



A year of success and sustainable innovation

2021 was a success for Konecranes. Profitability improved significantly, with the adjusted EBITA margin for the full year reaching 9.8 percent. Our order book broke records and landed at just over the EUR 2 billion mark by the end of December. This combined with a strong commitment and performance focus across our whole organization provides a solid foundation for Konecranes' 2022 performance.

Throughout the world, 2021 will be remembered as the second year of the COVID-19 pandemic. The market still much improved compared to the lows of 2020, reflected in our financial performance. However, the pandemic continued to pose challenges for companies' operations all across the world, as did supply chain constraints, component shortages and logistics delays. Our people showed remarkable resilience in the face of these challenges. Combining this with our technological leadership, we were able to deliver for our customers, reach impressive financial performance and create value for our stakeholders.

2021 was a big year for our sustainability work and innovation. We published our new ambitious climate targets in early 2022, an important milestone in our contributions to limit global warming to 1.5°C. In the same spirit, we made exciting announcements that are good for the planet and good for business. We introduced Generation 6 of our Mobile Harbor Cranes, built for all-electric operation. Customer deliveries for the Konecranes E-VER, a lift truck with a fully electric driveline, started in 2021.

On October 1, 2020 Konecranes announced a merger with Cargotec to create a global leader in sustainable material flow, and integration planning was started in 2021. The completion of the Merger is subject to necessary merger control approvals having been obtained and other conditions to completion having been fulfilled. Until all merger closing conditions are met and the merger completed, both companies continue to operate fully separately and independently.

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Contents

Konecranes in 2021	3
Year 2021 in numbers	4
CEO's review	6
Megatrends	8
Strategy	10
Business Area reviews	12
Research and technology development	19
Sustainability	21
Konecranes as an investment	24



Information about Konecranes' Annual Report 2021

Konecranes' Annual Report 2021 consists of three separate reports: Annual Review, Financial Review, Governance and Financial Review, and Sustainability Report. All documents are downloadable on our Annual Report website at https://investors.konecranes.com/annual_report_2021.



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Konecranes in 2021



Konecranes' new science-based climate targets, prepared in 2021 and published in early 2022, encompass not only our own operations, but the value chain as well. In line with the Science Based Targets initiative (SBTi), the targets have been validated based on the latest climate science and the goals of the Paris Agreement in keeping the rise in global temperature below 1.5°C.

2021 was a big year for our sustainable offering. We launched the electric Generation 6 Mobile Harbor crane in June. Deliveries for the E-VER, a lift truck with a state-of-the-art electric driveline, equipped with a lithium-ion battery powering its two motors, started in 2021.

On October 1, 2020 Konecranes announced a merger with Cargotec to create a global leader in sustainable material flow. The completion of the Merger is subject to necessary merger control approvals having been obtained and other conditions to completion having been fulfilled. Until all merger closing conditions are met and the merger completed, both companies continue to operate fully separately and independently.



Profitability improved significantly, with the adjusted EBITA margin for the full year reaching 9.8 percent. Our order book also broke the EUR 2 billion mark at the end of December. This combined with continued strong commitment and performance focus across our whole organization provides a solid foundation for Konecranes' 2022 performance.

COVID-19 continued to be a factor in 2021, but the resilience of our people and our technological leadership allowed us to come through for our customers.



