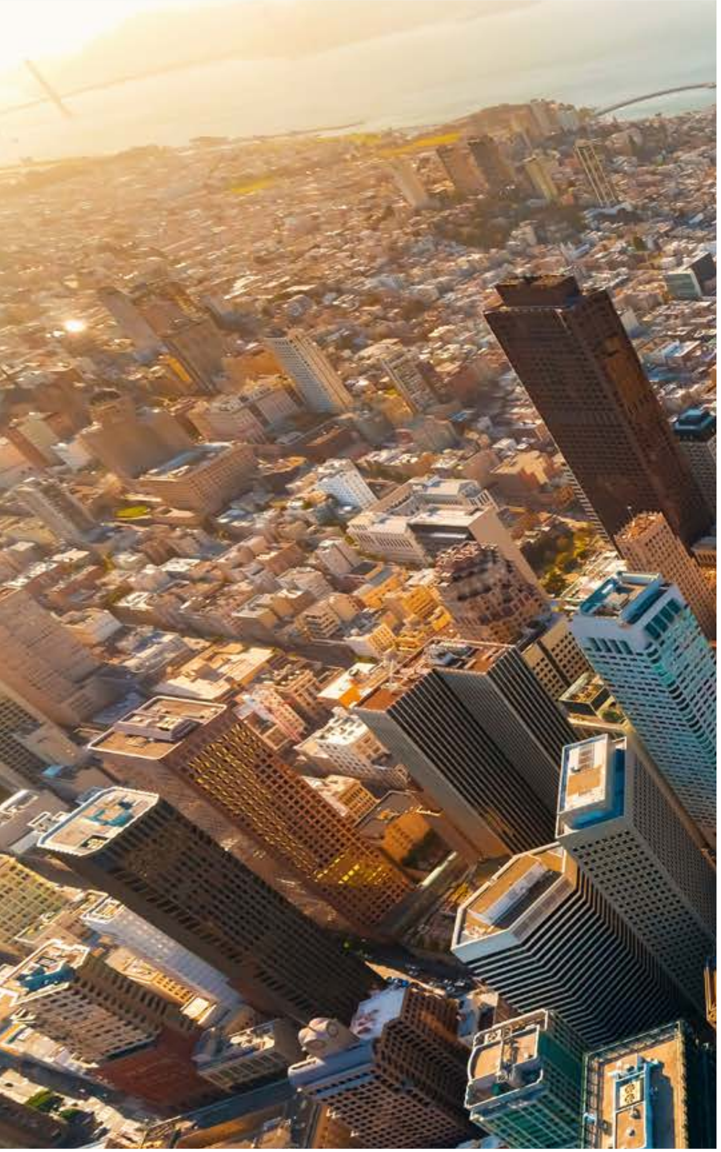
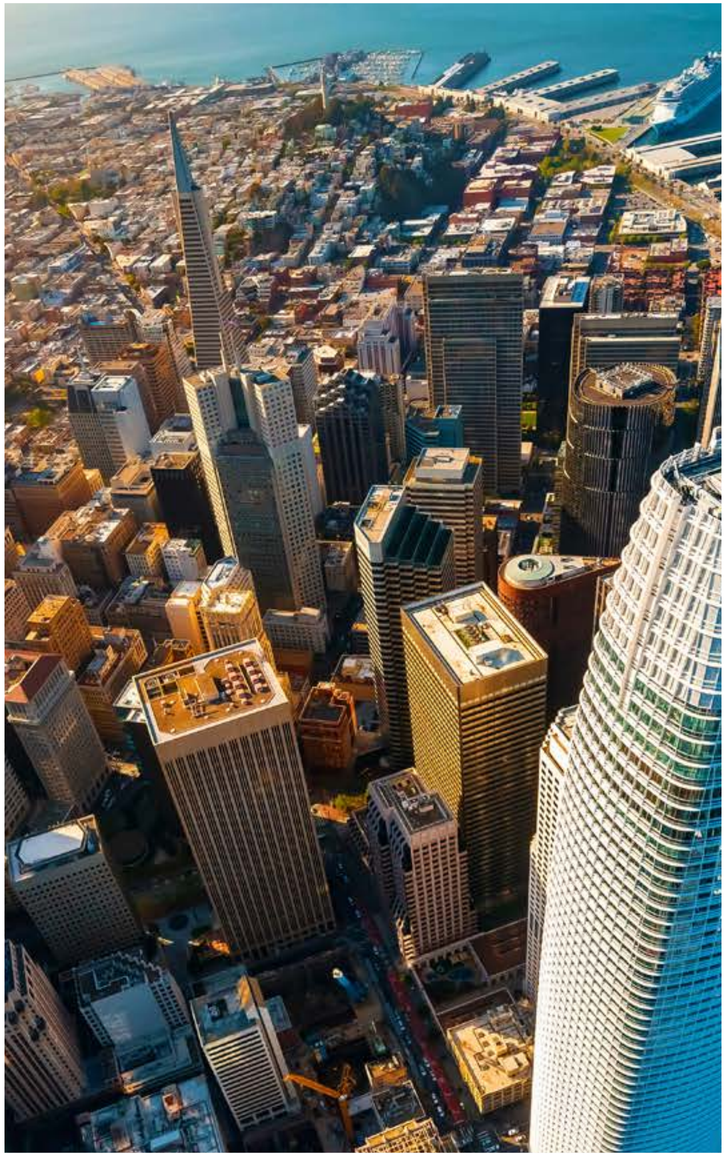




GOVERNANCE AND FINANCIAL REVIEW 2021

Consolidated statement of income – IFRS

(1,000,000 EUR)		Jan 1–Dec 31 2021	Jan 1–Dec 31 2020
Note:			
3,5,6	**Sales**	**3,185.7**	**3,178.9**
	Other operating income	11.3	10.7
7	Materials, supplies and subcontracting	-1,413.0	-1,473.0
7,8	Personnel cost	-1,023.5	-993.5
9	Depreciation and impairments	-120.1	-130.0
7	Other operating expenses	-420.4	-419.3
	Operating profit	**220.0**	**173.8**
4,16	Share of associates' and joint ventures' result	0.3	21.2
10	Financial income	28.6	38.6
10	Financial expenses	-56.4	-63.2
	Profit before taxes	**192.5**	**170.4**
11	Taxes	-45.1	-47.5
	PROFIT FOR THE PERIOD	**147.4**	**122.9**
	Profit for the period attributable to		
	Shareholders of the parent company	146.9	122.2
	Non-controlling interest	0.5	0.7
12	Earnings per share, basic (EUR)	1.86	1.54
12	Earnings per share, diluted (EUR)	1.85	1.54

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(1,000,000 EUR)		Jan 1–Dec 31 2021	Jan 1–Dec 31 2020
Note:			
	Profit for the period	**147.4**	**122.9**
	Items that can be reclassified into profit or loss		
34	Cash flow hedges	-11.0	8.1
	Exchange differences on translating foreign operations	22.8	-15.8
11.3	Income tax relating to items that can be reclassified into profit or loss	2.2	-1.6
	Items that cannot be reclassified into profit or loss		
28	Re-measurement gains (losses) on defined benefit plans	17.6	-18.8
11.3	Income tax relating to items that cannot be reclassified into profit or loss	-5.8	5.9
	Other comprehensive income for the period, net of tax	**25.8**	**-22.2**
	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**173.2**	**100.7**
	Total comprehensive income attributable to:		
	Shareholders of the parent company	172.6	100.4
	Non-controlling interest	0.6	0.3

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated balance sheet – IFRS

ASSETS

(1,000,000 EUR)		Dec 31, 2021	Dec 31, 2020
Note:			
	Non-current assets		
13	Goodwill	1,022.1	1,016.7
14	Intangible assets	503.1	536.0
15	Property, plant and equipment	339.3	341.8
	Advance payments and construction in progress	10.9	20.0
16	Investments accounted for using the equity method	6.8	6.5
	Other non-current assets	0.8	0.8
17	Deferred tax assets	120.2	118.9
	Total non-current assets	**2,003.2**	**2,040.7**
	Current assets		
18	Inventories	726.4	644.8
19	Accounts receivable	492.1	489.2
20	Other receivables	28.1	30.9
	Income tax receivables	16.2	13.4
6	Contract asset arising from percentage of completion method	161.3	102.3
32	Other financial assets	3.6	21.2
21	Deferred assets	94.2	82.1
22	Cash and cash equivalents	320.7	591.9
	Total current assets	**1,842.6**	**1,975.8**
	TOTAL ASSETS	**3,845.8**	**4,016.5**

EQUITY AND LIABILITIES

(1,000,000 EUR)		Dec 31, 2021	Dec 31, 2020
Note:			
	Equity attributable to equity holders of the parent company		
	Share capital	30.1	30.1
	Share premium	39.3	39.3
	Paid in capital	752.7	752.7
34	Fair value reserves	-2.7	6.0
	Translation difference	11.0	-11.6
	Other reserve	65.7	58.0
	Retained earnings	308.4	245.3
	Net profit for the period	146.9	122.2
23	**Total equity attributable to equity holders of the parent company**	**1,351.4**	**1,242.0**
16	Non-controlling interest	9.2	9.1
	Total equity	**1,360.6**	**1,251.1**
	Non-current liabilities		
26,27,32	Interest-bearing liabilities	447.1	859.7
28	Other long-term liabilities	289.0	306.4
24	Provisions	20.7	18.4
17	Deferred tax liabilities	142.6	143.6
	Total non-current liabilities	**899.4**	**1,328.1**
	Current liabilities		
26,27,32	Interest-bearing liabilities	418.0	311.1
6	Advance payments received	344.7	352.3
	Accounts payable	255.4	201.6
24	Provisions	105.4	142.6
25	Other short-term liabilities (non-interest-bearing)	53.2	61.2
32	Other financial liabilities	16.9	5.5
	Income tax payables	23.0	18.5
	Accrued costs related to delivered goods and services	178.3	165.3
25	Accruals	190.9	179.2
	Total current liabilities	**1,585.8**	**1,437.3**
	Total liabilities	**2,485.2**	**2,765.4**
	TOTAL EQUITY AND LIABILITIES	**3,845.8**	**4,016.5**

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity – IFRS

	Equity attributable to equity holders of the parent company									
(1,000,000 EUR)	**Share capital**	**Share premium account**	**Paid in capital**	**Cash flow hedges**	**Translation difference**	**Other reserve**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
Balance at January 1, 2021	**30.1**	**39.3**	**752.7**	**6.0**	**-11.7**	**58.0**	**367.6**	**1,242.0**	**9.1**	**1,251.1**
Dividends paid to equity holders							-69.6	-69.6	-0.2	**-69.8**
Equity-settled share based payments (note 29)						7.7	0.0	7.7		**7.7**
Acquisitions							-1.3	-1.3	-0.3	**-1.6**
Profit for the period							146.9	146.9	0.5	**147.4**
Other comprehensive income				-8.7	22.6		11.8	25.7	0.1	**25.8**
Total comprehensive income				-8.7	22.6		158.7	172.6	0.6	**173.2**
Balance at December 31, 2021	**30.1**	**39.3**	**752.7**	**-2.7**	**10.9**	**65.7**	**455.4**	**1,351.4**	**9.2**	**1,360.6**
Balance at January 1, 2020	**30.1**	**39.3**	**752.7**	**-0.5**	**3.7**	**58.8**	**353.4**	**1,237.5**	**9.2**	**1,246.7**
Dividends paid to equity holders							-95.0	-95.0	-0.3	**-95.3**
Equity-settled share based payments (note 29)						-0.8	0.0	-0.8		**-0.8**
Acquisitions							-0.1	-0.1	-0.1	**-0.2**
Disposals							0.0	0.0	0.0	**0.0**
Profit for the period							122.2	122.2	0.7	**122.9**
Other comprehensive income				6.5	-15.4		-12.9	-21.8	-0.4	**-22.2**
Total comprehensive income				6.5	-15.4		109.3	100.4	0.3	**100.7**
Balance at December 31, 2020	**30.1**	**39.3**	**752.7**	**6.0**	**-11.7**	**58.0**	**367.6**	**1,242.0**	**9.1**	**1,251.1**

Consolidated cash flow statement – IFRS

Note	(1,000,000 EUR)	Jan 1–Dec 31 2021	Jan 1–Dec 31 2020
Note:			
	Cash flow from operating activities		
	Profit for the period	147.4	122.9
	Adjustments to net profit for the period		
	Taxes	45.1	47.5
	Financial income and expenses	27.8	24.6
	Share of associates' and joint ventures' result	-0.3	-21.2
	Depreciation and impairments	120.1	130.0
	Profits and losses on sale of fixed assets	-4.2	-2.2
	Other adjustments	10.1	0.8
	Operating income before change in net working capital	**346.0**	**302.4**
	Change in interest-free current receivables	-28.0	115.7
	Change in inventories	-65.3	42.4
	Change in interest-free current liabilities	-5.7	-33.1
	Change in net working capital	**-99.0**	**125.0**
	Cash flow from operations before financing items and taxes	**247.0**	**427.4**
10	Interest received	13.1	21.9
10	Interest paid	-28.1	-36.8
10	Other financial income and expenses	-16.2	20.7
11	Income taxes paid	-47.4	-26.1
	Financing items and taxes	**-78.6**	**-20.3**
	NET CASH FROM OPERATING ACTIVITIES	**168.4**	**407.1**

Note	(1,000,000 EUR)	Jan 1–Dec 31 2021	Jan 1–Dec 31 2020
Note:			
	Cash flow from investing activities		
4	Acquisition of Group companies, net of cash	0.0	-124.1
	Capital expenditures	-40.5	-43.8
	Proceeds from sale of property, plant and equipment and other	9.8	2.8
	NET CASH USED IN INVESTING ACTIVITIES	**-30.7**	**-165.1**
	Cash flow before financing activities	**137.7**	**242.0**
	Cash flow from financing activities		
	Proceeds from non-current borrowings	0.0	151.8
	Repayments of non-current borrowings	-5.6	-5.4
	Repayments of lease liability	-42.6	-42.5
	Proceeds from (+), payments of (-) current borrowings	-296.4	-20.0
	Change in loans receivable	-1.0	-1.0
	Acquired non-controlling interest	-1.6	0.0
	Dividends paid to equity holders of the parent company	-69.6	-95.0
	Dividends paid to non-controlling interests	-0.2	-0.3
	NET CASH USED IN FINANCING ACTIVITIES	**-417.0**	**-12.4**
	Translation differences in cash	8.1	-15.9
	CHANGE OF CASH AND CASH EQUIVALENTS	**-271.2**	**213.7**
	Cash and cash equivalents at beginning of period	591.9	378.2
22	Cash and cash equivalents at end of period	320.7	591.9
	CHANGE OF CASH AND CASH EQUIVALENTS	**-271.2**	**213.7**

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 year.

The accompanying notes form an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

1. Corporate information

Konecranes Plc ("Konecranes Group" or "the Group") is a Finnish public limited company organized under the laws of Finland and domiciled with its principal place of business 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 reportable segments, which it calls Business Areas: Business Area Service, Business Area Industrial Equipment and Business Area Port Solutions.

2. Accounting principles

2.1. Basis of preparation

The consolidated financial statements of Konecranes Plc have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The consolidated financial statements have been prepared on a historical cost basis, except for items that are required by IFRS to be measured at fair value, principally certain financial instruments.

The 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.

Due to the rounding, some totals might differ from the sum of individual figures as calculations are done originally in thousands of euros.

The financial statements were approved for issuance by the Board of Directors on February 2, 2022.

Principles of consolidation

The consolidated financial statements comprise the consolidated balance sheet of Konecranes Plc and its subsidiaries as at December 31, 2021 and 2020 and the consolidated statements of income and cash flows for the periods ended December 31, 2021 and 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that majority of voting rights result in control. To support this presumption and when the Group has less than majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associates and joint ventures are accounted for using the equity method. Under this method, the consolidated financial statements show the Group's investment in and share of net assets of the associate or joint venture. Any premium over net assets paid to acquire an interest in an associate or joint venture is recognized as goodwill within the same line as the underlying investment. The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss as share of profit of an associate and a joint venture in the statement of profit or loss.

2.2. Use of estimates and judgments

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 the Company assess 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. Changes in estimates and assumptions are recognized in the financial period the estimate or assumption is changed.

The most important items in the consolidated financial statements, which require management's estimates and that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change are impairment testing, recognition of deferred taxes, measurement of the fair value of assets and actuarial assumptions in defined benefit plans, and percentage of completion revenue recognition in long term projects.

Impairment testing

The recoverable amount for goodwill has been determined based on value in use of the relevant cash generating unit to which the goodwill is allocated. The recoverable amounts of all material intangible assets and property, plant and equipment have also been based on their value in use. The impairment testing of goodwill is based on numerous judgmental estimates of the present value of the cash flows which effect the valuation of the cash generating units (CGU) pertaining to the goodwill. Cash flow forecasts are made based on CGU specific historical data, order book, the current market situation and industry specific information of the future growth possibilities. These assumptions are reviewed annually as part of management's budgeting and strategic planning cycles and can be subject to significant adjustment as arising from the development of the global economy, pressure from competitors' products as well as changes in raw material prices and operating expenses. The value of the benefits and savings from the efficiency improvement programs already announced and included in certain cash flow estimates are also subjective and based on management's best estimate of the impact. The fair value of the CGUs is determined using a derived weighted average cost of capital as the rate to discount estimated future cash flows. The discount rate used may not be indicative of actual rates obtained in the markets in the future. See note 13.

Business Combinations

Acquisitions of subsidiaries are accounted for using the acquisition method according to which the acquired company's identifiable assets, liabilities and contingent liabilities are measured at fair value on the date of acquisition. The excess of the consideration transferred for the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recorded as goodwill. The measurement of fair value of the acquired net assets is based on market value of similar assets (property, plant and equipment), or an estimate of expected cash flows (intangible assets). The valuation, which is based on prevailing repurchase value, expected cash flows or estimated sales price, requires management judgement, estimates and assumptions. See note 4.

Recognition of deferred taxes

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible or in which tax losses can be utilized. The tax effect of unused tax losses is recognized as a deferred tax asset when it becomes probable that the tax losses will be utilized. In making assessments regarding deferred tax assets, management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies. The actual current tax exposure is estimated together with assessing temporary differences resulting from differing treatment of items, such as depreciation, provisions and accruals, for tax and accounting purposes. When recording the deferred tax assets judgment have been based on the estimates of the taxable income in each subsidiary and country in which Konecranes operates, and the period over which the deferred tax assets will be recoverable based on the estimated future taxable income and planned tax strategies to utilize these assets. The amount of deferred tax assets considered realizable could however be reduced in subsequent years if estimates of future taxable income during their carry forward periods are reduced, or rulings by the tax authorities are unfavourable. Estimates are therefore subject to change due to both market related and tax authorities related uncertainties, as well as Konecranes' own future decision matters such as restructuring. Konecranes is unable to accurately quantify the future adjustments to deferred income tax expense that may occur as a result of these uncertainties. See note 17.

Actuarial assumptions in defined benefit plans

The net pension liability and expense for defined benefit plans is based on various actuarial assumptions such as the assumed discount rate, expected development of salaries and pensions and mortality rates. Significant differences between assumptions and actual experience, or significant changes in assumptions, may materially affect the pension obligations. The effects of actual results differing from assumptions and the changing of assumptions are included in Remeasurement gains/loss on defined benefit plans in other comprehensive income. Discount rates are determined annually based on changes in long-term, high quality corporate bond yields.

Decreases in the discount rates results in an increase in the defined benefit obligation and in pension costs. Conversely, an increase in the discount rate results in a decrease in the defined benefit obligation and in pension costs. Increases and decreases in mortality rates have an inverse impact on the defined benefit obligation and pension costs. Increases and decreases in salary and pension growth rates have a direct correlating impact on the defined benefit obligation and pension costs.

The assumed discount rate, which is based on rates observed at the end of the preceding financial year, may not be indicative of actual rates realized. The actual development for salaries and pensions may not reflect the estimated future development due to the uncertainty of the global economy and various other factors. Konecranes uses generational mortality tables to estimate probable future mortality improvements. These tables assume that the trend of increasing life expectancy will continue, resulting in pension benefit payments to younger members being likely to be paid for longer time periods than older members' pensions, given that assumed retirement ages are those defined in the rules of each plan.

The funded status, which can increase or decrease based on the performance of the financial markets or changes in our assumptions, does not represent a mandatory short-term cash obligation. Instead, the funded status of a defined benefit pension plan is the difference between the defined benefit obligation and the fair value of the plan assets. See note 28.

Revenue recognition over time in long-term projects

Konecranes applies the percentage of completion method for recognizing revenue over time from certain long-term large crane projects and modernizations in accordance with IFRS 15 Revenue Recognition. The percentage of completion is based on the cost-to-cost method. Under this method, progress of contracts is measured by actual costs incurred in relation to management's best estimate of total estimated costs at completion, which are reviewed and updated routinely for contracts in progress. The cumulative effect of any change in estimate is recorded in the period in which the change in estimate is determined.

The percentage-of-completion method of accounting involves the use of assumptions and projections, principally relating to future material, labor and project-related overhead costs. As a consequence, there is a risk that total contract costs will exceed those originally estimated and the margin will decrease, or the contract may become unprofitable. This risk increases as the duration of a contract increases because there is a higher probability that the circumstances upon the estimates were originally based will change, resulting in increased costs that may not be recoverable. Factors that could cause costs to increase include: unanticipated technical problems with equipment supplied or developed by us which may require us to incur additional costs to remedy, changes in the cost of components, materials or labour, project modifications creating unanticipated costs, suppliers' or subcontractors' failure to perform, and delays caused by unexpected conditions or events. By recognizing changes in estimates cumulatively, recorded revenue and costs to date reflect the current estimates at the stage of completion for each project. Additionally, losses on long-term contracts are recognized in the period when they are identified and are based upon the anticipated excess of contract costs over the related contract revenues.

COVID-19

The impact of the COVID-19 pandemic on estimates in the financial reporting rely on management's best judgement. The Group has assessed the impact of COVID-19 to goodwill, other intangible and tangible assets as part of the impairment testing process, defined benefit plans, valuation of inventory, recoverability of deferred tax assets and collectability of account receivables as part of the regular reporting process.

