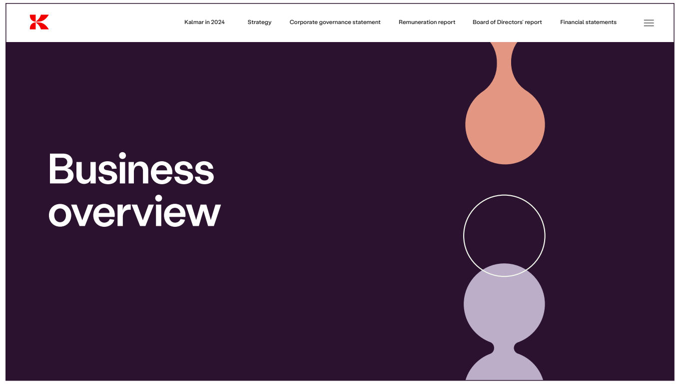
Kalmar

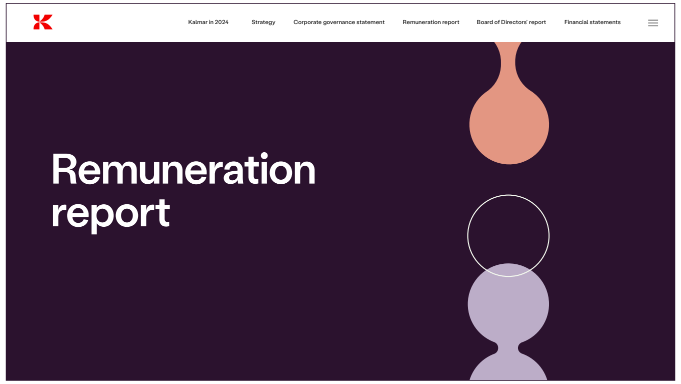
Annual Report 2024

Kalmar's Annual Report 2024 consists of three sections:



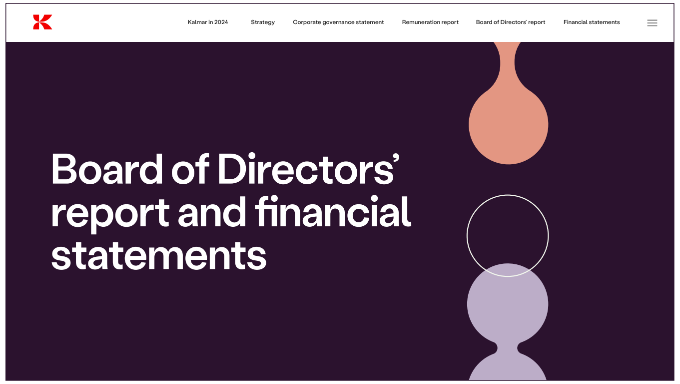
Business overview

Kalmar in 2024, strategy, sustainability



Remuneration report

Remuneration of the Board of Directors and CEO, summary of remuneration policy



Board of Directors' report and financial statements

Board of Directors' report, sustainability statement externally assured and compliant with the CSRD, financial statements, corporate governance statement

GRI index

A separate GRI index in English is published and available on Kalmar's webpage.

All Annual Report sections are available in English and Finnish.

Table of contents

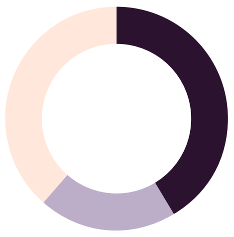
Kalmar in brief

Making every move count

Kalmar's vision is to be the forerunner in sustainable material handling equipment and services, moving goods in critical supply chains around the world. Through our portfolio of efficient and decarbonised equipment, extensive service offering, and deep-rooted industry expertise, we help our customers around the world to meet their sustainability, safety and productivity targets, striving to be their preferred partner in all their heavy material handling needs.

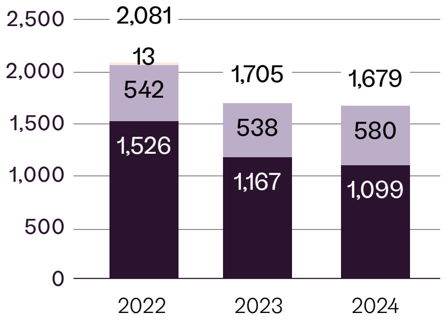
Year 2024 in numbers

Sales by region



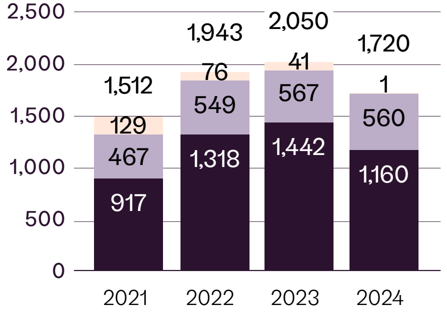
■ Europe, **41%**
■ Asia, Middle-East & Africa, **20%**
■ Americas, **38%**

Orders received, MEUR



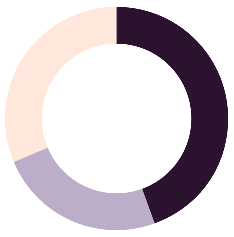
■ Equipment ■ Services ■ Other

Sales, MEUR



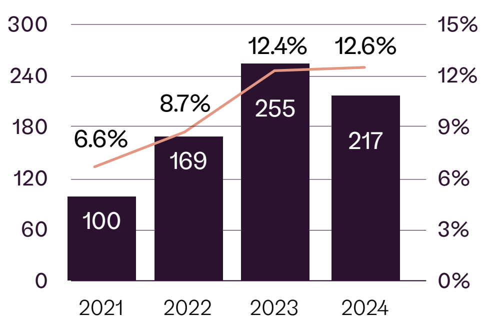
■ Equipment ■ Services ■ Other

Orders received by region



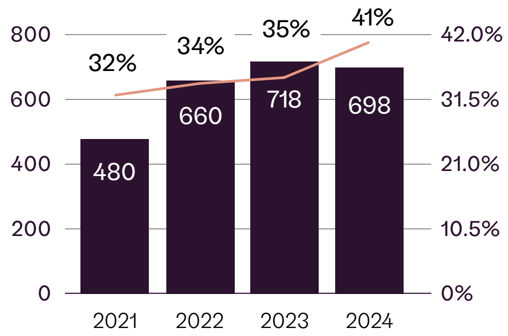
■ Europe, **44%**
■ Asia, Middle-East & Africa, **24%**
■ Americas, **31%**

Comparable operating profit, MEUR and %



■ Comparable operating profit, MEUR
— Comparable operating profit margin, %

Eco portfolio sales



■ Eco portfolio sales, MEUR
— Share of total sales, %

33%
Services share of total sales

Share of dealer sales
34%
of Kalmar's total sales*

41%
Eco portfolio share of total sales

5,200
employees around the world**

* Excluding Bromma and agents

** At the end of period, 31 December 2024

Successful completion of the demerger and listing of Kalmar

The demerger of Cargotec was successfully completed on 30 June 2024 followed by the listing of Kalmar on Nasdaq Helsinki on 1 July 2024. The day consisted of many celebrations from the bell ringing ceremony and the opening of the new headquarters in Helsinki to local festivities at Kalmar sites around the world. The last demerger milestones including system separations were finalised in early September.

This milestone represents not only a new chapter in our journey but also an opportunity to further enhance our commitment to delivering added value to our customers, partners, and shareholders. The first six months as an independent company have been exciting and we have been fully focused on implementing and executing our new strategy.

30 May 2024	30 June 2024	1 July 2024
Cargotec's Annual General Meeting resolved on the partial demerger of Cargotec Corporation in accordance with the demerger plan.	Completion of the demerger.	Trading in Kalmar's B-shares on Nasdaq Helsinki commenced.

Highlights 2024

In 2024, the focus has been on executing our strategy and our commitment towards sustainable growth. We have been pleased to announce some great achievements during the year, of which some highlights are presented on this page.

ORDERS

13 forklift trucks + 8-year service contract to BlueScope, Australia

Read more

26 hybrid straddle carriers to GMP Le Havre, France

Read more

3 light electric + 1 medium electric forklift trucks to Outokumpu, Finland

Read more

8 Kalmar Eco reachstackers and a 7-year Complete Care agreement + Kalmar Insight coverage to Maritime Transport, UK

Read more

INNOVATIONS

Launch of the Kalmar Electric empty container handler

Read more

MyKalmar 2.0 digital ecosystem introduced: one stop platform for Kalmar equipment owners

Read more

PARTNERSHIPS

Volvo Penta collaboration with framework service agreement for engines

Read more

Joint agreement with Forterra for development of autonomous terminal tractor solutions

Read more

Partnership with CES to distribute and service heavy-duty material handling equipment

Read more

Partnership with Elonroad to pilot dynamic EV charging

Read more

CEO review

A defining year for Kalmar

The year 2024 marked a historic year for Kalmar as the demerger of Cargotec and listing of Kalmar on Nasdaq Helsinki were successfully completed. The day of our listing was one of remarkable pride and celebration, not only in Helsinki at our new headquarters and at the iconic bell-ringing ceremony, but also at Kalmar sites globally, where our teams gathered to celebrate this new chapter as an independent company.

The financial performance for the full year was solid, despite the rapidly changing operating landscape. In 2024, we managed to generate stable revenues and a resilient margin by leveraging Kalmar's leading position in the market and driving excellence in our operations despite the slower market activity and lower sales volumes in 2024 compared to previous year.

Our focus on our three strategic pillars remained strong throughout the year. We continued to invest in sustainable innovations in the area of decarbonised and electric equipment and intelligent solutions. This included for example the launch of a new electric empty container handler, the unveiling of the Kalmar Ottawa T2 Electric Terminal Tractor and the signing of a joint development agreement with Forterra for autonomous terminal tractors. We have also decided to expand our Innovation Centre in Ljungby, Sweden, by building a world class test center which will enable us to conduct more comprehensive testing and development of our equipment and technologies.

Expanding our portfolio of low and zero-emission equipment is crucial to further drive decarbonisation of the material handling industry, as the use of Kalmar's products accounts for the biggest share of its value-chain emissions. Our wide eco portfolio is also increasingly important for our customers, reflected in the strong performance of our eco portfolio sales. In 2024, eco portfolio sales accounted

Sami Niiranen
President &
CEO of Kalmar

for 41% of Kalmar's total sales, which highlights our commitment to sustainable solutions.

To further contribute to limiting the global temperature rise to 1.5°C, we also committed to setting near- and long-term emission reduction targets in line with science-based net-zero with the Science Based Targets initiative (SBTi).

We also continued to drive service growth by expanding our service offerings to enhance customer satisfaction and build long-term relationships. One key development was the introduction of MyKalmar 2.0 digital ecosystem, which provides our customers greater visibility and control over their maintenance activities, parts ordering and equipment performance with a single point of access and a user-friendly design. We have also further improved our global presence and added more service technicians to our workforce during the year. The services business remains to be a very attractive growth area for us as we benefit from our active and growing installed base of 68,000 machines globally and are able to create value-add for our customers.

Furthermore, we focused on driving excellence across our operations. As part of this we have been reviewing our operating model and merged certain functions to streamline processes and improve efficiency. Faster decision-making, supply chain and process optimisation together with clear end-to-end responsibilities are expected to bring efficiencies, reduce complexity and enhance competitiveness as well as quality. This will allow Kalmar to invest in sustainable innovations and take better use of growth opportunities.

Moving into 2025, safety, sustainability and leadership will be key focus areas for us. We have a strong basis, but we continuously need to strengthen this foundation to support our strategy execution, long-term vision and to become a service driven company.

The year 2024 was my first as Kalmar's President and CEO, and it has been a privilege to lead the company through a period of transformation while driving sustainable, profitable growth. I had the opportunity to meet many of our shareholders, customers, and team members across the world, and I am continuously inspired by their dedication to our vision: to be the forerunner in sustainable material handling equipment and services. Kalmar's success is built on a global footprint, our vast experience and talented people, along with customer proximity, an attractive market, and a strong financial profile – all key elements that form the foundation of our long-term strategy.

I would like to express my gratitude to our customers, partners, shareholders, and the Board for their continued trust and confidence in Kalmar. I also want to thank all Kalmar personnel for their hard work and dedication throughout 2024, which has been instrumental in our achievements and has laid a strong foundation for the future.

Sami Niiranen
President & CEO of Kalmar

Strategy and performance targets for 2028

Kalmar's vision is to be the forerunner in sustainable material handling equipment and services. In May 2024, as part of the demerger and listing prospectus, Kalmar announced its new strategy and plan towards sustainable and profitable growth.

The strategy is focusing on three strategic pillars: investing in sustainable innovations, growing services and driving excellence. Please read more about our strategy in the Strategy section of this Annual Report.

Investing in Sustainable Innovations

Growing Services

Driving Excellence

Foundations

Customer proximity

Experienced & talented people

Attractive market

Strong financial profile

Financial targets

5%	Sales growth p.a. over the cycle
15%	Comparable operating profit margin
>25%	ROCE[1]

Capital structure and sustainability framework

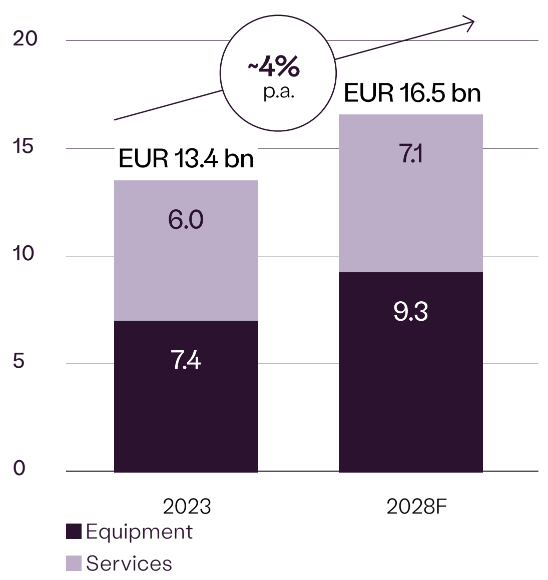
<2x	Leverage[2] (Net Debt to EBITDA)
30-50%	Dividend payout ratio per annum
1.5°C	Aligned with SBTi targets with 1.5 °C commitment[3]

[1] Defined as (Profit before taxes + finance expenses, last 12 months) / (Total invested equity + interest-bearing debt (12 months average)).
[2] Including IFRS 16
[3] Plan following criteria of the Science Based Targets initiative.

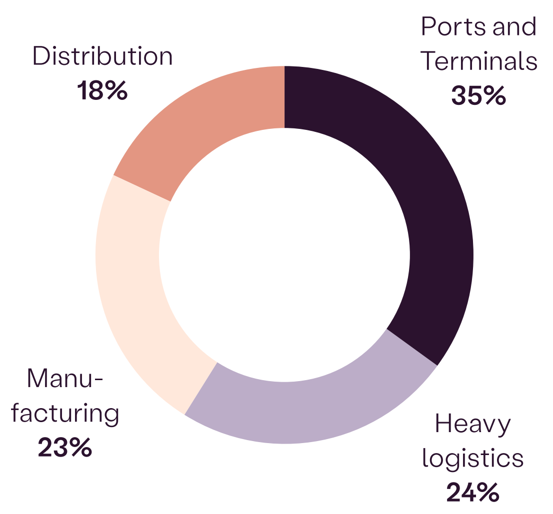
Addressable market and customer segments

Global heavy material handling market[1]

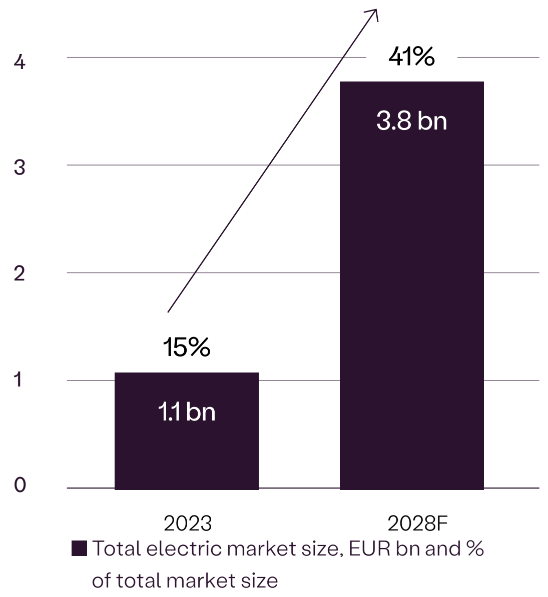
Total market size and growth, EUR bn



Addressable markets by customer segment



Total electric market share and growth



Kalmar is addressing a large and growing global market

Electrification is driving the market growth

[1]Equipment categories: Terminal tractors, forklift trucks (lifting capacity of 5t and above), reachstackers, empty container handlers, straddle carriers, and crane spreaders. Services include spare parts, maintenance and field service, upgrades and refurbishments and digital solutions. Kalmar has not previously included light forklift trucks (5–9t) in its market definition contributing ~3 EURbn to the equipment market and ~1.5 EURbn to services in the market in 2023.

Source: KPMG Market Study.

Kalmar's segments – Equipment & Services

Kalmar moves heavy materials in critical supply chains around the world.

Through our portfolio of efficient and decarbonised equipment, extensive service offering, and deep-rooted industry expertise, we focus on helping customers meet their sustainability and productivity targets. Kalmar has a leading position in the heavy material handling market with a broad portfolio of equipment and services for ports and terminals, distribution, manufacturing and heavy logistics.

Kalmar has two reporting segments, Equipment and Services. In 2024, Equipment segment contributed to 67% and Services segment to 33% of the total sales, indicating two strong and resilient segments. The customer base in both segments is similar and the aim for Kalmar is to be the preferred partner for its customers in both their equipment and services needs.

Equipment

Orders received 2024
1,099 MEUR

Services

Orders received 2024
580 MEUR

Equipment – Order book at the end of 2024
831 MEUR

Services – Order book at the end of 2024
120 MEUR

Equipment – Sales 2024
1,160 MEUR

Services – Sales 2024
560 MEUR

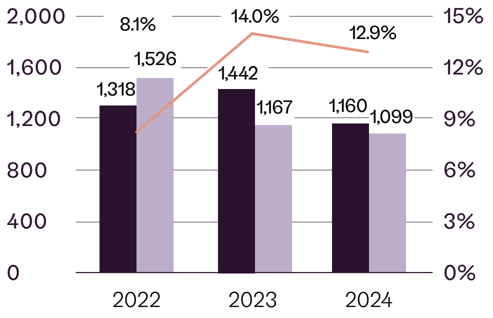
Equipment – Comparable operating profit MEUR/margin % 2024
150.1 MEUR/12.9%

Services – Comparable operating profit MEUR/margin % 2024
97.8 MEUR/17.5%

Equipment

The Equipment segment consists of a portfolio of heavy material handling equipment to ports and terminals, distribution, manufacturing and heavy logistics. The equipment portfolio includes reachstackers, forklift trucks, empty container handlers, terminal tractors, straddle carriers and Bromma spreaders. To meet our customers' different needs, Kalmar offers its products in many ranges, such as in premium and essential ranges, and has electric versions in each of the equipment categories.

Equipment sales, orders received and comparable operating profit margin



Installed base of

68,000

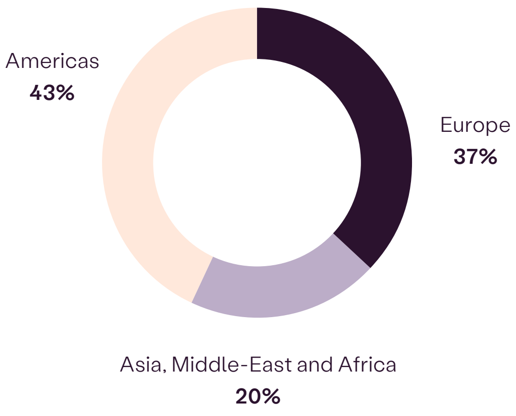
machines globally

of which

14,500

are connected

Equipment segment's sales by geographical area 2024



Reachstackers

Forklift Trucks, medium and heavy

Terminal Tractors

Straddle Carriers

Spreaders

Please visit our webpage to learn more about our equipment offering.

→

Services

The Services segment consists of an offering of solutions aimed at ensuring the uptime and productivity of Kalmar's equipment. Key offering includes spare parts, on-call and contract maintenance services, and lifecycle services, including refurbishments, fleet management and upgrades. Data, analytics and AI have a central role in the services offering.