The year 2021 in numbers

3,175.5

MEUR (16.4%)
Order intake

3,185.7

MEUR (0.2%)
Net sales

9.8%

Adjusted EBITA margin

2,036.8

MEUR (18.7%)
Order book

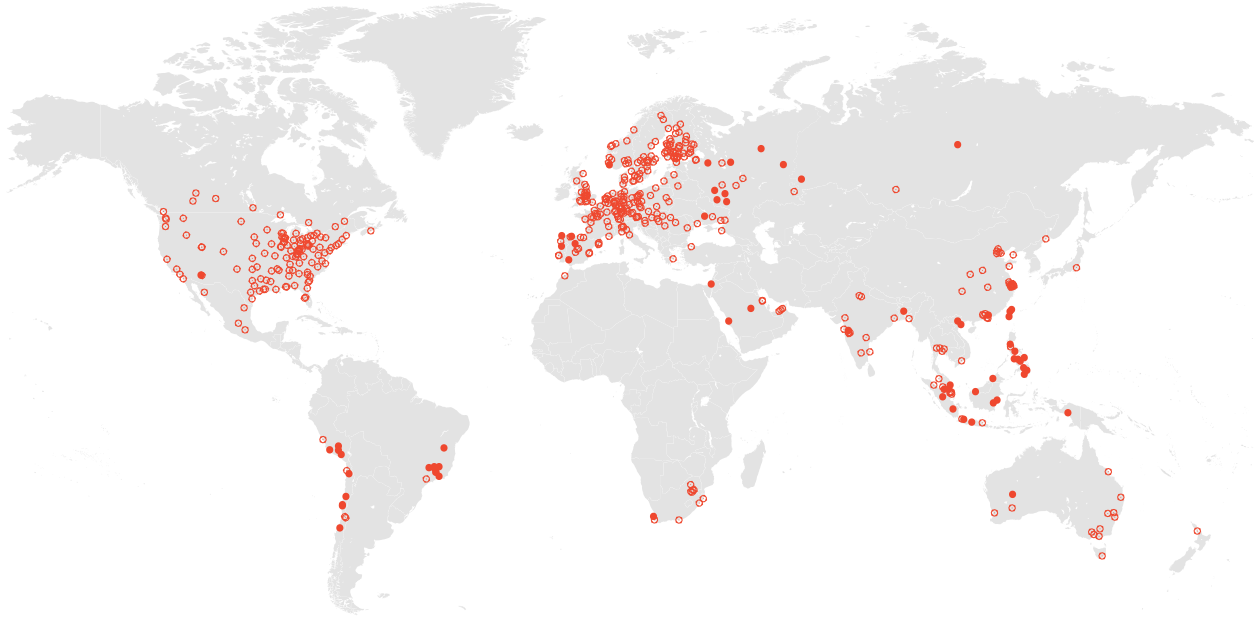
2,100

Number of active and
pending patents

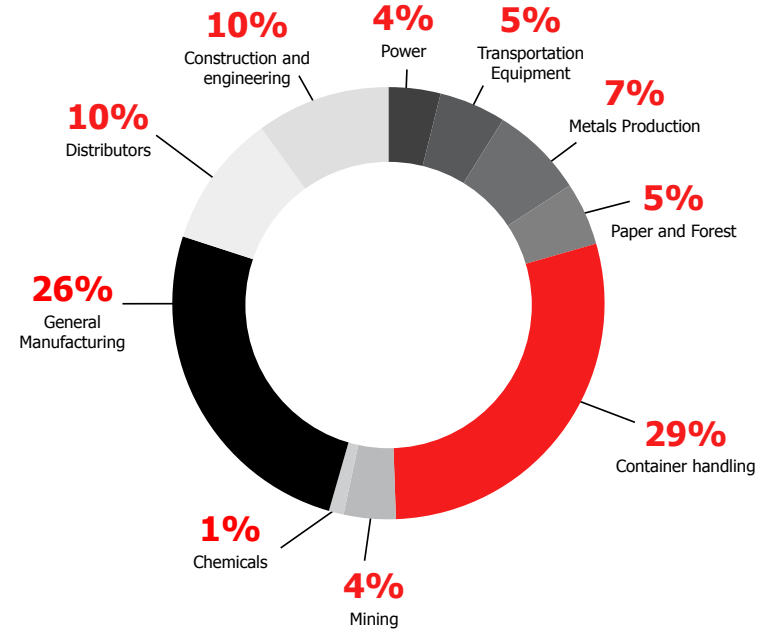
39.8%

Gearing

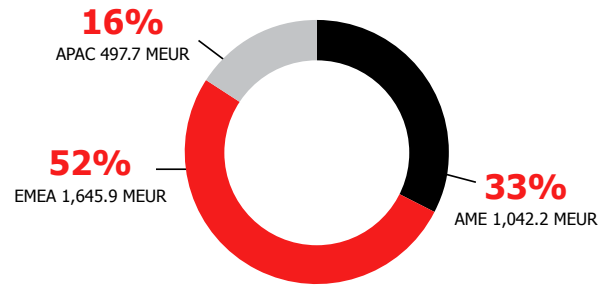
Being close to our customers through a local presence



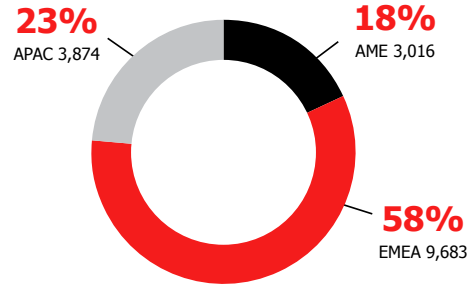
Orders by customer segments, 2021



Net sales per region, 2021



Personnel by region, 2021



Percentages have been rounded and may not total to 100%.

CEO's review

Dear shareholders,

Year 2021 was a success for Konecranes. We seized on the market recovery, navigating the supply chain constraints and component shortages. Our profitability improved significantly, with the adjusted EBITA margin for the full year reaching 9.8 percent. Simultaneously, we prioritized the safety of our people and customers as the COVID-19 pandemic entered its second year, utilizing best practices from our global organization.

The global economy in 2022 will face questions about the longevity and intensity of inflation, the trajectory of the pandemic and the aforementioned supply chain challenges. The global nature of our operations, our technological leadership and the expertise of our people will allow us to tackle future challenges, just as we did in 2021.

Sustainability at the core: new targets and eco-optimized offering

Mitigating global warming is an ever increasing priority for societies, and rightly so. In 2021, world leaders gathered for the COP26 conference in Glasgow, resulting in renewed hope on tackling climate change.

Sustainability is a strength and a priority for Konecranes. In February 2022, we announced our new science-based climate targets, taking our commitments even further. Our new targets are in line with the Paris Agreement, aiming to limit global warming to 1.5°C. First, we commit to reduce emissions in our own operations by 50 percent by 2030. Second, we commit to reduce emissions in our value chain by 50 percent by 2030, encompassing the use of sold

products and steel-related purchases. Konecranes is also committed to the corporate sustainability principles of the UN Global Compact.

Our commitments are backed up by the way we do business. Our service offering is unmatched, tapping into the circular economy by extending the lifecycles of cranes and saving resources in the process. In 2021, we further expanded our eco-optimized offering. We launched the Generation 6 Mobile Harbor Crane, which is built for all-electric operation. In addition, customer deliveries started for the Konecranes E-VER lift truck, equipped with an electric driveline.

Strategic initiatives continue

In 2021, we continued to focus our strategic development around the following six key initiatives:

- Service revenue and profitability growth
- Industrial Equipment profitability improvement
- Improved project management
- Lean operations
- Procurement excellence
- Business process efficiency improvement

The initiatives have and will continue to guide our operations and have produced solid results, as seen in our financial results in 2021.

In **Service**, order intake rose to EUR 1,078.3 million, up 17.2 percent year on year in comparable currencies, powered especially by EMEA and the Americas, where the impact of the pandemic eased most in comparison with the previous year. Service reached an impressive EBITA margin of 18.5 percent for the full year. I would like to thank all our service technicians, who went to great lengths also in 2021 to ensure that customers were able to operate their



equipment safely and efficiently. This was no small feat in the midst of a pandemic, while simultaneously having to tackle component shortages.

Service also rolled out our new Wire Rope Monitoring service, expanding Konecranes' predictive maintenance further. Previously available for hoists and brakes, sensors can now also identify inner defects in wire ropes, which further ensures that service is timely and helps in avoiding unplanned customer downtime.

In 2021, **Industrial Equipment** bounced back from the worst effects of the pandemic. Orders increased by 20.3 percent in comparable currencies, boosted by an increase in standard cranes, process cranes and components. The continued progress in our strategic initiatives, a positive sales mix and cost management were rewarded with clear profitability improvement in 2021. The full-year adjusted EBITA margin landed on 3.5 percent, compared to 2.3 percent in 2020.

Konecranes Way, our approach to lean operations, was proliferated in 2021. What started as a lighthouse project at five locations within Industrial Equipment has now grown to include 21 sites across all three business areas, with its philosophy providing operational efficiency and continuous improvement for both manufacturing and other operations. Year 2021 also saw exciting customer cases for Industrial Equipment, including an order for 17 cranes in the next generation S-series to a wind power producer in Estonia. Another example is the order from thyssenkrupp Marine Systems for 14 process cranes for a shipbuilding hall in Germany, which is being developed into an international center of excellence for submarine production.

Port Solutions achieved strong cumulative orders throughout the year, with an order intake of EUR 1,112.7 million for the full year. Sales execution was generally

strong. Port Solutions reached a full-year adjusted EBITA margin of 7.4 percent. Global container throughput was high in 2021, and the long-term prospects related to container handling remained good overall. The Generation 6 Mobile Harbor Crane launch was well received by customers, with orders from the Port of Manaus in Brazil and Goeyvaerts, a crane rental company in Belgium.

Technological edge

Our technological leadership is essential in offering productivity-enhancing solutions for our customers and boosting sustainability across the industry. Based on our proprietary Core of Lifting technology and built around an integrated package of key components that we design and manufacture ourselves, we tap into both our in-house resources as well as our network of startup partners to ensure that we are always able to meet the latest trends and customer demands. Our Data Science Lab in Lyon, France gives us an edge in providing new data-based innovations.

These efforts materialized in new, exciting offerings in 2021. In addition to the new equipment roll-outs mentioned earlier, we developed a data-based model to predict the fuel consumption of reach stackers, giving operators full visibility on emissions and costs. Our development of silent components for equipment is an answer to the growing trend of residential housing moving closer to ports resulting from accelerating urbanization. Konecranes' extensive offering of digital applications in support of equipment operators sets us apart and has been especially appreciated by our customers during the pandemic.