Significant judgement has been used for the cash flows used for calculation of recoverable amounts of cash generating units in impairment testing. The financial impact of the COVID-19 outbreak will depend on the duration and severity of the virus in different geographical areas. Therefore, estimates and assumptions for market development, growth, and other significant factors used in the impairment testing are based on management's best estimates under the current circumstances. See note 13.

Konecranes reviews and estimates its customer credit risks related to accounts receivable and ongoing projects as part of normal reporting process. Provision for doubtful accounts has been prepared based on the historical credit loss pattern, but it is also adjusted case by case with forward-looking risk positions. There has not been any significant change in payment delays related to customer receivables, but credit risks might increase in case the COVID-19 pandemic continues still for longer period. To limit this risk, the Group applies a conservative credit policy towards customers. It is Konecranes' practice to review customers carefully before entering formal business relationships and to require credit reports from new customers. Customer credit risks are mitigated with advance payments, letters of credits, payment guarantees and credit insurance where applicable. See note 19.

Although COVID-19 has impacted the delays in deliveries and has led to some increase in inventory levels, Konecranes does not see material increase of the risk for obsolete inventory values. There have not been major order cancellations, but rather the orders and deliveries have been postponed. The risks related to work in progress and contract assets are also mitigated with advance payments collected from customers. The risk of excess inventories has also been limited through efficient demand-supply balancing.

2.3. Summary of significant accounting policies

Revenue recognition

Revenue is recognized at an amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer and to the extent that it is probable that the economic benefits will flow to the Company, that revenue can be reliably measured, and that collectability is reasonably assured. Revenue is measured at the fair value of the consideration received or receivable. The creditworthiness of the buyer is assessed before engaging into a sale. However, if a risk of non-payment arises after revenue recognition, a provision for non-collectability is established.

The company recognizes revenue when it satisfies an identified performance obligation by transferring promised goods or service to the customer. Goods and services are generally considered to be transferred when the customer obtains the control to it. Control means that the customer can direct the use of and obtain benefit from the good and service and also prevent others from directing the use of and receiving the benefits from them. Thus, customer has sole possession of the right to use the good or service for the remainder of its economic life or to consume the good or service in its own operations.

The transaction price is usually fixed but may also include variable considerations such as volume or cash discounts or penalties. Variable consideration is included in the revenue only to the extent that it is highly probable that the amount will not be subject of significant reversal when the uncertainty is resolved. The variable considerations are estimated using the most likely value method if not yet realized in the end of the reporting period. If the contract is separated in to more than one performance obligation, Konecranes allocates the total transaction price to each performance obligation based on the estimated relative standalone selling prices of the promised goods or services in each performance obligation or if the standalone selling prices do not exist, Konecranes typically uses the expected cost plus a margin approach to estimate the standalone selling price.

Nature of goods and services and timing of satisfaction of performance obligations and significant payment terms

Service segment principally generates revenue from providing maintenance and consultative services as well as spare parts for all types and makes of industrial cranes and hoists. Service also provides modernizations which are complete transformations of existing cranes as an alternative to replacing them. Revenue from services is recognized when the outcome of the transaction can be estimated reliably and by customer acknowledgement for the completion of the service work or by reference to the stage of completion based on services performed at the end of the reporting period if it can be measured. The assessment of the stage of completion is dependent on the nature of the contract but will generally be based on costs incurred to the extent these relate to services performed up to the reporting date. In modernization projects, typically the customer controls the asset that is enhanced, thus the revenue is recognized over time according to the percentage of completion method. In spare parts business, the transfer of control and revenue recognition usually takes place either when goods are shipped or made available to the buyer for shipment, depending on the terms of the contract or when the customer has accepted the delivery. Usually customers pay according to agreed payment terms after the services and products have been delivered. Sometimes it is required that the payment is done in advance. In these cases, for example in annual maintenance contracts, the payment is periodized to meet the revenue recognition in accordance with the delivery of services and goods. In modernization projects, the customers are typically required to make advance payments according to the milestones defined in the modernization project contract.

Industrial Equipment segment generates revenue from hoists, cranes and material handling solutions for a wide range of customers. For standard equipment and components, the revenue is recognized when goods are shipped or made available to the buyer for shipment, depending on the terms of the contract or when the customer has accepted the delivery, which is typically an installed crane. The revenue from large, engineered crane projects is recognized over time according to the percentage of completion (POC) method, as those contracts are specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use. Konecranes is then also entitled to an amount that at least compensates the entity for performance completed to date even if the customer can terminate the contract for the reasons other than our failure to perform as promised. In general, the warranty period for cranes is two years for which Group records a warranty provision based on historical data. The revenue for extended warranty is recognized over the extended warranty period. In crane projects, the customers are typically required to make advance payments in accordance with the milestones defined in the crane project contract.

Port Solutions segment generates revenue from container handling equipment, shipyard equipment, mobile harbor cranes, heavy-duty lift-trucks and Port Solution related software. All equipment deliveries are supported by a complete range of services. Most of the container handling and shipyard equipment are tailored and engineered to the customer needs, so the revenue from these projects is recognized over time according to the percentage of completion (POC) method, as those contracts are specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use. Konecranes is then also entitled to an amount that at least compensates the entity for performance completed to date even if the customer can terminate the contract for the reasons other than our failure to perform as promised. The revenue of lift trucks and standard ports equipment is recognized when goods are shipped or made available to the buyer for shipment, depending on the terms of the contract or when the customer has accepted the delivery. The general warranty period for ports equipment differs to some extent depending on the components used in the projects. For general warranty, the Group records a warranty provision based on historical data. The revenue for possible extended warranty is recognized over the extended warranty period. In Port Solutions projects, the customers are typically required to make advance payments according to the milestones defined in the project contract.

Measurement of stage of completion for performance obligations satisfied over time
The stage of completion of a contract is determined by the proportion that the contract costs incurred for the work performed to date bear to the estimated total contract costs (cost-to-cost method) at completion. This depicts best the transfer of control to the customer, which occurs as we incur costs on our contracts. When the final outcome of a project cannot be reliably determined, the costs arising from the project are expensed in the same reporting period in which they occur, but the revenue from the project is recorded only to the extent that the Group will receive an amount corresponding to actual costs. An expected loss on a contract is recognized immediately in statement of income.

Revenue in respect of variations to the contract scope and claims is recognized when it is probable that it will be received and is capable of being measured reliably.

Research and development costs
Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to reliably measure the expenditure during development.

Amortization of capitalized development costs begins when the development is complete and the asset is available for use.

Adjusted EBITA (alternative performance measure)
The Group uses adjusted EBITA as alternative performance measure to reflect the underlying business performance and to enhance comparability between financial periods. It is frequently used by management, analysts and investors. Adjusted operating profit before amortization and impairment of purchase price allocations (a non-GAAP measure) represents earnings from continuing operations before income taxes (a GAAP measure), excluding restructuring, transaction and restructuring related asset impairment costs as well as other adjusting items, amortization and impairment of purchase price allocations and financial income and expense. Alternative Performance measures should not be considered as a substitute for measures of performance in accordance with the IFRS. See also note 3.

Earnings per share

Basic earnings per share are computed by dividing net income from continuing operations and net income from discontinued operations all attributable to ordinary shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share are calculated by assuming conversion or exercise of all potentially dilutive share-based payment plans.

Dividend distribution

The company recognizes a liability to make dividend distributions to equity holders when the distribution is approved by the shareholders. A corresponding amount is recognized directly in equity.

Employee benefits

Konecranes companies have various pension plans in accordance with local conditions and practices. Pensions are generally managed for the Group companies by outside pension insurance companies or by similar arrangements. These pension plans are classified either as defined contribution or defined benefit plans. Under defined contribution plans, expenses are recognized for the period the contribution relates to. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The Konecranes Group accounts for the Finnish system under the Employees' Pensions Act (TyEL) within insurance system as a defined contribution plan.

Under defined benefit plans, a liability recognized in the balance sheet equals to the net of the present value of the defined benefit obligation (calculated using the Projected Unit Credit Method) less the fair value of the plan assets at the balance sheet date. Actuarial gains and losses are recognized in the consolidated statement of other comprehensive income as remeasurement items when they occur. Remeasurement recorded in other comprehensive income is not recycled. Past service cost is recognized in the statement of profit or loss in the period of plan amendment. Net interest is calculated by applying the discount rate to the net defined liability or asset. Independent actuaries calculate the defined benefit obligation by applying the Projected Unit Credit Method. The Group presents service cost, past-service cost, gains and losses on curtailments and settlements and net interest expense or income as Personnel cost – Pension costs: Defined benefit plans in the statement of income (see Note 8).

A liability for termination benefit is recognized at the earliest when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Share-based payments

Employees (including senior executives) of the Group and its subsidiaries receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions) or receive settlement in cash (cash-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in other reserves in equity, over the period in which the performance and/or service conditions are fulfilled in Personnel cost – Other personnel expense in the statement of income. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recorded in the statement of income for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

The tax laws or regulations usually obliges Konecranes to withhold an amount for an employee's tax obligation associated with a share-based payment and transfer that amount, normally in cash, to the tax authority on the employee's behalf. To fulfil this obligation, the terms of the share-based payment arrangement permits Konecranes to withhold the number of equity instruments equal to the monetary value of the employee's tax obligation from the total number of equity instruments that otherwise would have been issued to the employee upon vesting of the share-based payment. This share-based payment arrangement with a net settlement feature is classified in its entirety as an equity-settled share-based payment transaction and the payment made shall be accounted for as a deduction from equity for the shares withheld.

Cash-settled transactions

The cost of cash-settled transactions, which is usually related to the additional employee social cost or taxes of the share-based payments, is measured initially at fair value at the grant date using a binomial model. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognized in Personnel cost – Other personnel expenses in the statement of income (see Note 8).

Foreign currency translation

The Group's consolidated financial statements are reported in euros, which is the Group's presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized by the Group entities at their respective functional currency rates prevailing at the date of the transaction. At the end of each reporting period, foreign currency monetary items are retranslated at the functional currency spot exchange rate in effect at the reporting date. The resulting foreign currency exchange differences are recorded in the statement of income with the exception of differences that arise on monetary items that provide an effective hedge for a net investment in a foreign operation (such as intragroup loans where settlement is neither planned nor likely to occur in the foreseeable future). These are recognized in other comprehensive income until the disposal of the net investment, at which time they are recognized in the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Foreign operations

The assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their income statements are translated at average exchange rates for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the income statement.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Income tax

Taxes shown in the consolidated statement of income include income taxes to be paid on the basis of local tax legislations, tax adjustments from previous years as well as the effect of the annual change in the deferred tax balances. Taxes are calculated using rates enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities and deferred tax assets are calculated on all temporary differences arising between the tax basis and the book value of assets and liabilities. Deferred tax is not recognized for non-deductible goodwill on initial recognition and temporary differences in investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. The main temporary differences arise from unused tax losses, depreciation differences, provisions, defined benefit pension plans, inter-company inventory margin and derivative financial instruments. In connection with an acquisition, the Group records provisions for deferred taxes on the difference between the fair values of the net assets acquired and their tax bases. A deferred tax asset is recognized to the extent that it is probable that it can be utilized.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method according to which the acquired company's identifiable assets, liabilities and contingent liabilities are measured at fair value on the date of acquisition. The excess of the consideration transferred for the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recorded as goodwill. For each acquisition, the non-controlling interest in the acquiree, if any, can be recognized either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. If the purchase consideration is less than the fair value of the Group's share of the net assets acquired, the difference is recognized directly through the profit and loss. Direct acquisition transaction costs are expensed as incurred.

Assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a disposal rather than through the continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate disposal in its present condition. Actions required to complete the disposal should indicate that it is unlikely that significant changes to the disposal will be made or that the decision to dispose will be withdrawn. Management must be committed to the disposal expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Intangible assets

Intangible assets include service contracts, patents and trademarks as well as software licenses and implementation costs. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets with definite useful life are amortized on the straight-line basis over expected useful lives, which may vary from 5 to 20 years with service contracts and patents and trademarks and from 4 to 7 years with software licenses. They are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets with indefinite useful life are not amortized, but they are tested annually for impairment in a manner equivalent to that for testing goodwill. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Impairment testing of goodwill

Goodwill acquired in a business combination is tested for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. If the carrying amount for a CGU exceeds its recoverable amount, an impairment loss equal to the difference is recognized. Konecranes uses a discounted cash flow analysis to assess the fair value of goodwill. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations cover a period of five years. A previously recognized impairment loss on goodwill is not reversed even if there is a significant improvement in circumstances having initially caused the impairment.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Depreciation is recorded on a straight-line basis over the estimated useful economic life of the assets as follows:

- Buildings 10–40 years
- Machinery and equipment 3–10 years

No depreciation is recorded for land.

Improvements made for existing property, plant and equipment that will provide future economic benefit are capitalized and depreciated over the remaining useful life of the asset.

For leased right-of-use assets, please see the accounting principles section for leases.

Impairment of assets subject to amortization and depreciation

The carrying values of intangible assets subject to amortization, property, plant and equipment and investments in associates and joint ventures are reviewed for impairment whenever events and changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such an indication exists, the recoverable amount of the assets will be estimated.

The recoverable amount is the higher of the assets fair value less selling costs and value in use which is the present value of the cash flows expected from the asset's use and eventual disposal. An impairment loss is recognized in the statement of income when the recoverable amount of an asset is less than its carrying amount. Impairment losses on these assets are reversed if their recoverable amounts subsequently increase.

Valuation of inventories

Raw materials and supplies are valued at the acquisition cost or, if lower, at the net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Semi-manufactured goods are valued at variable production costs including a share of production overheads based on normal capacity. Work in progress of uncompleted orders includes direct labor and material costs, as well as a proportion of overhead costs related to production and installation. Raw materials and supplies are valued using the first-in, first-out (FIFO) basis or weighted average cost. The inventory stock obsolescence provision is based on the best estimate of slow-moving and obsolete inventory at the balance sheet date. The estimates are based on frequent review and evaluation of inventory ageing and composition.

Account and other receivables

Account and other receivables are initially recorded at fair value after which they are subsequently measured at amortized cost. Account receivables represent the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). The provision for doubtful accounts is estimated based on the Group's historical credit loss experience adjusted with current conditions and reasonable and supportable forecasts about the future. The effect is recognized in the statement of income.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with banks and other liquid investments with original maturities of three months or less. Bank overdrafts are included in current interest-bearing liabilities.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability. Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Konecranes' assumptions about pricing by market participants.

Derivative financial instruments and hedge accounting

The Group's global operations expose it to currency risk and to a lesser extent interest rate risk.

The Group uses derivative financial instruments, primarily forward contracts and interest rate swaps, to hedge its risks associated with foreign currency fluctuations relating to certain commitments and forecasted transactions and interest rate risks. Derivative financial instruments are used for hedging purposes in accordance with the Group's hedging policy and not for speculative purposes. These instruments are initially recognized at fair value at the derivative contract date and are re-measured to fair value at subsequent reporting dates. Derivatives are presented as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For certain large crane projects, the Group applies hedge accounting. The Group designates hedges of the foreign currency risk of firm commitments and highly probable forecasted transactions to a cash flow hedge. Changes in the fair value of derivative financial instruments that are designated as effective hedges of future cash flows are recognized directly in other comprehensive income, while the ineffective portion is recognized immediately in the income statement. See note 34.

Amounts recognized as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in the other comprehensive income is transferred to profit or loss for the period.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the statement of income as they arise.

The Group does not apply fair value hedging.

Financial assets

Financial assets are classified as financial assets at fair value through profit or loss; financial assets at fair value through OCI; or financial assets at amortized cost. Financial assets are classified according to their cash flow characteristics and the business model they are managed in and accounted for at settlement date. They include account and other receivables, interest bearing investments and derivative financial instruments. The measurement of financial assets depends on their classification, as follows:

Financial assets at amortized cost

Account receivables and other receivables are recognized at their anticipated realizable value, which is the original invoice amount less an estimated provision for doubtful accounts for impairment. The increase in the credit risk for financial assets measured at amortized cost is assessed at the end of the reporting period. The credit loss allowance is estimated based on the Group's historical credit loss experience adjusted with current conditions and reasonable and supportable forecasts about the future. The Group applies the simplified approach to record expected credit losses on its accounts receivable by using a provision matrix where accounts receivable is grouped based on different customer bases and different historical loss patterns.

Financial assets at fair value through statement of income

Interest-bearing investments, which are non-derivative financial assets and have fixed or determinable payments and are not quoted on active markets, are measured at fair value through the statement of income. This category also includes derivatives that are not qualifying for hedge accounting.

Financial assets at fair value through other comprehensive income

Derivatives that are qualifying for hedge accounting are classified as financial assets at fair value through other comprehensive income. The treatment of gains and losses arising from revaluation is described above in the accounting policy for derivative financial instruments and hedge accounting.

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss; financial liabilities at fair value through other comprehensive income; or as financial liabilities measured at amortized cost, as appropriate. Financial liabilities include trade and other payables, finance debt and derivative financial instruments. The Group determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are carried on the balance sheet at fair value with gains or losses recognized in the income statement. Derivatives, other than those designated as effective hedging instruments, are classified as held for trading and are included in this category.

Financial liabilities at fair value through other comprehensive income

These financial liabilities are typically derivatives designated for hedge accounting and are carried on the balance sheet at fair value. The treatment of gains and losses arising from revaluation is described above in the accounting policy for derivative financial instruments and hedge accounting.

Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value. For interest-bearing loans and borrowings this is the fair value of the proceeds received net of issue costs associated with the borrowing. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest and other finance income and finance costs. This category of financial liabilities includes accounts payables and interest-bearing liabilities.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently existing, legally enforceable, unconditional right of offset that applies to all counterparties of the financial instruments in all situations, including both normal operations and insolvency.

Provisions

Provisions are recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event and it is considered probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions may arise from restructuring plans, onerous contracts, guarantees and warranties, among other events. Obligations arising from restructuring plans are recognized when the detailed and formal restructuring plans have been established, the personnel concerned have been informed and when there is a valid expectation that the plan will be implemented. The warranty provision is based on the history of past warranty costs and claims on delivered products under warranty. Additionally, warranty provisions can be established on a case by case basis to take into consideration the potentially increased risks.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e. asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, possible initial cost incurred, lease payments done before the commencement date and less any lease incentives received. The recognized right-of-use assets are mainly rentals of premises and vehicles, which are typically depreciated on a straight-line basis over the shorter of the lease term and estimated useful life of the asset. Right-of-use assets are subject to possible impairment.

Lease liabilities

At the commencement date of a lease the Group recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of the lease payments, the group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in lease term, a change in the fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption to equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as an expense over the lease term.

Judgment in determining the lease term
The Group has various lease agreements for office equipment, vehicles and premises with varying terms and renewal rights. The Group determines the lease term as the non-cancellable term of the lease together with any periods covered by an option to extend or early terminate the lease if it is reasonably certain to be exercised. The Group uses judgment especially for the use of extension options as well as when defining the lease term for open-end lease agreements, so that they are based on the business requirements, factors that create an economic incentive and real estimated useful life time of the underlying asset.

Cash flow statement
The cash flow statement has been prepared in accordance with the indirect method. In the cash flow statement, a distinction is made between cash flows from operating, investing and financing activities. Currency differences on cash and cash equivalents are recognized separately in the cash flow statement. Revenue and expenses for income tax are recognized under Cash flows from operating activities. Interest costs and interest revenues are recognized under Cash flows from operating activities. Cash flows as a result of the acquisition or disposal of financial interests (subsidiaries and interests) are recognized under Cash flows from investing activities, taking into account the cash, cash equivalents and repaid third party debts present in these interests. Dividends paid out, as well as obtained and repaid loans, are recognized under Cash flows from financing activities.

2.4. Application of new and amended IFRS standards and IFRIC interpretations
There were no relevant new or revised IFRSs that would have had impact on the reported figures and that Konecranes has adopted from January 1, 2021.

The relevant new or revised IFRSs that Konecranes has adopted from January 1, 2020 were the following:

Definition of a Business - Amendments to IFRS 3.
The definition of a business was amended to help entities determine whether an acquired set of activities and assets is a business combination or an asset acquisition. They clarify the minimum requirements for a business, remove the assessment of whether market participants can replace any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. The amendments did not have an impact on the consolidated financial statements of the Group.

Definition of Material - Amendments to IAS 1 and IAS 8.
The amendments were to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of financial statements make on the basis of those financial statements, which provide financial information about a reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. The amendments did not have an impact on the consolidated financial statements of the Group.

Konecranes did not use the relief in the Amendments to IFRS 16, Leases, COVID-19-Related Rent Concessions, which permit lessees not to assess whether eligible COVID-19 related rent concessions are lease modifications, and account for them as if they were not lease modifications.

Amendments to IFRS 9, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate. The amendments did not have an impact on the consolidated financial statements of the Group.

3. Segment information

For management purposes, the Group is organized into business units based on its products and services and had three reportable segments in 2021 and 2020, which it calls Business Areas: Business Area Service, Business Area Industrial Equipment and Business Area Port Solutions.

Business Area Service provides maintenance and installation services of industrial equipment, Business Area Industrial Equipment produces industrial cranes and their components to variety of industries and Business Area Port Solutions produces lifting equipment for ports and provides services for port equipment.

Some business units have been aggregated to form the above reportable operating segments due to the similar economic characteristics with respect to the nature of the production process, product type and class of customers for their products.

The above reportable segments are based on the Group's management reporting and organizational structure. Konecranes Group's chief operating decision maker is the Board of Directors.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. However, the performance of the investees accounted for using the equity method is evaluated using proportionate consolidation.

The assets and liabilities of the reportable segments include only items directly connected with the business as well as the goodwill related to them. Taxes and financial income and expenses are managed on Group level and are not allocated to segments.

Konecranes reports also three geographical areas, which are the main market areas: EMEA (Europe, Middle East and Africa), AME (Americas) and APAC (Asia-Pacific). Sales are reported by the customer location and assets and capital expenditure by the location of the assets.

