.2         | -47.4         |
| <b>Financing items and taxes</b>                                  | <b>-101.7</b> | <b>-68.5</b>  | <b>-78.6</b>  |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>                         | <b>-35.5</b>  | <b>92.1</b>   | <b>168.4</b>  |
| <b>Cash flow from investing activities</b>                        |               |               |               |
| Acquisition of Group companies, net of cash                       | -1.6          | 0.0           | 0.0           |
| Divestment of Businesses, net of cash                             | 0.5           | 0.0           | 0.0           |
| Capital expenditures  | -33.2         | -29.5         | -40.5         |
| Proceeds from sale of property, plant and equipment               | 2.5           | 9.5           | 9.8           |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>                      | <b>-31.7</b>  | <b>-20.0</b>  | <b>-30.7</b>  |
| <b>Cash flow before financing activities</b>                      | <b>-67.2</b>  | <b>72.0</b>   | <b>137.7</b>  |
| <b>Cash flow from financing activities</b>                        |               |               |               |
| Proceeds from non-current borrowings                              | 600.0         | 0.0           | 0.0           |
| Repayments of non-current borrowings                              | -6.0          | -2.9          | -5.6          |
| Repayments of lease liability                                     | -34.0         | -31.1         | -42.6         |
| Proceeds from (+), payments of (-) current borrowings             | -289.0        | -304.7        | -296.4        |
| Change in loans receivable  | -1.1          | -0.7          | -1.0          |
| Acquired non controlling interest                                 | -3.0          | -1.6          | -1.6          |
| Dividends paid to equity holders of the parent                    | -98.9         | -69.6         | -69.6         |
| Dividends paid to non-controlling interests                       | -0.3          | -0.2          | -0.2          |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>                      | <b>167.7</b>  | <b>-410.8</b> | <b>-417.0</b> |
| Translation differences in cash                                   | 13.4          | 4.6           | 8.1           |
| <b>CHANGE OF CASH AND CASH EQUIVALENTS</b>                        | <b>113.8</b>  | <b>-334.2</b> | <b>-271.2</b> |
| Cash and cash equivalents at beginning of period                  | 320.7         | 591.9         | 591.9         |
| Cash and cash equivalents at end of period                        | 434.5         | 257.7         | 320.7         |
| <b>CHANGE OF CASH AND CASH EQUIVALENTS</b>                        | <b>113.8</b>  | <b>-334.2</b> | <b>-271.2</b> |

The effect of changes in exchange rates has been eliminated by converting the beginning balance at the rates current on the last day of the reporting period.

**FREE CASH FLOW (alternative performance measure)**

| EUR million   | 1-9/2022     | 1-9/2021    | 1-12/2021    |
|---|--------------|-------------|--------------|
| Net cash from operating activities                  | -35.5        | 92.1        | 168.4        |
| Capital expenditures                                | -33.2        | -29.5       | -40.5        |
| Proceeds from sale of property, plant and equipment | 2.5          | 9.5         | 9.8          |
| <b>Free cash flow</b>                               | <b>-66.2</b> | <b>72.0</b> | <b>137.7</b> |

## Notes

### 1. CORPORATE INFORMATION

Konecranes Plc (“Konecranes Group” or “the Group”) is a Finnish public limited company organized under the laws of Finland and domiciled in Hyvinkää. The company is listed on the NASDAQ Helsinki.

Konecranes is a world-leading manufacturer and servicer of cranes, lifting equipment and machine tools, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. Konecranes operates internationally, with its products being manufactured in North and South America, Europe, Africa, the Middle East, and Asia and sold worldwide. Konecranes has three operating segments Service, Industrial Equipment and Port Solutions.

### 2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of Konecranes Plc for nine months ending 30.9.2022 and 30.9.2021 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”). As such, they do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual consolidated financial statements as of December 31, 2021. The unaudited interim condensed consolidated financial statements including notes thereto are presented in millions of euros and all values are rounded to the nearest million (€ 000 000) except when otherwise indicated.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in accordance with IFRS requires management to make estimates and judgments that affect the valuation of reported assets and liabilities and other information, such as contingent liabilities and recognition of income and expenses in the statement of income. These assumptions, estimates and judgments are based on management’s historical experience, best knowledge about the events and other factors, such as expectations on future events, which are assessed to be reasonable in the given circumstances. Although these estimates and judgments are based on the management’s best understanding of current events and circumstances, actual results may differ from the estimates. Possible changes in estimates and assumptions are recognized in the financial reporting period the estimate or assumption is changed.

#### The war in Ukraine

Konecranes has reviewed the risks related to the war in Ukraine for the effects to assets and ongoing projects and impaired the values of property, plant and equipment (EUR 2.3 million), inventories (EUR 1.8 million), receivables (EUR 0.9 million) and deferred tax assets (EUR 0.2 million) in Ukraine due to the circumstances, which indicated that the carrying amount is unlikely to be recoverable. Konecranes has also recorded additional losses and provisions to the inventories and receivables in Russia (EUR 0.8 million) and for the projects to Russia (EUR 33.6 million), which includes EUR 33.5 million reversal of sales. See also paragraph The impact of the war in Ukraine on Konecranes.

# Notes

## 4. SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2021.

## 5. ACQUISITIONS

In July 2022, Konecranes acquired a small crane service business of Garabi Industrial Technologies in Spain and paid EUR 1.5 million as purchase price for the acquired assets. The fair values of the acquired business were EUR 1.6 million for Intangible assets (clientele), EUR 0.1 million for Property, plant and equipment, EUR 0.3 million for Inventories and EUR 0.4 million for Deferred tax liability.

In September 2022, Konecranes also acquired the non-controlling interest of 6% of Konecranes Real Estate GmbH & Co. KG in Germany and paid EUR 2.7 million as purchase price.

### 5.1. Divestments

In September 2022 Konecranes divested from Ports Solution segment the small automation business Motronica in Italy. Konecranes received proceeds of EUR 0.4 million and recorded EUR 0.4 million pre-tax profit from the transaction. In September Konecranes also divested part of the service business in Russia and received proceeds of EUR 0.2 million and recorded EUR 0.1 million pre-tax loss from the transaction.