A solid foundation for the future

Year 2022 will be exciting for Konecranes. Our team's continued strong commitment and performance focus, as well as our record-high order book, provide a solid foundation for the year.

We continue to work towards the merger with Cargotec being completed, creating a global leader in sustainable material flow. Until all merger closing conditions are met and the merger is completed, both companies continue to operate fully separately and independently. Until then, we will focus on our own performance and positive impact.

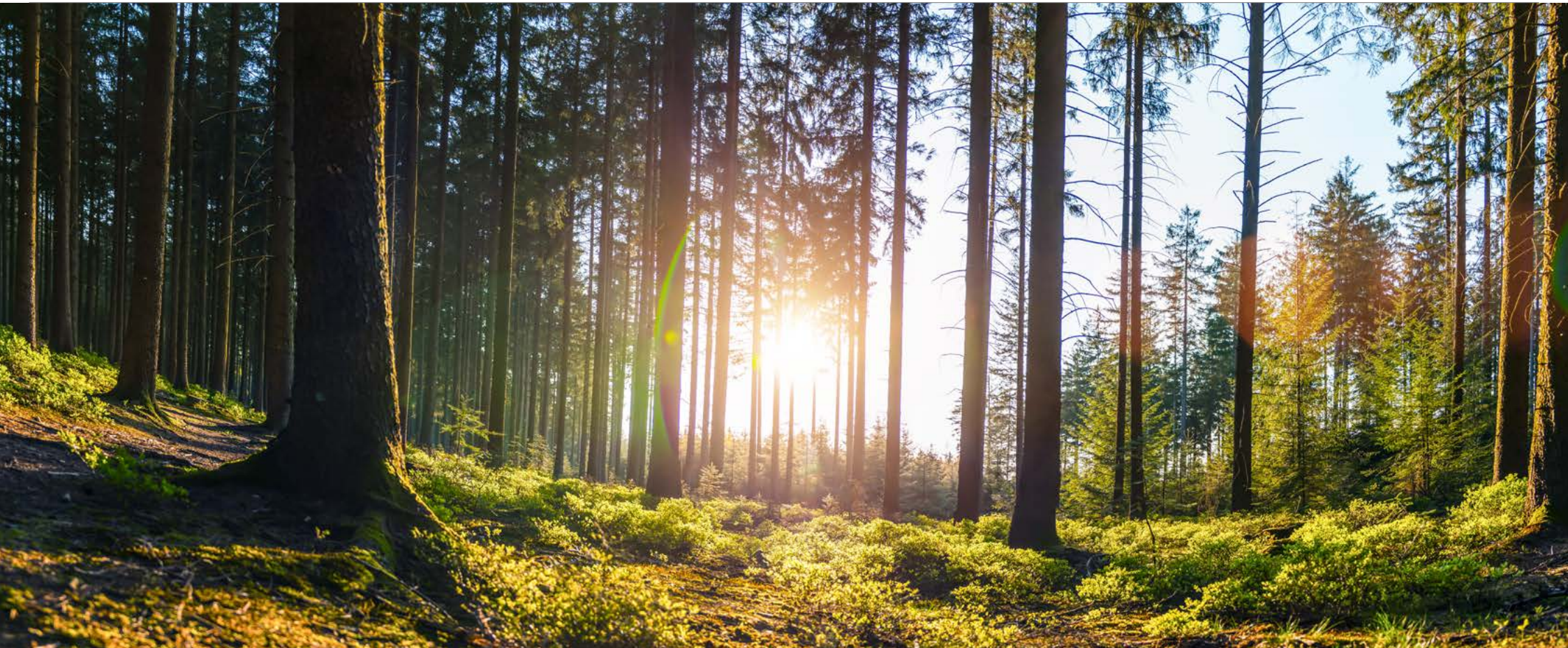
I want to express my deepest appreciation to our Konecranes people who made the past year a success. Reaching our impressive financial performance while managing supply chain constraints and component shortages is truly a great accomplishment. All this was achieved while prioritizing the safety of both colleagues and customers, and under increasing pressure from the spread of the omicron variant of COVID-19 across the world.

I would like to thank our shareholders, customers and other stakeholders for their continued commitment and support during 2021. Our excellent people, technological leadership and commitment to sustainability made 2021 a success, and we will aim to continue on that trajectory in 2022.

Warm regards,



Teo Ottola
CFO & Interim CEO



Megatrends driving Konecranes' business

Konecranes recognizes four primary megatrends that impact its customers and business operations. Tapping into them provides opportunities for us to develop our business further.



Sustainability

Konecranes supports customers in reducing their environmental footprint and in their shift to a low-carbon future. We do this through eco-efficient products and services that accelerate the circular economy. Our digital tools support the productivity, serviceability and added lifetime of equipment. Safety is incorporated into the design, manufacture, maintenance and service of our products.



Geopolitics

Geopolitical shifts, especially increased protectionism seen in many markets over the past few years, reflect into our operating environment and conditions of businesses across the world. Supply chain constraints were prevalent across the world in 2021.

From onshoring to protecting vulnerable supply chains to navigating trade wars, our approach is to continuously evaluate our supply network and strengthen it to weather changing external conditions that impact our industry. Our business portfolio also benefits from being diversified. This helps to protect us from regional and segment volatility.



Digitalization

Across customer industries, such as manufacturing and port operations, digitalization presents us with great opportunities to automate equipment, processes and entire customer operations. Our digital solutions also allow us to collect more and higher-quality data from customer operations. This helps us in providing better predictive maintenance services and in optimizing service activities with customer production solutions.

Digitalization also introduces new cybersecurity risks. Cybersecurity is increasingly a customer priority and Konecranes applies industry best practices to mitigate the risks.



Productivity

Productivity is a continued priority for businesses, especially in capital-intensive industrial production. Konecranes places a strategic focus on the crane as part of the entire material handling ecosystem.

We offer customers many productivity and profitability enhancing solutions through smart, connected equipment and optimized maintenance. These include Konecranes' lift trucks for both ports and industrial clients, our offering in automatic warehouse management, automated guided vehicles for maneuvering large containers in ports and our monorail systems employing overhead rails to transport materials within factories.

Strategy

Our strategy leverages the global megatrends and our key competencies, with a focus on accelerating growth and increasing profitability through strategic initiatives, the material flow concept and the planned merger with Cargotec.

Strategic initiatives

We have identified six key strategic initiatives to strengthen our core competencies. These are Service revenue and profitability growth, Industrial Equipment profitability improvement, project management excellence, lean operations, procurement excellence and business process efficiency improvement. The initiatives drive our activities, ensuring we continue our high-performance focus.

Profitable growth is strongly correlated with customer satisfaction, employee engagement and an innovative offering. An industry-leading company excelling in profitable growth has the means to invest in innovative products and services, attract and retain the best talent and consistently deliver a world-class customer experience.

The material flow concept

To support growing customer demand for more comprehensive solutions, products and services, we have extended our ambitions beyond lifting into the broader material flow. We aim for a seamless and integrated material flow beyond cranes and port equipment with real-time tracking. We provide advanced services with a complementary software offering to ensure optimized operations for our customers.