3.1. Operating segments

	Service		Industrial Equipment		Port Solutions		Corporate functions and unallocated		Eliminations		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Sales												
Sales to external customers	1,161.3	1,148.4	960.2	973.8	1,064.3	1,056.0	0.0	0.8			**3,185.7**	**3,178.9**
Inter-segment sales	44.0	41.6	128.5	146.4	8.6	10.0	9.2	9.1	-190.3	-207.1	**0.0**	**0.0**
Total sales	**1,205.3**	**1,190.0**	**1,088.7**	**1,120.1**	**1,072.9**	**1,066.0**	**9.2**	**9.9**	**-190.3**	**-207.1**	**3,185.7**	**3,178.9**
Adjusted EBITA	222.4	205.2	38.0	25.4	79.9	59.7	-28.1	-29.6	0.0	0.0	**312.2**	**260.8**
% of net sales	18.5%	17.2%	3.5%	2.3%	7.4%	5.6%					**9.8%**	**8.2%**
Purchase price allocation amortization	-15.5	-16.1	-10.8	-12.5	-6.8	-7.3					**-33.2**	**-35.9**
Adjusted operating profit	206.9	189.1	27.2	12.9	73.1	52.4	-28.1	-29.6	0.0	0.0	**279.1**	**224.9**
% of net sales	17.2%	15.9%	2.5%	1.1%	6.8%	4.9%					**8.8%**	**7.1%**
Adjustments to operating profit												
Transaction costs							-47.8	-8.5			**-47.8**	**-8.5**
Restructuring costs	-2.0	-7.7	-8.5	-8.6	1.7	-24.4	-2.5	-2.0			**-11.3**	**-42.6**
Total	-2.0	-7.7	-8.5	-8.6	1.7	-24.4	-50.3	-10.5			**-59.1**	**-51.1**
Operating profit	204.9	181.4	18.7	4.3	74.8	28.0	-78.4	-40.0	0.0	0.0	**220.0**	**173.8**
% of net sales	17.0%	15.2%	1.7%	0.4%	7.0%	2.6%					**6.9%**	**5.5%**
Share of associates and joint ventures result (note 16)							0.3	21.2			**0.3**	**21.2**
Financial income							28.6	38.6			**28.6**	**38.6**
Financial expenses							-56.4	-63.2			**-56.4**	**-63.2**
Profit before tax											**192.5**	**170.3**
Segment assets	1,422.6	1,409.7	926.6	916.5	900.4	854.2					**3,249.6**	**3,180.4**
Investment accounted for using the equity method (note 16)							6.8	6.5			**6.8**	**6.5**
Cash and cash equivalents							320.7	591.9			**320.7**	**591.9**
Deferred tax assets							120.2	118.9			**120.2**	**118.9**
Income tax receivables							16.2	13.4			**16.2**	**13.4**
Other unallocated and corporate function level assets							132.4	105.4			**132.4**	**105.4**
Total assets	**1,422.6**	**1,409.7**	**926.6**	**916.5**	**900.4**	**854.2**	**596.2**	**836.1**			**3,845.8**	**4,016.5**

3.1. Operating segments (continued)

	Service		Industrial Equipment		Port Solutions		Corporate functions and unallocated		Eliminations		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Segment liabilities	212.7	192.5	376.6	356.4	405.8	415.0					**995.1**	**963.9**
Interest-bearing liabilities							865.1	1,170.8			**865.1**	**1,170.8**
Deferred tax liabilities							142.6	143.6			**142.6**	**143.6**
Income tax payables							23.0	18.3			**23.0**	**18.3**
Other unallocated and corporate function level liabilities							459.5	469.3			**459.5**	**469.3**
Total liabilities	**212.7**	**192.5**	**376.6**	**356.4**	**405.8**	**415.0**	**1,490.2**	**1,802.1**			**2,485.2**	**2,766.0**
Other disclosures												
Capital expenditure	10.9	9.6	28.8	24.9	10.2	8.2	0.0	0.0			**49.8**	**42.8**
Personnel	7,890	8,062	5,516	5,720	3,083	2,970	84	110			**16,573**	**16,862**

Revenue expected to be recognized in the future periods related to performance obligations that are unsatisfied or partially unsatisfied

	During 2022	During 2023	From 2024 onwards	Total
Service	291.2	17.9	34.4	**343.5**
Industrial Equipment	585.4	101.1	23.3	**709.9**
Port Solutions	768.6	161.9	52.9	**983.5**
Total	**1,645.2**	**281.0**	**110.6**	**2,036.8**

The transaction price associated with unsatisfied or partially unsatisfied performance obligations does not include variable consideration that is constrained. The Group total revenue will also include new orders, scope changes and contract extensions, which are not known at reporting date and thus are excluded in this table.

3.2. Geographical areas

2021	EMEA*	AME	APAC	Total
External sales*	1,645.9	1,042.2	497.7	**3,185.7**
Assets*	2,637.8	546.1	661.9	**3,845.8**
Capital expenditure	36.4	1.0	12.4	**49.8**
Personnel	9,683	3,016	3,874	**16,573**

* External sales to Finland EUR 87.6 million. Non-current assets (excluding deferred tax assets) in Finland: EUR 172.8 million and in other countries: EUR 1,710.2 million.

2020	EMEA*	AME	APAC	Total
External sales*	1,703.9	976.6	498.4	**3,178.9**
Assets*	2,910.5	529.5	576.6	**4,016.5**
Capital expenditure	35.7	1.5	5.6	**42.8**
Personnel	9,688	2,964	4,210	**16,862**

* External sales to Finland EUR 82.6 million. Non-current assets (excluding deferred tax assets) in Finland: EUR 193.6 million and in other countries: EUR 1,728.2 million.

There are no single customers which have over 10% of Group's sales.

4. Acquisitions and divestments

There were no new acquisitions or divestments during 2021.

Acquisitions in 2020

On December 5, 2019 Konecranes signed an agreement to acquire from Jebsen & Jensen its 50% share in MHE-Demag. The transaction was closed on January 2, 2020 and the purchase price consideration was EUR 148.3 million. After the acquisition, Konecranes holds 100% of the shares in the company.

MHE-Demag is a leading supplier of industrial cranes and services in Southeast Asia under the MHE and Demag brands, engineering, manufacturing and maintaining a comprehensive range of industrial cranes and hoists. Its customized solutions serve a wide range of industries and customers from general manufacturing to aerospace. MHE-Demag also provides warehousing equipment such as lift trucks and dock levelers, aerial work platforms, building maintenance units and compact construction equipment, as well as automated car parking systems. With the acquisition, Konecranes increases its presence and market coverage in the strategically important and fast-growing Southeast Asia. MHE-Demag has approximately 1,800 employees, including some 700 service engineers. MHE-Demag operates 11 factories and more than 70 service locations throughout Southeast Asia and is headquartered in Singapore. MHE-Demag runs own operations in Australia, Indonesia, Malaysia, Singapore, the Philippines, Taiwan, Thailand and Vietnam. In addition, MHE-Demag has distribution through resellers in several countries, including Brunei, Cambodia, Laos, Mongolia, Myanmar, Papua New Guinea and Timor-Leste.

In 2019, MHE-Demag's net sales were approximately SGD 296 million (EUR 196 million) and EBITA approximately SGD 21 million (EUR 14 million). Konecranes is the main supplier to MHE-Demag, selling crane components under the Demag brand name. Konecranes' sales to MHE-Demag in 2019 were approximately EUR 27 million.

Konecranes remeasured its previously held equity interest in MHE-Demag at its acquisition date fair value and recognised the EUR 21.1 million gain in share of associates' and joint ventures' result row of statement of income. Under the acquisition method of accounting, the total purchase price is allocated to the tangible and identified intangible assets acquired and liabilities assumed based on their fair values as of the date of acquisition. The intangible assets consist of customer relationships, sales order backlog and trade name. The accumulated transaction costs were EUR 0.9 million during 2019. The fair values of acquired businesses are as follows:

	Fair value
Intangible assets	
Clientele	36.1
Technology	0.0
Trademark	2.1
Other intangible assets	10.2
Property, plant and equipment	38.9
Deferred tax assets	4.2
Inventories	43.4
Accounts receivable	51.0
Provision for doubtful debts	-0.7
Other assets	23.7
Cash and cash equivalents	17.6
Total assets	**226.6**

	Fair value
Non-controlling interest	0.0
Deferred tax liabilities	12.5
Defined benefit plans	1.0
Other long-term liabilities	11.1
Accounts payable and other current liabilities	79.4
Total liabilities	**104.1**
Net assets	**122.6**
Purchase consideration, paid in cash	141.7
Purchase consideration, deferred	6.6
Earlier non-controlling interest in associated company	67.8
Fair value increase to non-controlling interest	21.1
Acquisition cost	**237.2**
Goodwill	**114.7**
Cash flow on acquisition	
Purchase consideration, paid in cash	141.7
Purchase consideration, deferred	6.6
Transaction costs	0.9
Cash and cash equivalents in acquired companies	-17.6
Net cash flow arising on acquisition	**131.6**
Goodwill allocation to Cash Generating Units:	
Industrial Cranes	14.8
Industrial Service	99.9
Total	**114.7**

5. Disaggregation of revenue in sales

Customer contract revenue	2021	2020
Sale of goods	2,242.4	2,254.7
Rendering of services	936.1	917.8
Total customer contract revenue	3,178.5	3,172.5
Other revenue		
Leasing of own products	6.9	6.1
Royalties	0.4	0.4
Total other revenue	7.3	6.5
Total sales	**3,185.7**	**3,178.9**

	2021	2021	2021	2020	2020	2020
Timing of satisfying performance obligations by Segments	**At a point of time**	**Over time**	**Total**	**At a point of time**	**Over time**	**Total**
Service	150.1	1,011.2	**1,161.3**	139.3	1,009.1	**1,148.4**
Industrial Equipment	778.8	181.4	**960.2**	781.3	192.5	**973.8**
Port Solutions	836.4	227.9	**1,064.3**	778.0	278.0	**1,056.0**
Corporate functions	0.0	0.0	**0.0**	0.8	0.0	**0.8**
Total	**1,765.3**	**1,420.5**	**3,185.7**	**1,699.3**	**1,479.7**	**3,178.9**

6. Contract balances

6.1. Contract assets and liabilities

Contract assets	2021	2020
The cumulative revenues of non-delivered projects	682.8	554.6
Advances received netted	521.5	452.3
Total	**161.3**	**102.3**
Transfers to receivables from contract assets recognized at the beginning of period	220.3	263.8
Contract liabilities		
Gross advance received from percentage of completion method	593.8	510.0
Advances received netted	521.5	452.3
Total	**72.3**	**57.7**
Revenue recognised in the current period that was included in the contract liability opening balance	185.8	166.4
Increases due to cash received	306.5	347.2

Contract assets relate to receivables 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.

6.2. Advances received

	2021	2020
Advance received from percentage of completion method (netted)	72.3	57.7
Other advance received from customers	272.4	294.6
Total	**344.7**	**352.3**

7. Operating Expenses

	2021	2020
Change in work in progress	-35.0	10.5
Production for own use	-0.7	-0.6
Material and supplies	1,030.7	1,062.0
Subcontracting	418.1	401.1
Materials, supplies and subcontracting	1,413.0	1,473.0
Wages and salaries	829.6	826.3
Pension costs	65.1	58.9
Other personnel expenses	128.8	108.3
Personnel cost	1,023.5	993.5
Other operating expenses	420.4	419.3
Total operating expenses	**2,856.9**	**2,885.8**

Research and development costs recognized as an expense in other operating expenses amount to EUR 47.7 million in the year 2021 (EUR 48.5 million in 2020).

7.1. Audit and non-audit fees to Group auditor

	2021	2020
Audit	3.8	3.7
Non-audit services	0.3	0.9
Total	**4.0**	**4.6**

8. Personnel expenses and number of personnel

8.1. Personnel expenses

	2021	2020
Wages and salaries	829.6	826.3
Pension costs: Defined benefit plans	10.7	9.2
Pension costs: Defined contribution plans	54.5	49.7
Other personnel expenses	128.8	108.3
Total	**1,023.5**	**993.5**

8.2. Number of personnel

	2021	2020
Average number of personnel	16,625	17,027
Number of personnel as at December 31	16,573	16,862
Number of personnel as at December 31 in Finland	2,065	1,985

8.3. Personnel by Reportable Segment at the end of period

	2021	2020
Service	7,890	8,062
Industrial Equipment	5,516	5,720
Port Solutions	3,083	2,970
Group Staff	84	110
Total	**16,573**	**16,862**

9. Depreciation, amortization and impairments

9.1. Depreciation and amortization

	2021	2020
Intangible assets	44.2	52.4
Buildings	30.7	30.8
Machinery and equipment	45.0	46.9
Total	**119.8**	**130.0**

9.2. Impairments

	2021	2020
Property, plant and equipment	0.3	0,0
Total	**0.3**	**0,0**

The nature of the impairments is described in the disclosures of goodwill, intangible assets and property, plant and equipment (see notes 14 and 15).

10. Financial income and expenses

10.1. Financial income

	2021	2020
Interest income on bank deposits and loans	2.1	1.5
Fair value gain on derivative financial instruments	0.0	36.5
Exchange rate gains	25.6	0.0
Other financial income	0.9	0.6
Total	**28.6**	**38.6**

10.2. Financial expenses

	2021	2020
Interest expenses on liabilities	19.0	24.1
Net loss on financial instruments at fair value through profit or loss	30.8	0.0
Exchange rate loss	0.0	32.5
Other financial expenses	6.6	6.6
Total	**56.4**	**63.2**
Financial income and expenses net	**-27.8**	**-24.6**

The company applies hedge accounting on derivatives used to hedge cash flows in certain large crane projects. The cash flow hedges of the expected future cash flows are assessed to be highly effective and a net unrealized effect of EUR -11.0 million (2020: EUR 8.1 million) with deferred taxes of EUR +2.2 million (2020: EUR -1.6 million) relating to the hedging instruments is included in equity. The hedged operative cash flows are expected to occur during the next 3–18 months. The realized and recycled currency differences from these hedges recorded in the statement of income were EUR -0.4 million in 2021 (EUR -0.4 million in 2020).

11. Income taxes

11.1. Taxes in statement of income

	2021	2020
Local income taxes of group companies	47.7	51.7
Taxes from previous years	1.4	-3.3
Change in deferred taxes	-3.9	-1.0
Total	**45.1**	**47.5**

11.2. Reconciliation of income before taxes with total income taxes

	2021	2020
Profit before taxes	192.5	170.3
Tax calculated at the domestic corporation tax rate of 20.0% (2020: 20.0%)	38.5	34.1
Effect of different tax rates of foreign subsidiaries	10.2	4.1
Taxes from previous years	1.4	-3.3
Tax effect of non-deductible expenses and tax-exempt income	-1.2	0.1
Tax effect of unrecognized tax losses of the current year	0.6	10.2
Tax effect of utilization of previously unrecognized tax losses	-4.6	-3.1
Tax effect of recognition of previously unrecognized tax losses	-0.3	0.0
Tax effect of impairment of previously recognized deferred tax assets	-1.1	7.1
Tax effect of recognizing the controlled temporary difference from investment in subsidiaries	2.4	-0.4
Tax effect of tax rate change	0.2	0.2
Other items	-1.0	-1.7
Total	**45.1**	**47.5**
Effective tax rate %	**23.4%**	**27.9%**

The Company evaluates regularly the net realizable value of its deferred tax assets.

11.3. Tax effects of components in other comprehensive income

	2021	2020
Cash flow hedges	-2.2	1.6
Re-measurement gains (losses) on defined benefit plans	5.8	-5.9
Total	**3.6**	**-4.3**

12. Earnings per share

Basic earnings per share are calculated by dividing the net income attributable to the shareholders of the parent company by the weighted average number of shares outstanding during the year. Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding during the year for the dilutive effect of the shares issued under the share-based incentive plans. Weighted average number of shares is excluding the number of treasury shares.

	2021	2020
Net profit attributable to shareholders of the parent company	146.9	122.2
Weighted average number of shares outstanding (1,000 pcs)	79,134	79,078
Effect of share based incentive plans (1,000 pcs)	473	194
Weighted average number of shares outstanding, diluted (1,000 pcs)	79,607	79,272
Earnings per share, basic (EUR)	1.86	1.54
Earnings per share, diluted (EUR)	1.85	1.54

13. Goodwill and goodwill impairment testing

13.1. Goodwill

	2021	2020
Acquisition costs as of January 1	1,031.4	922.9
Additions	0.0	114.7
Translation difference	5.4	-6.2
Acquisition costs as of December 31	1,036.8	1,031.4
Accumulated impairments as of January 1	-14.7	-14.7
Total as of December 31	**1,022.1**	**1,016.7**

13.2. General principles

Management monitors the performance of the Group through the monthly meetings and monthly reporting that take place on a business unit level. Impairment testing is done at the lowest level of the Group at which goodwill is monitored internally.

13.3. Total goodwill in reportable segments after impairments

	2021	2020
Industrial Cranes	154.0	152.3
Agilon	3.9	3.9
Goodwill in Industrial Equipment total	**157.9**	**156.3**
Industrial Crane Service	660.0	656.1
Machine Tool Service	4.1	3.9
Goodwill in Service total	**664.1**	**660.0**
Port Cranes	163.4	163.4
Lift trucks	36.7	37.0
Goodwill in Port Solutions total	**200.0**	**200.4**
Total goodwill in reportable segments as of December 31	**1,022.1**	**1,016.7**

The recoverable amounts of the CGUs are determined based on value in use calculations using the discounted cash flow method. The forecasting period of cash flows is five years and it is based on financial forecasts of the management responsible for that CGU, and adjusted by Group management if needed. The forecasts have been made based on the CGU specific historical data, order book, the current market situation and industry specific information of the future growth possibilities. These assumptions are reviewed annually as part of management's budgeting and strategic planning cycles. Calculations are prepared during the fourth quarter of the year.

The discount rate applied to cash flow projections is the weighted average (pre-tax) cost of capital and is based on risk-free long-term government bond rates and market and industry specific risk premiums. These risk premiums are derived based on the business portfolio of companies which operate in a similar industry.

The key assumptions, being the average compound annual growth rate for the sales of the five years forecasted and the discount rate are as follows:

	Compound annual growth rate	**Discount rate**
Industrial Cranes	4%	10.0%
Agilon	20%	13.2%
Industrial Crane Service	6%	10.3%
Machine Tool Service	5%	8.2%
Lift trucks	8%	9.0%
Port Cranes	4%	8.5%

The average compound growth rate for the gross profit is consistent with that of sales. Furthermore, for all the CGUs a 1% terminal growth rate has been applied.

Impairment charges

The impairment testing performed in 2021 and 2020 did not result in any impairments being recognized.

Sensitivity analyses

In addition to impairment testing using the base case assumptions, four separate sensitivity analyses were performed for each CGU:

1) A discount rate analysis where the discount rate was increased by 5% points.

2) A Group management adjustment to the future profitability. The cash flow of each CGU was analyzed by the Group management. Based on the CGU specific historical data and future growth prospects, the cash flows were decreased by 10% in each year including terminal year.

3) A higher discount rate (+5% points) analysis combined with lower (-10%) cash flows as mentioned above.

4) A decrease in the compound annual growth rate for the sales for each of the five forecasted years (-2% points) combined with the current discount rate.

2021

Sensitivity tests using both higher discount rate (+5% points) and lower cash flow estimates (-10%) indicated that the goodwill in Agilon would have been impaired by EUR 0.6 million. There was no indication of impairment of goodwill for any other CGU from the sensitivity tests.

2020

There was no indication of impairment of goodwill for any CGU from the sensitivity tests.

14. Intangible assets

2021	Patents and trademarks	Software	Other	Intangible assets total
Acquisition costs as of January 1	243.7	180.2	504.8	**928.8**
Additions	0.0	12.2	0.0	**12.2**
Disposals	0.0	-0.7	-1.3	**-2.0**
Transfer within assets	0.0	0.0	0.0	**0.0**
Translation difference	0.0	0.0	0.5	**0.5**
Acquisition costs as of December 31	243.8	191.7	504.1	**939.6**
Accumulated amortization as of January 1	-17.7	-158.0	-217.0	**-392.7**
Translation difference	0.0	-0.1	-0.3	**-0.4**
Accumulated amortization relating to disposals	0.0	0.7	0.2	**0.9**
Amortization for financial year	-1.8	-11.1	-31.3	**-44.2**
Total as of December 31	**224.2**	**23.3**	**255.6**	**503.1**

2020	Patents and trademarks	Software	Other	Intangible assets total
Acquisition costs as of January 1	245.1	172.3	456.1	**873.5**
Additions	0.1	8.8	0.3	**9.2**
Disposals	0.0	-0.8	-1.2	**-2.1**
Business combinations	2.1	0.0	46.4	**48.5**
Transfer within assets	-3.6	-0.1	3.6	**0.0**
Translation difference	0.0	0.0	-0.3	**-0.3**
Acquisition costs as of December 31	243.7	180.2	504.8	**928.8**
Accumulated amortization as of January 1	-15.8	-141.4	-184.6	**-341.9**
Translation difference	0.0	0.2	0.3	**0.5**
Accumulated amortization relating to disposals	0.0	0.8	0.2	**1.0**
Amortization for financial year	-1.9	-17.6	-32.9	**-52.4**
Total as of December 31	**226.0**	**22.2**	**287.8**	**536.0**

The category Other consists mainly of customer lists and technology acquired in business combinations. They are stated at cost and amortized on a straight-line basis over their expected useful lives. The normal amortization period of intangible assets varies from 4 to 20 years.
The amortization of intangible assets is included in the depreciation and impairments line in the consolidated statement of income. On December 31, 2021 and December 31, 2020, the intangible assets having indefinite useful life consisted of the Demag and Gottwald trademarks of EUR 167.0 million and EUR 51.0 million. As there is no foreseeable limit on the period over which the asset is expected to generate net cash inflows for the entity, it is classified as intangible assets having an indefinite useful life. The carrying amounts of these assets are tested on a yearly basis in connection with the goodwill impairment testing.

The addition of EUR 12.2 million (EUR 9.2 million in 2020) mainly consisted of capitalized development costs of the Group's ERP systems.