1,400 service technicians around the world*

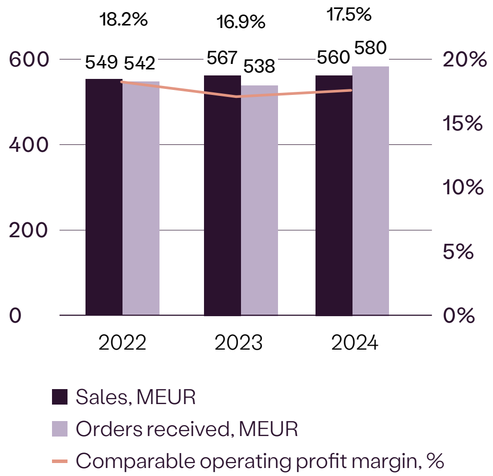
Spare part capture rate of **30%** in 2024

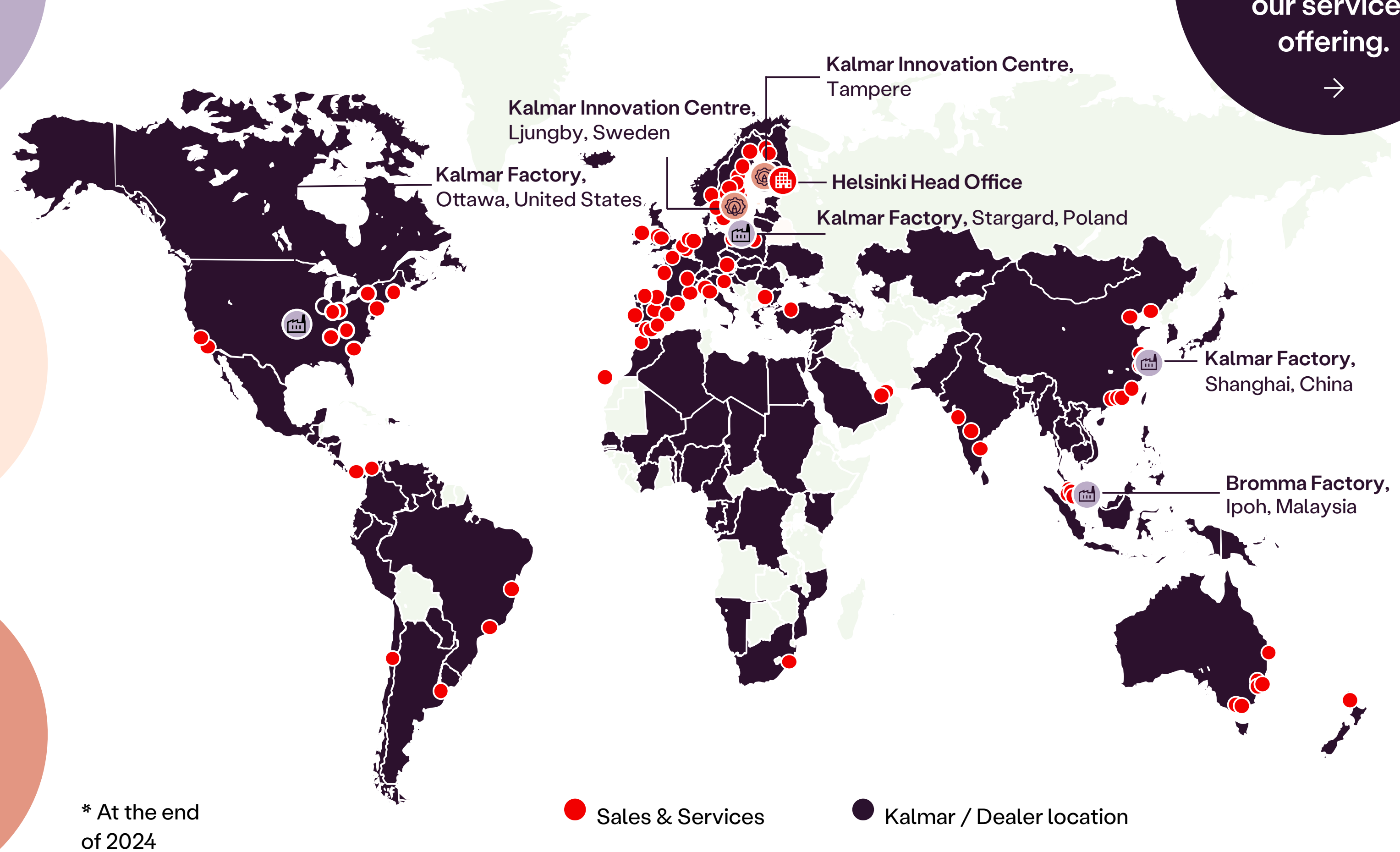
Operations in over **120** countries*

* At the end of 2024

Please visit our webpage to learn more about our services offering. →

Services sales, orders received and comparable operating profit margin





Attractive and strong financial profile

2024 key financial figures

1,679 MEUR
Orders received

955 MEUR
Order book at end of period

1,720 MEUR
Sales

216.8 MEUR
Comparable operating profit

12.6%
Comparable operating profit margin

0.3x
Leverage
(interest bearing net debt at end of period / EBITDA)

18.7%
Return on capital employed

104%
Cash conversion
from the last 12 months
(operating cash flow before finance items and taxes / EBITDA)

Key financial figures

		2024	2023 Carve-out	2022 Carve-out	2021 Carve-out
Sales	MEUR	1,720	2,050	1,943	1,512
Orders received	MEUR	1,679	1,705	2,081	2,063
Order book	MEUR	955	1,024	1,428	1,302
Cash flow from operations before finance items and taxes	MEUR	249	257	178	88
Research and development costs	MEUR	54	54	50	60
% of sales	%	3.1%	2.6%	2.6%	3.9%
Operating profit	MEUR	174	240	118	321
% of sales	%	10.1%	11.7%	6.1%	21.2%
Comparable operating profit	MEUR	217	255	169	100
% of sales	%	12.6%	12.4%	8.7%	6.6%
Interest-bearing net debt	MEUR	76	-123	-198	-123
Net working capital	MEUR	75	92	62	62
Return on capital employed (ROCE)	%	18.7%	24.4%	12.4%	30.4%
Earnings per share[1]	EUR	1.99	3.01	1.44	4.07
Gearing	%	11.9%	n/a	n/a	n/a
Interest-bearing net debt / EBITDA		0.3	n/a	n/a	n/a
Number of employees 31 Dec		5,207	4,991	5,099	4,955

[1]Periods before the listing of Kalmar Corporation on 1 July 2024 are calculated based on the number of shares at the listing moment.

Kalmar's investor relations

Investor relations in 2024: Connecting with investors and sharing our strategy towards sustainable and profitable growth.

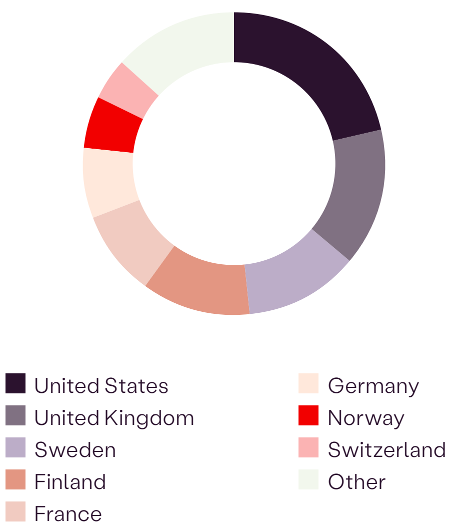
Kalmar has had an incredibly active year, marked by extensive investor engagement. We have had the privilege of connecting with a diverse range of investors, sharing Kalmar's story and building on the relationships.

Kalmar announced its new strategy at the CMD held in May 2024 prior to the demerger of Cargotec and listing of Kalmar. The new strategy of an independent Kalmar has been well received among investors and analysts. We have been impressed by the amount of interest and enthusiasm shown by investors and we have been excited by all the meeting requests which have been coming our way.

Since announcing our new strategy in May 2024, we have had the chance to attend around 150 investor meetings. We have visited in total 11 cities in Europe and the US, including Stockholm, Oslo, Copenhagen, London, Paris, Frankfurt, Munich, Vienna, Zurich, New York and Chicago, where we have met with investors from all over the world. Kalmar's CEO Sami Niiranen and CFO Sakari Ahdekivi have been attending the meetings together with the Investor Relations team.

All the roadshows and events have provided us with an excellent opportunity to share the newly listed Kalmar's strategy and market trends while connecting with investors. Our growth strategy, electrification, services and leadership as well as demand and profitability drivers have been high on the agenda in the meetings. It is clear that the market is taking a keen interest in Kalmar, and we are excited about the opportunities that lie ahead.

Geographical split of investors met



From left Carina Geber-Teir, SVP, IR, Marketing and Communications; Sami Niiranen President and CEO; and Sakari Ahdekivi, CFO.

Mission and goal

Kalmar's Investor Relations aims to ensure that all market participants have correct and sufficient information at all times to support a fair valuation of Kalmar's share. Investor Relations is responsible for planning and executing financial and investor communications, preparing quarterly and annual reviews, developing the investor website and publishing stock exchange releases. The responsibilities also include organising roadshows, investor meetings and events, attending seminars, hosting result publications and investor site visits, and participating in annual general meeting arrangements. The Investor Relations team also gathers and analyses market information and investor feedback to be used by Kalmar's management and the Board of Directors.

Silent period

Kalmar observes a period of silence prior to releasing financial results. This means that there will be no discussions regarding financial issues with the capital markets or the financial media during the minimum three-week period preceding the publication of financial results. This applies to meetings, telephone conversations or other means of communication.

Please visit our investor webpage for more information via this link. →

Key themes discussed in investor meetings in 2024

Ports & Terminals
US elections Service-driven company M&A Data utilisation
US destocking Electrification Spin-off benefits
Geopolitics Epiroc learnings Tariffs Performance targets
Mobile equipment Demand picture Capital allocation
Management Services growth Profitability
Competition Growth strategy Competitive advantages
Total cost of ownership Resilience Global footprint
Distribution segment Manufacturing Organic growth
Heavy logistics Automation

Kalmar's strategy

Forerunner in sustainable material handling

Kalmar's vision is to be a forerunner in sustainable material handling equipment and services, moving goods in critical supply chains around the world. Through our portfolio of efficient and decarbonised equipment, extensive service offering, and deep-rooted industry expertise, we focus on helping customers meet their sustainability and productivity targets.

Our strategy focuses on strengthening our long-term competitive advantages through investing into sustainable innovations, while leveraging our global service network and our extensive installed base to grow the services business. We aim to improve profitability and cash flow generation to fund investments into R&D and organic growth, and distributing profits to shareholders.

We are on a clear path of profitable and sustainable growth, emphasised by our performance targets. Our target market of global heavy material handling is large and growing steadily and we are well-positioned to capture the value arising from the industry transformation to electric solutions.

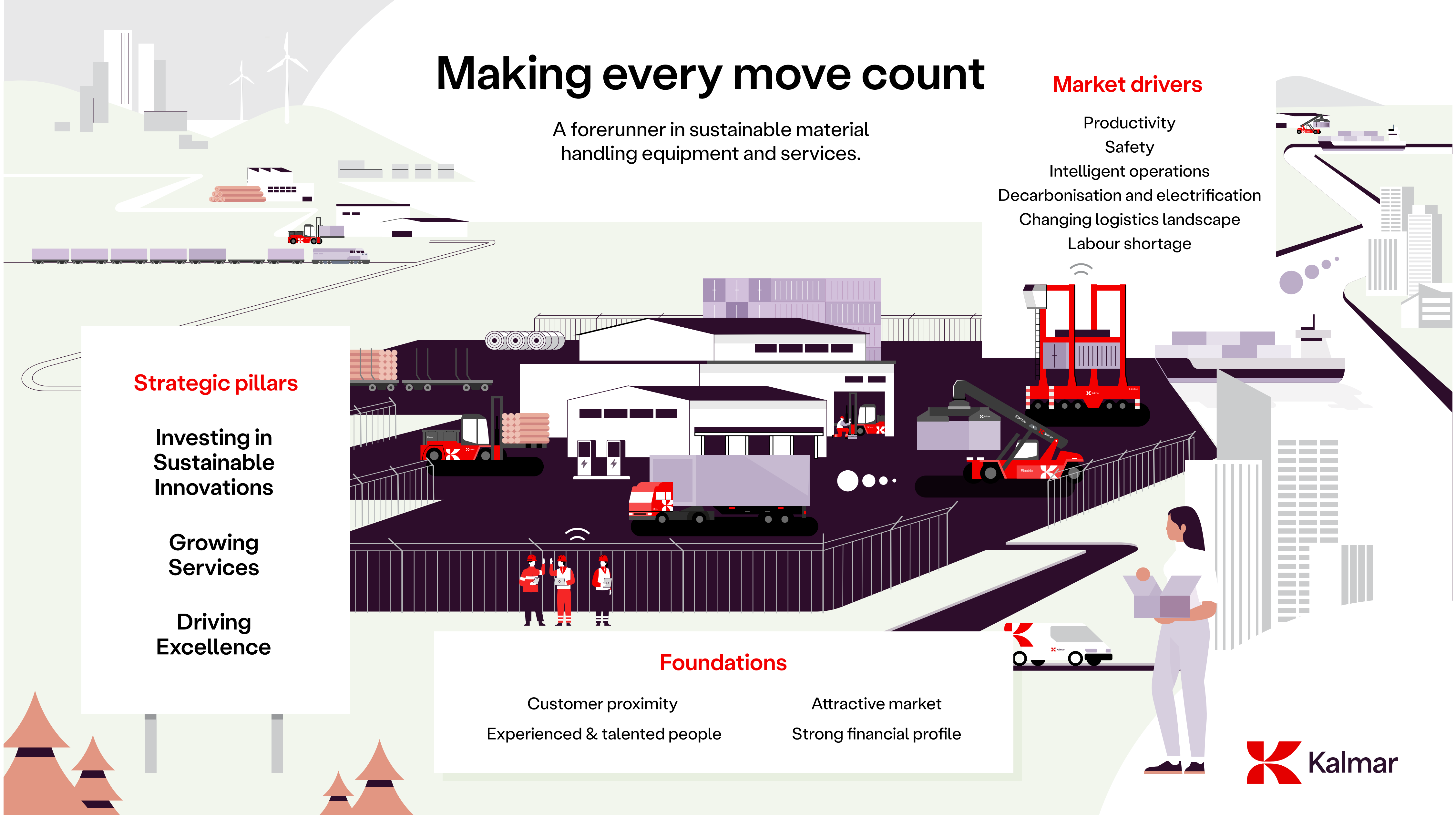
Kalmar has the following performance targets for 2028:

5%	Sales growth p.a. over the cycle
15%	Comparable operating profit margin
>25%	Return on capital employed
<2x	Leverage (Net Debt to EBITDA)
30-50%	Dividend payout ratio per annum
1.5°C	Aligned with SBTi targets with 1.5 °C commitment*

*Plan following criteria of the Science Based Targets initiative

Making every move count

A forerunner in sustainable material
handling equipment and services.



Market drivers

Productivity
Safety
Intelligent operations
Decarbonisation and electrification
Changing logistics landscape
Labour shortage

Strategic pillars

Investing in Sustainable Innovations

Growing Services

Driving Excellence

Foundations

Customer proximity
Experienced & talented people
Attractive market
Strong financial profile

Strong trends drive our industry

Productivity

Kalmar's machines move goods in critical supply chains around the world. Productivity is a key priority for our customers and the goal of improving productivity drives the demand for solutions and services focused on maximising uptime, optimisation and minimising downtime.

Kalmar's high quality machines and extensive service footprint keep our customers' equipment on the move. Combined with our ability to consult, train, and provide performance insights through remote digital services, Kalmar is a business partner to our customers, enabling high productivity.

Safety

Industrial operations pose various risks to health and safety. Ensuring the safety of employees is an utmost priority for our customers and we work closely with our customers to create safer working environments for all.

We offer a wide range of safety solutions and ergonomic features in our equipment, all aiming to reduce risks to health and safety. We also offer comprehensive training services for our customers' operators to drive safe operations.

Intelligent operations

Digitalisation is an ongoing trend across all areas of society and all industries. Digital solutions can unlock higher productivity, better asset utilisation, improved safety and better fleet management.

Kalmar has over 14,500 connected equipment, giving us a superior understanding of machines and the data-driven knowledge when to service the machines.

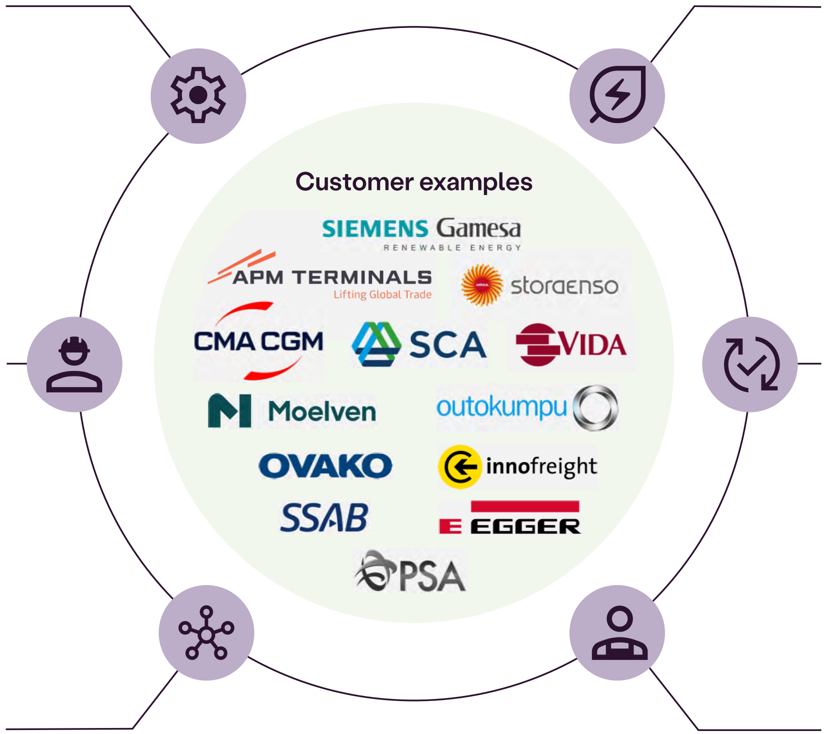


Image source: Capital Markets Day 2024.

Decarbonisation and electrification

The ongoing transition towards decarbonisation in our target segments is driven by regulations, our customers' own commitments and pressure from our customers' customers. To meet the decarbonisation needs, our customers are increasingly looking for sustainable products and solutions.

We provide a wide range of low- and zero-emission equipment and continuously innovate and develop new offering to help our customers reduce their environmental impact.

Changing logistics landscape

Geopolitical shifts, decentralisation, growth of e-commerce and focus on sustainability are reshaping logistics, creating new types of demand for material handling.

We have adjusted and developed our offering portfolio to meet the evolving global material handling needs. Our current equipment portfolio provides the flexibility and multi- purpose use required by an increasing amount of customers.

Labour shortage

Demographic changes and shifts in labour markets are creating shortages of skilled labour. Combined with the increase in customer productivity needs, our customers are increasingly looking for technological solutions.

The shortage of skilled labour is an opportunity for us to provide operator-friendly, easy-to-use equipment, as well as offering opportunities in different levels of automation.

Strategic pillars

Investing in Sustainable Innovations

We enable industry decarbonisation, safety and productivity through sustainable innovations in partnership with our customers. Our key investment areas are electrification, automation and digitalisation. We leverage our portfolio to drive further growth in our core markets and white spots.

Growing Services

We are close to customers around the world. Our installed base of over 68,000 equipment operated in critical supply chains are kept moving by our 1,400 service technicians. By strengthening our service offering and leveraging data-driven solutions, we can capture more of the installed base potential.

Driving Excellence

We aim to improve profitability and cash flow generation to fund further investments into R&D and organic growth, enabling profitable growth and ultimately targeting best-in-class commercial performance and cost efficiency.

Investing in sustainable innovations

Kalmar's customers are facing growing pressure to increase safety, sustainability and productivity in their operations.

To address these challenges, Kalmar focuses on investing in sustainable innovations in the areas of decarbonised and electric equipment, and equipment with driver assistance and autonomous functions, enabled by data, digital and AI capabilities to maximise uptime and increase productivity, which has a potential for lower total cost of ownership.

Electrification

Investing in electric equipment is a rational choice for our customers. Electric machines enable materially lower operating costs, help our customers to reach their emission reduction commitments, and are more ergonomic to operate while generating less noise, making operations safer for our customers. Driven by these facts and regulatory environment, the market for electric heavy material handling equipment is expected to grow significantly faster at ~28% p.a. than the general market ~4% p.a.

We are not new to electrification. Kalmar has been designing, manufacturing and selling electric equipment since the 1980's. Since 2016, we have introduced a full portfolio of li-ion battery electric vehicles that utilise latest battery technologies to enable high productivity for our customers with electric vehicles. We continue to invest into electrification to deliver next generation versions of our electric vehicles, to meet continuously evolving customer needs and to capture the growth of the electric market.

Automation

Labour shortages in the industry, combined with increasing safety and productivity requirements, increase demand for advanced driver-assisting features and fully autonomous equipment. Kalmar is a leader in automation and will invest in continuous development of existing market-leading technologies, as well as developing new innovative automation solutions to serve a wider range of customers.

Digitalisation

Kalmar's proprietary (in-house) connectivity solutions provide a secure way to obtain accurate, real-time data about the status and health of connected equipment. This information is key to ensure customers' uninterrupted operations. The importance of the data increases as customers' equipment continues to have an increasing amount of software, robotics and autonomous features. Based on the data Kalmar builds solutions with software, analytics and AI to help its customers solve their safety, productivity and climate and sustainability related challenges. Customers can optimise their operations, improve productivity and safety, and reduce inefficiencies and emissions through intelligent solutions.

Leveraging portfolio for further growth in core markets & white spots

In addition to purely technology-led innovation, Kalmar also does systematic innovation to ensure its portfolio is fit for market needs around the world. We are committed to solving customer challenges in heavy material handling, and thus we continuously innovate solutions for possible new use cases for Kalmar solutions.

Solution innovation plays a key role when addressing currently underserved markets where Kalmar sees potential for profitable growth. These so-called white spot markets where current presence is limited but the market is expected to develop favourably during the years to come, can be best captured through fit-for-market offering either through customising Kalmar's existing offering or developing selected new offering and implementing market presence actions in the new markets.

Growing services

Close to customers around the world

Our large installed base, global network of service technicians and deep understanding of the industry through a significant fleet of connected equipment globally provide significant potential to grow service sales. Our service growth strategy is built around three spearheads: leveraging our installed base potential, ensuring the capture of service potential of electric machines, and providing superior value to our customers through data-driven solutions.

Installed base potential

Our extensive installed base of 68,000 machines represents a substantial opportunity for growth, and we're actively pursuing it. We're committed to realising this potential by increasing spare parts and service capture rates, securing profitable contracts, and leveraging the installed base through comprehensive lifecycle solutions, that include equipment upgrades, modernisation services, training and fleet management offering. We empower our technicians to focus on what they do best: serving our customers.

Electrification for services growth

Sustainable operations and industry electrification is a clear growth driver for Services. While traditional diesel equipment have a higher overall number of replacement parts, our value add to diesel engine consumables is limited. With electric machines, importance of understanding equipment data and operational use increases and Kalmar can leverage wide understanding of both electric equipment and electric equipment usage to increase value add services. Also complex high voltage electric systems in the equipment limits traditional local service providers to maintain Kalmar equipment.

Value through data-driven solutions

Digital solutions will drive growth by accelerating customer productivity and sustainability. With a fleet of over 14,500 connected equipment at customer locations and a global network of over 1,400 technicians, we have a superior understanding of machines and data-led knowledge of when and what requires servicing. We aim to provide clear value add through our digital solutions, keeping our customers critical operations moving.

30%
Spare part capture rate

~50%
Share of eCommerce of spare parts sales

14,500
Connected equipment

Driving excellence

We aim to improve profitability and cash flow generation to fund further investments into R&D and organic growth, and distributing profits to shareholders.