The planned merger with Cargotec

In October 2020, Konecranes and Cargotec announced their plans to combine the two companies through a merger to create a global leader in sustainable material flow. The completion of the Merger is subject to necessary merger control approvals having been obtained and other conditions to completion having been fulfilled.

The Future Company will be well-positioned to lead the industry shift towards increased sustainability with its valuable customer-facing brands and complementary offerings across its businesses in industries, factories, ports, terminals and road and sea-cargo handling. The Future Company is expected to deliver value by capturing synergies and growing faster than the market, being the lifecycle partner for its customers, solving the sustainability challenge through innovation, positioning itself well to grow in material flow and by creating and combining a team of top global talent.



MISSION

We are not just lifting things,
but entire businesses.

VISION

We know in real time how millions of lifting devices perform.
We use this knowledge around the clock to make our customers' operations safer and more productive.

STRATEGIC INITIATIVES

Service revenue and profitability growth

Industrial Equipment profitability improvement

Project management

Lean operations

Procurement excellence

Business process efficiency improvement

MATERIAL FLOW CONCEPT

PORT SOLUTIONS

STS crane

Yard cranes

Mobile equipment

Software and optimization

Maintenance and spare parts

Inspection, training and consulting



INDUSTRIAL SOLUTIONS

Overhead cranes

Lifting hoists

Horizontal intra-factory logistics

Loading equipment

Software and optimization

Maintenance and spare parts

Inspection, training and consulting

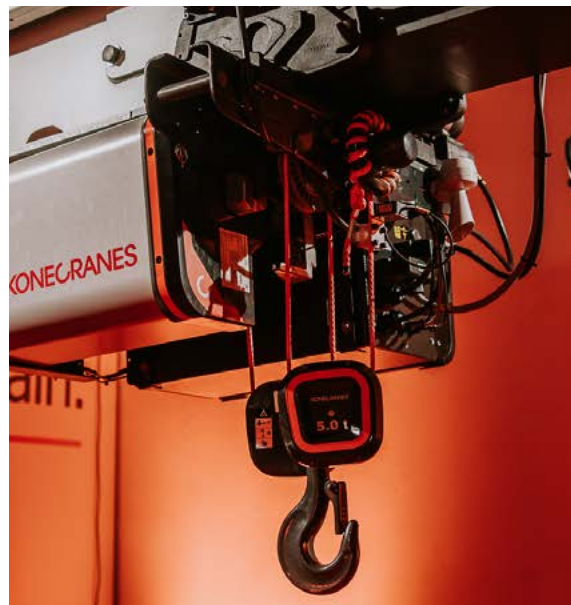


Business Area reviews



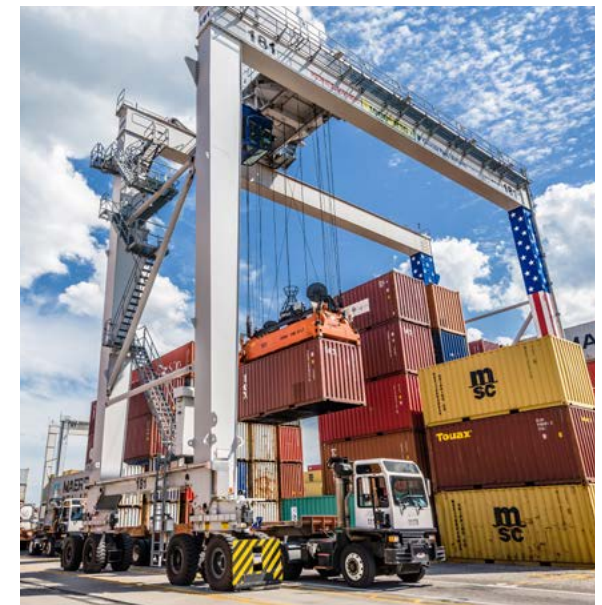
► Service

Business Area Service provides industry-leading maintenance services for all types and makes of industrial cranes and hoists. Our objective is to improve the safety, productivity and sustainability of our customers' operations. Lifecycle Care is our comprehensive and systematic approach to managing customer assets; we connect data, machines and people to deliver a digitally-enabled customer experience in real time.



► Industrial Equipment

Business Area Industrial Equipment offers hoists, cranes and material handling solutions for a wide range of customers from General Manufacturing to various kinds of process industries like Waste-to-Energy, Paper and Forest, Automotive and Metals Production. Products are marketed through a multi-brand portfolio.



► Port Solutions

Business Area Port Solutions offers a full range of manned and fully automated container cranes, mobile harbor cranes, manned and fully automated straddle carriers, heavy-duty lift trucks, and automated guided vehicles. It also comprises a complete array of shipyard cranes and Terminal Operating System (TOS) and Equipment Control System (ECS) software, optimizing operations of entire container terminals.



SERVICE

343.5

Order book at the end of 2021, MEUR

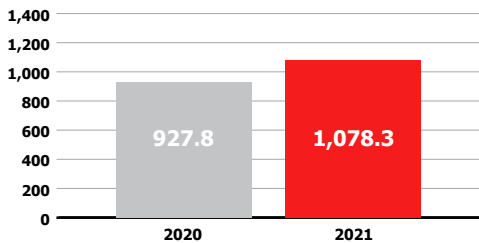
18.5

Adjusted EBITA 2021, %

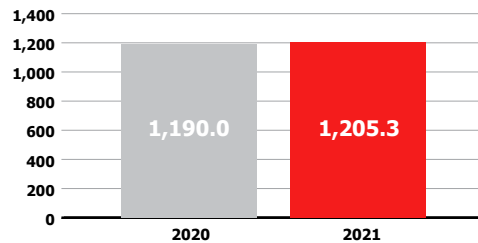
7,890

Number of employees at the end of 2021

Orders received, MEUR



Net Sales, MEUR



Service continues strong

Service has shown resilience during the pandemic. Order intake bounced back in 2021, especially in EMEA and the Americas, whereas APAC was still impacted by the pandemic. Although component shortages and logistics delays impacted Service sales, Service reached an impressive EBITA margin of 18.5 percent for the full year.

Impeccable service for customers - on site and online

2021 was an operational success for Service through the combination of our dedicated people and our leadership in technology. Supply chain challenges are still prevalent across the industry and movement restrictions have had impacts locally, but our technological solutions have enabled us to always be there for customers. Not only have we been able to launch new digital services that have been well-received

by customers, but we have also optimized our own ways of working to maximize the availability of technicians.

After extensive testing with customers, we launched our Wire Rope Monitoring service in 2021. The innovation expands our existing remote monitoring offering. Already available for hoists and brakes, it now also includes wire ropes. A specialized sensor continuously monitors the wire rope while the crane is in operation to help identify defects, both ones visible externally as well as those internal that are not detectable with a visual inspection. The solution has been well-received by customers,

particularly where cranes are especially critical to their processes, such as the automotive industry. This additional service is a key part of predictive maintenance and is both useful for customers monitoring rope condition and safety as well as for our technicians servicing equipment.