# Notes

## 6. SEGMENT INFORMATION

### 6.1. Operating segments

EUR million

| Orders received              | 1-9/2022       | % of total | 1-9/2021       | % of total | 1-12/2021      | % of total |
|------------------------------|----------------|------------|----------------|------------|----------------|------------|
| Service <sup>1)</sup>        | 878.6          | 27         | 770.6          | 32         | 1,078.3        | 32         |
| Industrial Equipment         | 1,083.0        | 33         | 898.0          | 37         | 1,172.5        | 35         |
| Port Solutions <sup>1)</sup> | 1,283.8        | 40         | 757.8          | 31         | 1,112.7        | 33         |
| ./. Internal                 | -195.5         |            | -143.2         |            | -188.0         |            |
| <b>Total</b>                 | <b>3,049.9</b> | <b>100</b> | <b>2,283.2</b> | <b>100</b> | <b>3,175.5</b> | <b>100</b> |

<sup>1)</sup> Excl. Service Agreement Base

| Order book total <sup>2)</sup> | 30.9.2022      | % of total | 30.9.2021      | % of total | 31.12.2021     | % of total |
|--------------------------------|----------------|------------|----------------|------------|----------------|------------|
| Service                        | 490.0          | 16         | 293.1          | 15         | 343.5          | 17         |
| Industrial Equipment           | 976.0          | 32         | 747.3          | 37         | 709.9          | 35         |
| Port Solutions                 | 1,586.2        | 52         | 957.0          | 48         | 983.5          | 48         |
| <b>Total</b>                   | <b>3,052.1</b> | <b>100</b> | <b>1,997.4</b> | <b>100</b> | <b>2,036.8</b> | <b>100</b> |

<sup>2)</sup> Percentage of completion deducted

| Sales                | 1-9/2022       | % of total | 1-9/2021       | % of total | 1-12/2021      | % of total |
|----------------------|----------------|------------|----------------|------------|----------------|------------|
| Service              | 967.4          | 39         | 873.1          | 37         | 1,205.3        | 36         |
| Industrial Equipment | 828.7          | 33         | 756.6          | 32         | 1,088.7        | 32         |
| Port Solutions       | 686.6          | 28         | 734.9          | 31         | 1,072.9        | 32         |
| ./. Internal         | -138.9         |            | -127.8         |            | -181.1         |            |
| <b>Total</b>         | <b>2,343.9</b> | <b>100</b> | <b>2,236.8</b> | <b>100</b> | <b>3,185.7</b> | <b>100</b> |

| Adjusted EBITA               | 1-9/2022     | EBITA %    | 1-9/2021     | EBITA %    | 1-12/2021    | EBITA %    |
|------------------------------|--------------|------------|--------------|------------|--------------|------------|
|                              | MEUR         |            | MEUR         |            | MEUR         |            |
| Service                      | 170.1        | 17.6       | 152.7        | 17.5       | 222.4        | 18.5       |
| Industrial Equipment         | 10.0         | 1.2        | 17.4         | 2.3        | 38.0         | 3.5        |
| Port Solutions               | 42.2         | 6.1        | 51.1         | 7.0        | 79.9         | 7.4        |
| Group costs and eliminations | -22.1        |            | -22.3        |            | -28.1        |            |
| <b>Total</b>                 | <b>200.2</b> | <b>8.5</b> | <b>199.0</b> | <b>8.9</b> | <b>312.2</b> | <b>9.8</b> |

| Operating profit (EBIT)      | 1-9/2022     | EBIT %     | 1-9/2021     | EBIT %     | 1-12/2021    | EBIT %     |
|------------------------------|--------------|------------|--------------|------------|--------------|------------|
|                              | MEUR         |            | MEUR         |            | MEUR         |            |
| Service                      | 157.3        | 16.3       | 140.1        | 16.0       | 204.9        | 17.0       |
| Industrial Equipment         | -22.0        | -2.7       | 1.9          | 0.3        | 18.7         | 1.7        |
| Port Solutions               | 15.8         | 2.3        | 46.3         | 6.3        | 74.8         | 7.0        |
| Group costs and eliminations | -31.0        |            | -54.3        |            | -78.4        |            |
| <b>Total</b>                 | <b>120.1</b> | <b>5.1</b> | <b>134.0</b> | <b>6.0</b> | <b>220.0</b> | <b>6.9</b> |

# Notes

|                                | 30.9.2022      |  | 30.9.2021      |  | 31.12.2021     |
|--------------------------------|----------------|--|----------------|--|----------------|
| <b>Business segment assets</b> | MEUR           |  | MEUR           |  | MEUR           |
| Service                        | 1,501.9        |  | 1,414.0        |  | 1,422.6        |
| Industrial Equipment           | 1,112.0        |  | 950.1          |  | 926.6          |
| Port Solutions                 | 1,064.8        |  | 903.5          |  | 900.4          |
| Unallocated items              | 727.5          |  | 522.2          |  | 596.2          |
| <b>Total</b>                   | <b>4,406.3</b> |  | <b>3,789.7</b> |  | <b>3,845.8</b> |

|                                     | 30.9.2022      |  | 30.9.2021      |  | 31.12.2021     |
|-------------------------------------|----------------|--|----------------|--|----------------|
| <b>Business segment liabilities</b> | MEUR           |  | MEUR           |  | MEUR           |
| Service                             | 248.0          |  | 207.3          |  | 212.7          |
| Industrial Equipment                | 490.9          |  | 387.7          |  | 376.6          |
| Port Solutions                      | 545.3          |  | 434.1          |  | 405.8          |
| Unallocated items                   | 1,800.5        |  | 1,492.2        |  | 1,490.2        |
| <b>Total</b>                        | <b>3,084.6</b> |  | <b>2,521.4</b> |  | <b>2,485.2</b> |

| <b>Personnel (at the end of the period)</b> | 30.9.2022     | % of total | 30.9.2021     | % of total | 31.12.2021    | % of total |
|---|---------------|------------|---------------|------------|---------------|------------|
| Service                                     | 7,832         | 47         | 7,819         | 47         | 7,890         | 48         |
| Industrial Equipment                        | 5,499         | 33         | 5,594         | 34         | 5,516         | 33         |
| Port Solutions                              | 3,112         | 19         | 3,039         | 18         | 3,083         | 19         |
| Group staff                                 | 84            | 1          | 88            | 1          | 84            | 1          |
| <b>Total</b>                                | <b>16,527</b> | <b>100</b> | <b>16,540</b> | <b>100</b> | <b>16,573</b> | <b>100</b> |

# Notes

| Orders received, Quarters    | Q3/2022        | Q2/2022        | Q1/2022        | Q4/2021      | Q3/2021      | Q2/2021      | Q1/2021      |
|------------------------------|----------------|----------------|----------------|--------------|--------------|--------------|--------------|
| Service <sup>1)</sup>        | 298.3          | 297.2          | 283.1          | 307.7        | 257.9        | 257.5        | 255.2        |
| Industrial Equipment         | 334.0          | 384.8          | 364.1          | 274.5        | 289.8        | 331.5        | 276.7        |
| Port Solutions <sup>1)</sup> | 453.6          | 403.5          | 426.6          | 354.9        | 210.2        | 272.1        | 275.5        |
| ./ Internal                  | -73.5          | -77.8          | -44.2          | -44.8        | -44.2        | -54.4        | -44.7        |
| <b>Total</b>                 | <b>1,012.5</b> | <b>1,007.8</b> | <b>1,029.6</b> | <b>892.3</b> | <b>713.7</b> | <b>806.7</b> | <b>762.8</b> |