15. Property, plant and equipment

2021	Land	Buildings	Machinery & Equipment	Property, plant and equipment total
Acquisition costs as of January 1	30.1	263.3	391.6	**685.0**
Additions	0.0	30.9	43.0	**74.0**
Disposals	-0.6	-10.6	-19.0	**-30.2**
Transfer within assets	0.0	0.4	-0.4	**0.0**
Impairment	0.0	0.0	-0.3	**-0.3**
Translation difference	0.3	4.8	3.3	**8.5**
Acquisition costs as of December 31	29.8	288.8	418.4	**737.0**
Accumulated depreciation as of January 1	0.0	-88.3	-254.9	**-343.2**
Translation difference	0.0	-0.3	-0.4	**-0.7**
Accumulated depreciation relating to disposals	0.0	6.3	15.6	**21.9**
Depreciation for financial year	0.0	-30.7	-45.0	**-75.6**
Total as of December 31	**29.8**	**175.8**	**133.7**	**339.3**

2020	Land	Buildings	Machinery & Equipment	Property, plant and equipment total
Acquisition costs as of January 1	27.2	236.4	359.6	**623.2**
Additions	0.0	22.8	50.5	**73.3**
Disposals	-1.0	-8.2	-25.3	**-34.4**
Business combinations	4.6	18.1	11.8	**34.5**
Translation difference	-0.7	-5.9	-4.9	**-11.6**
Acquisition costs as of December 31	30.1	263.3	391.6	**685.0**
Accumulated depreciation as of January 1	0.0	-61.2	-229.1	**-290.4**
Translation difference	0.0	0.3	0.5	**0.8**
Accumulated depreciation relating to disposals	0.0	3.4	20.5	**24.0**
Depreciation for financial year	0.0	-30.8	-46.9	**-77.7**
Total as of December 31	**30.1**	**175.0**	**136.7**	**341.8**

Classification of Property, plant and equipment	2021	2020
Property, plant and equipment, owned	223.8	220.8
Right-of-use assets, leased	115.6	121.0
Total	**339.3**	**341.8**

2021

Right of use assets	Land and Buildings	Machinery and Equipment	Total
Balance as of January 1	78.5	42.5	**121.0**
Translation difference	2.0	1.4	**3.4**
New contracts and changes in lease contracts	18.1	15.6	**33.6**
Depreciation during the year	-22.1	-20.4	**-42.5**
Total as of December 31	**76.5**	**39.1**	**115.6**

2020

Right of use assets	Land and Buildings	Machinery and Equipment	Total
Balance as of January 1	85.8	46.0	**131.8**
Translation difference	-2.4	-1.8	**-4.3**
Business combinations	7.0	0.3	**7.3**
New contracts and changes in lease contracts	10.6	19.5	**30.0**
Depreciation during the year	-22.5	-21.5	**-43.9**
Total as of December 31	**78.5**	**42.5**	**121.0**

Mainly due to the restructuring actions of the Group, land, buildings, machinery and equipment were written off in 2021 by EUR 0.3 million (EUR 0.0 million in 2020).

16. Interests in other entities and non-controlling interests

16.1. Investments accounted for using the equity method

Associated Companies	2021	2020
Acquisition costs as of January 1	1.7	1.7
Share of associated companies' result after taxes	0.1	0.1
Dividends received	-0.1	-0.1
Total as of December 31	**1.7**	**1.7**

Joint Ventures	2021	2020
Acquisition costs as of January 1	4.8	72.3
Share of joint ventures' result after taxes*	0.2	0.0
Change to subsidiary	0.0	-67.8
Dividends received	0.0	-0.4
Acquisitions	0.0	0.8
Translation difference	0.1	-0.1
Total as of December 31	**5.1**	**4.8**

* Including adjustments from purchase price allocation.

In addition, in 2020 Konecranes remeasured its previously held equity interest in MHE-Demag at its acquisition date fair value and recognized also EUR 21.1 million gain in share of joint ventures' result in statement of income.

16.2. Investments in Associated Companies and Joint Ventures

The following table illustrates the summarized financial information of the Group's investments and reconciliation with the carrying amount of the investments in consolidated financial statements.

2021	Carrying amount of the investment	Non-current assets*	Current assets*	Non-current liabilities*	Current liabilities*	Revenue*	Profit/loss after tax from continuing operations*	Total comprehensive income*	Dividends received
Investments in associated companies and joint ventures	6.8	3.8	52.5	0.8	31.4	58.5	1.1	1.1	0.1
Total	**6.8**	**3.8**	**52.5**	**0.8**	**31.4**	**58.5**	**1.1**	**1.1**	**0.1**

2020	Carrying amount of the investment	Non-current assets*	Current assets*	Non-current liabilities*	Current liabilities*	Revenue*	Profit/loss after tax from continuing operations*	Total comprehensive income*	Dividends received
Investments in associated companies and joint ventures	6.5	2.5	48.1	0.2	27.8	57.8	0.5	0.5	0.5
Total	**6.5**	**2.5**	**48.1**	**0.2**	**27.8**	**57.8**	**0.5**	**0.5**	**0.5**

*Asset and liability values, revenue and profit/loss represent values according to the latest published financial information.

16.3. Joint operations

Konecranes has classified the interest in AS Konesko (domiciled in Estonia) as a joint operation based on the joint arrangement agreement. AS Konesko is a strategic supplier of components used in Konecranes products. Konecranes has the exclusive right to purchase certain motors and end carriages from AS Konesko at a price to be agreed upon with AS Konesko. However, Konecranes retains ownership of the current motor designs and the trademark rights to the end carriages.

Konecranes owns as of December 31, 2021 49.5% of AS Konesko shares.

Konecranes has recognized and accounted for the assets, liabilities, revenues and expenses relating to its interest in AS Konesko in accordance with IFRS11.

16.4. Subsidiaries with material non-controlling interest

2021	Accumulated non-controlling Interest	Goodwill	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenue	Profit/loss after tax from continuing operations	Total comprehensive income
Non-controlling interests	9.2	0.0	66.6	38.1	10.6	58.0	42.4	4.4	4.4
Total	**9.2**	**0.0**	**66.6**	**38.1**	**10.6**	**58.0**	**42.4**	**4.4**	**4.4**

2020	Accumulated non-controlling Interest	Goodwill	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenue	Profit/loss after tax from continuing operations	Total comprehensive income
Other non-controlling interests	9.1	0.0	59.4	43.9	5.6	62.6	42.6	3.8	3.8
Total	**9.1**	**0.0**	**59.4**	**43.9**	**5.6**	**62.6**	**42.6**	**3.8**	**3.8**

Assets and liabilities as well as revenue and profit/loss values represent the total company values including purchase price allocations. See also the company list for the ownership and principal place of business of the subsidiaries.

17. Deferred tax assets and liabilities

17.1. Deferred tax assets

	2021	2020
Employee benefits	53.1	56.5
Provisions	18.1	17.1
Unused tax losses	9.6	11.4
Other temporary differences	39.4	33.8
Total	**120.2**	**118.9**

Other temporary differences include timing differences arising for example from accrued costs, advances received and unrealized currency differences that are not deductible in taxation until they occur.

17.2. Deferred tax liabilities

	2021	2020
Intangible and tangible assets	121.0	129.7
Other temporary difference	21.6	13.9
Total	**142.6**	**143.6**

The deferred tax assets and deferred tax liabilities have been netted on a juridical company level when there is a legally enforceable right to offset income tax receivables against income tax payables related to income taxes levied by the same tax authority. The gross amount of deferred tax assets in 2021 were EUR 125.3 million (EUR 148.4 million in 2020) and deferred tax liabilities EUR 147.7 million (EUR 172.8 million in 2020).

Konecranes has not recognized the temporary differences in investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

17.3. Tax losses carried forward

At the end of year 2021, Konecranes recorded a deferred tax asset of EUR 9.6 million (EUR 11.4 million in 2020) related to unused tax losses on the carry-forward losses of EUR 199.9 million (EUR 218.4 million in 2020) in total. The tax losses, for which no deferred tax assets are recognized due to the uncertainty of the utilization of the losses, amounted to EUR 157.8 million in the year 2021 (EUR 170.0 million in 2020). EUR 138.7 million of these carry-forward tax losses available have unlimited expiry, EUR 18.5 million expire later than in five years and EUR 42.8 million expire in five years.

Part of carry-forward losses relates to Morris Material Handling, Inc., USA, which was acquired in 2006. The overall carry-forward losses of Morris Material Handling, Inc. amounted to EUR 24.1 million (EUR 24.5 million in 2020).

To assess if the convincing evidence threshold per IAS12 was met, Konecranes has prepared tax forecasts for future periods considering the restructuring done and the tax planning opportunities that were being implemented at that time.

Tax losses carried forward and related deferred tax assets on December 31 by the most significant countries as following:

2021	Tax losses carried forward	Potential deferred tax assets	Deferred tax assets not recorded	Deferred tax assets
France	77.4	20.0	20.0	0.0
India	34.5	10.8	10.8	0.0
USA	24.2	5.7	0.0	5.7
Austria	17.9	4.5	4.2	0.3
Great Britain	9.1	1.7	1.7	0.0
South Africa	5.1	1.4	1.4	0.0
Germany	4.4	1.4	1.4	0.0
Japan	3.8	1.2	1.2	0.0
Australia	3.2	1.0	0.0	1.0
Hong Kong	2.8	0.5	0.5	0.0
Other	17.6	4.0	1.3	2.7
Total	**199.9**	**52.0**	**42.4**	**9.6**

2020	Tax losses carried forward	Potential deferred tax assets	Deferred tax assets not recorded	Deferred tax assets
France	75.9	20.8	20.8	0.0
India	34.4	10.7	10.7	0.0
USA	24.6	5.8	0.0	5.8
Austria	19.2	4.8	4.2	0.6
Great Britain	12.3	2.3	1.2	1.2
South Africa	7.7	2.2	2.2	0.0
Germany	5.8	1.8	1.8	0.0
Japan	3.9	0.6	0.6	0.0
Australia	5.0	1.5	0.0	1.5
Hong Kong	2.7	0.4	0.4	0.0
Other	26.9	6.6	4.2	2.4
Total	**218.4**	**57.6**	**46.2**	**11.4**

18. Inventories

	2021	2020
Raw materials and semi-manufactured goods	278.4	238.4
Work in progress	380.7	336.6
Finished goods	46.2	51.4
Advance payments	21.1	18.4
Total	**726.4**	**644.8**

2021	Balance at the beginning of the year	Translation difference	Business combinations	Utilized during the period	Provision not needed	Additions	Balance at the end of the year
Provision for obsolete inventory	42.7	1.1	0.0	9.2	0.7	8.0	**42.0**

2020	Balance at the beginning of the year	Translation difference	Business combinations	Utilized during the period	Provision not needed	Additions	Balance at the end of the year
Provision for obsolete inventory	36.8	-1.5	3.9	8.9	2.0	14.3	**42.7**

19. Ageing analysis of accounts receivable

	2021	2021	2020	2020
	Accounts receivable	including impairment of	Accounts receivable	including impairment of
Not overdue	326.7	3.2	327.0	2.9
1–30 days overdue	81.7	0.5	85.0	0.4
31–60 days overdue	40.1	0.2	30.1	0.3
61–90 days overdue	19.4	0.7	14.1	0.6
more than 91 days overdue	24.3	22.2	33.0	27.6
Total	**492.1**	**26.8**	**489.2**	**31.8**

The carrying amount of accounts receivable approximates to their fair value. Accounts receivable are subject to only minor credit risk concentrations due to the Group's extensively diversified customer portfolio. Credit losses recognized from the customer contracts for the financial year totaled EUR 5.8 million (EUR 5.8 million in 2020).

19. Ageing analysis of accounts receivable (continues)

2021	Balance at the beginning of the year	Translation difference	Business combinations	Utilized during the period	Provision not needed	Additions	Balance at the end of the year
Provision for doubtful accounts (Impairment)	31.8	1.5	0.0	5.7	5.8	5.0	**26.8**

2020	Balance at the beginning of the year	Translation difference	Business disposals	Utilized during the period	Provision not needed	Additions	Balance at the end of the year
Provision for doubtful accounts (Impairment)	29.3	-1.2	0.6	5.7	6.6	15.5	**31.8**

The release of the provision for doubtful accounts relates to the cash received from individual receivables which were historically provided for due to management's uncertainty of their collectability.

20. Other receivables

	2021	2020
Notes receivable	4.7	4.7
Value added tax	23.4	26.2
Total	**28.1**	**30.9**

21. Deferred assets

	2021	2020
Interest	0.5	0.8
Prepaid expenses	23.1	20.4
Unbilled revenue	36.8	24.6
Other	33.8	36.4
Total	**94.1**	**82.1**

22. Cash and cash equivalents

	2021	2020
Short-term deposits	77.9	15.9
Cash in hand and at bank	242.8	576.0
Total	**320.7**	**591.9**

Short-term deposits have a maturity of three months or less. Cash and cash equivalents are carried at nominal value, which corresponds to their fair value.

23. Equity

23.1. Shareholders' equity

	Number of shares	Number of treasury shares
As of January 1, 2020	78,839,426	82,480
Share issue	0	300,000
Share subscriptions with share awards	295,033	-295,033
As of December 31, 2020	**79,134,459**	**87,447**
Share issue	0	0
Share subscriptions with share awards	0	0
As of December 31, 2021	**79,134,459**	**87,447**

The total shareholders' equity consists of share capital, share premium, paid in capital, cash flow hedges, translation difference, other reserves and retained earnings. Consistent with local legislation, Konecranes' share has no nominal value. All issued shares are fully paid and listed on Nasdaq Helsinki.

Share premium includes the value of shares, which exceeds the accounting par value of the shares, for shares issued before 1 September, 2006. Cash flow hedges include changes in the fair values of derivative financial instruments used to hedge operational cash flows. Translation differences comprise the differences arising from translating non-euro functional currency entities to euro, which is the Group's presentation currency. Other reserves include the credit for equity settled share-based payment cost. The paid in capital includes the portion of shares' subscription price, which is not recorded to share capital or to liabilities according to IFRS. The paid in capital includes also other capital contributions to the Group, which are not recorded to some other reserve within the equity. The paid in capital includes also the possible amount of share capital decrease, which is not netted against accumulated losses or is not distributed to shareholders.

Dividend proposal per share was for 2021 EUR 0.88 and dividend for 2020 was EUR 0.88.

23.2. Distributable earnings

See page 119 / Board of Director's Proposal to the Annual General Meeting.

24. Provisions

2021	Warranty	Restructuring	Pension commitments	Other	Total
Total provisions as of January 1	63.7	64.8	6.0	26.5	**161.0**
Translation difference	0.9	0.4	0.5	0.6	**2.4**
Increase through business combination	0.0	0.0	0.0	0.0	**0.0**
Additional provision in the period	22.6	8.7	1.9	6.2	**39.4**
Utilization of provision	16.9	32.3	0.0	8.6	**57.8**
Unused amounts reversed	13.8	1.7	0.4	2.9	**18.9**
Total provisions as of December 31	**56.4**	**39.8**	**8.0**	**21.8**	**126.1**

2020	Warranty	Restructuring	Pension commitments	Other	Total
Total provisions as of January 1	55.7	80.7	6.2	28.2	**170.8**
Translation difference	-0.5	-0.2	-0.5	-1.0	**-2.3**
Increase through business combination	2.3	0.0	0.0	0.0	**2.3**
Additional provision in the period	31.2	23.7	2.4	11.5	**68.8**
Utilization of provision	16.2	37.1	2.1	9.0	**64.4**
Unused amounts reversed	8.9	2.3	0.0	3.1	**14.3**
Total provisions as of December 31	**63.7**	**64.8**	**6.0**	**26.5**	**161.0**

The provision for warranties covers the expenses due to the repair or replacement of products during their warranty period. The warranty liability is based on historical realized warranty costs for deliveries of standard products and services. The usual warranty period is 12 months. For more complex contracts, mainly including long-term projects, the warranty reserve is calculated contract by contract and the warranty period can be significantly longer. The restructuring provision is recognized when the Group has prepared a detailed reorganization plan and begun implementation of the plan or announced the matter. Pension commitments include provisions for local pension schemes.

Other provisions include provisions for claims, litigations and provisions for loss contracts in which the amount is not provided for as part of work in progress or percentage of completion receivable of the loss making project.

Restructuring costs

Konecranes has recorded EUR 11.3 million restructuring costs during 1–12/2021 (EUR 42.6 million in 1–12/2020) of which EUR 0.3 million was impairment of assets (EUR 0.0 million for 1–12/2020). The remaining EUR 11.0 million of restructuring cost is reported 1–12/2021 in personnel costs (EUR 13.5 million) and in other operating expenses (EUR 2.8 million) and profits on disposal of assets in other operating income (EUR 5.3 million).

25. Current liabilities

25.1. Accruals

	2021	2020
Wages, salaries and personnel expenses	119.8	115.8
Pension costs	10.4	9.5
Interest	7.0	6.1
Other items	53.7	47.8
Total	**190.9**	**179.2**

25.2. Other current liabilities (non-interest bearing)

	2021	2020
Value added tax	23.2	29.3
Payroll tax liability	18.8	19.2
Other short-term liabilities	11.2	12.7
Total	**53.2**	**61.2**

26. Lease accounting

Maturity of undiscounted cash flows	**2021**	**2020**
within 1 year	40.1	41.4
1–5 years	70.4	78.0
over 5 years	24.0	19.5
Total	**134.5**	**138.9**

Lease liabilities included in the balance sheet	**2021**	**2020**
Non current interest-bearing liabilities	85.1	90.9
Current interest-bearing liabilities	38.3	37.9
Total as of December 31	**123.4**	**128.8**

Amounts recognized in statement of income	**2021**	**2020**
Depreciation for right of use asset	42.5	43.9
Income for subleasing right of use asset	-1.1	-1.3
Expenses related to short-term leases	4.2	4.4
Expenses related to leases of low-value assets	2.5	2.9
Interest on lease liabilities	3.6	4.4
Total expenses	**51.6**	**54.4**
Total cash flow of leases	**52.7**	**54.2**

The Group leases land and buildings for its production and office space. The leases of production facilities typically run for a period of two to seven years, and leases of office space for one to ten years. Some leases include an option to renew the lease for an additional period after the end of the contract term. Konecranes Group has major lease agreements of factory and office buildings in Hyvinkää and Hämeenlinna, Finland. At the year end 2021 they are still valid for 1–3 years unless the lessee extends the lease period by five years. The lessee is entitled to exercise the 5-year extention option three consecutive times. Group has now included one 5-year option in the liability value. The Group has various other leases for office equipment, vehicles and premises with varying terms and renewal rights. Vehicles have typically a lease term from three to seven years. Leasing contracts comply with normal practices in the countries concerned. The average interest rate in lease contracts was 3.24% (3.15% in 2020).

27. Interest-bearing liabilities

27.1. Non-current

	2021	2020
Loans from financial institutions	328.5	479.8
Bonds	0.0	249.5
Pension loans	25.0	30.0
Lease liabilities	85.1	90.9
Other long-term loans	8.5	9.6
Total	**447.1**	**859.7**

27.2. Current

	2021	2020
Loans from financial institutions	77.9	82.8
Bonds	249.8	0.0
Pension loans	5.0	5.0
Lease liabilities	38.3	37.9
Commercial papers	40.0	180.8
Other short-term loans	7.0	4.6
Overdraft	0.0	0.0
Total	**418.0**	**311.1**

During the year 2021, Group prepaid EUR 150 million of its term loan. In addition, in the fourth quarter of 2021 the Group refinanced the maturing EUR 73 million Schuldschein loan with a bilateral term loan and downsized respectively the committed merger financing related facility for the same amount. At the end of December, the Group's liquid cash reserves were EUR 320.7 million (31.12.2020: EUR 591.9 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 December 2021. In addition, the Group may draw short-term financing from the domestic commercial paper markets within the EUR 500 million limit, for which EUR 40 million was utilized at the end of December 2021 (31.12.2020: EUR 181 million).

At the end of December 2021, the outstanding short- and long-term loans were: EUR 323 million term loans, EUR 77 million Schuldschein loan, EUR 250 million bond and EUR 30 million employment pension loan. In addition, an undrawn EUR 392 million committed merger financing related facility (originally EUR 635 million) remained in place. The Schuldschein loan and term loans contain floating and fixed rate tranches and the bond yield is fixed with annual coupon payment. The weighted average interest rate for these loans and the bond is currently 1.21% 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 39.8 % (31.12.2020: 46.1%) 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.

In addition the Group has certain revolving facilities the details of which can be found in Note 33.3.

The average interest rate of the non-current liabilities portfolio at December 31, 2021 was 1.42% (2020: 1.57%) and that of the current liabilities portfolio was 1.54% (2020: 0.98%). The effective interest rate for EUR-loans varied between 0.06%–3.80% (2020: 0.29%–3.80%).

27.3. Maturity tables of financial liabilities and liquidity risk

The following table reflects the maturity of interest bearing liabilities.

2021			Maturity			
Currency	**Avg. duration**	**Avg. rate %**	**Less than 1 year**	**1–5 years**	**Over 5 years**	**Amount MEUR**
EUR	1.5 years	1.23	387.6	386.5	17.5	**791.6**
INR	1.1 years	8.86	0.5	0.1	0.0	**0.6**
CNY	1.5 years	4.97	1.0	0.8	0.0	**1.8**
USD	1.7 years	3.62	7.5	14.3	0.6	**22.5**
GBP	1.8 years	2.81	2.0	4.6	0.7	**7.2**
Others	1.0–3.1 years	1.38–20.78	19.3	15.6	6.5	**41.4**
Total		**1.48**	**418.0**	**421.8**	**25.2**	**865.1**

2020			Maturity			
Currency	**Avg. duration**	**Avg. rate %**	**Less than 1 year**	**1–5 years**	**Over 5 years**	**Amount MEUR**
EUR	1.8 years	1.21	279.6	787.2	23.6	**1,090.4**
INR	1.6 years	8.73	0.6	0.6	0.0	**1.2**
CNY	1.3 years	5.07	0.9	0.4	0.0	**1.4**
USD	1.7 years	3.68	7.8	17.3	1.1	**26.1**
GBP	1.8 years	2.94	1.7	4.5	0.9	**7.0**
Others	1.0–3.0 years	1.46–20.43	20.4	18.8	5.5	**44.7**
Total		**1.41**	**311.1**	**828.7**	**31.0**	**1,170.8**

27.4. Liquidity risk, containing undiscounted cash flows of non-derivative financial liabilities by currency

The following table reflects all contractually fixed pay-offs for settlement, repayments and interest resulting from recognized financial liabilities, excluding derivatives. The amounts disclosed are undiscounted net cash outflows for the respective upcoming fiscal years, based on the earliest date on which Konecranes could be required to pay. Cash outflows for financial liabilities (including interest) without fixed amount or timing are based on the conditions existing at December 31.