Other digital services have also been popular with customers, including CheckApp for Daily Inspections. It gives users a digitalized and cost-effective way of recording and retrieving daily inspection data. The new Slings & Accessories Inspection allows users to quickly scan the inspection status of the accessories used in lifting, and the

corresponding data on the yourKONECRANES customer portal helps customers manage their fleet of accessories.

Strengthened local presence

In the beginning of 2020 Konecranes acquired full ownership of MHE-Demag, strengthening Konecranes in the strategically important and fast-growing Southeast Asia. By Q3 2020, we were working in a joint organization and in 2021 the integrated operations bore fruit across the region. MHE-Demag extended our service capability by some 700 service engineers and brought in further industrial products for us to serve.



Delivering for customers all across the globe

We extended and expanded a service agreement with Mercedes-Benz AG in Europe. The agreement covers four separate manufacturing sites on a three-year contract, providing service and support in an intense industry where cranes are used almost around the clock.

In December 2021, Konecranes received a USD 58.6 million order from a major power utility in the United States to modernize four polar reactor cranes. During the seven-year project, the crane trolleys will be replaced with complete eight-wheel equalizing trolleys with 150-ton standard capacity and 180-ton special rated capacity for occasional use.

A customer in China had a 30-year-old crane made by another manufacturer that was critical to their production line. After multiple breakdowns resulting in costly repairs and safety concerns, the customer turned to Konecranes for a modernization. Our modernization team was able to provide a solution that included TRUCONNECT Remote Monitoring and other upgrades to make the crane safer and more reliable and efficient. The Konecranes team was able to provide a smooth process even with pandemic-related delays and shutdowns.



INDUSTRIAL EQUIPMENT

709.9

Order book at the end of 2021, MEUR

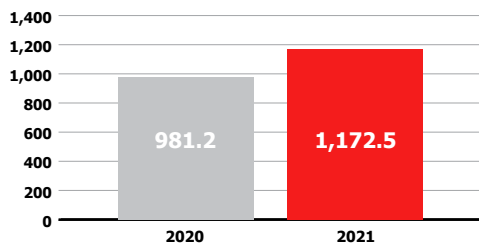
3.5

Adjusted EBITA 2021, %

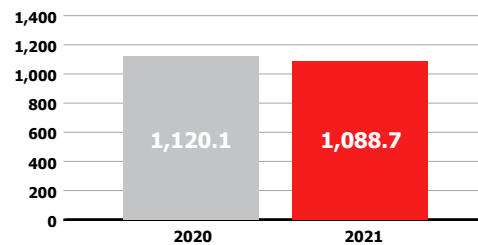
5,516

Number of employees at the end of 2021

Orders received, MEUR



Net Sales, MEUR



Comeback from COVID-19

2021 was a comeback year for Industrial Equipment, bouncing back from the harshest effects of the COVID-19 pandemic in 2020, even if the market volatility caused by the pandemic remained. Overall market sentiment improved in the first half of 2021 and remained steady after that, also in the industrial segments.

Orders received in Industrial Equipment improved, with an increase in standard cranes, process cranes and components. Continued progress on strategic initiatives, positive sales mix and cost management contributed to steady profitability improvement throughout the year. Net sales, however, were adversely impacted by supply chain constraints, component shortages and customer delays.

The Konecranes team has shown dedication in the face of these challenges, mitigating the worst effects.

Lean operations and customer successes

Konecranes Way, our approach to lean, was kicked off in 2020 in 5 lighthouse sites across Industrial Equipment. Encouraged by the positive results of the first introductions, Konecranes Way was proliferated across

Konecranes in 2021, now implemented in 21 sites across the businesses and being expanded into office functions.

2021 was also a year of exciting customer projects. In May, we announced an order of 17 cranes in the next generation S-series to a wind power producer in Estonia. Our Demag brand won a deal to supply Airbus with the longest Demag crane in history, with a 106m span. The

crane is scheduled to be commissioned in April 2022 and will be used in the assembly line of the new Airbus A321XLR. In September, we announced an order from thyssenkrupp Marine Systems to supply 14 process cranes for a shipbuilding hall in Germany, which is being developed into an international center of excellence for submarine production.



Konecranes Way – our approach to lean operations

Industrial manufacturing is a demanding end-to-end process. Our products are complex, with production involving a number of Konecranes industry experts and phases before it can be delivered to the customer. Efficient processes and a shared way of working are key. That is where Konecranes Way, our approach to lean operations, comes in.

Konecranes Way was first introduced in 2018 and now encompasses 21 sites across all businesses. It is a philosophy guiding our people to challenge the status quo, utilize data and improve every day. It is a highly engaging method, with site specific plans done from the factory and office floors.

The operational benefits have been substantial. In the QD/E line, producing the larger Konecranes multi-brand rope hoists in the Hämeenlinna, Finland factory, productivity rose by 30% after the implementation of Konecranes Way – a massive improvement for an already well-functioning and established site.



PORT SOLUTIONS

983.5

Order book at the end of 2021, MEUR

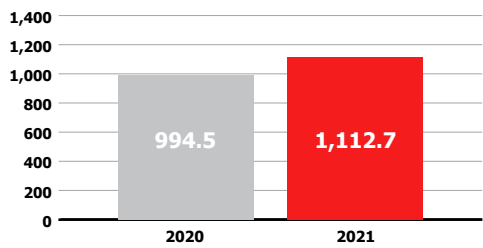
7.4

Adjusted EBITA 2021, %

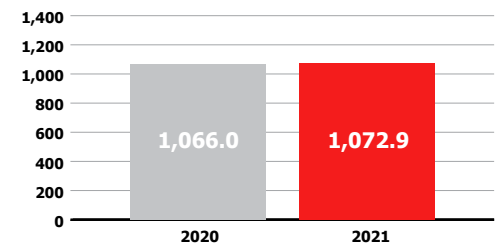
3,083

Number of employees at the end of 2021

Orders received, MEUR



Net Sales, MEUR



Solid performance and sustainable innovation

Global container throughput remained high in 2021. Port Solutions seized on the positive market sentiment, with strong cumulative orders in the first and second quarter. Port Solutions’ order book reached close to the EUR 1 billion mark, totaling MEUR 983.5 at the end of December. The long-term prospects related to container handling remained good overall. Despite the component availability and supply chain constraints, sales execution in Port Solutions was generally good. Mobile equipment was impacted by the component shortages during the second half of the year.

Resilience and a digital leap

On an operative level, Port Solutions delivered consistently in 2021. Thanks to the commitment and adaptability of the Konecranes team, deliveries

were successfully completed and on time. Movement and travel were restricted in 2020, and much of it was still felt in 2021. Konecranes' global footprint proved a strategic advantage, with our strong local presence making it possible to continue serving customers. Konecranes Port Solutions also greatly improved its digital solutions in 2021, further adapting to the new ways of doing business in the era of COVID.