We are planning to reach approximately EUR 50 million gross efficiency improvements by the end of 2026, in line with our 15 percent comparable operating profit margin target by 2028. The improved profitability is planned to originate from commercial and operational excellence actions as well as portfolio optimisation to ensure company performance in a changing market environment.

Commercial excellence

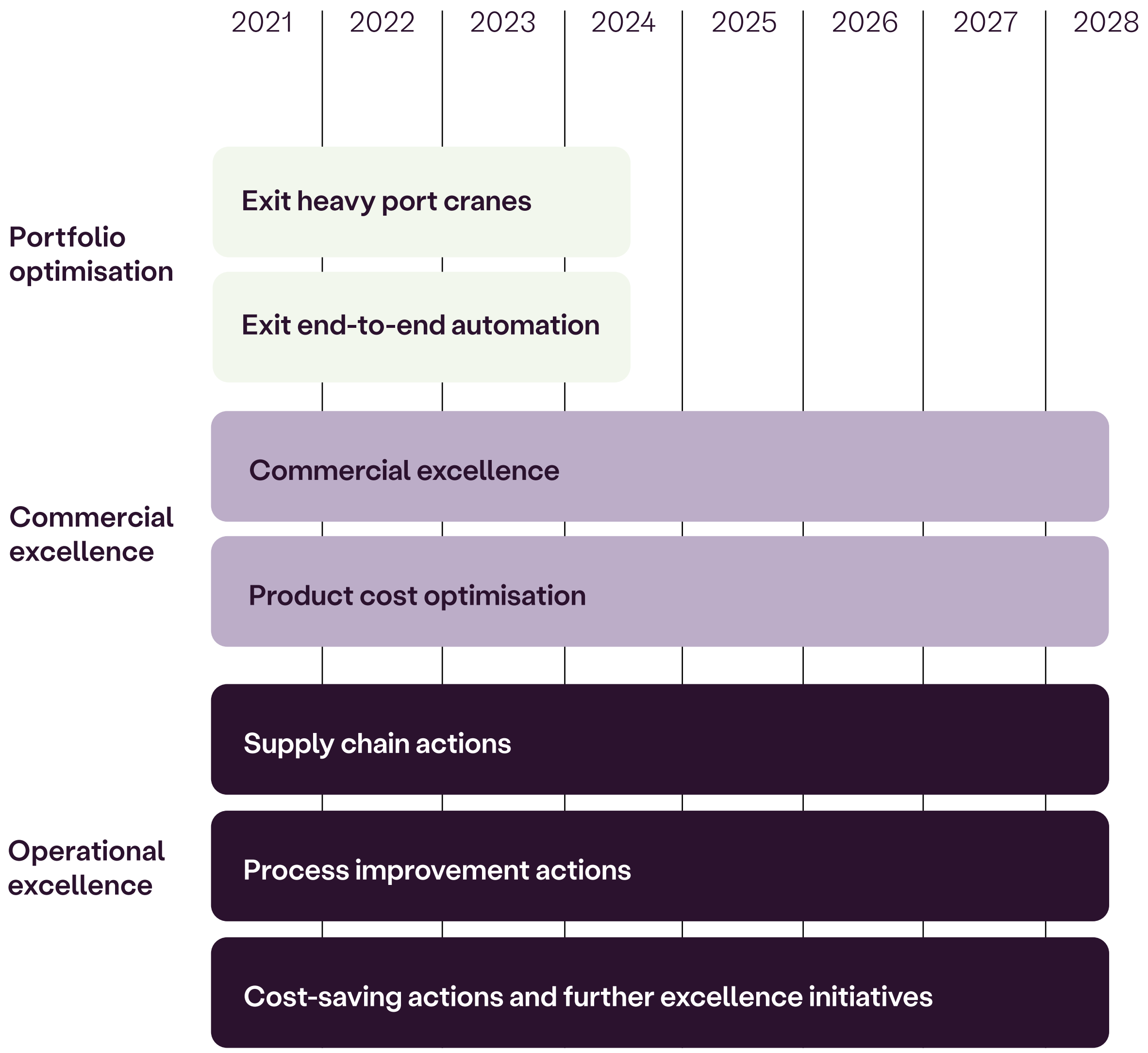
Our commercial excellence initiatives are focused on the customer facing front end and on sourcing and product cost optimisation. This work has been ongoing and the results have been visible already in 2023 & 2024 margins. We will continue to work with the commercial excellence initiatives to drive further business performance.

Operational excellence

As an independent company we are focusing on driving operational excellence through process improvements, cost savings and by continuing to optimise our supply chain. The ongoing operational excellence initiatives aim to ensure we get the full benefits of the Kalmar asset-light operating model and allow us to fund further investments into R&D and organic growth to secure our long-term growth.

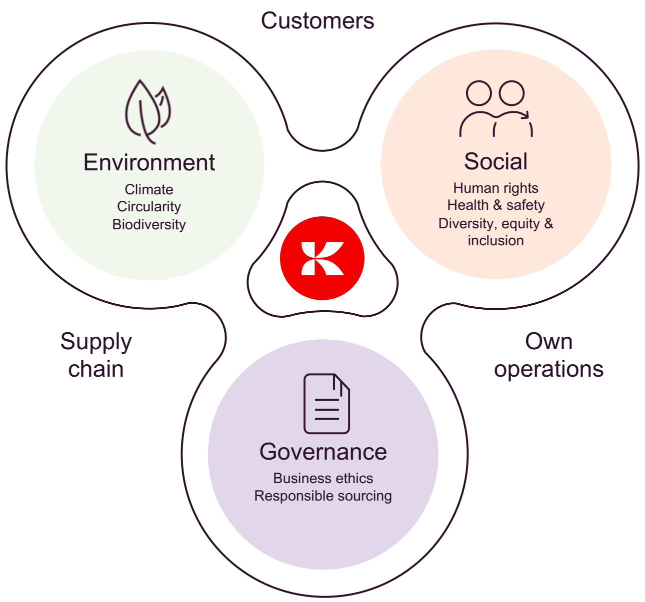
Portfolio optimisation

Our portfolio optimisation has been successfully completed with exits from heavy cranes and end-to-end automation. The portfolio optimisation initiative has resulted in more focused business, centered around our key value adding platforms that we see best serving the needs of our customers and being best aligned with ongoing megatrends and industry trends.



Kalmar's sustainability agenda

Kalmar's sustainability work is based on the environmental, social and governance (ESG) aspects of corporate sustainability. Our key sustainability topics include climate change; circular economy; biodiversity; human rights; health and safety; diversity, equity and inclusion; responsible sourcing and business ethics.



We aim to achieve a net-zero, circular value chain while delivering the industry's safest and most innovative offerings resulting in profitable business.

Climate and circularity is strongly embedded into Kalmar's strategy and our climate ambition is to be net-zero by 2045. Kalmar aims to lead the way in sustainable material handling around the world, with a strong focus on electrification across its equipment range, increasing lifetime value and maximising uptime through a global services network. Kalmar's Eco portfolio supports our commitment to be a 1.5°C company by highlighting equipment, services and software that improve our customers' sustainability and drive the transition to a low-carbon world.

By electrifying our product portfolio we can minimise our own and our customers' climate impacts. As an example, our electric reachstacker's lifetime carbon footprint is up to 77 percent smaller than a diesel reachstacker, if charged with 100 percent fossil-free electricity. We target carbon neutrality in our own operations by 2030 and we are already using 100 percent fossil-free electricity at our assembly sites and innovation centres.

By supporting circular principles we can both reduce our climate impact and the use of finite resources. For example, during 2024 we delivered our first electric reachstacker made partly with fossil-free steel, which reduces the products manufacturing CO_2 emissions by over 20 percent.

Regarding biodiversity, Kalmar's main biodiversity and ecosystem impacts descend from our supply chain and from the extraction of finite resources, mainly iron ore and scarce minerals. This was also confirmed in the biodiversity assessment, which we conducted in 2024. While driving our climate work and promoting the transitioning to a circular economy we simultaneously manage our negative impacts on biodiversity.

We are committed to fostering a harm-free, diverse, equitable and inclusive culture, grounded in high ethical business standards. These elements set the foundation to how business is done at Kalmar.

Kalmar's business impacts people in all parts of the value chain: our employees, supplier employees as well as operators of our equipment, who are typically customer employees. We are committed to continuously improve our human rights due diligence process by identifying, addressing and remedying negative impacts on people.

We always prioritise health and safety and do our utmost to ensure everyone can return home safely every day. For example, as part of our safety programme, we trained over 200 leaders on safety during 2024. The purpose of the safety programme is to go beyond compliance and add more emphasis on safety leadership, including psychological safety, to build a strong safety culture in Kalmar.

As Kalmar conducts business in a complex global environment, the industry is exposed to many ethics and compliance risks. Kalmar has strong practices for preventing, detecting and responding to potential misconduct, clear guidelines for ethical behaviour and robust channels for whistleblowing. With these efforts and our commitment to integrity, we can set the example for stakeholders throughout our value chain.

Our Responsible Sourcing programme focuses on identifying and mitigating sustainability risks in our entire supply chain, and we have strict ESG requirements for our suppliers. For example, all new suppliers must meet pre-requirements and pass an audit conducted by Kalmar before they can be approved as suppliers.

Sustainability targets

	2024 performance	2025 target	2030 target
E	Emission intensity 1,300 tCO_2e/mEUR of sales	Emission intensity decreased	Reduce CO_2 emissions in the value chain (scope 3) by 40% (baseline 2023)
	~90% of electricity in own operations fossil free	>90% of electricity in own operations fossil free	Carbon neutral own operations (Scope 1&2)
	Share of low emission steel 6.5%	Share of low emission steel increased	Reduce CO_2 emissions from steel by at least 40% (baseline 2023)
	41% Eco portfolio of sales	Share of Eco portfolio increased	Our Eco portfolio aligns with evolving regulatory requirements, and meets climate targets and stakeholder expectations
S	Key safety performance indicator, TRIFR* 5.5	TRIFR* <4.5 (2025) <4.0 (2026)	Everyone returns home safe every day
	Human rights impact assessment conducted	Social audits of all major entities (by 2026)	Full transparency with regards to human rights throughout our value chain
	Women in senior or leading roles 27%	DE&I roadmap and actions defined	Ensuring equal treatment and opportunities for all: • At least 35% women in senior or leading roles • Equal pay for the same work of equal value
G	Responsible Sourcing programme covering 78% of suppliers (based on spend), with a sustainability performance score of 3 out of 5	Responsible Sourcing programme improvement by increasing coverage and improving sustainability performance	Transparent and responsible value chain: • Suppliers and dealers adhere to all of Kalmar's sustainability requirements • Responsible Sales process implemented
	All dealers and agents onboarded according to our Business Partner compliance program. Extra Code of Conduct training provided to those operating in higher risk jurisdictions. 98% of assessed training needs completed	All new dealers and agents onboarded according to our Business Partner compliance program. Extra Code of Conduct training deployed to those operating in higher risk jurisdictions	

* TRIFR = ((total amount of fatalities, lost time injuries, medical treatment injuries and restricted workcase injuries) / total working hours) x 1,000,000.

Sustainability at the core of everything we do

Focus area / Strategic pillars	Climate	Circularity	Health & safety	DE&I	Responsible sourcing
	Biodiversity – We minimise our negative impacts on biodiversity through our climate and circularity actions		**Human Rights** – We respect human rights throughout our value chain		
Investing in Sustainable Innovations	We focus on business opportunities and innovations that expand the range of electric solutions we offer	We support circularity through product design	We develop high quality, safe and quiet equipment e.g. EV's		We partner with suppliers to find more low-carbon material alternatives
Growing Services	We aim to grow our services as it supports us in achieving our climate targets	We seek to transition from traditional maintenance to intelligent lifecycle solutions	We develop semi-automated solutions, which reduces high safety risk		We partner with suppliers to find more low-carbon material alternatives
Driving Excellence	We take action to achieve carbon neutrality in own operations	We rethink material flows and aim to increase the share of low-emission steel	We always prioritise health and safety in our own operations and take continuous actions to improve	We ensure equal treatment and opportunities for all	We work together with our suppliers to improve their sustainability performance and material alternatives

Business ethics – We have a robust compliance programme, which focuses on preventing, detecting and responding to potential misconduct

Press to learn more.

Kalmar's path of sustainable and profitable growth is underpinned by solid foundations

Customer proximity

Kalmar is a long-term, trusted partner to our customers globally. We understand our customers' ever-shifting challenges and we are working closely with our customers to make them successful, productive and safe. Our global service offering is optimised to keep our installed base of 68,000 equipment on the move. Our strong footprint of over 1,400 technicians and over 14,500 connected units provides us in-depth customer insights and knowledge to exceed our customers demands and drive our growth globally.

We are committed to deliver seamless customer experiences through providing high-quality equipment and services, and world-class customer experience through our digital platform and other services.

Attractive market

The heavy material handling industry is global and growing, having value of over 13.4B€, with a history of stable growth. The market is estimated to grow ~4% p.a. to 16.5B€ by 2028. Heavy material handling machines and services play a critical role in enabling global trade flows.

Kalmar is a pure-play market leader in heavy material handling. We will continue to focus on our key platforms of reachstackers, medium and heavy forklifts, terminal tractors, straddle carriers and spreaders. Combining the focus on these equipment with our industry leading global services network, Kalmar is in an unique position to create value for our customers.

Experienced and talented people

Our success is built on our people.
We welcome great people, trust them with responsibility and help them to grow beyond their own expectations. We are proud of the work we do and the way we work. This pride drives us to create great products and services, making Kalmar a leader in sustainable material handling.

We promote experimentation, focusing on the customer, extreme ownership and respect of others in our everyday work. Kalmar has been shaping the industry and making every move count for over 75 years. Our focus on people development enables our success for the next decades.

Strong financial profile

Kalmar is an asset-light business with a simple, flexible and agile model that delivers results. We serve our customers equipment needs globally through our footprint of four factories. Our factories are well-invested and our manufacturing model is mainly assembly-only, resulting in low capex investment need. With efficient operation and rigorous working capital management, our model resulted in a robust cash conversion of 104% in 2024.

Kalmar's two reporting segments, equipment and services, generated healthy comparable operating profit margins of 12.9% and 17.5% in 2024, respectively.

Our healthy leverage ratio of 0.3x positions us well for continued success.

Remuneration report

Letter from the Chair of the Personnel and Remuneration Committee

Dear Shareholders,

I am pleased to present Kalmar's first Remuneration report on behalf of the Board's Personnel and Remuneration Committee (PRC). The year 2024 was a historical year for Kalmar as the Company was separated from Cargotec Corporation and was listed on the main list of Nasdaq Helsinki Ltd in July. The demerger and listing project was completed in an excellent fashion and within the timeline and decision made by the Board of Directors and Shareholders of Cargotec Corporation.

Kalmar has now started its own, independent path and growth journey as a listed company. The company can now focus on executing the strategy, investing in sustainable innovations, growing services and driving excellence. This journey will now continue together with our professional personnel, customers and shareholders.

Remuneration in Kalmar

The purpose of the PRC is to ensure that remuneration programmes at Kalmar reflect the Company's principles, support the execution of Kalmar's strategy, reinforce a high-performing culture, drive long-term success of Kalmar and compensate competitively and fairly.

For the CEO this means that a significant part of the remuneration is based on performance. If targets are met, the short- and long-term incentives comprise 64% of the total remuneration of the CEO, as defined in the Remuneration policy. In the short-term incentive (STI) and long-term incentive (LTI) plans for 2024, the CEO's focus was solely on Kalmar's financial targets and no individual criteria were used.

Kalmar's main long-term incentive plans are Performance Share Plans (PSP) and these plans have been based on financial as well as sustainability performance criteria. The sustainability criteria used in 2024 was eco portfolio share of orders received. Our eco portfolio includes a range of low-carbon and intelligent technologies, products and services, such as different types of electric or low-emission versions and life-cycle solutions. Increasing the orders and sales of the eco portfolio contributes to reaching the Company's emission reduction targets.

Kalmar's performance in 2024

In 2024, Kalmar made significant progress, laying a solid foundation for future growth. We continued to lead the industry by decarbonised, electrified, and intelligent machines, helping our customers meet their environmental goals. Expanding our service offerings has been a key part of our journey. By leveraging our global installed base of over 68,000 machines, services now account for one-third of our total sales, reflecting our commitment to building long-term partnerships. Our continued focus on commercial and operational excellence enabled us to deliver good results in 2024. Our orders received amounted to EUR 1,679 million, presenting a sequentially stable demand. Sales amounted to EUR 1,720 million with a decrease of 16% from last year, impacted by slower market activity and lower order book compared to last year. The services sales remained more stable than the equipment sales, providing resilience.

We have been successful with generating good profits on the lower sales volumes. The comparable operating profit margin amounted to 12.6%, presenting a resilient profitability driven by successful commercial performance, cost savings executed during 2023 and 2024, as well as active product cost management. The comparable operating profit amounted to EUR 216.8 million and cash flow from operations before finance items and taxes was EUR 249.1 million. With a healthy leverage ratio of 0.3x, we are well-positioned for continued growth.

Looking ahead to 2025

As Kalmar continues on its path as an independent company, we will further develop all of the people processes and remuneration practices during 2025. Kalmar will continue the incentive plans to drive company performance, long-term success, and to ensure our attractiveness as an employer in the international markets in which we operate. Special attention will be put to the selection of the performance criteria, so that the strategic goals of Kalmar, such as sustainability and growing services as well as long-term value creation are embedded in the plans.

The PRC will ensure that our Remuneration policy is effective and continues to align with Kalmar's strategy. The current Remuneration policy is valid until 2028, however, the Board wishes to validate the policy in the first AGM of independent Kalmar and the policy will be presented to Kalmar's AGM in March 2025.

The PRC will carefully consider the views of our shareholders and other stakeholders in our work. We are happy to receive any feedback on our Remuneration report, as well as on our Remuneration policy.

Jaakko Eskola
Chair of the PRC

Introduction

The Personnel and Remuneration Committee ("PRC") of Kalmar Corporation's ("Kalmar" or the "Company") Board of Directors ("Board") has prepared this report to openly communicate the practices Kalmar uses to ensure fair and consistent remuneration, drive high performance, and secure the Company's long-term financial success. The report describes the key principles and decision making process of the remuneration of the Board and the President and CEO ("CEO"), as well as the details of paid remuneration during 2024. Kalmar was incorporated on 30 June 2024 in the partial demerger of Cargotec Corporation ("Cargotec"), and therefore, the report is based on the second half of 2024. The report has been prepared in line with the Finnish Corporate Governance Code 2025 issued by the Securities Market Association.

The remuneration of the Board and the CEO during 2024 was executed in accordance with the Remuneration policy approved by Cargotec's Annual General Meeting ("AGM") held on 30 May 2024. No deviations from the Remuneration policy have been made, and no remuneration of the Board or the CEO has been reclaimed or restated during the financial year 2024.

Personnel and Remuneration Committee members' meeting participation in 2024

Jaakko Eskola (Chair)	3/3
Teresa Kemppi-Vasama	3/3
Emilia Torttila-Miettinen	3/3

Remuneration in 2024 at a glance

The Board remuneration was approved for the first time for Kalmar and it was paid primarily as an annual remuneration, partly in shares and partly in cash.

There were no short-term incentive (STI) nor long-term incentive (LTI) payments done for the CEO based on 2023 performance as the CEO joined the Company in 2024.

In the STI plan for the CEO the focus was on the Company's financial targets, no individual targets were set for 2024. The reward from the STI Plan 2024 will be paid in 2025.

The main LTI plans in Kalmar are Performance Share Plans (PSP). The CEO participates in the currently ongoing PSP 2023-2025 and PSP 2024-2026. The potential rewards will be paid in 2026 and 2027 respectively.

The performance criteria used in the PSP's during 2024 were eco portfolio share of orders received, services segment's gross profit and earnings per share (EPS). These are linked to our strategy; being the forerunner in sustainable material handling equipment and services.

Remuneration policy at a glance

According to the Remuneration policy of Kalmar, our remuneration is designed to reinforce Kalmar's purpose and ethical principles, align remuneration with the successful delivery of our strategy, and create long-term shareholder value. These principles are used for structuring the reward approach throughout the organisation.

The shareholders resolve annually on Board's remuneration based on a proposal made by the Nomination Board. Given the nature of the Board duties and responsibilities, the remuneration is not linked to the Company performance, and therefore includes fixed remuneration only, which can be paid in cash, shares or a combination thereof. The Board Remuneration policy shall not restrict the shareholders' ability to resolve on Board remuneration.