2021			Maturity			
Currency	Avg. duration	Avg. rate %	Less than 1 year	1–5 years	Over 5 years	Amount MEUR
EUR	1.5 years	1.23	399.9	400.7	13.9	**814.6**
INR	1.1 years	8.86	0.6	0.1	0.0	**0.6**
CNY	1.5 years	4.97	1.1	0.9	0.0	**1.9**
USD	1.7 years	3.62	7.8	14.4	0.8	**22.9**
GBP	1.8 years	2.81	1.4	3.9	0.9	**6.2**
Others	1.0–3.1 years	1.38–20.78	23.6	14.3	13.8	**51.7**
Total debt		**1.48**	**434.4**	**434.3**	**29.4**	**898.1**
Other financial liabilities			308.6	10.5	0.0	**319.1**
Total financial liabilities			**743.0**	**444.8**	**29.4**	**1,217.2**

2020			Maturity			
Currency	Avg. duration	Avg. rate %	Less than 1 year	1–5 years	Over 5 years	Amount MEUR
EUR	1.8 years	1.21	297.3	806.2	24.1	**1,127.7**
INR	1.6 years	8.73	0.6	0.7	0.0	**1.4**
CNY	1.3 years	5.07	1.0	0.5	0.0	**1.5**
USD	1.7 years	3.68	8.8	18.6	1.1	**28.5**
GBP	1.8 years	2.94	1.9	4.8	0.9	**7.6**
Others	1.0–3.0 years	1.46–20.43	22.5	21.0	5.8	**49.2**
Total debt		**1.41**	**332.1**	**851.9**	**31.9**	**1,215.9**
Other financial liabilities			262.7	7.2	0.0	**270.0**
Total financial liabilities			**594.9**	**859.1**	**31.9**	**1,485.8**

27.5. Maturity profile of the Group's financial liabilities

The following table reflects the maturity of all financial liabilities.

2021		Maturity of financial liabilities		
Liability type	**Amount drawn**	**Less than 1 year**	**1-5 years**	**Over 5 years**
Loans from financial institutions	406.4	77.9	328.5	0.0
Bonds	249.8	249.8	0.0	0.0
Lease liabilities	123.4	38.3	68.2	16.9
Commercial paper program	40.0	40.0	0.0	0.0
Pension loans	30.0	5.0	20.0	5.0
Other long-term debt and short-term loans	15.5	7.0	6.1	2.4
Overdraft	0.0	0.0	0.0	0.0
Derivative financial instruments	16.9	16.9	0.0	0.0
Account and other payables	319.1	308.6	10.5	0.0
Total	**1,201.0**	**743.5**	**433.2**	**24.4**

2020		Maturity of financial liabilities		
Liability type	**Amount drawn**	**Less than 1 year**	**1-5 years**	**Over 5 years**
Loans from financial institutions	562.6	82.8	479.8	0.0
Bonds	249.5	0.0	249.5	0.0
Lease liabilities	128.8	37.9	72.6	18.3
Commercial paper program	180.8	180.8	0.0	0.0
Pension loans	35.0	5.0	20.0	10.0
Other long-term debt and short-term loans	14.2	4.6	6.9	2.7
Overdraft	0.0	0.0	0.0	0.0
Derivative financial instruments	5.5	5.5	0.0	0.0
Account and other payables	270.0	262.7	7.2	0.0
Total	**1,446.3**	**579.4**	**836.0**	**31.0**

27.6. Changes in Group's liabilities arising from financing activities

2021	**Non-current interest bearing loans**	**Non-current lease liabilities**	**Current interest bearing loans**	**Current lease liabilities**	**Financial derivatives**	**Total**
Total liabilities as of January 1	768.8	90.9	273.2	37.9	5.5	**1,176.3**
Cash flows	-5.6	0.0	-296.4	-42.6	0.0	**-344.6**
Acquisitions and disposals	0.0	0.0	0.0	0.0	0.0	**0.0**
Foreign exchange movement	0.3	2.5	0.6	1.1	0.0	**4.5**
Changes in fair values	0.0	0.0	0.0	0.0	11.4	**11.4**
Changes in lease contracts	0.0	36.3	0.0	-2.7	0.0	**33.6**
Other	-401.6	-44.6	402.3	44.6	0.0	**0.8**
Total as of December 31	**362.0**	**85.1**	**379.7**	**38.3**	**16.9**	**882.0**

2020	**Non-current interest bearing loans**	**Non-current lease liabilities**	**Current interest bearing loans**	**Current lease liabilities**	**Financial derivatives**	**Total**
Total liabilities as of January 1	687.5	98.4	208.6	39.8	6.2	**1,040.5**
Cash flows	146.4	0.0	-20.1	-42.5	0.0	**83.9**
Acquisitions and disposals	7.9	6.5	12.3	1.3	0.0	**28.0**
Foreign exchange movement	0.1	-2.9	-0.5	-1.5	0.0	**-4.8**
Changes in fair values	0.0	0.0	0.0	0.0	-0.6	**-0.6**
Changes in lease contracts	0.0	39.5	0.0	-9.9	0.0	**29.6**
Other	-73.1	-50.6	72.9	50.6	0.0	**-0.2**
Total as of December 31	**768.8**	**90.9**	**273.2**	**37.9**	**5.5**	**1,176.3**

28. Other long-term liabilities

	2021	2020
Employee benefits	278.5	299.2
Other non-interest-bearing long-term liabilities	10.5	7.2
Total	**289.0**	**306.4**

28.1. Employee benefits

The Company and most of its subsidiaries offer retirement plans which cover the majority of employees in the Group. Many of these plans are defined contribution, where Konecranes' contribution and resulting charge is fixed at a set level or is a set percentage of employees' pay. However the Group has significant defined benefit pension plans in the United Kingdom, Germany and Switzerland as well as individually insignificant plans in other countries. Companies in many countries have also other long term employee benefits, such as part time pension benefits and jubilee benefits, which are reported as defined benefit plans.

The UK defined benefit plan is administered by an independent trustee company that is legally separated from the Group. The investments are managed by a professional and independent Fiduciary Manager who is appointed by the trustees. The Fiduciary Manager appoints Investment Managers as they see fit in order to achieve the Trustees' stated objectives for the scheme funding level and taking into account the agreed risk appetite. The Fiduciary Manager has trigger points set in conjunction with the Trustees which, when reached, allow them to make changes to the investments to repatriate the gains to achieve full funding position. The UK plan, is subject to the UK's pensions legislation, is regulated by the UK Pensions Regulator and is exempt from most UK taxation through its registered status. The UK plan was closed to new members in 2005. Under the UK plan, the employees are entitled to post-retirement installments calculated as an average annual basic salary from the best three years within the last ten years. The net liability in the United Kingdom was EUR 0.0 million (EUR 0.0 million in 2020).

In Germany, the defined benefit pension plans are direct pension promises which are unfunded and administered by a service provider. The payments to plan participants start after retirement or in case of disability or death. Benefits are based on the number of years worked and the final salary. The commencement of pension payments depends on the beginning of the state-pension, which is the earliest at age 63 in case of early retirement and otherwise 65 for old age pension. The biggest defined benefit pension plan in Germany is the Mannesmann Leistungsordnung (MLO), which is closed to new employees. The monthly pension benefit provided by this plan is calculated as the ratio Individual pay/Average pay, times the years of service, times 3.07, and has to be at least equal to 2.10 times the years of service. The net liability in Germany was EUR 242.4 million (EUR 265.2 million in 2020) of which the MLO plan was EUR 169.5 million (EUR 170.5 million in 2020).

The Swiss pension plans are administered via pension funds, which are legally separated from the Group. The board of Trustees of the pension funds are equally composed of representatives of both the employer and employees. The Trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regard to the assets and the administration and financing of the benefits. The plans function in and comply with a large regulatory framework and comply with the local minimum funding requirements. The plans are open to new members. Both the Company and employees pay contributions to fund the plans. The pension plans qualify as defined benefit plan for IFRS purposes, because accruals are by law subject to a minimum guaranteed rate of return and the plan has to guarantee a certain legal minimum level of benefits. There is hence a risk that the Company may have to pay additional contributions. Under the plans, participants are also insured against the financial consequences of old age, disability and death. The net liability in Switzerland was EUR 7.4 million (EUR 5.1 million in 2020) of which the pension plan was EUR 7.2 million (EUR 4.8 million in 2020).

The defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk. The investment risk is being mitigated by investing the funds both to equity and debt instruments.

The following tables summarize the components of net benefit expense recognized in the statement of profit or loss and the funded status and amounts recognized in the balance sheet for the respective plans:

28.2. Amounts recognized in the balance sheet

	2021	2020
Present value of obligation wholly unfunded	271.2	294.7
Present value of obligation wholly or partly funded	86.8	86.1
Defined benefit plan obligations	358.0	380.8
Fair value of plan assets	-79.5	-81.6
Total net liability recognized	**278.5**	**299.2**

28.3. Components of defined benefit plan recorded in comprehensive income

	2021	2020
Service cost:		
Current service cost	9.3	8.1
Net interest cost	1.8	3.0
Past service cost	-0.3	0.3
Effect of settlement and curtailments	-0.1	-2.2
Components of defined benefit plan costs recorded in profit or loss	**10.7**	**9.1**

	2021	2020
Remeasurement on the net defined benefit liability:		
The return on plan assets (excluding amounts included in the net interest expense) gains (-) / losses (+)	3.7	-7.2
Actuarial gains (-) / losses (+) arising from changes in demographic assumptions	-3.1	0.5
Actuarial gains (-) / losses (+) arising from changes in financial assumptions	-20.2	27.8
Actuarial gains (-) / losses (+) arising from experience	2.2	-2.3
Components of defined benefit plan costs recorded in other comprehensive income	**-17.6**	**18.8**
Total (income (-) / expense (+))	**-6.9**	**27.9**

The actuarial gains / losses in 2021 and 2020 were mainly caused by the change of discount rates in the defined benefit plans of Germany, Switzerland and the United Kingdom.

28.4. Movements of the present value of defined benefit obligation

	2021	2020
Obligation as of January 1	380.8	364.1
Translation difference	5.6	-3.8
Business combinations	0.0	1.9
Reclassification of pension liabilities	0.0	0.7
Settlements and curtailments	-0.1	-2.2
Current service cost	9.4	8.4
Interest cost	2.9	4.4
Past service cost	-0.3	0.3
Actuarial gains (-) / losses (+) arising from changes in demographic assumptions	-3.1	0.5
Actuarial gains (-) / losses (+) arising from changes in financial assumptions	-20.2	27.8
Actuarial gains (-) / losses (+) arising from experience	2.2	-2.3
Benefits paid (-)	-19.1	-19.0
Obligation as of December 31	**358.0**	**380.8**

Of the benefits paid, EUR 6.2 million (2020: EUR 5.9 million) was paid from plan assets and EUR 12.9 million (2020: EUR 13.1 million) by employer directly.

Movements of the fair value of plan assets	2021	2020
Fair value of plan assets as of January 1	81.6	80.5
Translation difference	5.1	-3.4
Business combinations	0.0	0.6
Reclassification of plan assets	0.0	0.5
Interest income	1.1	1.5
Employee contributions	1.4	0.4
Employer contributions	0.1	0.3
Settlements	0.0	0.0
The return on plan assets (excluding amounts included in the net interest expense)	-3.7	7.2
Benefits paid (-)	-6.2	-5.9
Fair value of plan assets as of December 31	**79.5**	**81.6**

28.5. Major categories of plan assets at the end of the reporting period

	2021	2020
Equity instruments	13.6	14.4
Debt instruments	51.5	57.5
Insurances	1.6	1.1
Real estate	7.2	7.5
Others	5.5	1.1
Total plan assets	**79.5**	**81.6**

The plan assets do not contain any Konecranes shares or assets.

Virtually all equity and debt instruments have quoted prices in active markets. The plan assets originate from the United Kingdom, Switzerland, Germany and India. It is the policy of the UK fund to invest approximately 25–30% to growth assets, such as equity instruments as well as property and growth funds, and 70–75% to risk reducing assets such as corporate bonds and fixed or index-linked gilts. The Swiss pension funds have a policy of investing their assets approximately for 40–60% in Swiss bonds, about 15–35% in equities, and 15–25% in Swiss property and mortgage loans. There is almost no exposure to alternative investments. The Company can only indirectly and partially determine the asset allocation through the 50/50 employer/employee representation in the board of Trustees. The return on plan assets was EUR -2.6 million (2020: EUR 8.7 million).

28.6. Defined benefit plan: the main actuarial assumptions

With the objective of presenting the assets and liabilities of the defined benefit plans at their fair value on the balance sheet, assumptions under IAS 19 are set by reference to market conditions at the valuation date. Qualified independent actuaries have updated the actuarial valuations under IAS 19 of the major defined benefit schemes operated by the Group to December 31, 2021. The assumptions used by the actuaries are chosen from a range of possible actuarial assumptions which, due to the long-term nature of the schemes, may not necessarily be borne out in practice. The actuarial assumptions used to calculate the benefit liabilities therefore vary according to the country in which the plan is situated. The following table shows the assumptions, weighted by liabilities, used to value the principal defined benefit plans.

Germany	2021	2020
Discount rate %	1.05	0.55
Expected development of salaries %	2.42	2.40
Expected development of pensions %	1.65	1.67

Mortality table: Richttafeln 2018 G von Klaus Heubeck

UK	2021	2020
Discount rate %	1.80	1.40
Expected development of pensions %	3.30	2.90

Mortality table: SAPS base table of S3PA, applied at year of birth and weighted by male/female deferred members and pensioners, and CMI 2020 (2020: CMI 2017) projections with a long term improvement parameter of 1.25% (2020: 1.25%) per annum.

Switzerland	2021	2020
Discount rate %	0.17	0.05
Expected development of salaries %	1.25	1.25

Mortality table: BVG 2020 Generational and improvement factors CMI 2019 LTR 1.5%.

Other	2021	2020
Discount rate %	0.60 - 12.42	0.22 - 12.07
Expected development of salaries %	1.10 - 10.05	1.08 - 8.80
Expected development of pensions %	1.61 - 10.57	1.50 - 6.90

The below table shows the % effect of a change in the significant actuarial assumptions used to determine the retirement benefits obligations in our main defined benefit pension obligation countries. The effect shows the increase or decrease in the liability. In the calculation of the sensitivity of the discount rate, any effect from the return of plan assets has been ignored.

Sensitivity analysis	Increase	Decrease
0.5% points change in the discount rate	-7.0%	7.9%
0.5% points change in the expected development of salaries	0.4%	-0.4%
0.5% points change in the expected development of pensions	5.5%	-5.0%

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. A linear extrapolation of these amounts based on alternative changes in the assumptions as well as an addition of combined changes in the individual assumptions is not possible.

There are no changes in the way the sensitivity analyses were performed compared to the previous years.

The average duration of the defined benefit obligation weighted by the present value of the defined benefit obligation is 15 years (2020: 16 years).

The Group expects to contribute EUR 1.4 million to the above defined benefit pension plans in 2022 (Employer contribution).

29. Share-based payments

Performance Share Plan

The Board of Directors of Konecranes Plc has resolved in 2017 to establish a long-term incentive plan for the Group key employees and the President and CEO. The share-based incentive plans are a Performance Share Plan 2017 for the Group key employees, a Restricted Share Unit Plan 2017 for selected Group key employees and a Performance Share Plan 2017–2021 for the President and CEO. The potential rewards from the incentive plans will be paid partly in Konecranes Plc shares and partly in cash to be used for taxes and tax-related costs after the performance periods or vesting periods. As a rule, no reward will be paid if a plan participant's employment or service ends before the reward payment. The Performance Share Plan includes three performance periods, calendar years 2017–2019, 2018–2020 and 2019–2021. The Board of Directors will resolve on the performance criteria and on the required performance levels for each criterion at the beginning of each performance period.

The Board of Directors resolved that the performance criterion for the discretionary period 2018–2020 is the cumulative adjusted Earnings per Share (EPS) of the financial years 2018–2020. Adjustments to the EPS include defined restructuring costs, purchase price allocation amortization and certain other unusual items. The target group of the plan consisted of a maximum of 280 people during the discretionary period 2018–2020. The rewards to be paid on the basis of the discretionary period correspond to the value of a maximum total of 710,000 Konecranes Plc shares. If the target determined by the Board of Directors is attained, the reward payout may be a half of the maximum reward. The maximum reward payout requires that the target is clearly exceeded.

The Board of Directors of Konecranes Plc resolved that the performance criteria for the performance period 2019–2021 under the company's Performance Share Plan (the "Plan") are the cumulative adjusted Earnings per Share (EPS) and the cumulative annual growth rate (CAGR) for Sales of the financial years 2019–2021. Adjustments to the EPS include defined restructuring costs, purchase price allocation amortization and certain other unusual items. The target group of the Plan for the performance period 2019–2021 consists of a maximum of 200 key employees of the Konecranes Group. The rewards to be paid on the basis of the performance period 2019–2021 correspond to the value of a maximum total of 670,000 Konecranes Plc shares. If the target determined by the Board of Directors is attained, the reward payout may be half of the maximum reward. The maximum reward payout requires that the target is clearly exceeded.

The Board of Directors of Konecranes Plc resolved in 2020 to establish a new Performance Share Plan 2020 for Konecranes key employees. The Plan has a performance period from 2020 to 2022 with three separate measurement periods and separate targets for 2020, 2021 and 2022.

The criterion for the measurement periods 2020 and 2021 is adjusted Earnings per Share (EPS). Adjustments to the EPS include defined restructuring costs, mergers and acquisitions related deal costs and other unusual items. The EPS target for the first and second measurement periods have also been resolved by the Board of Directors. The target group of the Plan for the performance period 2020–2022 consists of a maximum of 170 key employees of the Konecranes group. The rewards to be paid on the basis of the performance period 2020–2022 correspond to the value of a maximum total of 600,000 Konecranes Plc shares. The payment of the total reward takes place in 2023 if the plan term conditions are met. The potential rewards from the Plan will be paid partly in company shares and partly in cash after the performance periods. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards to the plan participants. As a rule, no reward will be paid if plan participant's employment or service ends before the reward payment.

The Board of Directors of Konecranes Plc resolved in 2021 to establish a new Performance Share Plan 2021 for Konecranes key employees. The Plan has a performance period from 2021 to 2023 with three separate measurement periods and separate targets for 2021, 2022 and 2023.

The criterion for the measurement period 2021 is adjusted earnings per Share (EPS). Adjustments to the EPS include defined restructuring costs, mergers and acquisitions related deal costs and other unusual items. The EPS target for the first measurement period has also been resolved by the Board of Directors. The target group of the Plan for the performance period 2021–2023 consists of a maximum of 170 key employees of the Konecranes group. The rewards to be paid on the basis of the performance period 2021–2023 correspond to the value of a maximum total of 634,921 Konecranes Plc shares. The payment of the total reward takes place in 2024 if the plan term conditions are met. The potential rewards from the Plan will be paid partly in company shares and partly in cash after the performance periods. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards to the plan participants. As a rule, no reward will be paid if plan participant's employment or service ends before the reward payment.

Restricted Share Unit Plan

The Restricted Share Unit Plan 2017 is directed to selected key employees in Konecranes. The vesting periods will last for 12 to 36 months. The prerequisite for reward payment is that a key employee's employment or service continues until the end of the vesting period. The rewards to be allocated on the basis of the entire plan will amount to a maximum total of 200,000 Konecranes Plc class shares including also the proportion to be paid in cash. No shares (45,000 shares in 2020) of the restricted share unit plan were allocated during 2021.

Restricted Share Unit Plan 2020

Konecranes Plc and Cargotec Corporation have on October 1, 2020 signed a combination agreement and a merger plan to combine the two companies through a merger ("Transaction"). The Board of Directors of Konecranes Plc decided to establish a new share-based incentive plan for the Group key employees. The new Restricted Share Unit Plan 2020 ("Plan") is intended to function as a bridge plan for the transition period before the closing of the Transaction and forming the combined company in the merger ("Transition Period"). The aim of the Plan is to align the objectives of the shareholders and the key employees, to secure business continuity during the Transition Period, and to retain key employees at the Company.

The reward from the Plan is conditional to the closing of the Transaction. In addition, the reward is based on a valid employment or service and the continuity of the employment or service during the waiting period. The reward is paid partly in shares and partly in cash, after the end of the waiting period, ending on the closing date of the Transaction. Shares received as a reward in the Plan may not be sold, transferred, pledged or otherwise assigned during the 12-month lock-up period. The lock-up period begins on the date following the closing date of the Transaction. The Plan is intended for selected key employees only, approximately 100 employees, including the Konecranes Leadership Team members. The rewards to be allocated in Konecranes Plc shares on the basis of the Plan will amount up to an approximate maximum total of 120,000 Konecranes Plc shares. In addition, a cash proportion is included in the reward to cover taxes and tax-related costs arising from the reward.

Ownership Obligations

A member of the Group Executive Board must hold a minimum of 50 percent of any net shares given on the basis of these plans, until the member's shareholding in the company in total corresponds to the value of the member's annual salary and the member's membership in the Group Executive Board continues.

The fair value of the equity-settled portion of the share rights granted is estimated at the date of grant using a Monte-Carlo simulation model, taking into account the terms and conditions upon which the share rights were granted. The model simulates the TSR and compares it against the group of principal competitors. It takes into account historical and expected dividends, and the share price fluctuation covariance of the Group and its competitors to predict the distribution of relative share performance. Fair value of the cash-settled portion is measured at each reporting date using a binomial option pricing model taking into account the terms and conditions upon which the instruments were granted and the current likelihood of achieving the specified target.

Employee Share Savings Plan

The Group has launched an Employee Share Savings Plan (ESSP) in which each participant will receive one free matching share for every two acquired savings shares. Matching shares will be delivered to a participant if the participant holds the acquired shares from the plan until the end of the designated holding period. The matching shares will be paid in Konecranes shares and partly in cash. The expenses of the plan are recognized over the vesting period based on the quarterly acquired savings share amounts.

The fair value of the equity-settled portion of the share options granted is estimated at the date of grant using a binominal option pricing model, taking into account the terms and conditions upon which the share options were granted. Fair value of the cash-settled portion is measured at each reporting date using a binomial option pricing model taking into account the terms and conditions upon which the instruments were granted and the current likelihood of achieving the specified target.