In 2021, we launched the Konecranes ZONE, a highly personalized digital portal for both current and potential customers. ZONE provides in-depth content about the container handling industry and the solutions Konecranes provides. ZONE allows customers to explore and self-design terminal concepts at their own leisure, with Konecranes advisors readily available when they need more detailed

information. The portal has been well-received, with customers appreciating the opportunity to familiarize themselves with our offering on their own terms. Port Solutions also continued their highly successful webinar series during 2021, attracting users to ZONE and generating high-quality leads.

Delivering for customers

Konecranes has a long and proud history of delivering state-of-the-art solutions that meet and exceed the demands of port customers across the world. Sustainability is an ever-growing priority for our customers, and in 2021 we updated our offering to further meet that. In late 2020, we announced the Konecranes E-VER, equipped with a fully electric driveline and powered by an efficient Li-ion battery. Customer deliveries started in 2021. In the

summer, we introduced Generation 6 of our Mobile Harbor Cranes, built for all-electric operation. The new model's external power supply is complemented by a battery pack that enables travel between quays and single lifting movements without using diesel. This combination is a world first for mobile harbor cranes.

Interest for Konecranes solutions was strong in 2021. The recently launched Generation 6 Mobile Harbor Cranes attracted immediate interest, with orders from the Port of Manaus in Brazil and Goeyvaerts, a crane rental company in Belgium. Other highlights included an order from long-standing customer Georgia Ports Authority in the USA for 20 Rubber-Tired Gantry (RTG) cranes and an order from Port Newark Container Terminal (USA) for 28 Konecranes Noell Straddle Carriers, to be delivered in three phases.



Electric, smart and powerful: the next generation of Mobile Harbor Cranes

In June, Konecranes launched its Generation 6 of Mobile Harbor Cranes. These new electric, smart and powerful cranes tap into the megatrends of material handling as seen in growing customer demand for sustainability, decarbonization and eco-efficiency, ergonomics, digitalization and automation.

The initial six crane models have maximum lifting capacities of 200 ton and radii up to 64 meters. The new series continues Konecranes' 60-year legacy of inventing and manufacturing premium mobile harbor cranes.

Research and technology development

Technological leadership is at the core of Konecranes' operations, allowing us to develop the best solutions for the continuously evolving customer demands, and is key to our positive societal impact. Our innovations create customer value and contribute to making material flows more sustainable, efficient and safer.

Data-driven innovation

Innovation, research and development are central priorities across the Konecranes organization. In 2019, Konecranes founded a Data Science Lab in Lyon, France. Since its inception, it has been tasked with facilitating and driving innovation based on data. In close cooperation with the businesses and functions, they have cocreated new solutions for both the customer-facing offering and to internal operations. As of 2021, the Data Science Lab has trained over 150 Konecranes employees in using data science to create value adding solutions based on data.

Tapping into the potential of startups

A core aspect of our innovation work is to combine our technological leadership with the agility of startups. This is done both through cooperation with startups and by implementing their philosophies to our internal ways of working. Konecranes Accelerator, our internal startup program, was held in May–June and gathered five teams of experts from across Konecranes, with participants from both the businesses and functions. Coached and mentored by experts from the Maria01 network, a leading startup campus in the Nordics, the benefit of the program is two-fold. It allows for our people to design customer-centric solutions to our business needs, but also provokes them to bring new ways of thinking to their own team's operations.

REACH, Konecranes' open call to startups, also ran in 2021. In it, startups apply to work together with us to collaborate around pre-defined topics. In 2021, these were equipment contextual awareness, radical reduction of energy and waste in material handling processes, and safety in material and container handling operations.

The collaboration with startups is mutually beneficial. We benefit from the agile, leading startups in their field, and they get access to a leading industrial company and possible references. Furthermore, all our pilot projects are commercial, which means we will always pay for them. Our Discovery program, targeting more specific business solutions together with startups, is active with many ongoing development projects in 2021.

In addition to the collaboration with startups, Konecranes is also active in multiple innovation ecosystems, such as DIMECC's Intelligent Industry Ecosystem.

Certified cybersecurity in digital services

Customer trust in our solutions is built not only on the productivity benefits they bring, but also on their verifiable safety and security. Cybersecurity is a priority for Konecranes, and in 2021 we made leaps in standardizing and formalizing security management. In June, we announced that





Konecranes' security management system had achieved ISO / IEC 27001 certification for information security management. The scope covers the development and delivery of yourKONECRANES.com customer portal, productivity enhancing mobile applications and TRUCONNECT® suite of remote service products and applications for all Konecranes customers, including manufacturing and process industries, shipyards, ports and terminals. The achievement is important for our customers in many industries, but especially in ports, power and automotive, where security is a critical requirement when choosing a supplier.

Customer-centric solutions

Our customers' operational environment is forever changing, with new regulations and ambitions on aspects such as productivity and sustainability. We always thrive to be the primary choice among potential customers, and our research and development work is geared towards supporting just that.

In 2021, we made strides in developing products that answer to growing customer and societal demand for increased sustainability in the industry. In late 2020, we announced

the Konecranes E-VER, a lift truck with a state-of-the-art electric driveline, equipped with a lithium-ion battery powering its two motors. Customer deliveries started in 2021. The machine is silent, productive and has zero direct emissions – combining customer requirements for both productivity and sustainability. Our lift trucks business, which celebrated its 10,000th unit sold in 2021, has further developed their service-based model during the year, tapping into customers prioritizing transparency and control. Our Data Science Lab developed a data-based model to predict the fuel consumption of reach stackers, making it possible to provide a guarantee to customers on which consumption levels and emissions to expect from the machines they acquire.

Urban development has brought inhabitation closer to ports in many parts of the world. As a consequence, noise pollution is increasingly a priority for our customers in the industry. Konecranes has been active in developing silent components to bring decibel levels down. This has been done holistically, with new solutions for, e.g., the gear tooth contact, the design for and materials used in the shell, as well as how the core components are fastened into the

equipment. The possibility to choose silent components has been well-received by customers, especially for rail-mounted gantry cranes (RMG) and rubber-tired gantry cranes (RTG), both tall pieces of equipment from which noise travels far. The silent components can be used in all the pieces of equipment that use our Core of Lifting technology.

New avenues for machine-to-machine communication through 5G

Many of our cranes are smart, utilizing connectivity for communication and diagnostics. These features are already a competitive advantage for Konecranes. The dawn of 5G, with its high bandwidth and low latency, opens further opportunities in digitalized factory and port solutions. This is especially true for machine-to-machine communication, with the improved bandwidths opening avenues for pursuing holistic ecosystems of connected equipment. In the spring of 2021, we announced that Nokia and Edzcom will jointly be delivering a 5G standalone private wireless network to our Hyvinkää smart factory in Finland. The experience during the ramp-up phase has been good, with plans to expand 5G connectivity to include solutions delivered to customers as well – further supporting their productivity and safety.



Sustainability

We work for a decarbonized and circular world together with our customers and partners, substituting existing technology with lower-emission alternatives. In an interconnected world, material flows sustain the well-being of people, success of businesses and societal functions. Konecranes' knowledge and innovative technologies, solutions and services constitute a key link in these material flows.