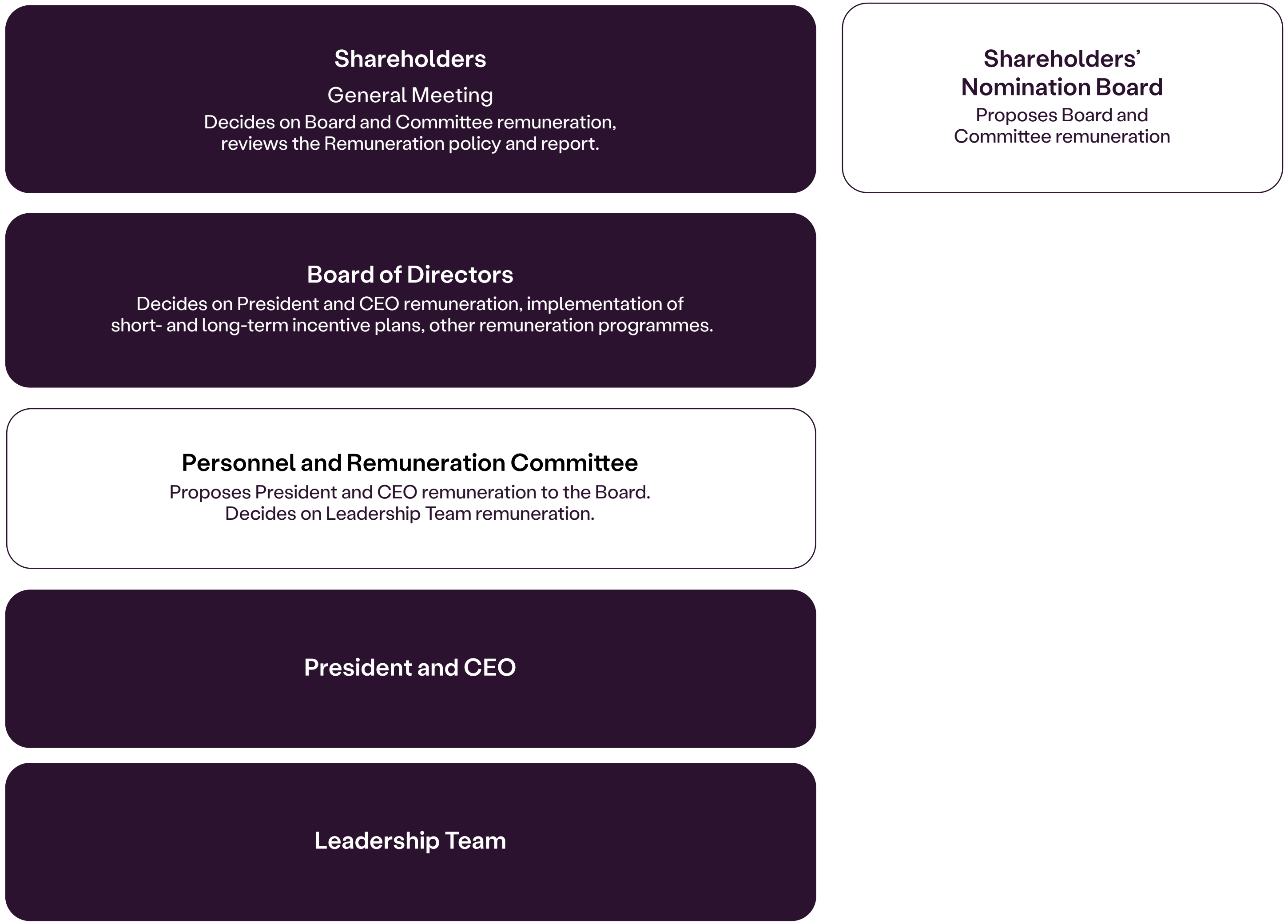
Remuneration of the CEO consists of a base salary, pension, and benefits, as well as short- and long-term incentives. The objective is to have a good balance of rewarding elements, and to offer competitive fixed remuneration that is supplemented with short- and long-term incentive schemes that drive company performance.

The Board may deviate from the policy in extraordinary circumstances. To read the full policy, please visit Kalmar's website at www.kalmarglobal.com/investors/governance/remuneration/.

Remuneration decision-making procedure

The shareholders of the Company decide annually in the Company's AGM on the remuneration of the Board members, including the remuneration of the members of Board Committees. The proposals for the AGM concerning the remuneration of the Board are prepared by the Company's Shareholders' Nomination Board ("Nomination Board"). The Nomination Board is composed of representatives of the main shareholders of the Company and the Chair of Kalmar's Board, who acts as an expert without having a right to participate in the decision-making of the Nomination Board.

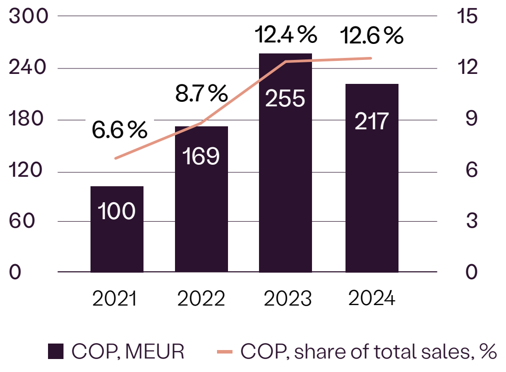
The Board appoints the CEO and approves his/her remuneration based on the proposals prepared by the PRC. The PRC approves the remuneration of other Kalmar Leadership Team ("KLT") members. PRC also prepares remuneration related matters and proposals for the Board as well as proposals for the appointment of the KLT members.



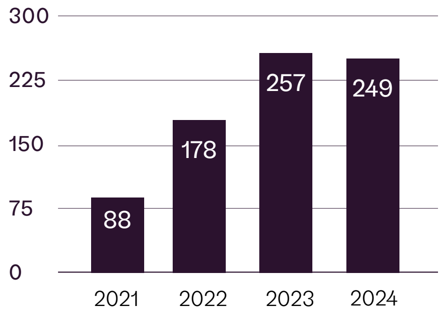
Remuneration of Executives and Company performance

Kalmar's key remuneration principle is to create a clear link between company performance and remuneration. The main performance indicators used in incentive plans at Kalmar are comparable operating profit, cash flow and eco portfolio share of orders received. As the partial demerger of Cargotec was completed on 30 June 2024 and listing of Kalmar was completed on 1 July 2024, there is limited historical data on the Company's financial performance and on the remuneration of executives.

Comparable Operating Profit



Cash flow from operations before finance items and taxes, MEUR



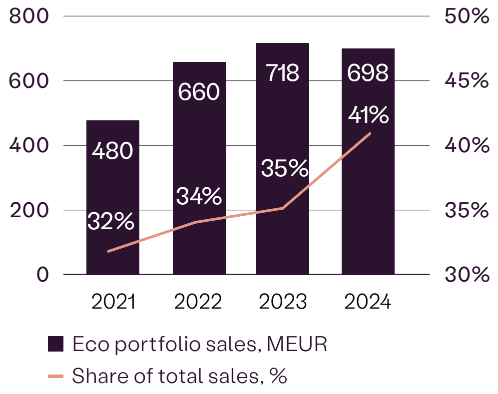
Remuneration in 2024

	EUR
Chair of the Board	176,313
Member of the Board (excl. Chair) on average	93,194
CEO[1]	273,040
Employee on average (Excl. CEO)[2]	25,284

[1] Paid remuneration 30 June 2024–31 December 2024.

[2] The total wages and salaries paid during 30 June 2024–31 December 2024 / average headcount during the same period in all countries.

Eco portfolio sales



All periods before Q3 2024 are based on carve-out figures.

Remuneration of the Board of Directors

The remuneration of the Board is decided by the AGM based on the proposal by the Nomination Board, for a term ending at the end of the next Annual General Meeting. The Board remuneration for the 2024–2025 period was approved by the AGM of Cargotec on 30 May 2024.

The remuneration consists primarily of a fixed annual fee: EUR 160,000 for the Chair of the Board, EUR 95,000 for the Vice Chair of the Board, EUR 80,000 for each member of the Board, EUR 20,000 for the Chair of the Audit and Risk Management Committee, EUR 10,000 for each member of the Audit and Risk Management Committee, a maximum of EUR 15,000 for the Chair of any other committee possibly constituted by the Board in accordance with a separate decision by the Board, and EUR 5,000 for each member of any other committee constituted by the Board.

Approximately 50 percent of the yearly remuneration will be paid in Kalmar class B shares and the rest in cash. Kalmar will cover the transfer taxes related to board remuneration paid in shares. In addition, the members of the Board are paid a meeting fee of EUR 3,000 per meeting for meetings held on a different continent than where the Board member is domiciled, and a meeting fee of EUR 1,500 per meeting for additional meetings held outside the regular board and committee meeting cadence.

The expenses of Kalmar's Board members related to travel and accommodation as well as other costs directly related to board and committee work shall be reimbursed in accordance with Kalmar's policies. The members of the Board are not entitled to participate in the Company's variable pay programs.

Remuneration of the Board of Directors in 2024

Board member	Role	Annual fee, EUR	Meeting Fees	Total, EUR[1]
Jaakko Eskola	Chair of Board, Chair of PRC	175,000	-	176,313
Teresa Kemppi-Vasama	Vice Chair of the Board, Member of PRC	100,000	-	100,750
Sari Pohjonen	Member of the Board, Chair of ARC	100,000	-	100,750
Lars Engström	Member of the Board, member of ARC	90,000	-	90,675
Marcus Hedblom	Member of the Board, member of ARC	90,000	-	90,675
Vesa Laisi	Member of the Board, member of ARC	90,000	-	90,675
Emilia Torttila-Miettinen	Member of the Board, member of PRC	85,000	-	85,638
Total		**730,000**	**-**	**735,477**

[1] Including the transfer tax related to the annual remuneration paid in shares.

Remuneration of the President and CEO

The Board decides on the remuneration of the CEO based on the proposal by the PRC. The main remuneration elements are fixed salary, short-term incentives and long-term incentives as defined in the Company's Remuneration policy.

The fixed salary for the CEO includes a base salary and fringe benefits, such as company car and phone allowance. The annual base salary for the CEO has been defined to be EUR 550,000. There were no short-term incentives or long-term incentives paid to the CEO during the financial year 2024. The pension contributions were based on the statutory pension in the CEO's home country (Finland's Employee Pension Act (TyEL)).

	Paid remuneration in 2024, EUR[1]
Fixed salary, including fringe benefits	273,040
Pension / Other financial benefits[2]	47,448
Short-term incentives (STI)	-
Long-term incentives (LTI)	-
Total	**320,488**

[1] Paid remuneration 30 June 2024–31 December 2024.
[2] Pension contribution based on statutory pension in Finland (TyEL)

Short-term incentives of the CEO

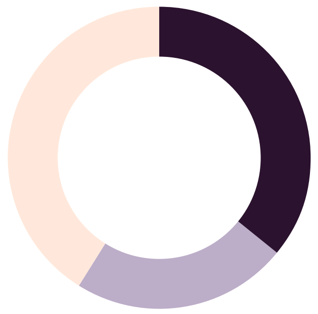
The CEO's short-term incentives (STI), including the terms and conditions for these plans, are determined by the Board. The Board annually sets and evaluates performance of the CEO. Based on the Company's Remuneration policy, the maximum STI reward is limited to 130% of the annual base salary.

As the current CEO Sami Niiranen joined the company in 2024, there were no short-term incentives paid during 2024.

The STI plan 2024 was based on the company's comparable operating profit (70% weight) and cash flow (30% weight). The target setting was done for the full financial year 2024. The overall achievement was 160.8% (in the scale of 0-200%) and the corresponding reward of approximately EUR 430,360 will be paid in Q2 2025.

Performance criteria	Weight	Outcome, MEUR	Performance	Overall Achievement	Payment
Comparable Operating Profit	70%	216,8	144,0%	160,8%	EUR 430,360
Cash Flow	30%	220,6	200,0%		

President and CEO's target remuneration



Fixed salary, 36%
Short term incentive plan (STI), 23%
Long term incentive plan (LTI), 41%

President and CEO – Actual remuneration in 2024

Fixed salary, 100%
Short term incentive plan (STI), 0%
Long term incentive plan (LTI), 0%

Long-term incentives of the CEO

The Board decides on and implements LTI plans in alignment with the Company's long-term targets and strategy and the Company's Remuneration Policy. The purpose of the LTI plans is to align the interests of the CEO and shareholders in driving the Company's sustainable growth and long-term value creation. Based on the Company's Remuneration Policy, the maximum annual LTI value at grant for the CEO is 230% of the annual base salary.

No payments based on the LTI plans were made to the CEO during 2024.

The Company's LTI plans are in the form of Performance Share Plans (PSP). The CEO currently participates in two Performance Share Plans, PSP 2023-2025 and PSP 2024-2026. Each plan consists of three one-year performance periods and the Board decides each year on the performance criteria to be used in the plans. The PSP 2023-2025 and PSP 2024-2026 are based on the company's performance as described in the table on the right. The rewards of each plan are paid after the third performance period in one instalment. In addition to the rewards payable in shares, the rewards include a cash portion which is intended to cover the taxes and tax-like payments arising from the reward.

In 2024, the CEO was granted an opportunity to earn a maximum of 5,560 shares within the PSP 2023-2025. He is eligible for the reward based on the achievement of the performance criteria during 2024 and 2025. The potential reward payment will take place in Q1 2026.

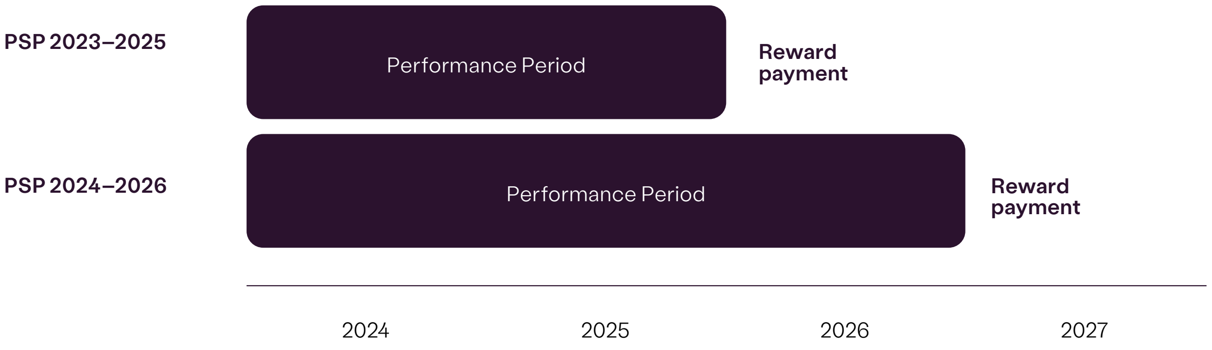
The CEO was also granted an opportunity to earn a maximum of 34,670 shares within the PSP 2024-2026. He is eligible for the reward based on the achievement of the performance criteria during 2024, 2025 and 2026. The potential reward payment will take place in Q1 2027.

Share ownership of the CEO

On 31 December 2024, the CEO held 5,000 Kalmar class B shares.

Ongoing LTI Plans of the CEO

	PSP 2023-2025	PSP 2024-2026
Performance criteria	Performance Period 2024: Services Segment's Gross Profit Performance Period 2025: to be defined	Performance Period 2024: Earnings per share (EPS) Performance Period 2025: to be defined Performance Period 2026: to be defined
Reward payment	Q1 2026	Q1 2027
Maximum reward, pcs of shares	5,560	34,670



Board of Directors' report

Financial statements

Board of Directors' report

Vision and strategy

Kalmar Corporation ("Kalmar" or "Company") is a market leader in heavy material handling equipment with deep-rooted foundations in customer proximity, attractive market, experienced and talented people and strong financial profile. Kalmar's sales and service network covers over 120 countries, supporting its globally dispersed customer base and extensive installed base of 68,000 machines globally. The Company operates mainly through direct sales and a strong global network of dealers. With an assembly-based manufacturing model with four factories and two innovation centers, Kalmar prioritizes building strong and enduring relationships with its material suppliers across the globe. Kalmar's workforce comprises around 5,200 employees of which 1,400 are service engineers. The Company believes that attracting and retaining top talent is essential to being the most valued business partner for its customers and the employer of choice for current and future employees. Kalmar is dedicated to responsible business practices and expects its suppliers and business partners to uphold the same high legal and ethical standards.

The industry is facing several megatrends, which are driving renewal across the whole scene. This generates opportunities for Kalmar to provide solutions and solve the challenges customers face. Some of the key opportunities that Kalmar is prepared to address are:

- Safety
- Productivity
- Decarbonisation and electrification
- Changing logistics landscape
- Labour shortage
- Intelligent operations.

To address these opportunities and to create added customer value Kalmar is focusing on three strategic areas:

- Investing in sustainable innovations in the area of decarbonised and electric equipment, digital solutions and automation
- Growing services and expanding our aftermarket footprint with a focus on harvesting on our vast installed base, improving capture rate, increasing the share of recurring business through service contracts and creating customer lifecycle value through an intelligent service offering
- Driving excellence by improving profitability and cash flow generation via sourcing optimisation and process improvement to fund further investments into R&D and organic growth, and distributing profits to shareholders.

Performance targets

Kalmar's Board of Directors ("Board") has set the following performance targets for 2028:

Financial targets

- Sales growth of 5 percent p.a. over the cycle;
- Comparable operating profit margin of 15 percent;
- ROCE above 25 percent;

Capital structure and sustainability framework

- Leverage (Net debt to EBITDA) under 2x;
- Dividend payout ratio of 30-50 percent per annum
- Aligned with SBTi targets with 1.5 °C commitment[1];

Kalmar communicated that it aims to achieve a comparable operating profit margin above 12 percent in 2024. In line with the communicated guidance, Kalmar achieved a comparable operating profit margin of 12.6 percent in 2024.

Reporting structure

Kalmar changed its management model and organisation when preparing for the demerger and listing. As a result, Kalmar changed its segment reporting on 30 June 2024. Kalmar's segment reporting is based on how the management assesses the performance of the business. The reporting segments are Equipment and Services. The Equipment segment is further divided into four business divisions.

In this report, financial information is presented on an actual basis for the consolidated balance sheet as at 31 December, 30 September and at 30 June 2024, and on a carve-out basis for the earlier periods. Statement of income is presented on an actual basis for the period 1 July to 31 December 2024 and on a carve-out basis for all previous periods. More information can be found in the notes to the financial statements, under Accounting Principles.

[1] Plan following criteria of the Science Based Targets initiative.

Kalmar separation and listing on the Helsinki Stock Exchange

On 27 April 2023, Cargotec announced that its Board of Directors had decided to investigate and initiate a process to potentially separate Cargotec's core businesses Kalmar and Hiab into two standalone companies. Cargotec's intention would be to separate Kalmar as a new listed company by means of a partial demerger from Cargotec. The Board of Directors estimated that the separation of Kalmar and Hiab could unlock shareholder value by allowing both businesses to pursue sustainable profitable growth opportunities independently.

In November 2023, Cargotec's Board of Directors appointed Sami Niiranen as the President of Kalmar. He started in his position on 1 April 2024 and became a member of the Cargotec Leadership team until the completion of the demerger. He was proposed as the President and CEO ("CEO") of the proposed standalone Kalmar. The composition of Kalmar's Leadership Team as of 1 April 2024 was announced on 1 February 2024.

On 1 February 2024, Cargotec's Board of Directors approved a demerger plan concerning the separation of Kalmar into an independent listed company. The planned completion date of the demerger was 30 June 2024. The trading in the class B shares of Kalmar on Nasdaq Helsinki Ltd was expected to commence on or about 1 July 2024.

Cargotec's Annual General Meeting on 30 May 2024 resolved on the partial demerger of Cargotec in accordance with the demerger plan approved by the Board of Directors and signed on 1 February 2024. As part of the demerger resolution, the Annual General Meeting also resolved on other matters related to Kalmar. Please see section "Decisions taken at the Annual General Meeting of Cargotec related to Kalmar" for more details.

On 30 June 2024, the completion of the partial demerger of Cargotec was registered in the Finnish Trade Register. Trading in the class B shares of Kalmar commenced on 1 July 2024 under the share trading code "KALMAR" (ISIN code: FI4000571054).

Driving excellence initiative

In May 2024, as part of the demerger and listing prospectus, Kalmar announced its new strategy and plan towards sustainable and profitable growth. The driving excellence initiative emphasises the importance of continuous improvement. As previously presented, driving excellence is one of the three strategic pillars identified by Kalmar to drive its strategy forward. In August 2024, Kalmar detailed its driving excellence initiative targeting efficiency gains across its operations.

The driving excellence initiative is a crucial step towards achieving Kalmar's long-term performance targets. Detailed planning has advanced, execution is ongoing and Kalmar is planning to reach approximately EUR 50 million gross efficiency improvements by the end of 2026, in line with the target of reaching the 15 percent comparable operating profit margin by 2028. These efficiency improvements enable enhanced investments in sustainable innovations and service growth.

The main measures are related to commercial and operational excellence actions that include active pricing management, supply chain and process optimisation and continuous focus on competitive operational cost-base and faster decision-making.

Kalmar has already made significant progress in implementing profitability improvement actions aimed at strengthening long-term competitiveness and is now focused on further profit generation and growth to leverage on its processes and best practices across the company. Most significant portfolio optimisation measures have been the exit decisions from the heavy cranes and the end-to-end automation businesses in 2022, which were mainly completed during 2024.

Kalmar will follow up on the progress of the Driving excellence initiative in its interim reports.

Financial year 2024

Operating environment

The business environment in which Kalmar operates has been increasingly complex, stemming from uncertainty, high interest rates and inflation, growing geopolitical tensions, and sluggish growth estimates. Despite this, the underlying demand drivers have remained positive.

Demand for Kalmar's equipment is influenced by the overall global growth development, container throughput, economic indicators for manufacturing activity, warehousing and business confidence. Inflation, high interest rates and geopolitics among others may impact the customer investment activity.

According to the International Monetary Fund's (IMF) world economic outlook published in January 2025, the global economy is projected to grow by 3.3 percent in 2025, up from 3.2 percent in 2024. In the IMF's advanced economies group (a group of countries which includes several key markets for Kalmar, such as the United States, the United Kingdom and Germany), the IMF estimates a 1.9 percent growth in 2025, up from 1.7 percent in 2024. IMF notes that the pace of global growth is low compared to the pre-pandemic average. Though inflation has been decreasing and the economy has been resilient, the IMF sees that there are risks related to policy uncertainties like protectionism and fiscal policies[2]. Kalmar's demand is also impacted by the number of containers handled at ports globally, which is estimated to have increased by 6.1 percent in 2024. Container throughput is forecasted to grow 2.8 percent in 2025[3].

Orders received and order book

Orders received decreased in 2024 by 2 percent from 2023 and totalled EUR 1,679 (1,705) million. Orders received decreased in the Equipment segment by 6 percent and increased in the Services segment by 8 percent from 2023. In 2024, of the total orders received 44 (42) percent came from Europe, 31 (36) percent from the Americas and 24 (23) percent from the AMEA's[4].

Highlights during the year included the following published orders: 26 hybrid straddle carriers to GMP Le Havre (France), 20 hybrid straddle carriers to Medcenter Container Terminal (Italy), 20 hybrid straddle carriers to APM Terminals (Morocco) and 13 forklift trucks including an eight year service contract to BlueScope (Australia).

The order book decreased by 7 percent from the end of 2023, and at the end of the year 2024 it totalled EUR 955 (31 Dec 2023: 1,024) million. Equipment's order book totalled EUR 831 (31 Dec 2023: 928) million, representing 87 (91) percent, Services' EUR 120 (31 Dec 2023: 90) million or 13 (9) percent and Other's EUR 4 (31 Dec 2023: 7) million or 0.4 (0.6) percent of the consolidated order book. The Other's order book consists of old orders related to the remaining heavy cranes order book and pass-through invoicing for old Navis related orders.

Sales

Sales in 2024 decreased from 2023 by 16 percent and amounted to EUR 1,720 (2,050) million. Sales decreased in both segments.