29.1. Expenses for employee service

	2021	2020
Expense arising from equity-settled share-based payment transactions	9.5	5.0
Expense arising from cash-settled share-based payment transactions	2.5	0.7
Total expense arising from share-based payment transactions	**11.9**	**5.7**

The carrying amount of the liability arising from cash settled portion was EUR 3.0 million (2020: EUR 0.8 million).

29.2. Changes in the number of gross share rewards in Performance Share Plan

	2021 Number of shares	2020 Number of shares
As of January 1	1,947,600	2,124,100
Share rewards granted	633,300	700,000
Share rewards awarded	-2,000	-552,820
Share rewards expired	-668,933	-280,135
Share rewards forfeited	-194,167	-43,545
Total as of December 31	**1,715,800**	**1,947,600**

29.3. Changes in the number of net share rewards in Restricted Share Unit Plan 2020

	2021 Number of shares	2020 Number of shares
As of January 1	119,246	0
Share rewards granted	8,238	119,246
Share rewards forfeited	-16,798	0
Total as of December 31	**110,686**	**119,246**

29.4. Changes in the number of gross share rewards in Employee Share Savings Plan

	2021 Number of shares	2020 Number of shares
Outstanding as of January 1	182,160	146,344
Share rewards granted	64,142	66,329
Share rewards awarded	-45,751	-21,480
Share rewards forfeited	-10,113	-9,033
Outstanding as of December 31	**190,438**	**182,160**

29.5. Assumptions made in determining the fair value of Performance Shares Plan

The fair value for the cash settled portion is remeasured at each reporting date until the possible share delivery. The fair value of the liability will thus change in accordance with the Konecranes Plc share price.

For the 2018–2020 vesting periods granted in 2018, the fair value for the equity settled portion is based on non market vesting condition (adjusted EPS), for the 2019–2021 vesting periods granted in 2019, the fair value for the equity settled portion is based on two non market vesting conditions (adjusted EPS and annual growth rate of sales). For the 2020–2022 vesting periods granted in 2020, the fair value for the equity settled portion is based on non market vesting condition (adjusted EPS) for the years 2020 and 2021 when the condition for 2022 is still open. For the 2021–2023 vesting periods granted in 2021, the fair value for the equity settled portion is based on non market vesting condition (adjusted EPS) for the year 2021 when the condition for 2022 and 2023 are still open. The fair value for the equity settled portion based on non market vesting condition has been determined at grant using the fair value of Konecranes share as of the grant date and expected dividend yield.

	2021 plan	2020 Restricted share unit plan	2020 plan	2019 plan	2018 plan
Share price at grant, EUR	38.77	27.74	26.95	31.09	32.91
Share price at reporting period end December 31, EUR	35.16	35.16	35.16	35.16	35.16
Expected volatility, % *	26.0%	31.0%	32.0%	25.0%	27.0%
Risk-free interest rate, %	0.0%	0.0%	0.0%	0.0%	0.0%
Expected dividend per share, pa, EUR	1.7	3.2	1.7	1.1	1.1
Expected contractual life in years	2.8	1.4	2.5	2.8	1.7
Weighted average fair value of the share rewards at the grant date	33.75	24.54	22.59	27.66	29.55
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

* Expected volatility was determined by calculating the historical volatility of the Konecranes share using monthly observations over corresponding maturity.

30. Related party transactions

The related parties of Konecranes include subsidiaries (see Company list), associated companies, joint ventures and joint operations, pension fund in the United Kingdom and the key management personnel of the Group and major shareholders. The key management personnel of the Group is comprised of the Board of Directors, the CEO and the Konecranes Leadership Team.

30.1. Key Management compensation

Board of Directors

The remuneration packages for Board members are resolved by the Annual General Meeting (AGM) on proposal by the Nomination Committee. The AGM 2021 confirmed an annual fee of EUR 140,000 for the Chairman of the Board (2020: EUR 140,000), EUR 100,000 for the Vice Chairman of the Board (2020: EUR 100,000), and EUR 70,000 for other Board members (2020: EUR 70,000). In case the term of office of a Board member ends before the closing of the Annual General Meeting in 2022, he or she is entitled to the prorated amount of the annual remuneration calculated on the basis of his or her actual term in office. In addition, compensation of EUR 1,500 was approved per meeting for attendance at Board committee meetings (2020: EUR 1,500). However, the chairman of audit committee is entitled to a compensation of EUR 3,000 (2020: EUR 3,000) per meeting for attendance at audit committee meetings.

According to the proposal, 50% of the annual remuneration is to be used for acquiring shares in the company. The remuneration may also be paid by transferring treasury shares based on the authorization given to the board of directors by the general meeting. In case such purchase of shares cannot be carried out due to reasons related either to the company or to a board member, the annual remuneration shall be paid entirely in cash.

Travel expenses will be compensated against receipt.

2021

Total compensation to the Board of directors	Number of shares as part of compensation	Value of compensation in shares, EUR	Compensation paid in cash, EUR	Total compensation, EUR
Chairman of the Board	1,508	55,908	96,092	152,000
Board members	3,770	139,771	288,229	428,000
Total	**5,278**	**195,680**	**384,320**	**580,000**

2020

Total compensation to the Board of directors	Number of shares as part of compensation	Value of compensation in shares, EUR	Compensation paid in cash, EUR	Total compensation, EUR
Chairman of the Board	2,193	59,448	94,052	153,500
Board members	6,180	169,738	344,262	514,000
Total	**8,373**	**229,185**	**438,315**	**667,500**

Expense of statutory pension plans was EUR 0.0 million in 2021 (EUR 0.0 million in 2020).

President and CEO

The Human Resources Committee reviews the President and CEO's performance. Based on this review and relevant facts, the Board sets the total compensation package for the President and CEO.

On October 7, The Board of Directors of Konecranes Plc appointed Rob Smith as President and CEO of Konecranes effective from February 1, 2020 and the former CEO Panu Routila left the Group on October 6, 2019. The company's CFO, Teo Ottola, who also serves as Deputy CEO, acted as the interim CEO until Rob Smith started in the position. On August 6, 2021 Konecranes announced that Rob Smith has decided to leave the company. He left Konecranes on December 31, 2021. The company's CFO, Teo Ottola, who also serves as Deputy CEO, will be acting as the interim CEO from January 1, 2022 until the completion of the planned merger between Konecranes and Cargotec Corporation.

President and CEO	2021	2020
Salary and benefits, EUR (Jan 1 – Jan 31, 2020 Teo Ottola, Rob Smith Feb 1, 2020 – Dec 31, 2021)	901,303	750,830
Annual variable pay, EUR	256,284	0.0
Total	**1,157,587**	**750,830**
Expense of statutory pension plans (Teo Ottola Jan 1 – Jan 31, 2020, Rob Smith Feb 1, 2020 – Dec 31, 2021)	184,172	113,782
Expense of voluntary pension plans (Teo Ottola Jan 1 – Jan 31, 2020, Rob Smith Feb 1, 2020 – Dec 31, 2021)	106,664	107,186
Total	**290,836**	**220,968**
Annual variable pay of CEO (Rob Smith)		
Accrued	615,815	0.0
Benefits related to termination of employment (Panu Routila)		
Paid during the period	0.0	758,302
Shareholding in Konecranes Plc (number of shares)	0.0	0.0
Performance share rights allocated (number of share rights) [1]	0.0	122,922
Share-based payment costs, EUR	-218,859	218,859
Retirement age	63 years	63 years
Period of notice	6 months	
Severance payment (including 6 months notice period)	18 months salary and fringe benefits	

[1] Number of 2020 restricted share rights are net share amounts. In addition, a cash part is included in the reward. Performance share rights allocated to Rob Smith on December 31, 2021 are reported zero as he is not entitled to receive them.

Konecranes Leadership Team

The Konecranes Leadership Team (KLT) convenes as frequently as necessary, normally on a monthly basis. Business Areas have their own management teams that convene on a regular basis. Only the KLT is classified to key management personnel due to the decision making power.

The Konecranes Leadership Team consists of the following members:

- President and CEO
- Chief Financial Officer, Deputy CEO
- Executive Vice President, Business Area Service
- Executive Vice President, Industrial Equipment
- Executive Vice President, Port Solutions
- Executive Vice President, Technologies
- Senior Vice President, Human Resources
- Senior Vice President, General Counsel
- Senior Vice President, Integration and Project Management Office

The Human Resources Committee of the Board will, based upon a recommendation by the President and CEO, make a proposal to the Board concerning the approval of the base compensation review and incentive levels for KLT members.

The retirement age of the Finnish members of the KLT (excluding the President and CEO) is set according to the Employees Pensions Act (TyEL). The Finnish members of the KLT also participate in the contribution-based group pension insurance scheme offered to key personnel in Finland. The defined contribution payment by the company is 1% of annual salary excluding performance based compensation (annual or long term incentives). The Finnish KLT members also have life insurance and disability insurances. Non-Finnish members have local insurances.

Konecranes Leadership Team excluding the President and CEO	2021	2020
Salary and benefits, EUR	2,227,618	2,041,926
Annual variable pay, EUR	864,377	634,430
Total	**3,091,995**	**2,676,357**
Expense of statutory pension plans	335,934	280,349
Expense of voluntary pension plans	19,688	17,360
Total	**355,622**	**297,709**
Shareholding in Konecranes Plc (number of shares)	156,161	170,044
Performance share rights allocated (number of share rights) [1)]	317,419	334,419
Share-based payment costs, EUR	2,014,697	720,725

[1)] Number of 2020 restricted share rights are net share amounts. In addition, a cash part is included in the reward.

There were no loans outstanding to the Konecranes Leadership Team at end of the period 2021 and 2020.

There were no guarantees on behalf of the Konecranes Leadership Team in year 2021 and 2020.

The employee benefits to the key management personnel of the Group were in total EUR 7.3 million in year 2021 (EUR 5.6 million in year 2020).

30.2. Transactions with associated companies and joint arrangements

	2021	2020
Sales of goods and services with associated companies and joint arrangements	18.0	20.0
Receivables from associated companies and joint arrangements	3.3	4.3
Purchases of goods and services from associated companies and joint arrangements	53.6	48.7
Liabilities to associated companies and joint arrangements	1.7	0.8

Sales to and purchases from related parties are concluded using terms equivalent to arm's length transaction.

30.3. Transactions with Pension Fund in the United Kingdom

	2021	2020
Employer contributions	0.0	0.0

30.4. Transactions with Board members

	2021	2020
Board member holding the bond of Konecranes Plc through a 100% owned company.		
Interest-bearing short-term liabilities	0.1	0.1

31. Guarantees and contingent liabilities

	2021	2020
For own commercial obligations		
Guarantees	783.0	580.2
Other	55.1	33.4
Total	**838.2**	**613.6**

From time to time Konecranes provides customers with guarantees that guarantee Company's obligations pursuant to the applicable customer contract. In sales 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 pend against the Group in various countries. These actions, claims and other proceedings are typical of 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 has 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.

32. Financial assets and liabilities

32.1. Carrying amounts of financial assets and liabilities

	2021				2020			
Financial assets	**Fair value through OCI**	**Fair value through income statement**	**Amortized cost**	**Carrying amounts by balance sheet item**	**Fair value through OCI**	**Fair value through income statement**	**Amortized cost**	**Carrying amounts by balance sheet item**
Current financial assets								
Account and other receivables	0.0	0.0	520.2	**520.2**	0.0	0.0	520.1	**520.1**
Derivative financial instruments	1.5	2.1	0.0	**3.6**	7.7	13.4	0.0	**21.2**
Cash and cash equivalents	0.0	0.0	320.7	**320.7**	0.0	0.0	591.9	**591.9**
Total	**1.5**	**2.1**	**840.9**	**844.5**	**7.7**	**13.4**	**1,112.0**	**1,133.2**
Financial liabilities								
Non-current financial liabilities								
Interest-bearing liabilities	0.0	0.0	447.1	**447.1**	0.0	0.0	859.7	**859.7**
Other payables	0.0	0.0	10.5	**10.5**	0.0	0.0	7.2	**7.2**
Current financial liabilities								
Interest-bearing liabilities	0.0	0.0	418.0	**418.0**	0.0	0.0	311.1	**311.1**
Derivative financial instruments	7.0	9.9	0.0	**16.9**	1.9	3.7	0.0	**5.5**
Account and other payables	0.0	0.0	308.6	**308.6**	0.0	0.0	262.7	**262.7**
Total	**7.0**	**9.9**	**1,184.2**	**1,201.1**	**1.9**	**3.7**	**1,440.8**	**1,446.3**

Additional information on financial instruments is presented in Note 34.

32.2. 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		Fair value		
Financial assets	**2021**	**2020**	**2021**	**2020**	**Note**
Current financial assets					
Account and other receivables	520.2	520.1	520.2	520.1	19,20
Derivative financial instruments	3.6	21.2	3.6	21.2	34.1
Cash and cash equivalents	320.7	591.9	320.7	591.9	22
Total	**844.5**	**1,133.2**	**844.5**	**1,133.2**	
Financial liabilities					
Non-current financial liabilities					
Interest-bearing liabilities	447.1	859.7	448.3	864.6	27.1
Other payables	10.5	7.2	10.5	7.2	
Current financial liabilities					
Interest-bearing liabilities	418.0	311.1	419.1	311.2	27.2
Derivative financial instruments	16.9	5.5	16.9	5.5	34.1
Account and other payables	308.6	262.7	308.6	262.7	25.2
Total	**1,201.0**	**1,446.3**	**1,203.4**	**1,451.3**	

The management assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities 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.

IFRS 7 requires that the classification of financial instruments at fair value be determined by reference to the source of inputs used to derive the fair value. This classification uses the following three-level hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the financial instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 – inputs for the financial instrument that are not based on observable market data (unobservable inputs)

32.3. Hierarchy of fair values

The following table allocates financial assets and financial liabilities measured at fair value to the three levels of the fair value hierarchy.

	2021			2020		
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Derivative financial instruments						
Foreign exchange forward contracts	0.0	3.5	0.0	0.0	21.2	0.0
Fuel oil derivate	0.0	0.1	0.0	0.0	0.0	0.0
Interest rate derivative	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.0**	**3.6**	**0.0**	**0.0**	**21.2**	**0.0**
Other financial assets						
Cash and cash equivalents	320.7	0.0	0.0	591.9	0.0	0.0
Total	**320.7**	**0.0**	**0.0**	**591.9**	**0.0**	**0.0**
Total financial assets	**320.7**	**3.6**	**0.0**	**591.9**	**21.2**	**0.0**
Financial liabilities						
Derivative financial instruments						
Foreign exchange forward contracts	0.0	16.9	0.0	0.0	5.5	0.0
Total	**0.0**	**16.9**	**0.0**	**0.0**	**5.5**	**0.0**
Other financial liabilities						
Interest bearing liabilities	0.0	865.1	0.0	0.0	1,170.8	0.0
Other payables	0.0	0.0	3.0	0.0	0.0	0.7
Total	**0.0**	**865.1**	**3.0**	**0.0**	**1,170.8**	**0.7**
Total financial liabilities	**0.0**	**882.0**	**3.0**	**0.0**	**1,176.3**	**0.7**

There were no significant changes in classification of fair value of financial assets and financial liabilities in the period 2020 to 2021. There were also no significant movements between the fair value hierarchy classifications.

The level 3 valuations in other payables are contingent consideration liabilities resulting from business combinations or the acquisition of non-controlling interest and the cash settled share based payment liability.

33. Management of financial risks

The nature of Konecranes' business and its global presence exposes it to a range of financial risks. These risks include (i) market risks, which include potential unfavorable changes in foreign exchange rates, interest rates and commodities, (ii) liquidity risk and (iii) credit and counterparty risk.

33.1. Market risk

The responsibility of identifying, evaluating and controlling the financial risks arising from the Group's global business operations is divided between the business units and the Group Treasury. However, the Group uses an approach in which most of the management of financial risks is centralized to Konecranes' Group Treasury. The Group Treasury functions within the legal entity Konecranes Finance Corporation. By centralization and netting of internal foreign currency cash flows, the Group's external hedging needs can be minimized.

Konecranes Finance Corporation is not a profit center in the sense that it would pursue to maximize its profits. The Company aims to serve the operating companies of the Group in reducing their financial risks.

The Group's global business operations involve market risks in the form of currency, interest rate and commodity risk. The Group's objective is to increase the short-term stability of the financial environment for the business operations by reducing the negative effects caused by price fluctuations and other uncertainties in the financial markets.

Business units hedge their risks internally with the Group Treasury. As a result of this, most of the financial risks of the Group are concentrated into one company, Konecranes Finance Corporation, and can be evaluated and controlled in an efficient way.

Almost all funding, cash management and foreign exchange with banks and other external counterparties are centralized to and managed in Konecranes Finance Corporation in accordance with the Group's Treasury Policy. In a few special cases, when the local central bank regulation prohibits using group services in hedging and funding, this must be done directly between an operating company and a bank under the supervision of the Group Treasury.

Konecranes Finance Corporation uses a treasury system, which enables practically a real-time processing of transactions and in-depth records of activities and performance. The standard reporting is done on a weekly basis and it covers group-level commercial and financial cash flows, foreign currency transaction exposure, debt positions, portfolio of derivatives and counterparty credit exposure for financial transactions. In addition, all Group companies participate in the monthly managerial and statutory reporting.

Foreign exchange risk

The Group's global business operations generate foreign exchange risk. However, most of the business units only have transactions in their own currency, i.e. these units have their sales and costs as well as internal funding from Konecranes Finance Corporation in their local home currency. Only 29 out of some 150 Group companies operate regularly in a foreign currency. These companies hedge their foreign exchange risk with Group Treasury. Depending on the business area and the probability of the cash flows, the hedging covers operative cash flows for the next 1–24 months and is done by using internal foreign exchange forward contracts.
In this way, Konecranes Finance Corporation can manage the foreign exchange risk of the whole Group. The foreign currency funding of the other Group companies and possibly some external foreign currency funding can net some of these foreign currency items. The residual net exposure can be covered with commercial banks using foreign exchange forward contracts or currency options. Currency derivatives belonging to hedge accounting are managed in a separate portfolio than derivatives hedging other commercial flows and funding and cannot thus be netted out against other internal items. These instruments are used when the hedging effect cannot be obtained through internal netting and matching of cash flows within the Group.

The business units' commercial bids in a foreign currency can be hedged by using currency options or exchange forwards, but, in general, using currency clauses covers the risk.

For certain large crane projects, the Group applies hedge accounting under IAS 39. Hedges are done by using foreign exchange forward contracts. Currently, only USD denominated projects are included in the hedge accounting. The hedge accounting portfolio comprises both USD sales and purchases where gross flows are hedged separately. At the end of 2021, the hedge accounting net cash flows totaled USD 201 million (USD 207 million in 2020).

The following table shows the transaction exposure of Konecranes Finance Corporation as of December 31, 2021, and December 31, 2020 (in EUR millions):

	2021	2020
AED	1	10
AUD	38	19
BRL	5	4
CAD	20	16
CHF	3	1
CLP	1	1
CNY	-2	-24
CZK	12	10
DKK	5	0
GBP	53	7
IDR	9	4
ILS	0	-3
INR	3	2
JPY	2	3
MXN	-1	0
MYR	4	1
NOK	2	1
PHP	3	1
SEK	-131	-58
SGD	-10	-6
THB	4	2
TWD	1	1
USD	284	250
VND	2	0
ZAR	6	5

The following table shows the translation exposure, which represents the equity of the Group in a local currency as of December 31, 2021, and December 31, 2020 (in EUR millions):

	2021	2020
AED	11	9
AUD	10	11
BDT	1	1
BRL	14	11
CAD	12	9
CHF	3	9
CLP	8	7
CNY	124	106
CZK	9	9
DKK	6	6
GBP	-19	-26
HUF	3	3
INR	5	3
IDR	19	9
JPY	-8	-8
MAD	2	2
MXN	2	2
MYR	14	22
NOK	1	1
PEN	6	5
PHP	6	7
PLN	1	1
RON	2	2
RUB	7	6
SAR	-1	-2
SGD	-37	-45
SEK	-6	-15
THB	18	16
TWD	4	3
UAH	2	-2
USD	33	26
VND	1	0
ZAR	2	0

See Note 34 for the notional and fair values of derivative financial instruments.

Changes in currency rates can affect the profitability and equity of the Group. The US dollar has the biggest impact, as many of the large crane projects outside the United States are denominated in USD and because the Group has a lot of local business operations in the United States. A depreciation of the USD would have a negative impact.

The following table shows the theoretical effects that changes in the EUR/USD exchange rate would have on the Group's annual EBIT and equity. An appreciation of US dollar against euro for 10% increases EBIT by EUR 36.9 million (43.9 million in 2020) and increases equity by EUR 3.6 million (3.2 million in 2020). The below table provides a sensitivity analysis over the past two years:

Change in EUR/USD rate	2021 EBIT	2021 Equity	2020 EBIT	2020 Equity
+10%	-30.2	-2.9	-35.9	-2.6
-10%	+36.9	+3.6	+43.9	+3.2

The EBIT effect comprises transaction exposure for euro-based companies having frequent sales in USD and the translation exposure from EBIT generated in USD translated into euros. The transaction position is estimated for 2021 as the USD positions changes from one year to another and these changes are mainly due to timing of major ports projects and currencies used in them. The estimate of the effects is based on the assumption that the USD denominated transactions are not hedged. In practice, however, all large projects with long maturities generating a substantial portion of the annual changes in the transaction position are hedged and subject to project specific pricing. The change in equity is the translation exposure on the Group's equity in USD.

Appreciating US dollar has a positive impact on Group's operating margin when it impacts the revenues and costs reported in euros asymmetrically. This is due to the fact that the exchange rate change impacts mostly both Group's revenues and costs and partly only either of these. If the EBIT generated in USD based entities as well as cash flows from long lasting projects, as they are subject to project specific pricing which in practice may be adjusted to reflect the currency rate changes, are excluded from the sensitivity analysis, the effect on EBIT is estimated to be approximately a EUR 9 million increase (EUR 10 million in 2020) when the dollar appreciates 10 percent.