<sup>1)</sup> Excl. Service Agreement Base

| Order book, Quarters | Q3/2022        | Q2/2022        | Q1/2022        | Q4/2021        | Q3/2021        | Q2/2021        | Q1/2021        |
|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Service              | 490.0          | 457.2          | 396.4          | 343.5          | 293.1          | 273.0          | 254.5          |
| Industrial Equipment | 976.0          | 961.9          | 854.8          | 709.9          | 747.3          | 718.4          | 663.2          |
| Port Solutions       | 1,586.2        | 1,406.4        | 1,233.9        | 983.5          | 957.0          | 983.3          | 949.0          |
| <b>Total</b>         | <b>3,052.1</b> | <b>2,825.4</b> | <b>2,485.2</b> | <b>2,036.8</b> | <b>1,997.4</b> | <b>1,974.8</b> | <b>1,866.7</b> |

| Sales, Quarters      | Q3/2022      | Q2/2022      | Q1/2022      | Q4/2021      | Q3/2021      | Q2/2021      | Q1/2021      |
|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Service              | 347.1        | 319.1        | 301.1        | 332.2        | 296.0        | 298.7        | 278.3        |
| Industrial Equipment | 311.0        | 274.6        | 243.1        | 332.1        | 267.7        | 260.6        | 228.4        |
| Port Solutions       | 273.3        | 237.3        | 176.0        | 337.9        | 255.5        | 243.5        | 236.0        |
| ./ Internal          | -46.8        | -43.9        | -48.1        | -53.3        | -45.6        | -43.5        | -38.7        |
| <b>Total</b>         | <b>884.6</b> | <b>787.1</b> | <b>672.1</b> | <b>948.9</b> | <b>773.6</b> | <b>759.3</b> | <b>704.0</b> |

| Adjusted EBITA, Quarters     | Q3/2022     | Q2/2022     | Q1/2022     | Q4/2021      | Q3/2021     | Q2/2021     | Q1/2021     |
|------------------------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|
| Service                      | 68.1        | 49.6        | 52.4        | 69.7         | 56.1        | 50.3        | 46.4        |
| Industrial Equipment         | 12.5        | 2.7         | -5.2        | 20.6         | 11.7        | 5.4         | 0.3         |
| Port Solutions               | 21.0        | 16.0        | 5.2         | 28.8         | 16.0        | 17.3        | 17.8        |
| Group costs and eliminations | -6.3        | -7.4        | -8.3        | -5.8         | -6.3        | -7.7        | -8.2        |
| <b>Total</b>                 | <b>95.3</b> | <b>60.9</b> | <b>44.1</b> | <b>113.2</b> | <b>77.4</b> | <b>65.3</b> | <b>56.2</b> |

| Adjusted EBITA margin, Quarters | Q3/2022     | Q2/2022    | Q1/2022    | Q4/2021     | Q3/2021     | Q2/2021    | Q1/2021    |
|---------------------------------|-------------|------------|------------|-------------|-------------|------------|------------|
| Service                         | 19.6        | 15.5       | 17.4       | 21.0        | 18.9        | 16.8       | 16.7       |
| Industrial Equipment            | 4.0         | 1.0        | -2.1       | 6.2         | 4.4         | 2.1        | 0.1        |
| Port Solutions                  | 7.7         | 6.7        | 2.9        | 8.5         | 6.3         | 7.1        | 7.5        |
| <b>Group EBITA margin total</b> | <b>10.8</b> | <b>7.7</b> | <b>6.6</b> | <b>11.9</b> | <b>10.0</b> | <b>8.6</b> | <b>8.0</b> |

| Personnel, Quarters<br>(at the end of the period) | Q3/2022       | Q2/2022       | Q1/2022       | Q4/2021       | Q3/2021       | Q2/2021       | Q1/2021       |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Service   | 7,832         | 7,939         | 7,896         | 7,890         | 7,819         | 7,913         | 7,957         |
| Industrial Equipment                              | 5,499         | 5,504         | 5,528         | 5,516         | 5,594         | 5,593         | 5,626         |
| Port Solutions                                    | 3,112         | 3,082         | 3,070         | 3,083         | 3,039         | 2,943         | 2,945         |
| Group staff                                       | 84            | 85            | 87            | 84            | 88            | 86            | 86            |
| <b>Total</b>                                      | <b>16,527</b> | <b>16,610</b> | <b>16,581</b> | <b>16,573</b> | <b>16,540</b> | <b>16,535</b> | <b>16,614</b> |

# Notes

## 6.2. Geographical areas

### EUR million

| Sales by market                  | 1–9/2022       | % of total | 1–9/2021       | % of total | 1–12/2021      | % of total |
|----------------------------------|----------------|------------|----------------|------------|----------------|------------|
| Europe-Middle East-Africa (EMEA) | 1,127.8        | 48         | 1,186.6        | 53         | 1,645.9        | 52         |
| Americas (AME)                   | 893.5          | 38         | 721.6          | 32         | 1,042.2        | 33         |
| Asia-Pacific (APAC)              | 322.5          | 14         | 328.7          | 15         | 497.7          | 16         |
| <b>Total</b>                     | <b>2,343.9</b> | <b>100</b> | <b>2,236.8</b> | <b>100</b> | <b>3,185.7</b> | <b>100</b> |

| Personnel by region<br>(at the end of the period) | 30.9.2022     | % of total | 30.9.2021     | % of total | 31.12.2021    | % of total |
|---|---------------|------------|---------------|------------|---------------|------------|
| Europe-Middle East-Africa (EMEA)                  | 9,564         | 58         | 9,569         | 58         | 9,683         | 58         |
| Americas (AME)                                    | 3,120         | 19         | 2,958         | 18         | 3,016         | 18         |
| Asia-Pacific (APAC)                               | 3,843         | 23         | 4,013         | 24         | 3,874         | 23         |
| <b>Total</b>                                      | <b>16,527</b> | <b>100</b> | <b>16,540</b> | <b>100</b> | <b>16,573</b> | <b>100</b> |