Eco portfolio share of sales in 2024 increased to 41 (35) percent of consolidated sales. Eco portfolio sales totalled EUR 698 (718) million and decreased by 3 percent[5].

In 2024, Europe's share of consolidated sales was 41 (35) percent, Americas' 38 (46) percent and AMEA's 20 (19) percent.

Operating profit and comparable operating profit

Operating profit in 2024 totalled EUR 174 (240) million. The operating profit includes EUR -42 (-15) million in items affecting comparability, of which EUR -32 million was related to the separation and listing of Kalmar and EUR -11 million were write-downs related to assets stemming from the Lonestar acquisition made in 2023.

The comparable operating profit in 2024 decreased by 15 percent and amounted to EUR 217 (255) million, representing 12.6 (12.4) percent of sales. The comparable operating profit margin has been resilient despite lower sales volumes due to successful operational and commercial performance.

Net finance expenses and net income

In 2024, net interest income for interest-bearing debt and assets totalled EUR 3 (8) million. Net finance expense totalled EUR 2 (-1) million. Net financing item figures for January-December include six months of carve-out figures and six months of actual figures.

Profit in 2024 totalled EUR 128 (194) million, and basic earnings per share was EUR 1.99 (3.01)[6].

Balance sheet, cash flow and financing

The consolidated balance sheet total was EUR 1,696 (31 Dec 2023: 1,846) million at the end of the year 2024.

Equity attributable to the equity holders of the parent was EUR 638 (818 carve-out) million, representing EUR 9.96 (n/a) per share. Property, plant and equipment on the balance sheet amounted to EUR 265 (273) million and intangible assets to EUR 7 (17) million.

Return on equity (ROE, last 12 months) was 17.6 (31 Dec 2023: n/a) percent at the end of the year 2024 and return on capital employed (ROCE, last 12 months) was 18.7 (24.4) percent. Items affecting comparability deriving mostly from demerger and listing costs had a -4.1 (-1.4) percentage points impact on ROCE.

Cash flow from operating activities before financial items and taxes totalled EUR 249 (257) million during 2024. Cash flow remained strong resulting mainly from operating profit, and supported by reduction in net working capital inventory levels. Cash conversion for the last 12 months was 104 (n/a) percent.

Kalmar strengthened its long-term liquidity and expanded its access to new short-term financing sources in 2024.

In December 2024, Kalmar entered into a EUR 200 million revolving credit facility with a syndicate of its six relationship banks. The facility has a tenor of five years with two one-year extension options subject to the lenders' approval. The purpose of this facility is to refinance EUR 150 million euros bilateral revolving credit facilities which would have matured in 2025 and 2027, and general corporate purposes of the group. In

[2] International Monetary Fund: World Economic Outlook, January 2025
[3] Drewry Container Forecaster Q4/2024, December 2024
[4] AMEA = Asia, Middle-East, Africa
[5] The eco portfolio includes the equipment and services that are defined to be either aligned with the EU Taxonomy or expected to be aligned in the near future.
[6] Periods before the listing of Kalmar Corporation on 1 July 2024 are calculated based on the number of shares at the listing moment.

addition, Kalmar refinanced EUR 50 million of its bilateral term loans and prepaid EUR 50 million of its bilateral term loans before the original maturity date.

In December, Kalmar also signed an agreement for a EUR 150 million Finnish commercial paper programme. Kalmar may issue commercial papers with a maturity of less than one year within the facility.

Kalmar's liquidity position is strong. The liquidity reserves, consisting of cash and cash equivalents and undrawn EUR 200 million committed long-term revolving credit facility, totalled EUR 461 million on 31 December 2024 (31 Dec 2023: 372). In addition to the liquidity reserves, Kalmar had access to a EUR 150 million commercial paper programme, out of which EUR 150 (-) million were undrawn, as well as undrawn bank overdraft facilities, totalling EUR 54 (31) million.

External interest-bearing liabilities due within the following 12 months totalled EUR 25 (28) million, which includes EUR 17 (15) million lease liabilities.

At the end of 2024, the interest-bearing debt[7] amounted to EUR 341 (31 Dec 2023: 255) million, of which EUR 250 (50) million was loans from financial institutions, EUR 83 (79) million lease liabilities, and EUR 8 (13) million other interest-bearing liabilities. Of the interest-bearing debt, EUR 25 (78) million was current and EUR 316 (114) million non-current debt. The average interest rate of interest-bearing liabilities, excluding on-balance sheet lease liabilities, was 3.7 (n/a) percent.

Cash and cash equivalents, loans receivable, and other interest-bearing assets totalled EUR 265 (376) million. Interest-bearing net debt totalled EUR 76 (-123) million. Prior to the demerger, majority of Kalmar's financing was treated as equity financing from Cargotec Group, hence not comparable with Kalmar's actual figures.

At the end of 2024, gearing was 11.9 (n/a) percent.

Impacts of currencies and structural changes

In the year 2024, orders received decreased organically in constant currencies by 1 percent. Changes in exchange rates had a 0 percentage point effect on Kalmar's orders received. In constant currencies, sales decreased organically by 16 percent. Changes in exchange rates had a 0 percentage point effect on Kalmar's sales.

Reporting segments

Equipment

Equipment segment's orders received in 2024 decreased by 6 percent and totalled EUR 1,099 (1,167) million. Fully electric equipment, which are part of the eco portfolio, contributed to 9 (10) percent of the total Equipment segment's orders received. Equipment segment's order book decreased by 10 percent from the end of 2023, totalling EUR 831 (31 Dec 2023: 928) million at the end of the year 2024. Equipment segment's sales 2024 decreased by 20 percent from the 2023 and totalled EUR 1,160 (1,442) million.

Equipment segment's operating profit in 2024 totalled EUR 139 (202) million. The operating profit includes EUR -11 (0) million in items affecting comparability. The comparable operating profit in 2024 decreased by 26 percent and amounted to EUR 150 (202) million, representing 12.9 (14.0) percent of sales. The comparable operating profit margin remained resilient despite lower sales due to successful commercial performance as well as cost savings actions completed during the first half year of the year.

Services

Services segment's orders received in 2024 increased by 8 percent and totalled EUR 580 (538) million. Services segment's order book increased by 33 percent from the end of 2023, totalling EUR 120 (31 Dec 2023: 90) million at the end of the year 2024. Services segment's 2024 sales decreased by 1 percent and totalled EUR 560 (567) million.

Services segment's operating profit in 2024 totalled EUR 98 (96) million. The operating profit includes EUR 0 (0) million in items affecting comparability. The comparable operating profit in 2024 increased by 2 percent and amounted to EUR 98 (96) million, representing 17.5 (16.9) percent of sales. Services comparable operating profit margin has continued on a solid level indicating resilience, still with room to improve.

Research and development

Research and product development expenditure in 2024 totalled EUR 54 (54) million, representing 3.1 (2.6) percent of sales. Research and development investments were focused on solutions supporting climate targets such as digitalisation, electrification, and robotisation as well as projects that aim to improve the competitiveness and cost efficiency of products.

As part of Kalmar's R&D focus, a decision was made to expand Kalmar's Ljungby Innovation Center in Sweden by building a world class test center, which will enable Kalmar to conduct more comprehensive testing and development of the equipment and technologies. Additionally, Kalmar launched heavy forklift production in Shanghai, China to better serve customers globally.

In the Equipment segment, Kalmar announced a partnership with Elonroad, a Swedish cleantech company specialised in automatic charging technology for heavy vehicles, to build a 200-metre electric road for charging electric vehicles. The electric road, to be

[7] Comparison period figure includes cash pool liabilities from Cargotec Group.

built at Kalmar's Innovation Center in Ljungby, Sweden, enables electric vehicles to be charged dynamically both while moving and stationary through rails in the ground. This innovative solution would reduce the need for large batteries onboard the vehicles and peak grid capacity, while improving vehicle uptime. The partnership demonstrates Kalmar's focus on sustainable innovations and ongoing efforts in collaborative product development.

Kalmar also announced a partnership with CES Srl, an Italian manufacturer of super sized heavy-duty material handling equipment. Through the partnership, Kalmar will be able to better serve customers especially in heavy logistics, such as wind energy, heavy bulk handling and heavy container handling industries. The partnership demonstrates Kalmar's ongoing efforts in collaborative product development.

Kalmar further expanded its electric offering by continuing to develop new and advanced versions of equipment to complement its offering of fully electric equipment and eco-efficient solutions. This included the introduction of a new range of electric empty container handlers which are designed to minimise energy losses and optimise energy accumulation, ensuring longer intervals between charges, improving battery lifetime and performance, and saving on battery size and cost. Additionally, Kalmar continued its commitment to enhancing customers' safety by successfully implementing a wide-scale installation of Kalmar Collision Warning System on straddle carriers of a key customer. The system utilises advanced sensor technology to alert operators to potential collisions, reducing accidents and equipment damage. Kalmar also unveiled the Kalmar Ottawa T2 electric terminal tractor.

In the Services segment, Kalmar has focused on further elevating its digital service offering and platforms to improve customer experience and online availability. MyKalmar customer platform is continuously being developed, becoming the go-to system for all client-facing services, including the MyKalmar STORE e-commerce platform. MyKalmar INSIGHT, the equipment data and performance management tool, has been officially incorporated into the MyKalmar digital ecosystem, in order to ensure clarity and consistency of Kalmar's digital offerings.

Capital expenditure

Capital expenditure, consisting of investments in intangible assets, property, plant and equipment for own use as well as leased assets excluding acquisitions and customer financing, totalled EUR 28 (39) million in 2024. Investments in customer financing were EUR 32 (43) million. Depreciation, amortisation and impairment amounted to EUR 66 (57) million.

Acquisitions and divestments

Kalmar is maintaining flexibility for potential M&A opportunities. However, M&A has not been a priority in 2024. Kalmar did not make any acquisitions or divestments during 2024.

Personnel

Kalmar employed 5,207 (31 Dec 2023: 4,991) people at the end of the year 2024, not fully comparable due to the carve-out. The average number of employees during 2024 was 5,157 (1–12/2023: 5,125).

Salaries and remunerations to employees totalled EUR 257 (252) million in 2024.

Kalmar's annual Compass Employee Engagement survey provides valuable information on work-related feelings and thoughts of our employees. Through the survey, employees are encouraged to share their thoughts on a wide range of topics, such as work-life balance and wellbeing, social responsibility, leadership and team climate. The response rate of the 2024 Compass survey was 79 (2023: 80) percent. The Sustainability category (that includes questions about sustainability, compliance and safety) scored the highest. The Team Climate & Performance category (that includes questions about cooperation and climate within the closest team) showed a very high score as well. As per Kalmar's personnel procedures, managers organise feedback sessions and plan actions with their teams, focusing especially on items where improvement is needed.

Items affecting comparability

Items affecting comparability in 2024 totalled EUR -42 (-15) million.

Costs related to preparations for the separation and listing of Kalmar amounted to EUR 32 million in 2024. The total costs recorded during 2023-2024 amounted to EUR 45 million. No further costs related to this are expected from 2025 onwards. Other items affecting comparability in 2024 consist of EUR 11 million write-downs related to assets stemming from the Lonestar acquisition made in 2023.

Restructuring costs in 2024 amounted to EUR 0 (1) million.

In October 2023, Cargotec initiated cost saving actions in the Cargotec Group, with the objective to achieve EUR 20 million annual fixed cost savings in 2024 for Kalmar. The aim of the cost saving actions was to proactively adjust to an increasingly complex and challenging market environment. The planned cost saving actions were executed in the first half of 2024 and with these, Kalmar achieved approximately EUR 35 million annual cost savings.

Internal control, risks and risk management

Internal control and risk management

The objective of internal control is to ensure that the Company's operations are in accordance with applicable laws and regulations, efficient and profitable, that risk management is adequate and appropriate, and that financial and other information produced is reliable.

Kalmar's Internal Control Policy, approved by the Board, specifies the applicable control principles, procedures and responsibilities. Kalmar's internal control is based on the Company's Code of Conduct and Internal Controls Framework, which is aligned with the Committee of Sponsoring Organizations framework (the "COSO framework," 2013).

Similarly to other Kalmar operations, responsibility for internal control is divided into three tiers. The first tier is part of the daily operations of line management who have ownership of internal controls. The second tier is formed of group support functions, which define instructions applicable across the Company, supervise risk management and monitor the operation of internal controls. The third tier, internal audit, is responsible for providing independent, objective assurance and advice on the operational effectiveness of the first two tiers.

Kalmar's risk management is guided by the Enterprise Risk Management Policy, approved by the Board. It specifies the objectives and principles of risk management as well as the process and responsibilities involved. The core principle is to continuously, systematically and proactively identify, assess and manage risks, in line with the Company's defined risk appetite, and to establish effective responses to materialised risks. The Board defines the Company's overall risk appetite and ensures that the organisation has sufficient risk management and control. The CEO and the Leadership Team are responsible for the methods, implementation and supervision of risk management, and they report on these to the Board.

Risk management is built into all business decisions and plans, and it is part of the internal control operations. Each division is responsible for its own risk management, identifying, assessing and managing relevant risks that may affect the achievement of its business objectives. ESG-related risks and opportunities are identified and assessed as part of the enterprise risk management process. Financial risks, ethics and compliance related risks and cybersecurity risks are managed centrally and reported on for corporate management and the Audit and Risk Management Committee (ARC) on a regular basis.

Short-term risks and uncertainties

Developments in the global economy and heavy material flows have a direct effect on Kalmar's operating environment and customers' willingness to invest. Changes in the global economy and supply chains, geopolitical tensions and wars, energy availability, sanctions and trade wars can have an impact on global flow of goods and therefore on the demand of Kalmar's equipment and services.

Economic growth has been slow in 2024 due to continued high interest rates, weak growth in productivity, increasing geo-economic fragmentation, the ongoing war in Ukraine and conflict in the Middle East.

However, in the 2024 market situation demand for Kalmar's solutions remained sequentially stable.

In an uncertain market environment customers may try to postpone or cancel orders or demand lower prices. Despite implemented cost savings, continued lower production volumes could impact Kalmar's profitability margins negatively.

Availability of components and raw materials have improved from the previous years. However, disruptions in the supply chain are still possible. Component availability problems as well as increased labour and energy costs could elevate manufacturing costs and increase challenges to control costs and pass them on to the prices of end products. Potential changes in American foreign policy may also impact prices and availability of certain components through tariffs or other policy changes, which can result in adverse direct cost development. Further supply chain disruptions may be caused by geopolitical events, such as the ongoing war in Ukraine and conflict in the Middle East. These conflicts may also cause delays in transportation of either parts or delivery of products due to their impact on transportation routes.

Uncertainty of the global economic outlook and instability in the geopolitical environment may lead to customers delaying capital investments, especially electric products or infrastructure if funding options are not available. The turnover, availability, and cost of skilled personnel can create disturbances to Kalmar and its supplier operations.

Container traffic growth rate and a possible slowdown or contraction in global economic growth may in the longer term have an effect on Kalmar's demand. Kalmar's project executions face risks related to schedule, cost and delivery guarantees.

Kalmar is exposed to climate-related risks via environmental, regulatory, and technological changes, and due to the commitments it has made to reduce emissions. The evaluation of the financial impacts of climate change on Kalmar is complicated because the occurrence and timing of the resulting effects are difficult to predict, let alone quantify. To reduce emissions generated in its supply chain, Kalmar must reduce emissions through its whole supply chain from raw materials to components and manufacturing, which may result in changes in the suppliers used, limit the number of potential suppliers, and increase costs.

The reduction of emissions related to the use of Kalmar's products can only be achieved if there is sufficient demand for low-emission products. The current macroeconomic situation and geopolitical uncertainty may hinder the demand for such products. In order to achieve emission reduction targets, Kalmar must succeed in developing and selling low-emission products. Kalmar's product development has a critical role in achieving this. Kalmar has invested heavily to electrify its product offering, resulting in a full portfolio of electric offering in all key categories.

Customers are increasingly choosing low-emission products although the majority of products sold are still based on combustion engine technology. In the future, Kalmar's product offering may be based on multiple low-emission technologies, which may increase complexity and cost. The transfer towards electric machines in general also means Kalmar must secure the required talent to develop and secure new technology, and provide services and maintenance for the new technology. The required skills are in high demand.

Reducing CO_2 emissions requires efforts in every aspect of Kalmar's business. In addition to being exposed to climate-related risks, the ongoing transition process causes new risks, the realisation of which can have significant financial effects. These effects can lead, for example, to impairments of assets due to the shortened life cycles of products, as well as additional costs related to the introduction of new technologies, which may arise in product development, the realisation of project risks, the growth of inventories, and new types of warranty defects.

A failure to meet customer expectations or product quality requirements or the occurrence of defects in production could lead to reputational damage or loss of customers and business opportunities or incur significant costs due to product recalls, damages, or replacement or repair of defective products. Kalmar's equipment must, among other things, comply with the requirements of the Machinery Directive (2006/42/EC) and meet the relevant essential health and safety requirements therein. Global, national or customer-related laws, regulations and rules are often insofar broad and ambiguous or vary by market area that there cannot always be full certainty regarding the compliance of Kalmar's equipment in relation to all such requirements, and it is therefore possible that Kalmar's equipment does not meet all such requirements.

Kalmar is involved in certain legal disputes, investigations and trials. The interpretation of international agreements and legislation may weaken the predictability of the end results of legal disputes and trials.

Risks regarding Kalmar's acquisitions are related to, for example, the knowledge of local markets, authority processes, customers, corporate culture, integration, costs, achieving targets, as well as key employees.

Information security risks are also materially related to Kalmar's operations. A cyber attack on systems that are critical to the operations of the Company, its customers or suppliers could disrupt operational stability, lead to a decrease in sales and damage Kalmar's reputation, for example.

There are also ethical risks related to the industries and the geographical scope where Kalmar operates. Kalmar has increased actions to ensure compliance with its business guidelines, regulations and ethical principles. Related internal processes are constantly being developed.

More information on risks is available at www.kalmarglobal.com.

Shares, market capitalisation and trading

Shares and share capital

Kalmar has two (2) share classes: Class A shares and Class B shares. The shares have no nominal value. Kalmar's share capital amounts to EUR 20,000,000.00.

Kalmar class B shares are quoted on the Nasdaq Helsinki Large Cap list since 1 July 2024. The trading code is KALMAR. The number of B shares is 54,798,029 and the number of unlisted A shares is 9,526,089. The shares are registered in the book-entry securities system maintained by Euroclear Finland Ltd., which also maintains the official shareholder register of Kalmar Corporation. The ISIN code of Class A shares is FI4000571047 and the ISIN code of Class B shares is FI4000571054.

The Board of Kalmar decided on 31 October 2024 to exercise the authorisation of the Annual General Meeting of Cargotec on 30 May 2024 to repurchase the Company's own shares. Kalmar announced on 10 December 2024 that it has completed the share repurchases and that Kalmar repurchased 250,000 class B shares at an average price of 32.1290 EUR between 4 November 2024 and 9 December 2024. The shares are planned to be used as reward payments for Kalmar's share-based incentive programmes.

At the end of December 2024, Kalmar held a total of 250,000 own class B shares, accounting for 0.39 percent of the total number of shares and 0.17 percent of the total number of votes. The number of outstanding class B shares totalled 54,548,029.

Market capitalisation and trading

Since the listing of Kalmar on 1 July 2024, Kalmar's share price increased by 20.49% from the closing price on 1 July until the closing price of the last day of trading 2024. Over the same period, the OMX Helsinki Benchmark Cap Index decreased by 5.97%.

At the end of 2024, the total market value of class B shares, calculated using the closing price of class B shares of the last trading day of the year, was EUR 1,735 million, excluding own shares held by the Company. Kalmar's year-end market capitalisation, in which unlisted class A shares are valued at the closing price of class B shares on the last trading day of the year, was EUR 2,038 million, excluding own shares held by the Company.

The class B share closed at EUR 31.81 on the last trading day of 2024 and the volume weighted average price for the period 1 July - 31 December 2024 was EUR 28.12 on Nasdaq Helsinki Ltd. The highest quotation for 2024 was EUR 37.00 and the lowest EUR 24.52. In 2024, a total of 16.5 million class B shares were traded on Nasdaq Helsinki Ltd, corresponding to a turnover of EUR 463 million. The average daily trading volume of class B shares was 129,657 shares or EUR 3.6 million.

Largest shareholders

The ten largest registered shareholders of Kalmar and their share of the Company's votes that appeared on the shareholder register maintained by Euroclear Finland Ltd as at 31 December 2024 were: Wipunen varainhallinta oy (23.73%), Mariatorp Oy (22.93%), Pivosto Oy (22.27%), KONE Foundation (5.53%), Varma Mutual Pension Insurance Company (1.47%), Ilmarinen Mutual Pension Insurance Company (1.02%), Elo Mutual Pension Insurance Company (0.60%), Finnish State Pension Fund (0.37%), Nurminen Minna Kirsti (0.22%) and Sigrid Jusélius Foundation (0.20%). Of Kalmar's major shareholders, Wipunen varainhallinta oy is a company controlled by Ilkka Herlin, Mariatorp Oy a company controlled by Heikki Herlin and Pivosto Oy a company controlled by Ilona Herlin.

Shareholders' Nomination Board

Kalmar's Shareholders' Nomination Board ("Nomination Board") has in July 2024 been appointed in accordance with the Charter of the Nomination Board approved by Cargotec's Annual General Meeting held on 30 May 2024, which also resolved on the partial demerger of Cargotec and the incorporation of Kalmar.

The Nomination Board consists of four (4) members. According to the Charter of the Nomination Board, the members of the Nomination Board are appointed as follows: the two largest shareholders of class A shares are entitled to appoint one (1) member each, and the two largest shareholders of class B shares who do not own any class A shares, are entitled to appoint one (1) member each.

According to the Charter of the Nomination Board, the number of votes held by each shareholder of all shares in the Company are determined based on the shareholder register of Kalmar as per the situation on the first banking day of June each year. As Kalmar was not established until the completion of the demerger on 30 June 2024, the right to appoint members to the Nomination Board was determined based on Cargotec's shareholder register as per the situation on the first banking day of June, i.e., 3 June 2024. In the demerger of Cargotec, the shareholders of Cargotec received as demerger consideration one (1) new share of the corresponding share class (i.e., class A or class B) in Kalmar for each class A and each class B share they held in Cargotec.