Interest rate risk

Changes in market interest rates have an impact on the Group's net interest expenses and the market value of interest rate derivatives. The objective for interest rate risk management is to reduce the volatility impact the market interest rate changes cause by optimizing the allocation between fixed and floating interest rates according to principles set in capital structure management.

Approximately 92% of the Group's interest-bearing liabilities are denominated in euro (93% in 2020). See note 27.3 for the currency split of outstanding debt.

The portion of the Group's long-term debt of total debt is related to the Group's gearing ratio. The higher the ratio is, the bigger the share of long-term debt should be of the total loan portfolio in line with principles set in the capital structure management. The interest rate risk related to long term loans may be hedged with interest rate derivatives such as interest rate swaps for which hedge accounting is applied. Other instruments that can be used for which no hedge accounting is applied are forward rate agreements, interest rate futures and interest rate options.

A change of one percentage point in interest rates in the Group's long-term debt portfolio would have the following effect on the Group's income statement and equity:

Change in interest rates	2021 Income statement	2021 Equity	2020 Income statement	2020 Equity
+1	-3.6	+0.0	-5.2	+0.0
-1	+0.9	-0.0	+1.0	-0.0

The effect on income statement is comprised of the Group's floating long-term debt which is recognized through the statement of income. The effect on equity is comprised of the changes in fair value of interest rate swaps which are hedging the debt portfolio. The effect of one percentage point decline is calculated with a 0% interest rate floor. The proportion of fixed interest loans in the loan portfolio can be increased by means of interest rate derivatives. As a consequence of this treasury policy, the Group's average interest rate level, in general, can be higher than the market level of short-term interest rates when low rates prevail and, on the other hand, lower than the market level when high rates prevail.

Commodity risk

By using fuel oil derivatives, the Group may reduce the negative effect caused by oil price fluctuation. The overall importance of the energy price risk is small compared to other financial risks and cannot be described as significant.

See note 34 for the notional and fair values of derivative financial instruments.

Steel prices are fixed as a normal part of the procurement process. Price changes naturally affect the future procurement, but these changes can be taken into consideration in the price quotes to the end customers.

In large crane projects, the steel structures are sub-contracted and as a normal part of the sub-contracting process, the steel is included in the price of the sub-contracting (i.e. the price is fixed with the sub-contractor).

The Group can procure steel and steel components and thus may have an inventory of those. Market price fluctuation of steel can impact the profitability of customer projects or cause inventory obsolescence.

33.2. Credit and counterparty risks

Credit risk arises from the potential failure of a commercial counterparty to meet its commercial payment obligations. To limit this risk, the Group applies a conservative credit policy towards customers. It is Konecranes practice to review customers carefully before entering into formal business relationships and to require credit reports from new customers. Customer credit risks are mitigated with advance payments, letters of credits, payment guarantees and credit insurance where applicable. With these actions and careful monitoring of the customer payments credit risks can be mitigated.

The business units manage credit risks related to their commercial flows. There is currently no significant concentration of credit risk regarding the commercial activities, as the number of customers is high and their geographic distribution is wide. It is the Group's policy not to fund its customers beyond regular payment terms. See note 19 for a table of an aging analysis of accounts receivable. The theoretical maximum credit risk equals the carrying amount of all receivables.

Counterparty risk arises from the potential failure of a financial institution to meet its payment obligations regarding financial instruments. All credit risks related to other financial instruments than the regular accounts receivable are managed by Konecranes Group Treasury. There is no substantial concentration of credit risk regarding the financial instruments, since investments are rare and hedging instruments are done with a number of banks. Additionally, counterparties for financial instruments are limited to the core banks of the Group. These are all major banks with good credit ratings. The majority of all financial instruments are of short-term nature, with maturity of less than one year. There are no significant deposits or loans granted with external counterparties.

The Group has counterparty risk in form of cash holdings in several banks around the world. Despite the active cash management structures, the Group has in place, cash holdings globally with several banks are needed to ensure the liquidity of Group companies. The Group Treasury follows closely the exposure in the Group according to principles set out in the Treasury Policy and takes necessary actions for reducing the risk.

A credit risk is run on the financial assets of the Group, which consist of cash and cash equivalents, receivables and certain derivatives arising from default of the other party, with a maximum risk equal to the carrying amount of these instruments.

33.3. Liquidity risks

Liquidity risks concern the availability of liquid assets or funding. Lack of funding might jeopardize normal business operations and eventually might endanger the ability to fulfill daily payment obligations.

For managing the liquidity risks, the Group has established EUR 400 million committed revolving credit facility with an international loan syndication (2017–2024). At the end of 2021, the facility was unutilized. To cover the short-term funding needs, Konecranes Finance Corporation can borrow from institutional investors through domestic commercial paper program (totaling EUR 500 million). In addition, business units around the world have working capital facilities totaling some EUR 270 million to cover the day-to-day funding needs. Cash and cash equivalents totaled EUR 323.5 million at the end of 2021 (EUR 593.7 million in 2020).

See note 27.3 for the maturity profile of the Group's financial liabilities.

33.4. Capital structure management

The primary objective of the Group's capital structure management is to ensure that it maintains a good credit status and a healthy capital ratio to support its business operations. At the same time, the Group also aims to maximize shareholder value by effective use of capital.

The Group manages its capital structure and fine-tunes it to adjust to probable changes in economic conditions. These actions may include adjusting the dividend payment to shareholders, buying back own shares or issuing new shares.

The Group monitors its capital structure using gearing ratio. This is calculated as a ratio of interest-bearing liabilities less liquid assets less loans receivable to total equity. At the end of 2021, the gearing ratio was 39.8% (46.1% in 2020).

The Group has a quantitative target for the capital structure in which the Interest-bearing net debt to equity ratio (gearing) should be below 80%.

The Group decides on the split between long-term and short-term debt in relation to the gearing ratio level. The following table shows the rough guidelines for the portion of long–term debt of total debt under different gearing ratio levels:

Gearing ratio level	Portion of long–term of total debt
Under 50%	Under 1/3
Between 50–80%	Between 1/3 and 2/3
Over 80%	Over 2/3

The Group monitors the gearing ratio level on a weekly basis. The target of the Group's capital management has been met in recent years.

34. Hedge activities and derivatives

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 cash-flow 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.

34.1. Nominal and fair values of derivative financial instruments

	2021 Nominal value	2021 Fair value	2020 Nominal value	2020 Fair value
Foreign exchange forward contracts	1,060.1	-13.4	1,052.2	15.6
Interest rate derivative	88.4	0.0	0.0	0.0
Fuel oil derivative	1.4	0.1	0.0	0.0
Total	**1,149.9**	**-13.3**	**1,052.2**	**15.6**

See note 32.3 for the fair values of the derivatives recognized in assets and liabilities.

Derivatives not designated as hedging instruments

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.

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 30.8% 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 2021 and 2020 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.

34.2. Fair value reserve of cash flow hedges

	2021	2020
Balance as of January 1	6.0	-0.5
Gains and losses deferred to equity (fair value reserve)	-11.0	8.1
Change in deferred taxes	2.2	-1.6
Balance as of December 31	**-2.8**	**6.0**

35. Merger plan with Cargotec Corporation

On October 1, 2020 Konecranes Plc ("Konecranes") and Cargotec Corporation ("Cargotec") announced that their respective Boards of Directors signed a combination agreement (the "Combination Agreement") and a merger plan to combine the two companies through a merger (the "Future Company"). The EGM on December 18, 2020 approved the merger of Konecranes into Cargotec in accordance with the merger plan signed by the Boards of Directors of Konecranes and Cargotec on October 1, 2020 and approved the Merger Plan.

The customer industries of the Future Company will include container handling, manufacturing, transportation, construction and engineering, paper and pulp, metals productions, mining, power, chemicals and marine industries. The Future Company's name will be determined and announced at a later stage. Pursuant to the merger plan, the Board of Directors of Cargotec will propose to the shareholders' general meeting of Cargotec to be convened prior to the completion of the merger that the articles of association of Cargotec will be amended in connection with the registration of the execution of the merger to contain a new name of the Future Company. The location of the headquarters of the Future Company will be decided later.

The proposed combination will be implemented as a statutory absorption merger whereby Konecranes will be merged into Cargotec. Prior to or in connection with the completion of the merger, Cargotec will issue new shares without payment to the shareholders of Cargotec in proportion to their existing shareholding by issuing two (2) new class A shares for each class A share and two (2) new class B shares for each class B share, including new shares to be issued to Cargotec for its treasury shares. Upon completion, Konecranes' shareholders will receive as merger consideration 0.3611 new class A shares and 2.0834 new class B shares in Cargotec for each share they hold in Konecranes on the record date. This implies that Konecranes shareholders would own approximately 50 percent of the shares and votes of the Future Company, and Cargotec shareholders would own approximately 50 percent of the shares and votes of the Future Company. In addition to the merger consideration shares, all the existing class A shares of Cargotec will be listed on Nasdaq Helsinki in connection with the merger.

The Konecranes Annual General meeting approved the Board's proposal and authorized the Board of Directors to resolve, before the completion of the Merger, on an extra distribution of funds to be paid either from the Konecranes' reserve for invested unrestricted equity as a return of equity or from its retained earnings as a dividend or as a combination of both so that the total maximum amount of funds to be distributed under the authorization would amount to EUR 158,268,918 corresponding to EUR 2.00 per share. The authorization is in force until the opening of the following Annual General Meeting of Konecranes. The extra distribution of funds will be paid in addition to the ordinary distribution(s). Konecranes and Cargotec have obtained necessary commitments for the financing of the completion of the merger.

The completion of the Merger is subject to necessary merger control approvals having been obtained and other conditions to completion having been fulfilled. In July, the European Commission and the UK Competition and Markets Authority (CMA) opened Phase II reviews in connection with the planned Transaction. Also, the US Department of Justice has opened phase II review of the merger. Further investigations regarding the proposed remedies and negotiations with relevant competition authorities regarding anti-trust concerns continue, and Konecranes and Cargotec are awaiting their decisions. The companies continue to work towards the merger being completed by the end of H1 2022. Until completion, both companies will operate fully separately and independently.

Company list

Subsidiaries owned by the parent company		Book value of shares (1,000 EUR)	Parent company's share, %	Group's share, %
Finland:	Konecranes Finance Oy	46,448	100	100
	Konecranes Finland Oy	17,163	26.02	100
	Konecranes Global Oy	102,391	100	100

Subsidiaries owned by the group		Book value of shares (1,000 EUR)	Group's share, %
Australia:	Konecranes and Demag Pty Ltd	20,751	100
	MHE-Demag Australia Pty Ltd	16,942	100
Austria:	Konecranes and Demag Ges.m.b.H.	29,775	100
Bangladesh:	Konecranes and Demag (Bangladesh) Ltd.	104	100
Belgium:	S.A. Konecranes N.V.	6,150	100
Brazil:	Konecranes Demag Brasil Ltda.	32,688	100
Canada:	Konecranes Canada Inc.	893	100
Chile:	Konecranes Chile SpA	1	100
China:	Cranes and Parts Trading (Shanghai) Co., Ltd.	5,862	100
	Dalian Konecranes Company Ltd.	2,085	100
	Demag Cranes & Components (Shanghai) Co., Ltd.	14,349	100
	Konecranes (Shanghai) Co. Ltd.	0	100
	Konecranes (Shanghai) Company Ltd.	4,210	100
	Konecranes Manufacturing (Jiangsu) Co., Ltd.	28,587	100
	Konecranes Port Machinery (Shanghai) Co., Ltd.	7,606	100
	SWF Krantechnik Co., Ltd.	780	100
Czech Republic:	Konecranes and Demag s.r.o.	2,823	100
Denmark:	Konecranes Demag A/S	13,597	100
Estonia:	Konecranes Oü	0	100
Finland:	Nosturiexpertit Oy	10	100
France:	KCI Holding France SAS	40,500	100
	Konecranes (France) SAS	2,482	100
	MHPS Cranes France SAS	9,904	100
	Verlinde SAS	10,720	100
Germany:	Demag Cranes & Components GmbH	744,213	100
	Eurofactory GmbH	1,239	100
	Konecranes GmbH	483,804	100
	Konecranes Holding GmbH	315,262	100
	Konecranes Noell GmbH	38,608	100
	Konecranes Real Estate GmbH Co. & KG	33,652	94
	Konecranes Real Estate Verwaltungs GmbH	28	100
	Kranservice Rheinberg GmbH	1,492	100
	SWF Krantechnik GmbH	15,500	100

Subsidiaries owned by the group		Book value of shares (1,000 EUR)	Group's share, %
Greece:	Konecranes Hellas Lifting Equipment and Services S.A.	60	100
Hong Kong:	Konecranes Hong Kong Limited	0	100
Hungary:	Konecranes Kft.	889	100
	Konecranes Supply Hungary Kft.	2,233	100
India:	Konecranes and Demag Private Limited	17,335	100
Indonesia:	Pt. Konecranes	2,344	100
	PT MHE-Demag Indonesia	3,369	100
	PT MHE-Demag Technology Indonesia	312	67
Ireland:	Konecranes and Demag Limited	300	100
Israel:	Konecranes Israel Ltd	0	100
Italy:	Demag Cranes & Components S.r.l.	13,997	100
	Donati Sollevamenti S.r.l.	2,561	100
	MHPS Italia S.r.l.	0	100
Japan:	Konecranes Company, Ltd.	0	100
Latvia:	SIA Konecranes Latvija	2	100
Lithuania:	UAB Konecranes	139	100
Luxembourg:	Materials Handling International S.A.	300	100
Malaysia:	Konecranes Sdn. Bhd.	499	100
	Mechanical Handling Engineering (M) Sdn Bhd	400	100
	MHE-Demag Logistics Malaysia Sdn Bhd	2,498	100
	MHE-Demag Malaysia Sdn Bhd	6,555	100
	Rainfields Estate Sdn Bhd	1,293	100
Mexico:	Konecranes Mexico S.A. de C.V.	2,188	100
Morocco:	Konecranes Maghreb S.a.r.l.	50	100
The Netherlands:	Konecranes B.V.	4,201	100
	Konecranes Holding B.V.	313,851	100
	Port Software Solutions B.V.	43,080	69.78
	TBA B.V.	3,678	69.78
Norway:	Konecranes AS	3,588	100
Peru:	Konecranes Peru S.R.L.	0	100
Philippines:	MHE-Demag (P), Inc.	5,453	100
Poland:	Konecranes and Demag Sp. z o.o.	1,359	100
Portugal:	Konecranes and Demag, Lda.	3,293	100
Romania:	S.C. Konecranes S.A.	98	100
	S.C. TBA RO S.r.l.	10	69.78
Russia:	AO "Konecranes Demag Rus"	160	100
Saudi Arabia:	Saudi Cranes & Steel Works Factory Co. Ltd.	10,134	100

Subsidiaries owned by the group		(1,000 EUR) Book value of shares	Group's share, %
Singapore:	KCI Cranes Holding (Singapore) Pte. Ltd.	114,764	100
	MHE-Demag (S) Pte. Ltd.	189,693	100
	SWF Krantechnik Pte. Ltd.	164	100
Slovakia:	Konecranes Slovakia s.r.o.	200	100
Slovenia:	Konecranes, d.o.o.	200	100
South Africa:	Konecranes and Demag (Pty) Ltd.	0	100
	MHPS (Pty) Ltd	0	100
	Port Equipment Southern Africa (Pty) Ltd	0	100
Spain:	Konecranes and Demag Ibérica, S.L.U.	31,799	100
Sweden:	Konecranes AB	1,334	100
	Konecranes Lifttrucks AB	22,669	100
	Konecranes Sweden Holding AB	1,682	100
	Ulvaryd Fastighets AB	1,267	100
Switzerland:	Konecranes and Demag AG	17,205	100
Taiwan:	MHE-Demag Taiwan Company Limited	1,696	100
Thailand:	Katrolin Enterprise (T) Ltd	83	100
	Katrolin Holding (T) Ltd	94	100
	Konecranes (Thailand) Ltd.*	111	49
	Mahakorn (T) Ltd	80	100
	MHE-Demag (T) Ltd	288	100
	MHE-Demag Technology (T) Ltd	255	100
	Scenic Wealth (T) Ltd	138	100
Turkey:	Konecranes Ticaret Ve Servis Limited Sirketi	93	100
Ukraine:	Konecranes Ukraine JSC	2,049	100
	PJSC "Zaporozhje Kran Holding"	257	100
	JSC "Zaporozhcran"	0	90.43
United Arab Emirates:	Demag Cranes & Components Holding Ltd.	0	100
	Demag Cranes & Components (Middle East) FZE	14,132	100
	Konecranes Middle East FZE	1,774	100
United Kingdom:	Demag Cranes and Components Guarantee Ltd.	0	100
	Demag Cranes & Components Holdings Ltd.	0	100
	KCI Holding UK Ltd.	13,656	100
	Konecranes Demag UK Limited	6,742	100
	Lloyds Konecranes Pension Trustees Ltd.	0	100
	Morris Material Handling Ltd.	595	100
	TBA Doncaster Limited	2,011	69.78
	TBA Leicester Limited	10,342	69.78
	UKMHPS Limited	41,374	100
U.S.A.	Demag Cranes & Components Corp.	59,800	100
	KCI Holding USA Inc.	53,901	100
	Konecranes, Inc.	47,051	100
	Konecranes Nuclear Equipment & Services, LLC	0	100

Subsidiaries owned by the group		(1,000 EUR) Book value of shares	Group's share, %
	MMH Americas, LLC	0	100
	Morris Material Handling, Inc.	63,075	100
	R&M Materials Handling, Inc.	7,240	100
Vietnam:	Konecranes Vietnam Co., Ltd	0	100
	MHE-Demag Vietnam Company Ltd	2,611	100

*Konecranes Group has the majority representation on the entity's board of directors and approves all major operational decisions and thereby Konecranes consolidates them in the Group's financial statements.

Other shares and joint operations		Assets value	Group's share, %
Estonia:	AS Konesko	4,448	49.46
Finland:	Kiinteistöosakeyhtiö Kuikantorppa	261	50

Investments accounted for using the equity method		Assets value	Group's share, %
China:	Guangzhou Technocranes Company, Ltd.	570	25
	Jiangyin Dingli Shengshai High Tech Industrial Crane Company, Ltd.	138	30
	Shanghai High Tech Industrial Crane Company, Ltd.	2,358	28
Finland:	Fantuzzi Noell Baltic Oy	493	25
France:	Boutonnier Adt Levage S.A.	488	25
	Levelec S.A.	216	20
	Manulec S.A.	235	25
	Manelec S.A.R.L.	84	25
	S.E.R.E. Maintenance S.A.	221	25
Germany:	AQZ Ausbildungs- und Qualifizierungszentrum Düsseldorf GmbH	0	30
Singapore:	MHE-Demag Techonology (S) Pte. Ltd.	704	49.99
Switzerland:	Demag IP Holdings GmbH	135	50
Thailand:	CSA Crane Service Asia Company Ltd	171	49
United Arab Emirates:	Crane Industrial Services LLC	993	49

Available-for-sale investments		Book value of shares	Group's share, %
Finland:	East Office of Finnish Industries Oy	50	5.26
	Dimecc Oy	120	5.69
	Levator Oy	0	19
	Vierumäen Kuntorinne Oy	345	3.3
France:	Heripret Holding SAS	53	19
Malaysia:	Kone Products & Engineering Sdn. Bhd.	0	10
Venezuela:	Gruas Konecranes CA	20	10
Others:		203	
Total:		**791**	

Parent company statement of income – FAS

(1,000 EUR)		Jan 1–Dec 31 2021	Jan 1–Dec 31 2020
Note:			
	Other operating income	0	437
2	Depreciation and impairments	-179	-134
3	Other operating expenses	-48,913	-14,787
	Operating profit	**-49,092**	**-14,485**
4	Financial income and expenses	35,841	71,685
	Income before appropriations and taxes	**-13,251**	**57,200**
5	Appropriations	52,388	58,352
6	Income taxes	-362	-8,441
	Net income	**38,775**	**107,112**

Parent company balance sheet – FAS

Note:	(1,000 EUR)	Dec 31, 2021	Dec 31, 2020
	ASSETS		
	NON-CURRENT ASSETS		
	Tangible assets		
7	Machinery and equipment	547	689
	Advance payments	0	2
		547	**691**
8	**Investments**		
	Investments in Group companies	153,040	153,040
	Other shares and similar rights of ownership	170	170
		153,210	**153,210**
	Total non-current assets	**153,758**	**153,901**
	CURRENT ASSETS		
	Long-term receivables		
	Loans receivable from Group companies	1,043,232	1,070,232
		1,043,232	**1,070,232**
	Short-term receivables		
	Accounts receivable	10,988	1,619
	Amounts owed by Group companies		
	Accounts receivable	4,538	3,704
10	Deferred assets	74,897	86,335
	Other receivables	8,407	4,101
10	Deferred assets	2,703	2,557
		101,534	**98,318**
	Cash in hand and at banks	**3**	**3**
	Total current assets	**1,144,769**	**1,168,553**
	TOTAL ASSETS	**1,298,527**	**1,322,454**

Note:	(1,000 EUR)	Dec 31, 2021	Dec 31, 2020
	SHAREHOLDERS' EQUITY AND LIABILITIES		
11	**EQUITY**		
	Share capital	30,073	30,073
	Share premium account	39,307	39,307
	Paid in capital	774,591	774,591
	Retained earnings	141,510	104,037
	Net income for the period	38,775	107,112
		1,024,256	**1,055,119**
	APPROPRIATIONS		
	Depreciation difference	**65**	**114**
	LIABILITIES		
	Non-current liabilities		
12	Bond	0	249,482
		0	**249,482**
	Provisions	**0**	**346**
	Long-term liabilities		
	Loans payable to Group company	893	1,792
		893	**1,792**
	Current liabilities		
12	Bond	249,841	0
	Accounts payable	9,892	1,453
	Liabilities owed to Group companies		
	Accounts payable	140	1,527
13	Accruals	2,102	3,493
	Other short-term liabilities	1,001	66
13	Accruals	10,338	9,063
		273,313	**15,602**
	Total liabilities	**274,206**	**267,222**
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1,298,527**	**1,322,454**

Parent company cash flow – FAS

(1,000 EUR)	Jan 1–Dec 31 2021	Jan 1–Dec 31 2020
Cash flow from operating activities		
Operating income	**-49,092**	**-14,485**
Adjustments to operating profit		
Depreciation and impairments	179	134
Group contributions from subsidiaries	58,320	57,190
Operating income before changes in net working capital	**9,407**	**42,840**
Change in interest-free short-term receivables	-4,435	3,112
Change in interest-free short-term liabilities	7,300	5,524
Change in net working capital	**2,864**	**8,636**
Cash flow from operations before financing items and taxes	**12,271**	**51,476**
Interest received	5,231	5,246
Interest paid	-4,514	-4,401
Other financial income and expenses	-1,866	-1,599
Income taxes paid	-5,049	-8,786
Financing items and taxes	**-6,198**	**-9,540**
NET CASH FROM OPERATING ACTIVITIES	**6,073**	**41,936**

(1,000 EUR)	Jan 1–Dec 31 2021	Jan 1–Dec 31 2020
Cash flow from investing activities		
Capital expenditure and advance payments to tangible assets	-35	-271
Capital expenditure and advance payments to intangible assets	0	24
Dividends received	37,500	83,000
NET CASH USED IN INVESTING ACTIVITIES	**37,465**	**82,752**
Cash flow before financing activities	**43,537**	**124,688**
Cash flow from financing activities		
Proceeds from share based payments and share issues	0	5,226
Repayments of long-term receivables	26,101	-34,954
Dividends paid	-69,638	-94,960
NET CASH USED IN FINANCING ACTIVITIES	**-43,537**	**-124,688**
CHANGE OF CASH AND CASH EQUIVALENTS	**0**	**0**
Cash and cash equivalents at beginning of period	3	3
Cash and cash equivalents at end of period	3	3
CHANGE OF CASH AND CASH EQUIVALENTS	**0**	**0**

Notes to the parent company's Financial Statement

1. Accounting principles

The financial statements of the company have been prepared in euro and in accordance with accounting principles generally accepted in Finland.