| Sales by market, Quarters        | Q3/2022      | Q2/2022      | Q1/2022      | Q4/2021      | Q3/2021      | Q2/2021      | Q1/2021      |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Europe-Middle East-Africa (EMEA) | 452.1        | 374.7        | 301.0        | 459.3        | 409.2        | 403.8        | 373.6        |
| Americas (AME)                   | 312.8        | 310.0        | 270.7        | 320.5        | 255.4        | 238.2        | 228.0        |
| Asia-Pacific (APAC)              | 119.7        | 102.4        | 100.4        | 169.1        | 108.9        | 117.3        | 102.5        |
| <b>Total</b>                     | <b>884.6</b> | <b>787.1</b> | <b>672.1</b> | <b>948.9</b> | <b>773.6</b> | <b>759.3</b> | <b>704.0</b> |

| Personnel by region, Quarters<br>(at the end of the period) | Q3/2022       | Q2/2022       | Q1/2022       | Q4/2021       | Q3/2021       | Q2/2021       | Q1/2021       |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Europe-Middle East-Africa (EMEA)                            | 9,564         | 9,678         | 9,708         | 9,683         | 9,569         | 9,509         | 9,561         |
| Americas (AME)  | 3,120         | 3,108         | 3,034         | 3,016         | 2,958         | 2,993         | 2,967         |
| Asia-Pacific (APAC)   | 3,843         | 3,824         | 3,839         | 3,874         | 4,013         | 4,033         | 4,086         |
| <b>Total</b>  | <b>16,527</b> | <b>16,610</b> | <b>16,581</b> | <b>16,573</b> | <b>16,540</b> | <b>16,535</b> | <b>16,614</b> |

# Notes

## 7. CONTRACT ASSETS AND LIABILITIES (Percentage of completion method and advances received)

| EUR million   | 30.9.2022    | 30.9.2021    | 31.12.2021   |
|---|--------------|--------------|--------------|
| The cumulative revenues of non-delivered projects           | 669.8        | 637.8        | 682.8        |
| Advances received netted                                    | 491.4        | 505.3        | 521.5        |
| <b>Total</b>  | <b>178.3</b> | <b>132.5</b> | <b>161.3</b> |
| Gross advance received from percentage of completion method | 625.1        | 556.7        | 593.8        |
| Advances received netted                                    | 491.4        | 505.3        | 521.5        |
| <b>Total</b>  | <b>133.7</b> | <b>51.4</b>  | <b>72.3</b>  |

Net sales recognized under the percentage of completion method amounted EUR 251.2 million in 1–9/2022 (EUR 314.0 million in 1–9/2021).

Contract assets relate to receivable arising from percentage of completion method. Net asset balances are balances where the sum of contract costs, recognized profits and recognized losses exceed progress billings. Where progress billings exceed the sum of contract costs, recognized profits and recognized losses these liabilities are included in the line item contract liabilities.

| Advance payments received                                      | 30.9.2022    | 30.9.2021    | 31.12.2021   |
|--|--------------|--------------|--------------|
| Advance received from percentage of completion method (netted) | 133.7        | 51.4         | 72.3         |
| Other advance received from customers                          | 422.3        | 320.8        | 272.4        |
| <b>Total</b>   | <b>556.0</b> | <b>372.2</b> | <b>344.7</b> |

## 8. IMPAIRMENTS

| EUR million                   | 1–9/2022   | 1–9/2021   | 1–12/2021  |
|-------------------------------|------------|------------|------------|
| Goodwill                      | 3.9        | 0.0        | 0.0        |
| Property, plant and equipment | 2.3        | 0.3        | 0.3        |
| <b>Total</b>                  | <b>6.3</b> | <b>0.3</b> | <b>0.3</b> |

Konecranes conducted Goodwill impairment tests during Q3/2022 and impaired the Goodwill of Agilon Cash Generating Unit due to decreased discounted cash flow projections. Agilon is an automated storage and retrieval system designed especially for maintenance, production and distribution operations and warehouse management. The development of the sales has not met the targets and consequently the cash flows have been insufficient. Business is partially based on rental model, which employs capital. Agilon business operates mainly in region Europe and belongs to Industrial Equipment segment. According to the Goodwill test the recoverable amount of the unit is EUR 3.0 million, which is based on its value in use calculations. The discount rate used for the calculation was 14.2% (13.2% 31.12.2021)

Impairments of Property Plant and Equipment in 2022 relate to war in Ukraine and in 2021 to restructuring actions.

## 9. RESTRUCTURING COSTS

Konecranes has recorded EUR 5.9 million restructuring costs during 1–9/2022 (EUR 7.7 million expenses in 1–9/2021) of which EUR 0.0 million was impairment of assets (EUR 0.3 million for 1–9/2021). The remaining restructuring items are reported 1–9/2022 in personnel costs (EUR 3.6 million) and in other operating expenses (EUR 2.3 million).

# Notes

## 10. INCOME TAXES

| Taxes in statement of Income          | 1-9/2022    | 1-9/2021    | 1-12/2021   |
|---------------------------------------|-------------|-------------|-------------|
| Local income taxes of group companies | 40.4        | 38.1        | 47.7        |
| Taxes from previous years             | -1.6        | 2.3         | 1.4         |
| Change in deferred taxes              | -13.1       | -7.7        | -3.9        |
| <b>Total</b>                          | <b>25.7</b> | <b>32.7</b> | <b>45.1</b> |

## 11. KEY FIGURES

|  | 30.9.2022  | 30.9.2021  | Change % | 31.12.2021 |
|--|------------|------------|----------|------------|
| Earnings per share, basic (EUR)                                  | 0.86       | 0.99       | -12.5    | 1.86       |
| Earnings per share, diluted (EUR)                                | 0.86       | 0.99       | -12.9    | 1.85       |
| <b>Alternative Performance Measures:</b>                         |            |            |          |            |
| Return on capital employed, %, Rolling 12 Months (R12M)          | 8.4        | 9.3        | -9.7     | 9.3        |
| Adjusted return on capital employed, %, Rolling 12 Months (R12M) | 13.5       | 13.1       | 3.1      | 13.4       |
| Return on equity, %, Rolling 12 Months (R12M)                    | 10.4       | 10.8       | -3.7     | 11.3       |
| Equity per share (EUR)   | 16.63      | 15.91      | 4.5      | 17.08      |
| Gearing, %   | 56.7       | 46.7       | 21.4     | 39.8       |
| Net debt / Adjusted EBITDA, Rolling 12 Months (R12M)             | 1.9        | 1.5        | 26.7     | 1.4        |
| Equity to asset ratio, %   | 34.3       | 37.1       | -7.5     | 38.9       |
| Investments total (excl. acquisitions), EUR million              | 25.8       | 32.1       | -19.6    | 49.8       |
| Interest-bearing net debt, EUR million                           | 749.7      | 592.8      | 26.5     | 541.6      |
| Net working capital, EUR million                                 | 578.5      | 403.3      | 43.4     | 424.5      |
| Average number of personnel during the period                    | 16,573     | 16,638     | -0.4     | 16,625     |
| Average number of shares outstanding, basic                      | 79,146,467 | 79,134,459 | 0.0      | 79,134,459 |
| Average number of shares outstanding, diluted                    | 79,456,858 | 79,134,459 | 0.4      | 79,606,960 |
| Number of shares outstanding                                     | 79,166,599 | 79,134,459 | 0.0      | 79,134,459 |