In accordance with the above, the members of Kalmar's Nomination Board are:

- Ilkka Herlin (appointed by Wipunen varainhallinta oy)
- Heikki Herlin (appointed by Mariatorp Oy)
- Mikko Mursula, Deputy CEO, Investments, Ilmarinen Mutual Pension Insurance Company (appointed by Ilmarinen Mutual Pension Insurance Company)
- Carl Pettersson, CEO, Elo Mutual Pension Insurance Company (appointed by Elo Mutual Pension Insurance Company).

In accordance with the Charter of the Nomination Board, the Chair of Kalmar's Board, Jaakko Eskola, participates in the Nomination Board's work as an expert without having the right to participate in the decision-making of the Nomination Board.

The Nomination Board is responsible for preparing proposals to the Annual General Meeting, and if necessary, to the Extraordinary General Meeting of Kalmar, on the number, election and remuneration of the members of the Board. The Nomination Board shall submit its proposals to the Company's Board no later than on the last day of January preceding the Annual General Meeting.

Shareholders' Nomination Board's proposals to the Annual General Meeting

On 5 December 2025, Kalmar announced the Shareholders' Nomination Board's proposals to the Annual General Meeting planned to be held on 27 March 2025. Please refer to the stock exchange release for more information.

Share-based incentive programmes

The Board of Kalmar has in August 2024 resolved on the conversion of the rewards of its ongoing share-based programmes. The ongoing programmes have been established before the partial demerger of Cargotec. Therefore, the Board has resolved to convert these programmes into expressing the rewards in Kalmar shares.

As originally communicated in the Demerger and Listing Prospectus in May 2024, Kalmar continued the ongoing share-based incentive programmes established originally by Cargotec for those key employees that transferred to Kalmar in the partial demerger of Cargotec registered on 30 June 2024. The different performance share programmes are targeted to approximately 60 selected key employees, including the members of Kalmar Leadership Team. The aim of the programmes is to combine the objectives of the shareholders and the key employees in order to increase the shareholder value of Kalmar in the long-term, to commit the key employees to implement Kalmar's strategy, and to offer the key employees a competitive reward plan based on the earning of Kalmar's shares.

Kalmar had the following ongoing share-based incentive programmes at the end of 2024:

- Performance share programme (PSP) 2022–2024. The programme is directed to approximately 30 key employees. The rewards to be paid on the basis of the performance period will amount to an approximate maximum total of 131,000 Kalmar's class B shares.
- Performance share programme (PSP) 2023–2025. The programme is directed to approximately 40 key employees. The rewards to be paid on the basis of the performance period will amount to an approximate maximum total of 133,000 Kalmar class B shares.
- Performance share programme (PSP) 2024–2026. The programme is directed to approximately 40 key employees. The rewards to be paid on the basis of the performance period will amount to an approximate maximum total of 206,000 Kalmar's class B shares.
- Restricted share programme (RSP) 2022–2024. The rewards to be paid on the basis of the programme will amount to an approximate maximum total of 12,000 Kalmar's class B shares.
- Restricted share programme (RSP) 2023–2025. The rewards to be paid on the basis of the programme will amount to an approximate maximum total of 18,000 Kalmar's class B shares.
- Restricted share programme (RSP) 2024–2026. The rewards to be paid on the basis of the programme will amount to an approximate maximum total of 23,000 Kalmar's class B shares.

In addition to the rewards payable in shares, the rewards include a cash portion which is intended to cover the taxes and tax-like payments arising to the key employees from the reward.

Other than with respect to the reward share conversion stated above, Kalmar's long-term incentive programmes continued on substantially the same terms as those established by Cargotec prior to the partial demerger. More detailed information about the terms and conditions of these programmes is available at www.kalmarglobal.com.

Flagging notifications

Under the provisions of the Finnish Securities Markets Act, shareholders of listed companies have an obligation to notify both the Finnish Financial Supervision Authority and the listed company of changes in their holdings when crossing predefined thresholds. During 2024, Kalmar did not receive any notifications of change in holding pursuant to Chapter 9, section 5 of the Securities Markets Act.

Governance

Board of Directors

The General Meeting elects the members of the Board. The Board elects the Chair and the Vice Chair from among its members. The term of office of the members of the Board will expire at the end of the next Annual General Meeting following the election. The Board elects the CEO.

Leadership team

In November 2023, Cargotec's Board of Directors appointed Sami Niiranen as the President of Kalmar. He started in his position on 1 April 2024 and became a member of the Cargotec Leadership team until the completion of the demerger. He was proposed as the President and CEO of the proposed standalone Kalmar. The composition of Kalmar's Leadership Team as of 1 April 2024 was announced on 1 February 2024.

On 1 October 2024 it was announced that Kalmar continues to advance the execution of its strategy launched in May 2024. In line with previous communication and as part of the steps towards sustainable and profitable growth Kalmar plans to review its current operating model to strengthen operational excellence. The composition of the Kalmar Leadership Team also changed in conjunction. François Guetat, SVP Integrated Supply Chain and Marika Väkiparta, SVP, Transformation have no longer been part of the Leadership Team since 1 October 2024 onwards and their respective functions have been merged into the other functions.

At the end of 2024, the composition of the Leadership Team of Kalmar was:

- Sami Niiranen, President and CEO
- Sakari Ahdekivi, Chief Financial Officer
- Ulla Bono, SVP, General Counsel
- Carina Geber-Teir, SVP, IR, Marketing & Communications
- Mathias Höglund, SVP, Human Resources
- Tommi Pettersson, SVP, Strategy, Sustainability & Technology
- Alf-Gunnar Karlgren, President, Counter Balanced
- Thor Brenden, President, Terminal Tractors
- Arto Keskinen, President, Horizontal Transportation
- Shushu Zhang, President, Bromma
- Thomas Malmborg, President, Services.

Decisions taken at the Annual General Meeting of Cargotec related to Kalmar

Cargotec's Annual General Meeting was held on 30 May 2024 in Helsinki, Finland. The Annual General Meeting resolved on the partial demerger of Cargotec in accordance with the demerger plan approved by the Cargotec's Board of Directors and signed on 1 February 2024. As part of the demerger resolution and conditional upon the completion of the demerger, the Annual General Meeting resolved on the incorporation of Kalmar and approval of its articles of association.

Also as part of the demerger resolution and conditional upon the completion of the demerger, the number of the Kalmar Board members was confirmed at seven (7). Jaakko Eskola was elected as the Chair of the Board and Lars Engström, Marcus Hedblom, Teresa Kemppi-Vasama, Vesa Laisi, Sari Pohjonen and Emilia Torttila-Miettinen were elected as Board members of Kalmar.

The yearly remuneration of the Board of Kalmar was confirmed as follows: EUR 160,000 to the Chair of the Board, EUR 95,000 to the Vice Chair of the Board, EUR 80,000 to each member of the Board, EUR 20,000 to the Chair of the Audit and Risk Management Committee, EUR 10,000 to each member of the Audit and Risk Management Committee, a maximum of EUR 15,000 to the Chair of any other committee possibly constituted by the Board in accordance with a separate decision by the Board, and EUR 5,000 to each member of any other committee constituted by the Board. Approximately 50 percent of the yearly remuneration will be paid in Kalmar's class B shares and the rest in cash. Kalmar will cover the transfer taxes related to board remuneration paid in shares. In addition, the members of the Board of Kalmar are paid a meeting fee of EUR 3,000 per meeting for meetings held on a different continent than where the Board member is domiciled, and a meeting fee of EUR 1,500 per meeting for additional meetings held outside the regular board and committee meeting cadence. The expenses of Kalmar's Board members related to travel and accommodation as well as other costs directly related to board and committee work shall be reimbursed in accordance with Kalmar's policy.

As part of the demerger resolution and conditional upon the completion of the demerger the audit firm Ernst & Young Oy was elected as Kalmar's auditor and the authorised sustainability auditor Ernst & Young Oy was elected as Kalmar's sustainability reporting assurance provider. The fees of the auditors and the sustainability reporting assurance provider were decided to be paid according to their invoices approved by Kalmar.

Also as part of the demerger resolution and conditional upon the completion of the demerger, the Annual General Meeting resolved on the establishment of the Shareholders' Nomination Board of Kalmar and adopted its' charter. The meeting also approved the Remuneration policy for governing bodies of Kalmar.

Authorisations granted to the Board of Directors

The Annual General Meeting of Cargotec on 30 May 2024 authorised the Board of Kalmar to repurchase the Company's own shares. According to the authorisation given to the Board by Cargotec's Annual General Meeting, the maximum number of shares that can be acquired is 952,000 class A shares and 5,448,000 class B shares.

Decisions of the organising meeting of the Board of Directors of Kalmar

Following the completion of the partial demerger of Cargotec and the registration of Kalmar Corporation in the Finnish Trade Register on 30 June 2024, the Board of Kalmar consists of Jaakko Eskola as the Chair of the Board and Lars Engström, Marcus Hedblom, Teresa Kemppi-Vasama, Vesa Laisi, Sari Pohjonen and Emilia Torttila-Miettinen as members of the Board. The Board considers all members to be independent of the company and its major shareholders.

In the organising meeting held on 1 July 2024, the members of the Board resolved to elect Teresa Kemppi-Vasama as Vice Chair of the Board.

The Board elected Sari Pohjonen, Lars Engström, Marcus Hedblom and Vesa Laisi as members of the Audit and Risk Management Committee. Sari Pohjonen was elected as Chair of the Committee.

Board members Jaakko Eskola, Teresa Kemppi-Vasama and Emilia Torttila-Miettinen were elected as members of the Personnel and Remuneration Committee. Jaakko Eskola was elected as Chair of the Committee.

Ulla Bono, Kalmar SVP, General Counsel, will act as Secretary to the Board.

Loans, liabilities and commitments to related parties

Kalmar had no loans, liabilities or commitments to its related persons and their related parties on 31 December 2024.

Board of Directors' proposal on the distribution of profit

The parent company's distributable equity on 31 December 2024 was EUR 521,773,125.49. The Board proposes to the Annual General Meeting convening on 27 March 2025 that of the distributable profit, a dividend of EUR 0.99 for each of the 9,526,089 class A shares and EUR 1.00 for each of the 54,548,029 outstanding class B shares be paid, totalling EUR 63,978,857.11. The remaining distributable equity, EUR 457,794,268.38 will be retained and carried forward.

The proposed dividend shall be paid to shareholders who on the record date for dividend distribution, 31 March 2025, are registered as shareholders in the Company's shareholder register. The dividend payment date proposed by the Board is 7 April 2025.

No significant changes have occurred in Kalmar's financial position after the end of the financial year. Liquidity is at a healthy level and the proposed distribution of dividend poses no risk on the company's financial standing.

Events after the reporting period

Kalmar's Board of Directors has on 12 February 2025 decided on share-based payments related to long-term incentive plans. More information can be found in the stock exchange release published on 12 February 2025.

Kalmar's Board of Directors has on 12 February 2025 decided on the establishment of new share-based long-term incentive plans. More information can be found in the stock exchange release published on 12 February 2025.

There were no other material events after the reporting period.

Guidance for 2025

Kalmar expects its comparable operating profit margin to be above 12 percent in 2025.

Annual General Meeting 2025

The Annual General Meeting of Kalmar Corporation will be held on Thursday 27 March 2025.

Sustainability statement

General disclosures

Kalmar discloses its key sustainability information in this section to respond to the obligations laid out in the EU Corporate Sustainability Reporting Directive (CSRD). The disclosure also includes information stemming from the requirements of the EU Taxonomy. This disclosure is based on the principle of materiality: it covers environmental, social and governance matters; and provides an understanding of the performance, development and impacts of Kalmar's activities in the value chain. Kalmar considers time horizons of less than one year as short-term, 1–5 years as medium-term and over 5 years as long-term.

Kalmar's Sustainability statement has been prepared on a consolidated basis and the scope of consolidation is the same as for the company's financial statements. Sites that Kalmar has operational control over are included in the sustainability reporting. Metrics are reported for the company's own operations, with greenhouse gas emissions being an exception. The company's greenhouse gas emission accounting covers the full value chain, including upstream, own operations and downstream. However, the waste indicators have been identified as non-material for Kalmar's non-assembly sites and are therefore published only for the company's assembly sites and innovation centres. The scope of the company's policies, actions taken during the year and target commitments are explained under each material topic.

Kalmar's consolidated sustainability data is sourced from several information management and reporting systems. Data estimates, using indirect sources, are applied when calculating scope 3 emissions and resource inflows. These estimates and the methodology behind the metrics are explained under the relevant indicators. Due to lag in supplier invoicing, Kalmar is not able to disclose data for the last quarter Q4 2024, for the following indicators; energy and waste, and estimates are applied. As the estimates concern the company's own energy consumption, it also affects the company's direct and indirect emissions (scope 1 and scope 2 emissions). The estimates are based on corresponding data from last year's reporting Q4 2023, including possible changes in 2024.

Sustainability management

Kalmar's Board of Directors' consists of seven non-executive members, (43% women and 57% men), who are all (100%) independent members to the company. The Board's composition shall support the overall goal of implementing Kalmar's strategy. According to the Board's diversity principles, board diversity shall evolve over time and reflect the operations strategy and the future needs of the company. The diversity factors include work experience in the strategic business areas and of the cultures in which Kalmar operates, as well as educational background, age and gender. There shall be both genders in the Board. In addition to the abovementioned, the Shareholders' Nomination Board shall consider the principles concerning diversity of the Board, the independence requirements of the Finnish Corporate Governance Code and the rules of Nasdaq Helsinki applicable to the company.

Kalmar's Board of Directors' has the overall responsibility for overseeing the management of non-financial matters, including the management of environmental, social and governance impacts. A nominated board member is responsible for the oversight of sustainability-related impacts, risks and opportunities, and for ensuring that the Board is updated on sustainability-related matters. The nominated person is responsible for ensuring sustainability-related topics are taken into consideration in decision making, and that environmental and social due diligence is observed when considering transactions. In case of major transactions or acquisitions, the Vice President Sustainability is also consulted to ensure all aspects of sustainability due diligence is considered. The Board confirms Kalmar's strategic implications of sustainability and approves the company's material sustainability topics. As sustainability is one of the company's strategic initiatives, the Board is also responsible for setting Kalmar's ambition level for sustainability-related matters. In addition, the Board approves Kalmar's sustainability targets, cascades them to the CEO and Kalmar Leadership Team and monitors progress towards them. The Board approves Kalmar's Code of Conduct which defines the ethical standards that the company's directors and employees must follow. Kalmar employees or other workers are not represented at the Board of Directors'.

As sustainability is an integral part of Kalmar's business strategy, the Board reviews sustainability matters (including impacts, risks and opportunities) three times a year, as part of its meetings. During these meetings, the Board receives deep dives into specific topics to expand its members' understanding of sustainability. The Board is briefed either by the Vice President

Sustainability or relevant leadership team members, depending on the topic. Kalmar's Head of Ethics & Compliance also updates the full Board annually on violations against the Code of Conduct.

Due to the exceptional circumstances of Kalmar's demerger from Cargotec (30.6.2024), sustainability matters were addressed both by the Cargotec Board and the Kalmar Board during 2024. During H1 2024, while Kalmar was still part of Cargotec, Cargotec Board addressed sustainability matters in two of its meetings. During these sessions, the Board discusses Kalmar's climate ambition and long-term targets, as well as the climate works continuity for the independent Kalmar. During H2 2024, as a standalone company, Kalmar Board also addressed sustainability matters in two of its meetings. During these sessions, the Board approved Kalmar's short- and long-term climate targets as well as other sustainability-related targets for 2025.

Kalmar's Audit and Risk Management Committee (ARC) consists of a minimum of three members of the Board of Directors. The committee´s tasks include overseeing the financial and sustainability reporting process, and evaluating the adequacy and appropriateness of the company's risk management processes, internal audit, and the development of operative and strategic risks. Sustainability-related risks are reviewed and assessed bi-annually by the Sustainability team and the divisions, and the ARC reviews sustainability-related risks as part of the general enterprise risk management (ERM) process. The committee also supervises compliance with relevant sustainability regulation. In addition, the ARC receives quarterly updates on anti-corruption activities, new investigations of potential misconduct and other Code of Conduct matters including potential human rights matters.

According to the sustainability governance model, sustainability related matters are addressed four times a year during the ARC meetings. During H1 2024, while Kalmar was still part of Cargotec, the Cargotec ARC addressed sustainability matters in two of its meetings. During these sessions the ARC discussed the implementation of the Corporate Sustainability Reporting Directive (CSRD) and how the company should organise around it. During H2, after Kalmar's listing, the Kalmar ARC also addressed sustainability matters in two of its meetings. During these sessions, the ARC reviewed the CSRD reporting progress and agreed on the sustainability targets for 2025. The ARC is briefed by the Vice President Sustainability or relevant leadership team members, depending on the topic.

Kalmar's Leadership Team consists of 11 executive members, including the CEO. The Leadership Team assists the CEO in preparing the company's strategy and operative management. The CEO and the Kalmar Leadership Team are responsible for the implementation of business plans and targets set by the Board. The Leadership Team reviews and approves the company's sustainability-related policies and targets and decides on resourcing and actions needed to develop, implement and follow up on them. The company functions supporting target implementation include, Strategy, Sustainability (including environment and safety management) and Technology, Human Resources, Ethics & Compliance, Legal, Sourcing and Finance. Kalmar's Senior Vice President Strategy, Sustainability & Technology is responsible for overseeing Kalmar's sustainability target setting and the implementation of needed actions. The Leadership Team is chaired by the CEO, who is responsible for reporting to the Board on progress and action plans. The Leadership Team reviews sustainability matters quarterly, according to predefined reporting schedules. In addition, Kalmar's Head of Ethics & Compliance leads a Code of Conduct panel with the Leadership Team on a bimonthly basis. During the Code of Conduct panels, compliance topics, including the status of SpeakUp cases, updates on anti-corruption activities and other Code of Conduct matters are discussed.

Both the Board and the Leadership Team have access to the Vice President Sustainability, Head of Ethics & Compliance, as well as other substance matter experts, who can ensure sustainability-related expertise when needed. The Vice President Sustainability and the Head of Ethics & Compliance update the Board, ARC and the Leadership Team on sustainability-related and E&C matters, in accordance with pre-defined schedules. In addition, meetings and training are held as needed, to ensure the top management has the needed competence and expertise of relevant sustainability topics. Kalmar is also planning on organising a comprehensive sustainability training programme for the Board and the Leadership Team, during 2025.

Kalmar's Sustainability Management Team manages, coordinates and executes Kalmar's sustainability objectives and targets on an operational level. The Sustainability Management Team is led by Kalmar's Vice President Sustainability and includes the Vice President Financial Controlling; Vice President Information Management ESG; Director Strategy; Head of Ethics & Compliance; Vice President Human Resources; Vice President Sourcing and Vice President Quality. The team meets on a quarterly basis to drive cross-company collaboration and review targets, action plans, resource allocation and improvement areas. Kalmar's Vice President Sustainability reports to the Senior Vice President Strategy, Sustainability & Technology who is a member of the Leadership Team.

Kalmar's Sustainability Network consists of expertise roles from different company functions, including

Sustainability, Sourcing, Ethics & Compliance, Finance and Information Management. The Network is responsible for defining sustainability focus areas, setting sustainability targets together with relevant substance matter experts and for following sustainability performance, regulation and trends. The Sustainability Network is also responsible for the practical implementation of the company's Sustainability Policy through, for example, topic-specific practices, processes, training and communications.

Integration of sustainability-related performance in incentive schemes

Remuneration at Kalmar is managed through clearly defined processes. The Personnel and Remuneration Committee (PRC) assists and provides guidance and recommendations to the Board with respect to determining the general remuneration principles as well as long-term and short-term incentive plans and share-based incentive plans of the company. In addition, the PRC prepares the performance evaluation and review of the remuneration of the CEO and the Leadership Team and is tasked with identifying persons qualified for the office of the CEO and reviewing talent management, employee retention and succession planning for executives as well as reviewing people strategy, workforce plan and workforce status against business strategy and plans. The PRC also prepares and reviews the company's Remuneration Policy and Remuneration Reports. Furthermore, the PRC reviews and provides final approval of the key terms of service agreements and remuneration of the Leadership Team members other than the CEO.

Kalmar follows a total remuneration approach, where all remuneration elements are taken into account when setting and reviewing compensation. The long-term incentive schemes in Kalmar are either Performance Share Programmes (PSP) based on the company's performance or restricted share plans that are based on continuous employment. The schemes typically consist of a 3-year performance or restriction period. The company's current practice is that one new performance and restriction period commences annually.

Kalmar currently has three active PSPs, where the 2022–2024 PSP includes sustainability-related performance criteria, as the eco portfolio order intake was included in the evaluation criteria. As Kalmar's eco portfolio includes a range of low-carbon and intelligent technologies, products and services, such as different types of electric or low-emission versions and lifecycle solutions, increasing the order intake and sales of the eco portfolio contributes to reaching the company's emission reduction targets. The eco portfolio evaluation criteria covers one third of the PSP. The incentive was set to reward and incentivise achievement of sustainability targets aligned with the business strategy. The rewards are based on the company's performance against the criteria set by the Board and will be paid to the participants after the performance period, given that the participants' employment continues without termination at the time of payment.

Kalmar's Remuneration Policy includes guidance on setting sustainability performance measures that are considered to have strategic importance. These measures, which can include environmental, social and governance measures, can be set for both short- and long-term incentive schemes.