The Company has reclassified some 2020 figures in notes 4, 5, 6, 10 and 13 and in Balance sheet between other receivables and deferred assets (3,703 kEUR) to improve comparability.

STATEMENT OF INCOME
(1,000,000 EUR)

2. Depreciation and impairments

	2021	2020
Machinery and equipment	0.2	0.1
Total	**0.2**	**0.1**

The values of fixed assets are based on original acquisition values. Depreciation periods, which are based on estimated financial operating times, are as follows:

- Immaterial rights 5–10 years
- Machines and inventory 4–10 years

3. Other operating expenses and personnel

Costs and expenses in the Statement of Income were as follows:

	2021	2020
Wages and salaries	3.3	4.1
Pension costs	0.5	0.3
Other personnel expenses	0.0	0.1
Other operating expenses	0.4	0.3
Total	**4.2**	**4.7**

Wages and salaries in accordance with the Statement of Income:

	2021	2020
Remuneration to Board	0.6	0.7
Other wages and salaries	2.7	3.4
Total	**3.3**	**4.1**
The average number of personnel	**5**	**5**
Auditors fees		
Audit	0.6	0.5
Other services	0.0	0.6
Total	**0.6**	**1.1**

4. Financial income and expenses

	2021	2020
Financial income from long-term investments:		
Dividend income from Group companies	37.5	73.0
Dividend income total	**37.5**	**73.0**
Interest income from long-term receivables:		
From Group companies	5.2	5.3
Interest income from long-term receivables total	**5.2**	**5.3**
Financial income from long-term investments total	**42.7**	**78.3**
Interest and other financial income	0.1	0.0
Interest and other financial income total	**0.1**	**0.0**
Interest expenses and other financial expenses:		
Other financial expenses	7.0	6.6
Interest expenses and other financial expenses total	**7.0**	**6.6**
Financial income and expenses total	**35.8**	**71.7**

5. Appropriations

	2021	2020
Difference between planned and untaxed depreciations	0.0	0.0
Group contributions received from subsidiaries	52.3	58.3
Total	**52.4**	**58.3**

6. Income taxes

	2021	2020
Taxes on appropriations	10.5	11.7
Taxes on ordinary operations	-10.1	-3.2
Taxes from previous years	0.0	0.0
Total	**0.4**	**8.4**

BALANCE SHEET

7. Machinery and equipment

	2021	2020
Acquisition costs as of January 1	1.2	1.0
Increase	0.0	0.3
Acquisition costs as of December 31	1.2	1.2
Accumulated depreciation January 1	-0.5	-0.4
Accumulated depreciation	-0.2	-0.1
Total as of December 31	**0.5**	**0.7**

8. Investments

	2021	2020
Acquisition costs as of January 1	153.2	153.2
Total as of December 31	**153.2**	**153.2**

Investments in Group companies

	Domicile	2021 Carrying value	2020 Carrying value
Konecranes Finance Corp.	Hyvinkää	46.4	46.4
Konecranes Finland Corp.	Hyvinkää	4.2	4.2
Konecranes Global Corp.	Hyvinkää	102.4	102.4
Total		**153.0**	**153.0**

Other shares and similar rights of ownership

	2021	2020
East Office of Finnish Industries Oy	0.1	0.1
Dimecc Oy	0.1	0.1
Total	**0.2**	**0.2**

9. Treasury shares

	2021	2020
Number of shares as of January 1	87,447	82,480
Increase	0	300,000
Decrease	0	-295,033
Number of shares as of December 31	**87,447**	**87,447**

10. Deferred assets

	2021	2020
Group contributions	52.3	58.3
Income taxes	8.4	3.7
Payments which will be realized during the next financial year	22.7	28.0
Interest	2.6	2.6
Total	**86.0**	**92.6**

11. Equity

	2021	2020
Share capital as of January 1	30.1	30.1
Share capital as of December 31	**30.1**	**30.1**
Share premium account as of January 1	39.3	39.3
Share premium account as of December 31	**39.3**	**39.3**
Paid in capital as of January 1	774.6	769.4
Increase	0.0	5.2
Paid in capital as of December 31	**774.6**	**774.6**
Retained earnings as of January 1	211.1	199.0
Dividend paid	-69.6	-95.0
Retained earnings as of December 31	**141.5**	**104.0**
Net income for the period	**38.8**	**107.1**
Shareholders' equity as of December 31	**1,024.3**	**1,055.1**
Distributable equity		
Paid in capital as of December 31	774.6	774.6
Retained earnings as of December 31	141.5	104.0
Net income for the period	38.8	107.1
Total	**954.9**	**985.7**

12. Interest-bearing liabilities

	2021	2020
Bond, long-term	0.0	249.5
Bond, short-term	249.8	0.0
Total	**249.8**	**249.5**

The EUR 250 million bond was issued on June 9, 2017, maturing on June 9, 2022 with a three-month par call. The bond bears an annual coupon of 1.75%.

13. Accruals

	2021	2020
Wages, salaries and other personnel expenses	1.9	1.1
Interest	2.5	2.5
Other items	8.0	9.0
Total	**12.4**	**12.6**

14. Contingent liabilities and pledged assets

	2021	2020
For obligations of subsidiaries		
Group guarantees	1,235.2	1,550.9
Leasing liabilities		
Next year	0.5	0.5
Later on	0.5	0.8
Total	**0.9**	**1.3**

Leasing contracts mainly have a maturity of three years and they have no terms of redemption.

	2021	2020
Total by category		
Guarantees	1,235.2	1,550.9
Other liabilities	0.9	1.3
Total	**1,236.2**	**1,552.2**

15. Nominal and fair values of derivative financial instruments

	2021 Fair value	2021 Nominal value	2020 Fair value	2020 Nominal value
Foreign exchange forward contracts	0.0	0.0	0.0	0.1

Derivatives are used for currency rate hedging only.

The derivative financial instruments are recognized according to KPL 5:2a at fair value in the parent company financial statements, and the company does not apply hedge accounting for these derivatives.

Board of Directors’ proposal to the Annual General Meeting

The parent company’s non-restricted equity is EUR 954,876,269.66 of which the net income for the year is EUR 38,775,203.83.

The Group’s non-restricted equity is EUR 1,284,729,000.

According to the Finnish Companies Act, the distributable funds of the company are calculated based on the parent company’s non-restricted equity. For the purpose of determining the amount of the dividend the Board of Directors has assessed the liquidity of the parent company and the economic circumstances subsequent to the financial year-end.

Based on such assessments, the Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.88 will be paid on each share and that the remaining non-restricted equity is retained in shareholders’ equity.

Espoo, February 2, 2022

Christoph Vitzthum
Chairman of the Board

Janina Kugel
Board member

Ulf Liljedahl
Board member

Niko Mokkila
Board member

Per Vegard Nerseth
Board member

Päivi Rekonen
Board member

Teo Ottola
Interim CEO

Auditor's report
(Translation of the Swedish original)

To the Annual General Meeting of Konecranes Plc

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Konecranes Plc (business identity code 0942718-2) for the year ended December 31, 2021. The financial statements comprise the consolidated balance sheet, statement of income, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position as well as its financial performance and its cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5 (1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 7.1 to the consolidated financial statements and note 3 to the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition of long-term contracts and related provisions Refer to note 2.2 Use of estimates and judgments, note 2.3 Summary of significant accounting policies, note 5, note 6 and note 24.	
In accordance with its accounting principles, Konecranes applies the percentage of completion (PoC) method (performance obligations satisfied over time) for recognizing revenue from long-term crane projects. The percentage of completion is based on the cost-to-cost method. The percentage of completion method of accounting involves the use of significant management assumptions, estimates and projections, principally relating to future material, labor and project-related overhead costs and the estimated stage of completion. In year 2021, approximately 13% of the sales of 3.2 billion euros were recognized under the PoC method. Revenue recognition of long-term contracts is a key audit matter and a significant risk of misstatement as defined by EU Regulation No 537/2014, point (c) of Article 10(2).	Our audit procedures to address the risk of material misstatement in respect of the long-term contracts included among others: • Assessing the Group's accounting policies over revenue recognition of long-term contracts; • Gaining an understanding of the PoC revenue recognition process; • Examination of the project documentation and testing the PoC calculations and inputs of estimates in the calculations and comparing the estimates to actuals; • Analytical procedures; • Assessing significant judgments made by management based on an examination of the associated project documentation and discussion on the status of projects under construction with finance and project managers of the Company; and • Assessing the Group's disclosures in respect of revenue recognition.
Konecranes makes several types of provisions related to risks associated with long-term project contracts and PoC accounting. These PoC related provisions require high level of management judgment and are a key audit matter due to that reason.	We have designed our audit procedures to be responsive to this specific audit area and our procedures included among others: • Gaining an understanding of the PoC related provisions process; • Testing the provision calculations and the inputs of estimates in these calculations and comparing estimates to actuals; and • Performing inquiries with management with regards to any significant events or legal matters that could affect the provisions.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition Refer to note 2.3 Summary of significant accounting policies and note 5.	
According to the Group's accounting policies, revenue is recognized at an amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer. Goods and services are generally considered to be transferred when the customer obtains control. The terms and conditions of sales contracts vary by market and, in addition, the local management might feel pressure to achieve the revenue targets set. Revenue recognition is a key audit matter and a significant risk of material misstatement as defines by EU Regulation No 537/2014, point (c) of Article 10(2) due to the significant risk relating to an incorrect timing of recognition of revenue.	Our audit procedures to address the risk of material misstatement in respect of correct timing of revenue recognition included among others: • Analytical procedures; • Assessing the Group's accounting policies over revenue recognition compared to applicable accounting standards; • Assessing the revenue recognition process and methodologies and testing controls; • Testing revenue with substantive analytical procedures and by testing sales transactions; • Assessing the Group's disclosures in respect of revenues.
Valuation of goodwill Refer to note 2.2 Use of estimates and judgments, note 2.3 Summary of significant accounting policies and note 13.	
The value of goodwill at the date of the financial statements amounted to 1.0 billion euros representing 27% of total assets and 75% of equity (2020: 1.0 billion euros, 25% of the total assets and 81% of equity). Valuation of goodwill is tested annually through goodwill impairment test. Konecranes has allocated goodwill to cash generating units (CGUs) which is the level for goodwill impairment test. The recoverable amount of a cash generating unit is based on value in use calculations, the outcome of which could vary significantly if different assumptions were applied. There are a number of assumptions used to determine the value in use of the cash generating units, including revenue growth, development of fixed costs, the operating margin and the discount rate applied. Changes in the above-mentioned assumptions may result in an impairment of goodwill.	Our audit procedures to address the risk of material misstatement relating to goodwill valuation included, among others, involving our valuation specialists to assist us in evaluating the assumptions and methodologies used by the Group, in particular those relating to the discount rate. We specifically focused on the cash generating units for which reasonably possible changes in assumptions could cause the carrying value to exceed its recoverable amount. We also assessed the historical accuracy of managements' estimates. We assessed the Group's disclosures in note 13 in the financial statements about the assumptions to which the outcome of the impairment tests was more sensitive.

Key Audit Matter	How our audit addressed the Key Audit Matter
The annual impairment test is a key audit matter because • The assessment process is complex and is based on numerous judgmental estimates; • It is based on assumptions relating to market or economic conditions; and • Of the significance of the goodwill to the balance sheet total. Valuation of goodwill is a significant risk of misstatement as defined by EU Regulation No 537/2014, point (c) of Article 10(2).	

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent

the underlying transactions and events so that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on March 8, 2006, and our appointment represents a total period of uninterrupted engagement of 16 years.

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Governance publication but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Governance publication is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions based on assignment of the Audit Committee

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the distributable equity shown in the balance sheet for the parent company is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors and the Managing Director of the parent company should be discharged from liability for the financial period audited by us.

Helsinki, February 2, 2022

Ernst & Young Oy
Authorized Public Accountant Firm

Toni Halonen
Authorized Public Accountant

Independent Auditor's Report on Konecranes Plc's ESEF Consolidated Financial Statements

(Translation of the Swedish original)

To the Board of Directors of Konecranes Plc

We have performed a reasonable assurance engagement on the iXBRL tagging of the consolidated financial statements included in the digital files 549300EF0CDEQZBMA096-2021-12-31-sv.zip of Konecranes Plc for the financial year Jan 1–Dec 31, 2021 to ensure that the financial statements are tagged with iXBRL mark ups in accordance with the requirements of Article 4 of EU Commission Delegated Regulation (EU) 2018/815 (ESEF RTS).

Responsibilities of the Board of Directors and Managing Director

The Board of Directors and Managing Director are responsible for the preparation of the Report of Board of Directors and financial statements (ESEF financial statements) that comply with the ESEF RTS. This responsibility includes:

- Preparation of ESEF financial statements in accordance with Article 3 of ESEF RTS
- Tagging the consolidated financial statements included within the ESEF financial statements by using the iXBRL mark ups in accordance with Article 4 of ESEF RTS
- Ensuring consistency between ESEF financial statements and audited financial statements

The Board of Directors and Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance the requirements of ESEF RTS.

Auditor's Independence and Quality Control

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The auditor applies International Standard on Quality Control (ISQC) 1 and therefore maintains a comprehensive quality control system including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

In accordance with the Engagement Letter we will express an opinion on whether the electronic tagging of the consolidated financial statements complies in all material respects with the Article 4 of ESEF RTS. We have conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000.

The engagement includes procedures to obtain evidence on:

- whether the tagging of the primary financial statements in the consolidated financial statements complies in all material respects with Article 4 of the ESEF RTS
- whether the ESEF financial statements are consistent with the audited financial statements

The nature, timing and extent of the procedures selected depend on the auditor's judgment including the assessment of risk of material departures from requirements set out in the ESEF RTS, whether due to fraud or error.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our statement.

Opinion

In our opinion, the tagging of the consolidated financial statement included in the ESEF financial statements of Konecranes Plc for the year ended December 31, 2021 complies in all material respects with the requirements of ESEF RTS.

Our audit opinion on the consolidated financial statements of Konecranes Plc for the year ended December 31, 2021 is included in our Independent Auditor's Report dated February 2, 2022. In this report, we do not express an audit opinion or any other assurance on the consolidated financial statements.

Helsinki, February 28, 2022

Ernst & Young Oy
Authorized Public Accountant Firm

Toni Halonen
Authorized Public Accountant

Shares and shareholders

According to the register of Konecranes Plc's shareholders kept by Euroclear Finland Ltd, there were 49,288 (2020: 39,119) shareholders at the end of the 2021.

Largest shareholders according to the share register on December 31, 2021

		Number of shares and votes	% of shares and votes
1	HC Holding Oy Ab	7,931,238	10.0%
2	Solidium Oy	6,744,506	8.5%
3	Gustavson Stig and family*	2,366,157	3.0%
4	Ilmarinen Mutual Pension Insurance Company	2,266,000	2.9%
5	Varma Mutual Pension Insurance Company	2,185,293	2.8%
6	Holding Manutas Oy	1,065,000	1.3%
7	Elo Mutual Pension Insurance Company	917,497	1.2%
8	OP Investment Funds	888,154	1.1%
9	Svenska Litteratursällskapet i Finland	724,000	0.9%
10	The State Pension Fund of Finland	580,000	0.7%
	Ten largest registered shareholders' total ownership	**25,667,845**	**32.4%**
	Nominee registered shares	30,650,562	38.7%
	Other shareholders	22,816,052	28.8%
	Shares held by Konecranes Plc	87,447	0.1%
	Total	**79,221,906**	**100.0%**

* Konecranes Plc has on December 28, 2011 received information according to which the Chairman of the company's Board of Directors Stig Gustavson has donated all of his shares in Konecranes Plc to his near relatives retaining himself for life the voting rights and right to dividend attached to the donated shares. The donation encompassed in total 2,069,778 shares.

Shares owned by the members of the Board and of Directors and of the Group Executive Board on December 31, 2021

	Change in shareholding in 2021	Number of shares owned	% of shares and votes
Board of Directors	4,341	25,054	0.0%
Group Executive Board	-14,283	156,161	0.2%
Total	**-9,942**	**181,215**	**0.2%**

Breakdown of share ownership by number or shares owned on December 31, 2021

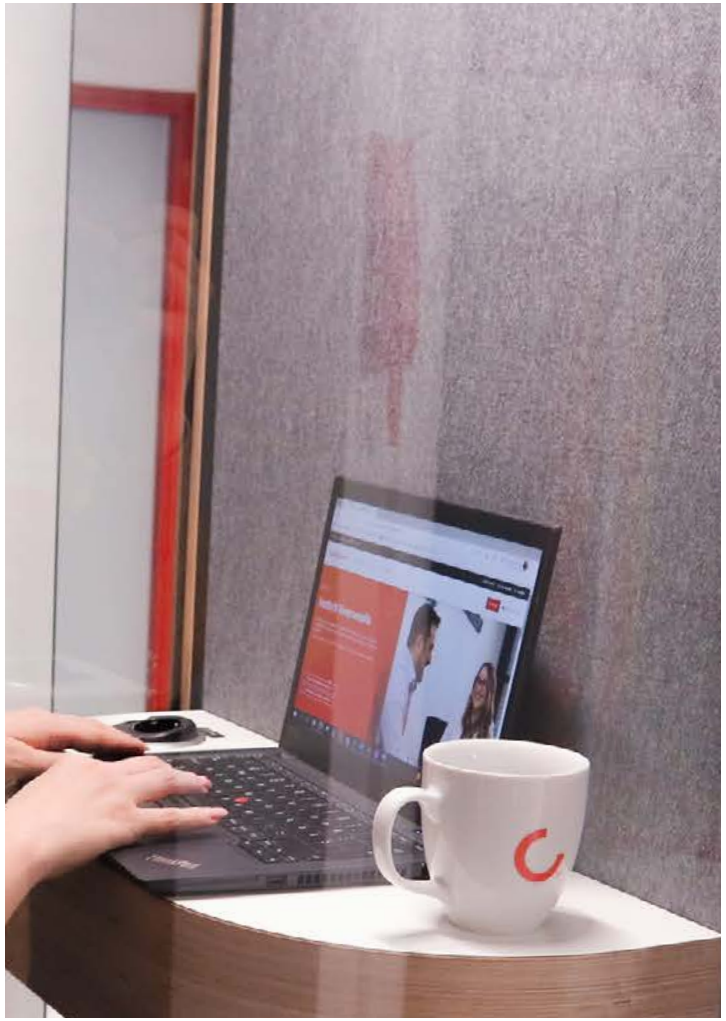
Shares	Number of shareholders	% of shareholders	Number of shares and votes	% of shares and votes
1–100	28,633	58.1%	1,193,666	1.5%
101–1,000	18,189	36.9%	5,972,388	7.5%
1,001–10,000	2,248	4.6%	5,710,349	7.2%
10,001–100,000	173	0.4%	4,849,687	6.1%
100,001–1,000,000	27	0.1%	9,561,706	12.1%
1,000,001–	7	0.0%	21,283,548	26.9%
Registered shareholders total	**49,277**	**100.0%**	**48,571,344**	**61.3%**
Nominee registered shares	11	0.0%	30,650,562	38.7%
Total	**49,288**	**100.0%**	**79,221,906**	**100.0%**

Breakdown of share ownership by shareholder category on December 31, 2021

	% of shares and votes
Households	18.5%
Public sector organizations	16.7%
Private companies	13.7%
Financial and insurance institutions	6.4%
Non-profit organizations	5.3%
Foreigners	0.8%
Nominee registered shares	38.7%
Total	**100.0%**

Source: Euroclear Finland Ltd, December 31, 2021.

KONECRANES®



Corporate Headquarters

Konecranes Plc
P.O. Box 661 (Koneenkatu 8)
FI-05801 Hyvinkää, Finland
Tel. +358 20 427 11

Governance
Kiira Fröberg
Vice President, Investor Relations
Tel. +358 20 427 2050
kiira.froberg@konecranes.com

Finance
Teo Ottola
Chief Financial Officer
teo.ottola@konecranes.com

Regional Headquarters

Americas
Konecranes Inc.
4401 Gateway Blvd.
Springfield, OH 45502, U.S.A.
Tel. +1 937 525 5533

Europe, Middle East and Africa
Konecranes
Region EMEA
P.O. Box 662 (Koneenkatu 8)
FI-05801 Hyvinkää, Finland
Tel. +358 20 427 11

Asia-Pacific
Konecranes Pte. Ltd.
8 Admiralty Street, #06-11 Admirax
Singapore 757438
Tel. +65 6 861 2233

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 around 16,600 employees in 50 countries. Konecranes shares are listed on the Nasdaq Helsinki (symbol: KCR).