# Notes

## Calculation of Alternative Performance Measures

Konecranes presents Alternative Performance Measures to reflect the underlying business performance and to enhance comparability between financial periods. Alternative Performance measures should not be considered as a substitute for measures of performance in accordance with the IFRS.

|  |   |  |       |
|--|---|--|-------|
| Return on equity (%):                    | = | $\frac{\text{Net profit for the period}}{\text{Total equity (average during the period)}}$   | X 100 |
| Return on capital employed (%):          | = | $\frac{\text{Income before taxes + interest paid + other financing cost}}{\text{Total amount of equity and liabilities - non-interest bearing debts (average during the period)}}$                                       | X 100 |
| Adjusted return on capital employed (%): | = | $\frac{\text{Adjusted EBITA}}{\text{Total amount of equity and liabilities - non-interest bearing debts (average during the period)}}$   | X 100 |
| Equity to asset ratio, %:                | = | $\frac{\text{Shareholders' equity}}{\text{Total amount of equity and liabilities - advance payment received}}$   | X 100 |
| Gearing, %:                              | = | $\frac{\text{Interest-bearing liabilities - liquid assets - loans receivable}}{\text{Total equity}}$   | X 100 |
| Equity per share:                        | = | $\frac{\text{Equity attributable to the shareholders of the parent company}}{\text{Number of shares outstanding}}$   |       |
| Net working capital:                     | = | Non interest-bearing current assets + deferred tax assets (excluding Purchase Price Allocation) - Non interest-bearing current liabilities - deferred tax liabilities (excluding Purchase Price Allocation) - provisions |       |
| Interest-bearing net debt:               | = | Interest-bearing liabilities (non current and current) - cash and cash equivalents - loans receivable (non current and current)  |       |
| Average number of personnel:             | = | Calculated as average of number of personnel in quarters   |       |
| Number of shares outstanding:            | = | Total number of shares - treasury shares   |       |
| EBITDA:                                  | = | Operating profit + Depreciation, amortization and impairments  |       |
| Adjusted EBITA:                          | = | Operating profit + Amortization and impairment of Purchase Price Allocations + Transaction and integration costs + Restructuring costs + other items affecting comparability   |       |

# Notes

| Reconciliation of adjusted EBITDA, EBITA and Operating profit (EBIT)  | 1–9/2022     | 1–9/2021     | 1–12/2021    |
|---|--------------|--------------|--------------|
| <b>Adjusted EBITDA</b>  | <b>265.9</b> | <b>264.1</b> | <b>398.9</b> |
| Transaction and integration costs   | -8.7         | -32.3        | -47.8        |
| Restructuring costs (excluding impairments)   | -5.9         | -7.5         | -11.0        |
| Costs related to the impacts of the war in Ukraine (excluding impairments of property, plant and equipment) | -38.4        | 0.0          | 0.0          |
| <b>EBITDA</b>   | <b>212.9</b> | <b>224.3</b> | <b>340.1</b> |
| Depreciation, amortization and impairments  | -92.8        | -90.3        | -120.1       |
| <b>Operating profit (EBIT)</b>  | <b>120.1</b> | <b>134.0</b> | <b>220.0</b> |
| <b>Adjusted EBITA</b>   | <b>200.2</b> | <b>199.0</b> | <b>312.2</b> |
| Purchase price allocation amortization and Goodwill impairment  | -24.8        | -24.9        | -33.2        |
| <b>Adjusted Operating profit (EBIT)</b>   | <b>175.4</b> | <b>174.1</b> | <b>279.1</b> |
| Transaction and integration costs   | -8.7         | -32.3        | -47.8        |
| Restructuring costs   | -5.9         | -7.7         | -11.3        |
| Costs related to the impacts of the war in Ukraine  | -40.7        | 0.0          | 0.0          |
| <b>Operating profit (EBIT)</b>  | <b>120.1</b> | <b>134.0</b> | <b>220.0</b> |

| Interest-bearing net debt                | 30.9.2022    | 30.9.2021    | 31.12.2021   |
|--|--------------|--------------|--------------|
| Non current interest bearing liabilities | 1,059.0      | 444.6        | 447.1        |
| Current interest bearing liabilities     | 129.3        | 408.5        | 418.0        |
| Loans receivable                         | -4.0         | -2.5         | -2.8         |
| Cash and cash equivalents                | -434.5       | -257.7       | -320.7       |
| <b>Interest-bearing net debt</b>         | <b>749.7</b> | <b>592.8</b> | <b>541.6</b> |

| The period end exchange rates: | 30.9.2022 | 30.9.2021 | Change % | 31.12.2021 |
|--------------------------------|-----------|-----------|----------|------------|
| USD - US dollar                | 0.975     | 1.158     | 18.8     | 1.133      |
| CAD - Canadian dollar          | 1.340     | 1.475     | 10.1     | 1.439      |
| GBP - Pound sterling           | 0.883     | 0.861     | -2.5     | 0.840      |
| CNY - Chinese yuan             | 6.937     | 7.485     | 7.9      | 7.195      |
| SGD - Singapore dollar         | 1.400     | 1.576     | 12.6     | 1.528      |
| SEK - Swedish krona            | 10.899    | 10.168    | -6.7     | 10.250     |
| AUD - Australian dollar        | 1.508     | 1.610     | 6.8      | 1.562      |

| The period average exchange rates: | 30.9.2022 | 30.9.2021 | Change % | 31.12.2021 |
|------------------------------------|-----------|-----------|----------|------------|
| USD - US dollar                    | 1.064     | 1.196     | 12.4     | 1.183      |
| CAD - Canadian dollar              | 1.364     | 1.497     | 9.7      | 1.483      |
| GBP - Pound sterling               | 0.847     | 0.864     | 2.0      | 0.860      |
| CNY - Chinese yuan                 | 7.019     | 7.736     | 10.2     | 7.629      |
| SGD - Singapore dollar             | 1.463     | 1.602     | 9.5      | 1.589      |
| SEK - Swedish krona                | 10.523    | 10.153    | -3.5     | 10.146     |
| AUD - Australian dollar            | 1.504     | 1.577     | 4.8      | 1.575      |