Statement on due diligence

Kalmar is committed to operate within planetary boundaries, mitigate climate change and respect human rights. In pursuing this mission, Kalmar conducts due diligence to identify, address and track its impacts on people and the environment. The company's related processes and actions are explained throughout this Sustainability statement as mapped below:

Core elements of due diligence	Location in the Sustainability statement
Embedding due diligence in governance, strategy and business model	• Sustainability management • Strategy and business model • Policies related to climate change • Policies related to resource use and circular economy • Policies related to own workforce • Policies related to value chain workers • Business conduct policies and corporate culture
Engaging with affected stakeholders	• Interest and views of stakeholders • Processes for engaging with own workers and workers' representatives • Processes for engaging with value chain workers
Identifying and assessing adverse impacts	• Process to identify impacts, risks and opportunities
Taking action to address adverse impacts	• Transition plan • Actions related to climate change • Actions related to resource use and circular economy • Processes to remediate negative impacts and channels for own workers to raise concerns • Actions related to own workforce • Processes for engaging with value chain workers • Actions related to value chain workers • Preventing, detecting and responding to unlawful behaviour
Tracking the effectiveness of actions and communication	• Targets and metrics related to climate change • Targets and metrics related resource use and circular economy • Targets and metrics related to own workforce • Targets and metrics related to value chain workers

Risk management and internal controls over sustainability reporting

Kalmar's Sustainability Team is responsible for consolidating the annual Sustainability statement. To ensure the disclosure of accurate, high-quality information, substance matter experts across the organisation provide and review relevant content for the statement. Sustainability information is collected through various information management systems, which are implemented across the organisation. The main risks related to Kalmar's sustainability reporting are data accuracy and human error when entering data into the management systems. To minimise the risk of data quality error, Kalmar has implemented internal system controls. For example, for environmental data to be properly processed in the company's system, it must first be approved by substance matter experts and then on group level, by sustainability experts. The system detects significant deviations and discrepancies and alerts the person responsible for approving the data.

Kalmar's Vice President Sustainability holds the primary responsibility for the internal control over the consolidated Sustainability statement. Members of Kalmar's Leadership Team are also requested to review the statement. In addition, Kalmar's Audit and Risk Management Committee supervises the adequacy and appropriateness of the company's annual sustainability reporting.

During 2024, Kalmar reviewed its existing sustainability reporting processes. While the processes were determined to be good overall, with sufficient internal controls, the company also identified needs for further improvement and additional controls. Improvements, such as defined roles and training, were integrated into the current processes to minimise risk for errors, and the processes were evaluated by the company's internal control function. The results, along with development plans, were presented to the company's Audit and Risk Management Committee and relevant members of the Kalmar Leadership Team.

Strategy and business model

Kalmar's vision is to be the forerunner in sustainable material handling equipment and services, moving goods in critical supply chains around the world. Through its portfolio of efficient and decarbonised equipment, extensive service offering, and deep-rooted industry expertise, Kalmar focuses on helping customers to meet their sustainability and productivity targets. The company is committed to reducing greenhouse gas emissions in line with the 1.5°C warming scenario, which is the most ambitious goal of the Paris Agreement.

Kalmar operates in the global heavy material handling market and offers a wide range of material handling solutions, including equipment and services, to ports and terminals, distribution centres, manufacturing and heavy logistics. Kalmar's equipment consists of a portfolio of heavy material handling equipment, which includes reachstackers, forklift trucks, empty container handlers, terminal tractors, straddle carriers and spreaders. Kalmar's services consist of an offering of solutions aimed at ensuring the uptime and productivity of Kalmar's equipment. The key offering includes spare parts, on-call and contract maintenance services, and lifecycle services, including refurbishments, fleet management and upgrades. In 2024, Kalmar's sales totalled EUR 1,720 million, of which EUR 1,160 million derived from equipment sales and EUR 560 million from service sales.

The outputs of Kalmar's business model are the products, solutions and services of its divisions, which aim to create added efficiency, safety and sustainability of operations to customers, as well as lower their total cost of ownership. Kalmar has invested heavily to electrify and automate its product offering, and Kalmar's customers are increasingly choosing low-emission products. Kalmar's eco portfolio includes a range of low-carbon and intelligent technologies, products and services, such as different types of electric or low-emission versions and lifecycle solutions. Increasing the sales of Kalmar's eco portfolio contributes to reaching the company's climate target. The eco portfolio is Kalmar's own KPI that is reported externally on a quarterly basis. Kalmar's eco portfolio has been defined to include equipment and services that are aligned with the EU Taxonomy or are expected to be aligned within a year. In 2024, the eco portfolio share of total sales was 41 percent (35%: 2023) and Kalmar aims to increase the share in 2025.

Kalmar has a global delivery footprint within critical value chains operating in Europe, North America, Latin America, Middle East and Africa, Asia and Oceania. Kalmar's business model is based on an asset-light and mainly assembly-only production footprint and supply chain expertise with a focus on system design of equipment and solutions and leverage of a wide network of suppliers. The company has sales in over 120 countries and legal entities in more than 30 countries. Kalmar has four assembly sites, located in Poland, the United States, Malaysia and China, and two separate innovation centres, located in Finland and Sweden. The global service network enables Kalmar to serve its customers locally around the world.

At the end of 2024, Kalmar employed 5,207 people, with the following geographical split: 3,025 people in Europe (of which 535 in Finland), 1,631 people in AMEA (Africa, Middle East and Asia) and 551 in the Americas. As a knowledge and engineering company, employees are an integral part of the company's competitiveness.

By providing its customers with quality equipment and lifetime care, Kalmar strives to ensure partnerships with its clients that last beyond the point of sale. Kalmar aims to continuously support customers around the world as they are developing their operations towards safe, decarbonised and efficient supply chains, thereby striving to be its customers' preferred partner in all their heavy material handling needs. Kalmar focuses on its products being safe and sustainable by design. Kalmar's key customer segments are ports and terminals, distribution, manufacturing and heavy logistics. Thanks to the company's global network, Kalmar is close to its customers almost everywhere in the world and offers extensive services to ensure continuous, reliable and sustainable performance according to customer needs. Kalmar sees that its customers are constantly looking for ways to improve efficiency and productivity, optimise uptime, have safer working environments and look for sustainability improvements and decarbonisation in operations, together resulting in lowered total cost of ownership. Through its advanced solutions and partnership approach, Kalmar helps its customers to achieve these goals.

Kalmar's production and assembly processes depend on the availability and timely supply of large quantities of raw materials, components and finished goods from third-party suppliers. Majority of Kalmar's materials and components are sourced from external suppliers. Kalmar's principal materials and components used in its various manufacturing processes include steel and steel structures, motors, electronic components, electric controls and cables, tires, hydraulics, drive trains, batteries and a variety of other commodities and mass-produced parts. Kalmar and its suppliers source materials and components used in Kalmar products from suppliers located in different parts of the world.

As Kalmar's products are mainly made of finite resources, attention is paid to challenges related to resource depletion. To secure raw material availability, Kalmar strives to rethink material flows, which requires close collaboration with suppliers and other business partners. Kalmar has limited dependency on specific suppliers but is to a certain extent dependent on e.g. certain engine suppliers as well as battery providers due to Kalmar's business model being mainly based on assembly-only operations. On the contrary, the assembly only manufacturing model enables Kalmar the flexibility and speed to take into use new technologies, components and suppliers. Avoiding single sourced components in key categories protects Kalmar from supplier disruption.

Interests and views of stakeholders

Understanding stakeholder needs and expectations is a must for Kalmar to perform in the best possible way. Kalmar's main stakeholders are its shareholders and investors, customers, personnel, suppliers and partners, such as dealers. Other stakeholder groups include research and educational institutions, industry associations, local communities and the media. The company's main stakeholders are identified based on both their potential influence on Kalmar and Kalmar's potential impact on them.

Kalmar upholds an open and transparent dialogue with its stakeholders by actively responding to information requests and by proactively providing information on its website, during meetings and exhibitions, in social media and through various forms of direct communication. Ongoing dialogue and collaboration with stakeholders enables the company to identify opportunities to create value and provide input for setting sustainability targets. With transparent reporting stories, articles and other communication content in digital channels, the company can increase awareness of the industry's role in sustainable development, both internally and within key stakeholder groups. Kalmar also emphasises the importance of sustainable and innovative solutions in its marketing and communications content. Integrity, fairness, and compliance with stock exchange rules guide all Kalmar communications.

Stakeholder	Examples of engagement	Purpose and outcome of the engagement
Customers	• Collecting customer feedback is a key element of the strategy • Maintaining an active dialogue with customers through direct meetings, marketing, extranet, newsletters, and social media	• Product quality and safety • Development of low-emission, electric and sustainable solutions
Personnel	• Personnel and leadership development through collaboration and dialogue • Regular personal/group discussions between managers and their team members • Townhall and personnel meetings • Kalmar's human resources information system for processing information • Intranet for improving collaboration and distributing information • Annual and monthly employee engagement surveys • Annual target and performance discussions • Kalmar's learning platform for training and collaboration	• Good leadership, diversity and inclusion drive innovation and growth, as people feel safe to reveal their knowledge and talents • Externally certified safety management systems • LEAN-culture, where the ultimate goal is to create a culture of continuous improvement where everyone is involved in making things better, every day • Equal opportunities
Shareholders and investors	• Financial communication and disclosure • Investor engagement • Processing and responding to investor requests • Events, meetings and roadshows • Social media	• Creating shareholder value • Transparent communication • Efficient utilisation of information • Growing interest for sustainable solutions and the eco portfolio • Ethical business practice
Suppliers	• Supplier requirements • Supplier self-assessments, including dialogue around needed improvements • Audits • Site visits	• Risk mitigation (human rights) • Proactive operating model to access fossil free steel • Aligned sustainability targets with suppliers
Local communities	• Active local stakeholder engagement and philanthropy at sites	• Transparent communication
Research and education institutions	• Participation in programmes that drive innovation and new product development through consortiums that include customers, industry peers, and universities	• Joint research and development projects • Partnership, education and training co-operation
Media	• Press meetings in connection with, for example, trade events and result publications • Press releases	• Aim of generating interest among investors, shareholders and other stakeholders • Building trust for long-term value creation.

Material impacts, risks and opportunities

Kalmar's material topics are the ones that contribute to its most significant impacts on people, society and the environment, and the company strives to minimise its negative impacts while maximising positive ones. Kalmar's sustainability work is based on the environmental, social and governance (ESG) aspects of corporate sustainability. Kalmar aims to achieve a net-zero, circular value chain while delivering the industry's safest and most innovative offerings resulting in profitable business. The company is committed to fostering a harm-free, diverse, equitable and inclusive culture, grounded in high ethical business standards. These elements set the foundation to how business is done at Kalmar. The company's material topics include climate change; resource use and circular economy; health and safety; equal treatment and opportunities for all; business conduct; and responsible sourcing.

Out of the company's material sustainability topics, climate change and circularity are seen as the biggest business drivers and have therefore influenced the company's strategy the most. Climate and circularity are strongly embedded into the strategy process and the company's climate ambition is to be net-zero by 2045. Kalmar aims to lead the way in sustainable material handling around the world, with a strong focus on electrification across its equipment range, increasing lifetime value and maximising uptime through a global services network. Kalmar's eco portfolio supports the company's commitment to be a 1.5°C company by highlighting equipment, services and software that improve customers' sustainability and drive the transition to a low-carbon world.

Material sustainability topics

Topic	Sub-topic	Impact materiality*	Financial materiality**
Environment			
E1 Climate change	Climate change mitigation	+/-	+/-
	Energy	-	
E5 Resource use and circular economy	Resources inflows, including resource use	-	+/-
	Waste	-	
Social			
S1 Own workforce	Health and safety	+/-	
	Equal treatment and opportunities for all	+/-	
S2 Workers in the value chain	Health and safety	-	-
Governance			
G1 Business conduct	Corporate culture	+	
	Corruption and bribery	+	
	Management of relationships with suppliers	+	

* Material positive (+) or negative (-) impact identified
** Material risk (-) or opportunity (+) identified

The ongoing transition towards a decarbonised and more sustainable world, accelerated by regulation, is expected to lead the global logistics industry to utilise more electrified and autonomous solutions. The demand for zero- and low-emission equipment is expected to increase significantly also due to the industry players' aspirations to achieve their sustainability and safety targets. Kalmar focuses on investing in sustainable innovation in the area of decarbonised and electric equipment, and equipment with driver assistance and autonomous functions, enabled by data, digital and AI capabilities to maximise uptime and increase productivity, which has a potential for lower total cost of ownership.

Simultaneously, by expanding its service offering from traditional maintenance and spare parts sales to providing intelligent solutions throughout the equipment lifecycle, the company supports the concept of circularity. Kalmar is close to customers around the world, which Kalmar sees as a clear competitive advantage. Kalmar sees a significant potential to grow services sales, due to its large installed base, global network of service technicians and unique industry experience from a significant fleet of connected equipment globally. Lifecycle solutions is a key growth area in Kalmar services, as lifecycle and circular solutions are the way forward when the company wants to truly unlock the full service potential of its installed base and support its customers on their sustainability journey. Some examples of the intelligent service offering consist of possibilities in remote and predictive maintenance and equipment as a service business solutions, but also in refurbishments or retrofits.

Kalmar puts considerable effort into electrification, digitalisation and automation to support the future needs of its customers. Kalmar also pursues R&D actively as innovating more sustainable and efficient products with improved total cost of ownership is one of the key trends across Kalmar's customer segments. In addition to developing next generation products and services, Kalmar is actively following the industry and technology trends to identify, verify and test new technologies in order to be ready on time to implement such in the future offering.

Please read more about Kalmar's material impacts, risks and opportunities and how they have influenced the company strategy and business model, under each topical standard.

Process to identify impacts, risks and opportunities

To verify Kalmar's material impacts, risks and opportunities the company conducted a double materiality assessment (DMA) in 2023 as part of Cargotec. The DMA process, which was supported by a third party, considered the company's entire value chain over the short, medium and long-term time horizons, both from an impact and a financial perspective. The DMA results were reassessed by Kalmar sustainability experts and approved by the Leadership Team and Board of Directors during 2024. The DMA process is owned by Kalmar's Vice President Sustainability and sets the baseline for Kalmar's CSRD reporting and sustainability agenda.

A topic is material from an impact perspective when it has actual or potential, positive or negative material impacts on people or the environment. This covers both the company's own operations and the value chain, including the impacts of its products and services and business relationships. A topic is material from a financial perspective if it generates risks or opportunities that materially impact (or could reasonably be expected to materially impact) the company's financial position or performance, cash flows, access to finance, or cost of capital.

The DMA was initiated by developing a thorough understanding of the company's business model; its global presence; its products and services, including materials used; its value chain and business relationships in the upstream and downstream; its sustainability context; and stakeholders. To do this, the company conducted comprehensive desktop research and value chain mapping.

When assessing impact materiality, Kalmar used input from previous risk and impact assessments and interviews were conducted with affected stakeholders (own employees and value-chain workers, including end-users) to identify its actual and potential impacts (positive and negative) on people, society and the environment. The company also engaged with substance matter experts throughout the organisation and utilised scientific research to identify a broader spectrum of impacts. The identified impacts, both positive and negative ones, were evaluated based on severity (scale, scope, irremediability) and likelihood, and mapped against the European Sustainability Reporting Standards (ESRS). In the case of a potential negative human rights impact, the severity of the impact takes precedence over its likelihood. Irremediability was only evaluated for negative impacts. The evaluation was done with relevant substance matter experts, like Human Resources, Sustainability, EHS, Sourcing, E&C etc. and covered the entire value chain. The combination of severity and likelihood determined the materiality of the impact.

Kalmar's most significant environmental and social impacts and risks arise from the operations of its suppliers and other business partners. As finite resources, such as steel and minerals, are used in the manufacture of Kalmar's products, the company focused specifically on negative impacts arising from the mining industry and the extraction of these materials. In addition, Kalmar paid special attention to specific geographies, as the company has numerous suppliers in low-income countries, which poses heightened risk of adverse human rights impacts.

When assessing financial materiality, risks and opportunities that arise or might possibly arise from the identified impacts, and that impact, or could reasonably be expected to impact its financial development, performance or position, were screened and identified. In the identification process, input from existing risk assessment tools were utilised and interviews and workshops with strategy, risk management and other substance matter experts were organised to collect more insights and to get a broader perspective of risks and opportunities. Once the risks and opportunities were identified, these were evaluated by the substance matter experts, based on the magnitude and likelihood. As sustainability related risks are also evaluated as part of the company's general enterprise risk management (ERM) process, the same assessment methodology and prioritisation was used when assessing risks in the DMA as in the ERM. The combination of the likelihood of occurrence and the potential magnitude of the financial risk or opportunity determined its materiality.

Enterprise risk management (ERM) is the process for identifying, assessing and mitigating risks, thereby minimising the effect of risks on Kalmar's strategy execution, capital and earnings. The process encompasses the identification, assessment, and mitigation of environmental, social, and governance (ESG) related risks as a standard part of the ERM process. The ESG process is coordinated by Kalmar's group functions, whereas the company's divisions are responsible for validating the outcome and taking the process to a more detailed level, as deemed necessary. Risks are identified and discussed on division and group levels by relevant substance matter experts, whereafter they are consolidated with other relevant group-level risks. The ESG process is conducted twice a year as a part of the company's overall strategy process to ensure that the long-term nature of climate impacts is properly considered and sufficient actions are taken.

Once impacts, risks and opportunities were identified and assessed, the results were prioritised based on their scoring, and given thresholds. To get a holistic and comprehensive view, the threshold for determining financial materiality was set lower than for impact materiality to ensure that at least some risks and opportunities exceed the financial materiality threshold. The thresholds were set by sustainability experts, with the intent to ensure that not only existing material topics exceed the threshold, but also new ones, and to expand the review more into the entire value chain.

Kalmar's material topics are the ones that contribute to its most significant impacts, risks and opportunities. The DMA confirmed topics that have been part of Kalmar's strategy for a long time (climate, circularity, product safety etc.). Please see below input used in the DMA process.

Climate change

To identify and address Kalmar's climate-related impacts, the company constantly monitors its energy consumption and CO_2 emissions. Kalmar is aware that energy and fossil fuels are used throughout its whole value chain, hence contributing to climate change. Kalmar has set greenhouse gas emissions reduction targets and progress against the targets are monitored on an annual basis.

To understand the potential financial impacts that climate change may have on its business, in both favourable and unfavourable circumstances, Kalmar conducted a climate scenario analysis in 2024 as a standalone company. In the favourable scenario, the world achieves the objectives of the Paris Agreement and manages to limit global warming to 1.5°C. This scenario follows the IPCC RCP 2.6 carbon emission pathway of the IPCC 5th Assessment report (SSP1-2.6 of the IPCC 6th Assessment Report). In the unfavourable scenario, the world continues business as usual, leading to a global warming of 4°C. The scenario is based on the IPCC RCP 8.5 carbon emissions pathway of the IPCC 5th Assessment report (SSP5-8.5 of the IPCC 6th Assessment Report). The scenario work helps to ensure the strategic relevance of Kalmar's climate actions.

The analysis covers Kalmar's short, medium and long-term time horizons, with the long-term time horizon extending to 2050. Kalmar considers time horizons of less than one year as short-term, 1–5 years as medium-term and over 5 years as long-term. The analysis covers transitional, as well as physical, risks and opportunities. The analysis also covers policy, legal, technological and societal aspects. Some clear development paths, such as digitalisation, electrification, renewable energy and circular economy, are acknowledged in both the favourable and unfavourable scenarios. These are also integrated into Kalmar's strategy, which builds trust in the resilience of the strategy, regardless of the future warming pathway.

The results of the scenario analysis indicate that technology and market-related risks and opportunities are the most material ones to Kalmar. The identified climate-related opportunities relate to digitalisation, electrification, robotics, renewables and the circular economy, which have all been part of the company's strategy and financial planning for several years. Kalmar has great potential to help its customers' operations become more sustainable by providing solutions that enable emissions reductions, which is confirmed by the EU Taxonomy regulation's position that manufacturing is a key enabler of greenhouse gas emission reductions in other sectors. Moreover, the demand for such enabling solutions is expected to increase, resulting in increased eco portfolio sales. With further investments in R&D and innovation, Kalmar can develop new products and access new and emerging markets, in addition to responding to the increasing demand in existing markets.

In addition, electrification, automation and digitalisation are considered promising opportunities to improve the efficiency of Kalmar's customers' operations. The company has invested in software and digital businesses, because the demand for efficient solutions is expected to increase in the future. Digitalisation will also be a major enabler of a more circular economy. Data sharing, common platforms and collaboration act as key drivers in achieving these targets and connecting industries. The transition to a low-carbon economy will come with new regulations, such as those related to zero-emission vehicles, which can present an opportunity to Kalmar's business. For example, energy and emissions related regulation (like carbon taxes) can impact the pricing of raw materials that are more favourable but more expensive, making them more competitive. In addition, products must comply with noise and other pollution-related regulations that impact customer operations.

While sustainable technologies are evolving and maturing rapidly, many related uncertainties and risks exist. Kalmar's low-carbon solutions are developed based on new and emerging technology, and electrification, automation and digitalisation, which are key elements in Kalmar's strategy, are all very dependent on technological improvements. Failing to invest in the right technology at the right time can trigger several risks. The electric vehicle (EV) market is considered to experience significant growth, driven by demand and regulatory incentives. If Kalmar is not able to identify and invest in the most promising low-carbon technologies that meet the market demand it can result in increased indirect costs. Simultaneously, competitors are increasingly entering Kalmar's core market segments and challenging the company both in terms of price and technology. With its expertise in R&D and supply chain management, Kalmar aims to provide high-quality low-carbon solutions in a cost-efficient manner.

At the same time, Kalmar's low-carbon solutions are very dependent on the emerging market situation and demand. There is a risk that the market demand for electric equipment grows faster than the company is able to develop its product range. Failing to provide a comprehensive and competitive electric portfolio can result in lost eco portfolio sales. A high demand for low-emission solutions might impact the availability and price of materials and components that are crucial for production. Steel prices, for example, are expected to increase due to more aggressive CO_2 taxation or because low-emission alternatives are more expensive to produce. As a result of the electrification trend, demand for lithium batteries is also expected to increase. Limited availability and the potential rise in steel and lithium battery prices pose a market risk as price increases can impact direct costs. In the case of more expensive low carbon products, the customers' demand and willingness to pay may become more uncertain, which might result in a lower demand for electric versions than anticipated.

The main identified physical risks to Kalmar's own operations relates to its assembly operations and innovation centres. Acute physical risks of climate change include the increased intensity and frequency of extreme weather events. Kalmar has four assembly sites located in Shanghai; China, Ottawa; USA, Ipoh; Malaysia and Stargard; Poland and two innovation centres located in Tampere; Finland and Ljungby; Sweden. Furthermore, the company has essential outdoor assembly operations in Gdynia; Poland. The main identified acute physical risks relate to impacts caused by flooding of Gdynia and Shanghai sites. Also more frequent tornadoes in Ottawa and rising temperatures in Ipoh have been identified as risks. While these risks are unlikely in the short to medium term, they may become more prevalent in the long run. Stargard, Tampere, and Ljungby are not expected to face significant physical climate risks in the foreseeable future.