We maximize lifecycle value and eliminate waste of resources, energy and time throughout the whole value chain. Our culture is rooted in uncompromised safety, high ethics and diversity and inclusion.

Our sustainability agenda is based on five sustainability cornerstones, with clearly defined ambitions and targets that are regularly monitored. These are: eco-optimized offering and circularity; climate action and resource efficiency; safe workplace and products; diverse, inclusive, and engaging workplace; and responsible business conduct.

The future direction is 1.5°C

The climate crisis demands action now, and we are fully committed to being a part of the solution. Limiting global warming requires decarbonization of all industry sectors, and everyone should join forces. Emission levels need to be halved by 2030 to reach the Paris Agreement goal of limiting global warming to 1.5°C. We are in a unique position to help our customers transition to a low carbon future by providing solutions that accelerate decarbonization, reduce emissions and advance electrification.

Konecranes has set new ambitious targets for its own operations and for its value chain that are in line with the goal of limiting global warming to 1.5°C. These targets were submitted in 2021 and received validation in early 2022 by the Science Based Targets initiative (SBTi). Within Scope 1 and 2 greenhouse gas (GHG) targets, Konecranes is committed to reduce its carbon emissions by 50 percent by 2030. This target will be achieved by investing into renewable

electricity and by improving the fuel efficiency of the fleet and the energy efficiency of the production processes. 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. As supportive actions, Konecranes will also fully offset flight emissions and will continue to seek new ways to decrease emissions and drive its sustainable portfolio development.

Our targets cover all emissions from our own operations and the majority of the value chain emissions. Ninety-eight percent of our emissions originate from the value chain. Most of the emissions are from purchasing goods and services as well as the use of our products. A commitment to cut these emissions in half by 2030 guides our future climate work. We are especially focusing on reducing CO₂ emissions from steel sourcing, electrifying our product offering and cutting the dependency on fossil fuels.

Social responsibility in practice

We respect the rights of both our own people and others, and we strive for continuous improvement and cross-organizational cooperation to maximize the positive impact of our work. Konecranes' human rights work includes both analysis and monitoring as well as actively improving practices. In 2021 we updated Konecranes' Fair Labor Frame, which sets the standard and ambition for our workforce related activities. We also continued to drive our diversity agenda forward by implementing inclusive recruitment practices and establishing four internal employee groups that strive to develop diversity

and inclusion within predefined areas related to gender, advancing STEM, LGBTQ+ and disabilities, respectively.

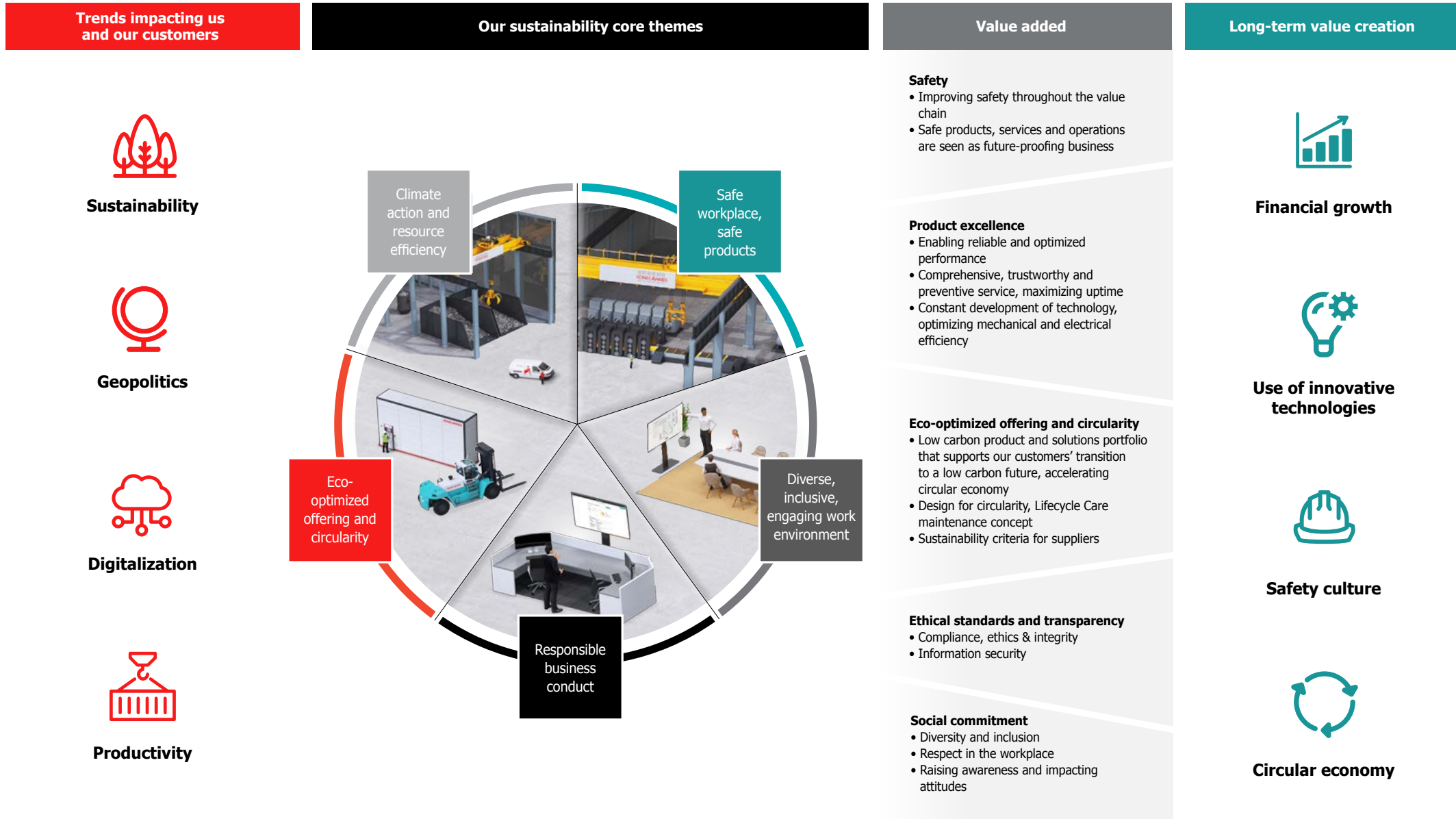
We moved from desktop risk analysis to conducting social responsibility on-site audits also in our own operations, in addition to the audits started earlier within our supply chain. We use these assessments and audits to map our current state, gathering learnings from the findings.

Supporting well-being during the pandemic

Social responsibility should not only include guaranteeing the rights of people, but also supporting their well-being. We believe people should have the needed support to thrive in and enjoy their work, an important priority that has been put under pressure by the isolation and stress brought on by the COVID-19 pandemic. In 2021, we put special focus on supporting our employees' mental health and adaptation to new ways of working. Locally, Konecranes continued to ensure the safety and well-being of people through COVID-19 response teams and by offering occupational health services and free trainings related to, for example, stress and sleeping.