# Notes

## 12. GUARANTEES, LEASE COMMITMENTS AND CONTINGENT LIABILITIES

| EUR million                    | 30.9.2022      | 30.9.2021    | 31.12.2021   |
|--------------------------------|----------------|--------------|--------------|
| For own commercial obligations |                |              |              |
| Guarantees                     | 1,000.6        | 733.5        | 783.0        |
| Other                          | 65.5           | 53.8         | 55.1         |
| <b>Total</b>                   | <b>1,066.1</b> | <b>787.3</b> | <b>838.2</b> |

### Guarantees

The guarantees are related to the fact that from time to time Konecranes provides customers with guarantees that guarantee the Company's obligations pursuant to the applicable customer contract. In sale of investment goods (machinery) the typical guarantees are the following:

- tender guarantees (bid bonds) given to the customer to secure the bidding process
- advance payment guarantees given to the customer to secure their down payment for project
- performance guarantees to secure customers over the Company's own performance in customer contracts, and
- warranty period guarantees to secure the correction of defects during the warranty period.

### Contingent liabilities relating to litigation

Various legal actions, claims and other proceedings are pending against the Group in various countries. These actions, claims and other proceedings are typical for this industry and consistent with a global business offering that encompasses a wide range of products and services. These matters involve contractual disputes, warranty claims, product liability (including design defects, manufacturing defects, failure to warn and asbestos legacy), employment, vehicles and other matters involving claims of general liability.

While the final outcome of these matters cannot be predicted with certainty, Konecranes is of the opinion, based on the information available to date and considering the grounds presented for such claims, the available insurance coverage and the reserves made, that the outcome of such actions, claims and other proceedings, if unfavorable, would not have a material, adverse impact on the financial condition of the Group.

# Notes

## 13. FINANCIAL ASSETS AND LIABILITIES

### 13.1. Carrying amount of financial assets and liabilities in the balance sheet

| EUR million                       | Fair value through OCI | Fair value through income statement | Amortized cost | Carrying amounts by balance sheet item |
|-----------------------------------|------------------------|-------------------------------------|----------------|--|
| <b>Financial assets 30.9.2022</b> |                        |                                     |                |  |
| <b>Current financial assets</b>   |                        |                                     |                |  |
| Account and other receivables     | 0.0                    | 0.0                                 | 564.8          | 564.8                                  |
| Derivative financial instruments  | 8.0                    | 9.3                                 | 0.0            | 17.3                                   |
| Cash and cash equivalents         | 0.0                    | 0.0                                 | 434.5          | 434.5                                  |
| <b>Total</b>                      | <b>8.0</b>             | <b>9.3</b>                          | <b>999.3</b>   | <b>1,016.6</b>                         |

|  |             |             |                |                |
|--|-------------|-------------|----------------|----------------|
| <b>Financial liabilities 30.9.2022</b>   |             |             |                |                |
| <b>Non-current financial liabilities</b> |             |             |                |                |
| Interest-bearing liabilities             | 0.0         | 0.0         | 1,059.0        | 1,059.0        |
| Other payable                            | 0.0         | 0.0         | 6.4            | 6.4            |
| <b>Current financial liabilities</b>     |             |             |                |                |
| Interest-bearing liabilities             | 0.0         | 0.0         | 129.3          | 129.3          |
| Derivative financial instruments         | 38.6        | 18.4        | 0.0            | 57.0           |
| Accounts and other payable               | 0.0         | 0.0         | 348.3          | 348.3          |
| <b>Total</b>                             | <b>38.6</b> | <b>18.4</b> | <b>1,542.9</b> | <b>1,599.9</b> |

| EUR million                       | Fair value through OCI | Fair value through income statement | Amortized cost | Carrying amounts by balance sheet item |
|-----------------------------------|------------------------|-------------------------------------|----------------|--|
| <b>Financial assets 30.9.2021</b> |                        |                                     |                |  |
| <b>Current financial assets</b>   |                        |                                     |                |  |
| Account and other receivables     | 0.0                    | 0.0                                 | 487.4          | 487.4                                  |
| Derivative financial instruments  | 1.4                    | 2.1                                 | 0.0            | 3.5                                    |
| Cash and cash equivalents         | 0.0                    | 0.0                                 | 257.7          | 257.7                                  |
| <b>Total</b>                      | <b>1.4</b>             | <b>2.1</b>                          | <b>745.2</b>   | <b>748.6</b>                           |

|  |            |            |                |                |
|--|------------|------------|----------------|----------------|
| <b>Financial liabilities 30.9.2021</b>   |            |            |                |                |
| <b>Non-current financial liabilities</b> |            |            |                |                |
| Interest-bearing liabilities             | 0.0        | 0.0        | 444.6          | 444.6          |
| Other payable                            | 0.0        | 0.0        | 10.5           | 10.5           |
| <b>Current financial liabilities</b>     |            |            |                |                |
| Interest-bearing liabilities             | 0.0        | 0.0        | 408.5          | 408.5          |
| Derivative financial instruments         | 5.5        | 7.0        | 0.0            | 12.5           |
| Accounts and other payable               | 0.0        | 0.0        | 291.0          | 291.0          |
| <b>Total</b>                             | <b>5.5</b> | <b>7.0</b> | <b>1,154.6</b> | <b>1,167.1</b> |

# Notes

| EUR million                              | Fair value<br>through OCI | Fair value<br>through income<br>statement | Amortized cost | Carrying amounts<br>by balance<br>sheet item |
|--|---------------------------|---|----------------|--|
| <b>Financial assets 31.12.2021</b>       |                           |   |                |  |
| <b>Current financial assets</b>          |                           |   |                |  |
| Account and other receivables            | 0.0                       | 0.0                                       | 520.2          | 520.2  |
| Derivative financial instruments         | 1.5                       | 2.1                                       | 0.0            | 3.6  |
| Cash and cash equivalents                | 0.0                       | 0.0                                       | 320.7          | 320.7  |
| <b>Total</b>                             | <b>1.5</b>                | <b>2.1</b>                                | <b>840.9</b>   | <b>844.5</b>                                 |
| <b>Financial liabilities 31.12.2021</b>  |                           |   |                |  |
| <b>Non-current financial liabilities</b> |                           |   |                |  |
| Interest-bearing liabilities             | 0.0                       | 0.0                                       | 447.1          | 447.1  |
| Other payable                            | 0.0                       | 0.0                                       | 10.5           | 10.5   |
| <b>Current financial liabilities</b>     |                           |   |                |  |
| Interest-bearing liabilities             | 0.0                       | 0.0                                       | 418.0          | 418.0  |
| Derivative financial instruments         | 7.0                       | 9.9                                       | 0.0            | 16.9   |
| Accounts and other payable               | 0.0                       | 0.0                                       | 308.6          | 308.6  |
| <b>Total</b>                             | <b>7.0</b>                | <b>9.9</b>                                | <b>1,184.2</b> | <b>1,201.1</b>                               |

At the end of third quarter 2022, the Group's liquid cash reserves were EUR 434.5 million (30.9.2021: EUR 257.7 million). For safeguarding the Group's cash position, the Group has established EUR 400 million committed revolving credit facility with an international loan syndication (2017–2024), which remained undrawn at the end of September 2022. In addition, the Group may draw short term financing from the domestic commercial paper markets within the EUR 500 million limit, for which EUR 5 million was utilized at the end of September 2022 (30.9.2021: EUR 30 million).

During the third quarter the Group issued a new EUR 300 million Schuldschein loan. At the end of September 2022, the outstanding short- and long-term loan portfolio consists of: EUR 623 million term loans, EUR 377 million Schuldschein loan and EUR 27.5 million employment pension loan. The merger related EUR 392 million committed financing facility (originally EUR 635 million) was cancelled in full at the end of the first quarter and the EUR 250 million bond was repaid during the second quarter. The loan portfolio contains floating and fixed rate tranches and interest swaps. The weighted average interest rate for these loans is currently 1.51% per annum. The Group is in compliance with the quarterly monitored financial covenant (gearing). No specific securities have been given for the loans. The Group continues to have healthy gearing ratio of 56.7% (30.9.2021: 46.7%) which is in compliance with the financial covenants the Group has to comply with.

Derivatives are initially recorded in the balance sheet at fair value and subsequently measured at fair value at each balance sheet date. All derivatives are carried as assets when fair value is positive and liabilities when fair value is negative. Derivative instruments that are not designated as hedges (hedge accounting) are measured at fair value, and the change in fair value is recognized in the consolidated statement of income. When the derivative is designated as a hedge (hedge accounting) the effective part of the change in fair value is recognized in other comprehensive income. Any ineffective part is recognized in the consolidated statement of income. The foreign exchange forward contracts are measured based on the closing date's observable spot exchange rates and the quoted yield curves of the respective currencies. Interest rate swaps are measured based on present value of the cash flows, which are discounted based on the quoted yield curves.

# Notes

## 13.2 Fair values

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial assets and liabilities:

|  | Carrying amount<br>30.9.2022 | Carrying amount<br>30.9.2021 | Carrying amount<br>31.12.2021 | Fair value<br>30.9.2022 | Fair value<br>30.9.2021 | Fair value<br>31.12.2021 |
|--|------------------------------|------------------------------|-------------------------------|-------------------------|-------------------------|--------------------------|
| <b>Financial assets</b>                  |                              |                              |                               |                         |                         |                          |
| <b>Current financial assets</b>          |                              |                              |                               |                         |                         |                          |
| Account and other receivables            | 564.8                        | 487.4                        | 520.2                         | 564.8                   | 487.4                   | 520.2                    |
| Derivative financial instruments         | 17.3                         | 3.5                          | 3.6                           | 17.3                    | 3.5                     | 3.6                      |
| Cash and cash equivalents                | 434.5                        | 257.7                        | 320.7                         | 434.5                   | 257.7                   | 320.7                    |
| <b>Total</b>                             | <b>1,016.6</b>               | <b>748.6</b>                 | <b>844.5</b>                  | <b>1,016.6</b>          | <b>748.6</b>            | <b>844.5</b>             |
| <b>Financial liabilities</b>             |                              |                              |                               |                         |                         |                          |
| <b>Non-current financial liabilities</b> |                              |                              |                               |                         |                         |                          |
| Interest-bearing liabilities             | 1,059.0                      | 444.6                        | 447.1                         | 1,067.7                 | 447.2                   | 448.3                    |
| Other payable                            | 6.4                          | 10.5                         | 10.5                          | 6.4                     | 10.5                    | 10.5                     |
| <b>Current financial liabilities</b>     |                              |                              |                               |                         |                         |                          |
| Interest-bearing liabilities             | 129.3                        | 408.5                        | 418.0                         | 129.6                   | 410.7                   | 419.1                    |
| Derivative financial instruments         | 57.0                         | 12.5                         | 16.9                          | 57.0                    | 12.5                    | 16.9                     |
| Accounts and other payable               | 348.3                        | 291.0                        | 308.6                         | 348.3                   | 291.0                   | 308.6                    |
| <b>Total</b>                             | <b>1,599.9</b>               | <b>1,167.1</b>               | <b>1,201.0</b>                | <b>1,609.0</b>          | <b>1,171.9</b>          | <b>1,203.4</b>           |

The management assessed that cash and short-term deposits, accounts receivable, accounts payable, bank overdrafts and other current payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Long-term fixed-rate and variable-rate borrowings are evaluated by the Group based on parameters such as interest rates and the risk characteristics of the loan.

# Notes

## 13.3 Hierarchy of fair values

| Financial assets                        | 30.9.2022    |             |            | 30.9.2021    |            |            | 31.12.2021   |            |            |
|---|--------------|-------------|------------|--------------|------------|------------|--------------|------------|------------|
|   | Level 1      | Level 2     | Level 3    | Level 1      | Level 2    | Level 3    | Level 1      | Level 2    | Level 3    |
| <b>Derivative financial instruments</b> |              |             |            |              |            |            |              |            |            |
| Foreign exchange forward contracts      | 0.0          | 17.1        | 0.0        | 0.0          | 3.5        | 0.0        | 0.0          | 3.5        | 0.0        |
| Fuel oil derivative                     | 0.0          | 0.0         | 0.0        | 0.0          | 0.0        | 0.0        | 0.0          | 0.1        | 0.0        |
| Interest rate derivative                | 0.0          | 0.2         | 0.0        | 0.0          | 0.0        | 0.0        | 0.0          | 0.0        | 0.0        |
| <b>Total</b>                            | <b>0.0</b>   | <b>17.3</b> | <b>0.0</b> | <b>0.0</b>   | <b>3.5</b> | <b>0.0</b> | <b>0.0</b>   | <b>3.6</b> | <b>0.0</b> |
| <b>Other financial assets</b>           |              |             |            |              |            |            |              |            |            |
| Cash and cash equivalents               | 431.4        | 0.0         | 3.2        | 257.7        | 0.0        | 0.0        | 320.7        | 0.0        | 0.0        |
| <b>Total</b>                            | <b>431.4</b> | <b>0.0</b>  | <b>3.2</b> | <b>257.7</b> | <b>0.0</b> | <b>0.0</b> | <b>320.7</b> | <b>0.0</b> | <b>0.0</b> |
| <b>Total financial assets</b>           | <b>431.4</b> | <b>17.3</b> | <b>3.2</b> | <b>257.7</b> | <b>3.5</b> | <b>0.0</b> | <b>320.7</b> | <b>3.6</b> | <b>0.0</b> |