We fostered togetherness and inclusion through global initiatives such as webinars on inclusion and diversity, different learning paths related to resilience and staying connected with teams. Our people management process encouraged and supported frequent manager-employee discussions. We also leveraged the global nature of our operations by sharing best practices and experiences and by offering employees channels for sharing their feelings, ideas and feedback – for example, through surveys and employee affinity groups.

How we make an impact





Konecranes as an investment

Konecranes is a world-leading supplier of industrial cranes and crane components, workstation lifting systems, container handling equipment and maintenance service.

With many innovative solutions and a solid patent portfolio, we are a technology leader in our industry.

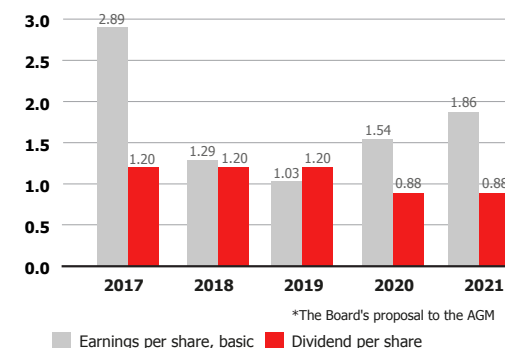
Our service activities represent approximately 40 percent of total net sales, which provides a good base for long-term profitable growth and is moving us towards our target of 11 percent Group adjusted EBITA margin. For investors, Konecranes aims to generate growth and profitability while remaining competitive in a constantly changing marketplace. The company has done a good job managing its overall profitability and giving back to shareholders.

For the other stakeholders and society at large, Konecranes aims to create value, for example, by using resources efficiently, delivering consistent lifting performance to our customers, improving safety at all levels, operating in a responsible and transparent manner and supporting an inclusive society. To demonstrate Konecranes' strong long-term commitment to sustainability, we have set new 1.5°C-aligned climate targets for our operations which have been validated by the Science Based Targets initiative (SBTi).

On October 1, 2020, Konecranes announced a merger with Cargotec to create a global leader in sustainable material flow. The completion of the Merger is subject to necessary merger control approvals having been obtained and other conditions to completion having been fulfilled. Until all merger closing conditions are met and the merger completed, both companies continue to operate fully separately and independently. The strategic and business rationale of the Future Company, as well as the preliminary financial ambitions, are available in the merger prospectus published on December 4, 2020.

Global leader in industrial lifting, port solutions and crane maintenance.

Earnings & dividend per share, EUR



1. Leader in technology

- Own key componentry: gears, motor and controls enable optimized design, smarter features and better reliability.
- Digitalized product offering for improved safety and productivity.
- Access to massive data streams and real-time connectivity enables preventive and predictive maintenance solutions for highest lifecycle value.

2. Strong market position in all Business Areas

- Our global service branch network is unique in the industry. There is limited global or regional competition in industrial crane maintenance.
- Our family of leading brands secures our position as the global market leader in industrial cranes.
- We rank #1–3 in the market in all product categories for ports and container terminals.

3. Attractive opportunities for growth

- Significant growth potential in Service with the expansion of Konecranes' unparalleled service offering to Demag's as well as third-party installed base.
- Cross-promotion through enhanced product offering for ports, now covering the full range of equipment, software, automation solutions and service.

4. Target for 11% Group adjusted EBITA margin

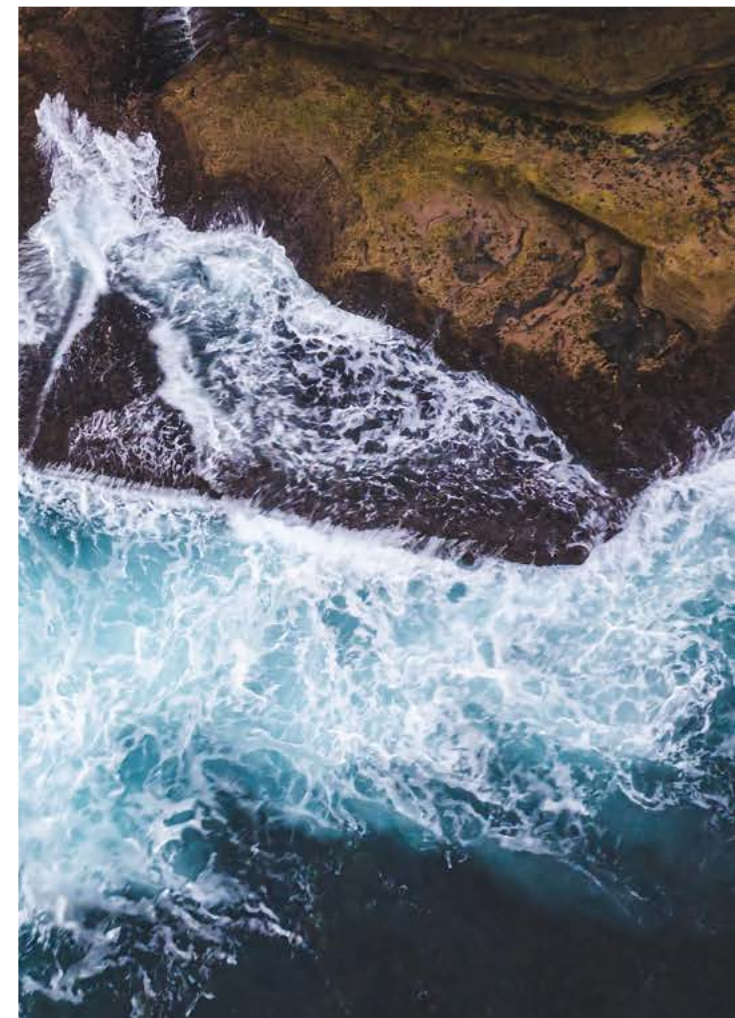
- Margin expansion driven by cost savings and efficiency improvements particularly in Business Area Industrial Equipment.
- Improved operating leverage especially in Business Area Service.

5. Solid financial position and dividend

- Healthy balance sheet, providing a good base for long-term development and growth.
- Until 2019, Konecranes always maintained or increased its dividend. The Board's dividend proposal of EUR 0.88 per share for the year 2021 is unchanged from the dividend for the year 2020 and is in accordance with the Combination Agreement, as disclosed in the Merger Prospectus released on December 4, 2020.
- For the 2006–2021 period (including 2021 proposal), the average dividend pay-out ratio was 84 percent of earnings.

6. Strong long-term commitment to sustainability

- We make lifting and material flows more productive and sustainable and work for a decarbonized and circular world for our customers and society.
- We systematically focus on reducing our carbon footprint and charting emissions from our supply chain as well as from the products and solutions provided for our customers.
- We are committed to reach SBTi 1.5°C target. We reduce absolute Scope 1 and 2 emissions as well as emissions from purchased goods and services and use of sold products by 50% by 2030.
- We are also committed to run our factories with 100% renewable electricity by the end of 2022.



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