|   |            |                |            |            |              |            |            |              |            |
|---|------------|----------------|------------|------------|--------------|------------|------------|--------------|------------|
| <b>Financial liabilities</b>            |            |                |            |            |              |            |            |              |            |
| <b>Derivative financial instruments</b> |            |                |            |            |              |            |            |              |            |
| Foreign exchange forward contracts      | 0.0        | 55.7           | 0.0        | 0.0        | 12.5         | 0.0        | 0.0        | 16.9         | 0.0        |
| Interest rate derivative                | 0.0        | 1.1            | 0.0        | 0.0        | 0.1          | 0.0        | 0.0        | 0.0          | 0.0        |
| Fuel oil derivative                     | 0.0        | 0.2            | 0.0        | 0.0        | 0.0          | 0.0        | 0.0        | 0.0          | 0.0        |
| <b>Total</b>                            | <b>0.0</b> | <b>57.0</b>    | <b>0.0</b> | <b>0.0</b> | <b>12.5</b>  | <b>0.0</b> | <b>0.0</b> | <b>16.9</b>  | <b>0.0</b> |
| <b>Other financial liabilities</b>      |            |                |            |            |              |            |            |              |            |
| Interest bearing liabilities            | 0.0        | 1,188.2        | 0.0        | 0.0        | 853.1        | 0.0        | 0.0        | 865.1        | 0.0        |
| Other payables                          | 0.0        | 0.0            | 0.5        | 0.0        | 0.0          | 3.0        | 0.0        | 0.0          | 3.0        |
| <b>Total</b>                            | <b>0.0</b> | <b>1,188.2</b> | <b>0.5</b> | <b>0.0</b> | <b>853.1</b> | <b>3.0</b> | <b>0.0</b> | <b>865.1</b> | <b>3.0</b> |
| <b>Total financial liabilities</b>      | <b>0.0</b> | <b>1,245.3</b> | <b>0.5</b> | <b>0.0</b> | <b>865.6</b> | <b>3.0</b> | <b>0.0</b> | <b>882.0</b> | <b>3.0</b> |

## 14. HEDGE ACTIVITIES AND DERIVATIVES

| EUR million                        | 30.9.2022      |              | 30.9.2021     |             | 31.12.2021     |              |
|------------------------------------|----------------|--------------|---------------|-------------|----------------|--------------|
|                                    | Nominal value  | Fair value   | Nominal value | Fair value  | Nominal value  | Fair value   |
| Foreign exchange forward contracts | 1,590.3        | -38.6        | 913.1         | -9.0        | 1,060.1        | -13.4        |
| Interest rate derivative           | 253.6          | -0.9         | 86.4          | -0.1        | 88.4           | 0.0          |
| Fuel oil derivative                | 2.0            | -0.2         | 0.0           | 0.0         | 1.4            | 0.1          |
| <b>Total</b>                       | <b>1,845.9</b> | <b>-39.7</b> | <b>999.5</b>  | <b>-9.1</b> | <b>1,149.9</b> | <b>-13.3</b> |

### Derivatives not designated as hedging instruments in hedge accounting

The Group also enters into other derivatives, foreign exchange or currency options with the intention of reducing the risk of expected sales and purchases, these other contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

# Notes

## CASH FLOW HEDGES

### Foreign currency risk

Foreign exchange forward and interest rate derivative contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales and purchases and receivables in US dollar. These forecast transactions are highly probable, and they comprise about 29.8% of the Group's total hedged transaction flows. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

At the inception of these deals the Group assess whether the critical terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. On a quarterly basis the Group performs qualitative effectiveness test by checking that the hedging instrument is linked on the relevant assets and liabilities, projected business transactions or binding contracts according to the hedging strategy and that there are no related credit risks. Hedge ineffectiveness is recognized through profit or loss.

The cash flow hedges of the expected future sales and purchases in 2022 and 2021 were assessed to be highly effective and a net unrealized loss, with a deferred tax asset relating to the hedging instruments, is included in OCI. The amounts recognized in OCI are shown in the table below and the reclassifications to profit or loss during the year are as shown in the consolidated statement of income.

### Fair value reserve of cash flow hedges

| EUR million  | 30.9.2022    | 30.9.2021   | 31.12.2021  |
|--|--------------|-------------|-------------|
| Balance as of January 1                                  | -2.7         | 6.0         | 6.0         |
| Gains and losses deferred to equity (fair value reserve) | -29.4        | -11.2       | -11.0       |
| Change in deferred taxes                                 | 5.9          | 2.2         | 2.2         |
| <b>Balance as of the end of period</b>                   | <b>-26.3</b> | <b>-2.9</b> | <b>-2.7</b> |

## 15. TRANSACTIONS WITH RELATED PARTIES

| EUR million  | 1-9/2022 | 1-9/2021 | 1-12/2021 |
|--|----------|----------|-----------|
| Sales of goods and services with associated companies and joint arrangements     | 17.6     | 13.7     | 18.0      |
| Receivables from associated companies and joint arrangements                     | 3.5      | 4.2      | 3.3       |
| Purchases of goods and services from associated companies and joint arrangements | 46.8     | 38.7     | 53.6      |
| Liabilities to associated companies and joint arrangements                       | 2.0      | 1.9      | 1.7       |

**ANALYST AND PRESS BRIEFING**

A live international webcast and telephone conference for analysts, investors and media will be arranged on October 26, 2022, at 11:30 a.m. EEST. The January–September 2022 interim report will be presented by President and CEO Anders Svensson and CFO Teo Ottola.

Please see the press release dated October 12, 2022, for the webcast and telephone conference details.

**NEXT REPORT**

Konecranes Plc plans to publish its Financial statement release 2022 on February 2, 2023.

KONECRANES PLC

Kiira Fröberg

Vice President, Investor Relations

**FURTHER INFORMATION**

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**DISTRIBUTION**

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Konecranes is a world-leading group of Lifting Businesses, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. Konecranes provides productivity enhancing lifting solutions as well as services for lifting equipment of all makes. In 2021, Group sales totaled EUR 3.2 billion. The Group has approximately 16,500 employees in around 50 countries. Konecranes shares are listed on the Nasdaq Helsinki (symbol: KCR).

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