As Kalmar's business model is based on multi-tier supply chains, which are fairly vulnerable to extreme weather events, supply chain disruption is a potential risk identified in the climate scenario analysis. Kalmar's operations rely on critical components sourced from regions vulnerable to climate change, mainly China. Suppliers located in areas of under-developed infrastructure, for example, are especially vulnerable to extreme weather events, such as storms and flooding, as their operations and facilities may be severely damaged, while the ability of local society to help rebuild may be lowered. On the other hand, such a major weather event in one region may cause delays in other regions that trickle down and compromise timely deliveries to clients. This could impact Kalmar's production capacity and revenues, making business continuity plans essential for mitigating such risks.

Chronic physical risks of climate change include rising sea levels and increasing temperatures. This sets new requirements for products, including considerations for people's health and safety, as operating conditions may become more challenging. This risk also presents business opportunities for Kalmar, as the company is well positioned to develop intelligent solutions that improve the climate resilience of its customers' operations. Automation, robotisation, digitalisation and remote services remove the need to be physically present.

Resource use and circular economy

In 2024, Kalmar organised training and workshops with the help of a third-party to better understand the concept of circularity and how it could unlock new business opportunities for the company. During the workshops, different circular business models were assessed to identify already existing ones, but also new ones that could be further explored and implemented. By supporting a circular economy Kalmar can increase resource efficiency, reduce emissions, land use and its waste generation, while at the same seizing new business opportunities. Transitioning to a circular economy supports Kalmar's work in mitigating climate change and biodiversity loss, as these are very interlinked.

Impacts and risks that relate to the topic of resource use and circularity, have been identified and assessed as part of the company's climate scenario analysis. In the climate scenario analysis, impacts and risks relating to resource use and resource depletion, are connected with the electrification trend and decarbonising the supply chain. Due to the electrification trend, the demand for essential scarce minerals used in electric vehicles is expected to increase, resulting in limited availability and possible price increases. Part of decarbonising the supply chain work, Kalmar seeks to find alternative materials for high carbon intensive steel, by preferring, for example, recycled material.

Kalmar also utilised its results from its biodiversity assessment, when identifying impacts relating to resource use and circular economy. Please read more about the assessment in the section below.

Biodiversity

Kalmar commissioned a biodiversity impact assessment in 2024, from a third-party, to better understand its impacts, risks and opportunities related to biodiversity and ecosystems, throughout its value chain. Kalmar's business is very material intensive and requires large amounts of finite resources, especially steel. In the assessment, industry-specific characteristics, as well as geographical aspects were screened to identify potential impacts that the company may have on the local biodiversity and ecosystems. The biodiversity screening was done by conducting materiality analysis with sectoral information. Relevant data on sectors associated with Kalmar's value chain was collected. The analysis of the dependencies and impacts on nature was done with the help of the ENCORE tool. Both the value chain and own operations (assembly sites) were considered in the analysis.

The results from the assessment confirms that Kalmar's biggest biodiversity and ecosystem impacts stem from the value-chain, especially from mining and manufacturing basic metals, that are used in Kalmar's products. As Kalmar's business model is based on an asset-light and mainly assembly-only production footprint, the company's own impacts on biodiversity are considered minor. The company has four assembly sites, which have all been screened to ensure that none of them are located in biodiversity sensitive areas. Despite the minor impacts from its own operations, the company recognises the challenges related to biodiversity loss and mitigates the negative impacts in its value chain through its climate and circular economy actions. When conducting the assessment Kalmar did not consult with affected communities.

Pollution, water and marine resources

In Kalmar's daily operations, the ISO 14001 environmental management system provides guidance on how to manage the site's local environmental impacts. The site monitors information relating to waste generation, water consumption, air pollution, spills, as well as energy and fuel consumption, and prevents and mitigates its environmental impacts by identifying, analysing and controlling risks. ISO 14001 is implemented at the company's assembly sites and innovation centres, and in 2024, the ISO 14001 certification coverage at these sites was 100 percent. As Kalmar's business model is based on an asset-light and mainly assembly-only production footprint the company's own impacts on the local environment are considered minor. Kalmar has however identified impacts relating to pollution, water and marine resources in its supply chain, but these have not been deemed material.

Human rights

Kalmar's human rights work focuses on identifying and addressing risks and negative impacts on people in its operations and value chain, in line with international standards for human rights due diligence. During 2024, Kalmar initiated its human rights due diligence work as a standalone company, by conducting its first human rights impact assessment. The assessment, which covered Kalmar's value chain and followed the framework of the UN Guiding Principles for Business and Human Rights (UNGPs), identified impacts caused by the company; impacts that the company contributes to; and impacts that are directly linked to its operations, products or services through business relationships. In conducting the assessment, Kalmar considered various data points, including:

- High-risk industries
- High-risk geographic regions
- Reports from the SpeakUp line
- Audit reports (ISO 45001)
- Internal third-party risk assessment
- Health and safety incidents
- Information from onsite supplier audits
- Analysis of own operations and supply chain
- Interviews with own employees, supplier's employees, third party's employees and customer's employees

In order to understand the local human rights context of the locations of Kalmar's suppliers, own operations, third parties and customers, several external sources were reviewed, e.g. the Labour Rights Index; the Global Rights Index; high and medium-risk countries from UNEP Finance Initiative; and the US Department Human Rights country reports. These sources were contrasted with the locations of Kalmar's own operation and relevant stakeholders involved in Kalmar's value chain. Based on the results, Singapore, Malaysia, United Arab Emirates, China and India can be considered high-risk countries for which special attention must be given with regards to specific human rights topics.

The assessment was conducted with the support of an external expert organisation and with the collaboration of essential internal functions such as Sourcing, Human Resources, Ethics and Compliance, Sales and Dealer Management. The identified impacts and the external partner's feedback shed light on where Kalmar needs to focus on in its human rights due diligence. The next steps will be to further investigate the impacts, and implement preventive actions to mitigate any adverse impacts.

Business conduct

Kalmar has a robust risk-based compliance programme, which focuses on preventing, detecting and responding to potential misconduct, and ensures that related risks are managed effectively and consistently throughout the organisation. The company conducts annual compliance risk assessments with focus on specific areas of compliance each year. Kalmar promotes a speak-up culture and the company's non-retaliation policy encourages its employees to openly raise and discuss compliance concerns and questions, as well as to seek guidance.

Kalmar has strong governance over its Code of Conduct and other policies, and the company has clear guidelines for its suppliers to comply with the Code. Kalmar's responsible sourcing programme focuses on identifying and mitigating sustainability risks in the entire supply chain. Through its purchasing power, Kalmar can influence suppliers and support them in improving their performance related to, for example, human rights and the environment. Kalmar's supplier approval process follows a risk-based approach, where new direct material suppliers must meet pre-requirements and pass an audit conducted by Kalmar before they can be approved as suppliers.

When evaluating material impacts, risks and opportunities related to business conduct matters, Kalmar included the company's global operations and value chain in their entirety. This entailed various locations around the world, several industries (such as steel manufacturing and customer operations in various sectors) and many potential sustainability topics specific to said locations and industries.

Environmental information

Kalmar has acknowledged the need to operate within planetary boundaries and strives to contribute to tackling global challenges, such as climate change, resource depletion, biodiversity loss and pollution.

Climate change

The heavy material handling industry, in which Kalmar operates, has a significant carbon footprint, as the majority of the equipment used in the industry still runs on fossil fuels. Kalmar's biggest climate impact and, consequently, mitigation potential, lies in its value chain, as Kalmar's value chain greenhouse gas emissions constitute more than 99 percent of the company's total emissions.

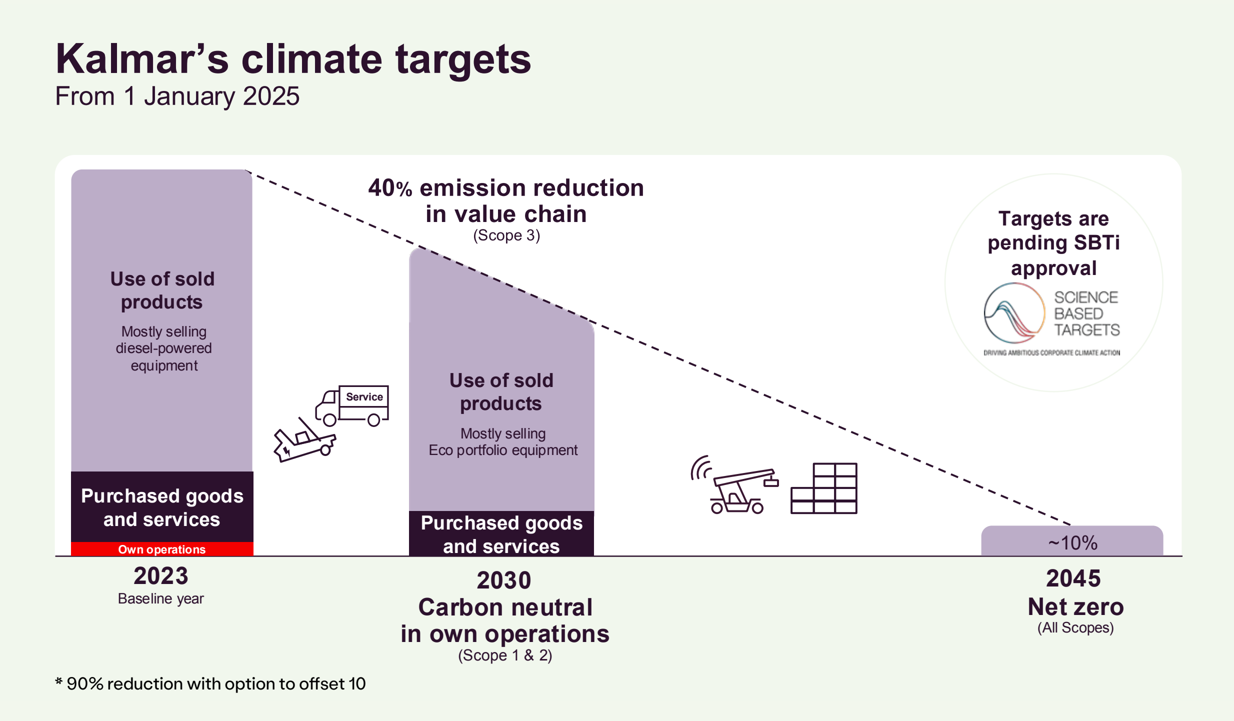
The heavy material handling industry is currently undergoing a major transformation driven by the sustainability trend. Customers are facing increased pressure not only from stakeholders, but also through tightening environmental requirements and regulations to address climate change in their operations and industries. Logistics supply-chains need to be electrified and automated to drive the transition towards a decarbonised and more sustainable world. As customers in Kalmar's markets are targeting to decrease emissions in their operations, the demand for zero- or low-emission equipment is estimated to increase. Kalmar believes it will benefit from the industry transformation, creating new customer demand in new use cases and market segments as well as in electric and autonomous and operator assisted equipment.

Material impacts, risks and opportunities related to climate change

Climate change mitigation and energy
Impacts
- Energy and fossil fuels are used throughout Kalmar's whole value chain, generating greenhouse gas emissions, hence contributing to climate change.
+ Kalmar provides low-emission and sustainable solutions that help mitigate climate change.
Risks and opportunities
+ The demand for electric equipment and sustainable solutions is expected to increase, which can result in increased eco portfolio sales.
- Risk that the market demand for electric equipment grows faster than the company is able to develop its product range and ramp up production. Failing to provide a comprehensive electric portfolio that meets the growing market demand can result in lost eco portfolio sales.
- Higher material costs due to lower sourcing volumes of materials needed in the manufacturing of electric versions. Simultaneously, a high demand for low-emission solutions might impact the availability and price of materials and components that are crucial for production.
- As low-carbon products are currently generally more expensive than traditional ones, the customers' demand and willingness to pay may become more uncertain. This may result in a lower demand for electric versions than anticipated.
- Risk of increased competition when it comes to providing electric equipment. Competitors are increasingly entering Kalmar's core market segments and challenging the company both in terms of price and technology.
- New regulation can impose additional compliance burdens. The costs associated with meeting these compliance requirements can outweigh potential benefits.

All material climate related risks are transitional

Kalmar has analysed the climate resilience of its strategy and business models by conducting a scenario analysis. The analysis, which includes associated risks and opportunities, confirms that Kalmar's strategic decision to focus on electrification and low-emission products is a correct one. The demand for low-carbon products and solutions is expected to increase, resulting in increased eco portfolio sales. At the same time, Kalmar's biggest climate impact is in the value chain, especially during the use phase of its products. By tackling emissions in the use phase and thus, helping customers become more sustainable, Kalmar has the opportunity to be part of transforming the industry and contributing to climate change mitigation. The risks and opportunities identified in the scenario analysis have influenced the strategic decision to develop electric versions of existing products to mitigate climate change.



Transition plan

Kalmar is committed to reducing greenhouse gas emissions in line with the 1.5°C warming scenario, which is the most ambitious goal of the Paris Agreement. Kalmar's near-term target is to reduce scope 1 and 2 emissions by at least 90 percent and scope 3 emissions by at least 40 percent by 2030, with 2023 as the baseline year. The long-term target is to achieve net zero by 2045. To drive the climate ambition and emission reductions in practice, Kalmar takes action in all parts of its value chain: in the upstream; in its own operations; and in the downstream. Kalmar's biggest emission reduction potential lies in its downstream, as greenhouse gas emissions related to the use of sold products constitute approximately 77 percent of the company's total emissions. The second biggest reduction potential lies in the upstream, within the purchased goods and services category, which forms approximately 19 percent of the company's total emissions. Due to the company's light assembly-only operations, the impact of Kalmar's own operations is relatively minor.

In the downstream of the value chain, emissions arising from the use of Kalmar's sold products are high, due to the product's long lifetime and the use of diesel engines. Therefore, increasing the sales of the eco portfolio plays a vital role in decarbonising the company's downstream. Kalmars' eco portfolio highlights the equipment and services that improve customers' sustainability, through electrification and life-cycle solutions. Kalmar aims to expand its electric portfolio and develop new generation equipment that have lower product manufacturing emissions and increased circularity features. The company also aims to improve the energy efficiency of current equipment and switch to lithium-batteries, having a lower carbon footprint, in its electric vehicles. The company's research and development focuses on investments that enable the company to achieve its sustainability targets through low-emission equipment and service solutions.

In the upstream of the value chain, the manufacturing of steel structures for Kalmar's equipment is the major contributor to greenhouse gas emissions in the purchased goods and services category. Therefore, Kalmar strives to secure early access to low-emission steel on the market and increase the share of it used in the equipment. The company is working closely with its suppliers to find more sustainable alternatives to the materials and components used today, and as an example, Kalmar and the steel manufacturer SSAB have partnered to use fossil free steel in Kalmar's equipment. Engagement with suppliers is a crucial part of creating transparency to the emissions arising from purchased goods and services and determining the main decarbonisation actions.

Within its own operations, the majority of the company's greenhouse gas emissions originate from the consumption of electricity at its facilities, and from the fuel used by the company's service fleet. Kalmar seeks to transform its own operation by phasing out fossil energy and improving the energy efficiency of its own facilities. In order to reach carbon neutrality, Kalmar plans to increase remote services and transition to low or zero-emission vehicles in its service fleet as well as heavy lifting equipment used in factories. Kalmar also plans to increase the share of fossil free electricity in its operations.

Kalmar has acknowledged potential locked-in greenhouse gas emissions relating to its assets and diesel driven equipment, as well as the steel used in its equipment, but does not consider these to jeopardise its climate targets, as the company has concrete actions in place to tackle these emissions. The company's own assets can be transitioned to use 100 percent fossil free energy and the materials used in its equipment can be recycled and replaced with low-emission alternatives. However, the company is aware that its planned actions relating to emissions coming from the use of sold products are very dependent on the market situation. In the case of more expensive low carbon products, the customers' demand and willingness to pay may become more uncertain, which might result in a lower demand for electric versions than anticipated. If traditional diesel driven equipment are not replaced with electric versions, the aimed emission reductions from its use of sold products might not be achieved.

The climate roadmap has been approved by Kalmar's Board of Directors' and the Kalmar Leadership Team, and is embedded in the general business strategy and financial planning. The roadmap includes ambitious climate targets and concrete actions on how to reach the targets. The eco portfolio plays a vital role for the company to achieve its emission reduction targets, and with further investments in R&D and innovation, Kalmar can develop new products and access new and emerging markets.

The company is not excluded from the EU Paris-aligned Benchmarks (as defined in Article 12 **Commission Delegated Regulation (EU) 2020/1818)**.

Policies related to climate change

Kalmar's Code of Conduct sets group-wide objectives and is the foundation of the company's corporate culture, establishing high standards of integrity for how Kalmar does business. The Code of Conduct re-enforces the company's commitment to act on climate change mitigation and reduce greenhouse gas emissions to limit global warming to 1.5°C. The Code of Conduct is approved by Kalmar's Board of Directors', and it applies to all Kalmar employees in all divisions and subsidiaries. The Code of Conduct is publicly available in 20 languages on kalmarglobal.com and internally on Kalmar's intranet.

As laid out in Kalmar's Sustainability Policy, the company's environmental objectives aim to mitigate adverse impacts on the environment and promote energy efficiency throughout the value chain. The policy addresses topics related to climate change mitigation; climate change adaptation; energy efficiency; and increasing the use of renewable energy. Kalmar's ambition to tackle climate change by providing energy efficient and low or zero-carbon solutions are clearly communicated in the policy.

Relevant internal substance matter experts were included in formulating the commitments relevant to their field of expertise. The Sustainability Policy covers the entire value chain as it applies to all Kalmar employees, suppliers and other business partners. The policy is approved by the Kalmar Leadership Team, who is responsible for implementing the objectives of the policy and for cascading the responsibility further into the organisation. The company's Senior Vice President, Strategy, Sustainability and Technology, is the most senior role accountable for the implementation of the policy. The policy is publicly available at kalmarglobal.com and internally on Kalmar's intranet.

Kalmar's Business Partner Code of Conduct (BPCoC) covers partners in all parts of the company's value chain, but it puts more focus on the supply chain. In the BPCoC, business partners are encouraged to actively monitor, report, set targets, and strive to reduce greenhouse gas emissions in their own operations, as well as in their value chain. They are also encouraged to measure the carbon footprint of their own products and services and act accordingly to mitigate the negative impacts on the climate. The company's Vice President Sourcing is the most senior role accountable for the implementation of the BPCoC. The BPCoC, which is approved by the Kalmar Leadership Team, is publicly available at kalmarglobal.com and internally on Kalmar's intranet. Relevant internal substance matter experts were included in formulating the commitments relevant to their field of expertise. The BPCoC is part of the company's contracts with suppliers and general purchase conditions.

All policies listed above further confirm the company's commitments to respecting the principles of the UN Global Compact, the OECD's guidelines for multinational enterprises, the UN Guiding Principles on Business and Human Rights, the International Bill of

Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work.

Actions related to climate change

During 2024, Kalmar continued to address its upstream emissions by engaging with its suppliers, and the company managed to increase the share of renewable electricity used by its suppliers. Kalmar also delivered its first electric reachstacker built with 37 percent SSAB Zero™ steel, which is recycled steel produced using fossil free electricity and biogas. The SSAB Zero™ steel was implemented on the reachstacker's boom and frame resulting in a 45 tCO_2e reduction, equivalent to a 22 percent scope 3 upstream reduction for the equipment.

Within its own operations, Kalmar's business division Bromma completed the second phase of installing solar panels at its assembly site in Malaysia and the company continued to acquire fossil free electricity credits for its assembly sites. The fossil free electricity consumption reduced Kalmar's emissions by approximately 5,300 tonnes of CO_2e in 2024, whereas the solar energy installation production reduced emissions with approximately 700 tonnes of CO_2e. During the year, Kalmar also introduced new low-emissions aspects in its product design. At the Shanghai and Stargard assembly sites, improved counterweights with a lower carbon footprint were taken into use for the reachstackers. The improved counterweights are made out of concrete instead of cast iron, which reduces product manufacturing emissions by approximately 10 percent. For example, for the standard Kalmar 45 ton reachstacker, this results in a 16 tCO_2e reduction per produced unit.

On the downstream side, Kalmar started the sales of its electric Empty Container Handler as well as its electric Terminal Tractor (US market). The company also started the development of its electric Toploader. Kalmar's electric equipment produces zero greenhouse gas emissions at source, supporting Kalmar's customers in reaching their sustainability targets. The company's research and development focuses on investments that enable the company to achieve its sustainability targets through low-emission equipment and service solutions. During 2024, approximately one quarter of the R&D investment was focused on electrification (Key financial figures in the Financial statement).

Targets and metrics related to climate change

Kalmar has committed to set near- and long-term company-wide emission reductions in line with science-based net-zero with the Science Based Targets initiative (SBTi). The climate targets for Kalmar as a stand-alone company were approved by the Board of Directors' in 2024 and will apply from 1 January 2025. The near-term target is to reduce scope 1 and 2 emission by at least 90 percent and scope 3 emissions by at least 40 percent by 2030, with 2023 as the baseline year. The long-term target is to achieve net zero by 2045. With these targets, Kalmar aims to contribute to limiting the global temperature rise to 1.5°C. The reduction target has been set for absolute emissions in the entire value chain, which means that the company must cooperate and engage with suppliers and customers to help them reduce emissions in their operations. Officially validating and having the reduction targets approved by the SBTi is the next stage.

The scope of Kalmar's climate target covers scope 1 and scope 2 market-based emissions, as well as scope 3 emissions related to purchased goods and services, the use of sold products, and upstream and downstream transportation and distribution. Relevant internal substance matter experts were consulted when setting the target, external stakeholders were not included, and progress against the climate target is monitored on an annual basis. To ensure realistic and trustworthy target setting, calculations were performed based on Kalmar's long range planning. The methodology for defining the above climate target is based on the science-based criteria of the Science Based Targets initiative (SBTi). The Corporate Net-zero Standard V1.2 was used for setting the target, as it was the valid version at the time. The criteria can be found on the SBTi website.

Kalmar follows its yearly emissions reduction progress through its emission intensity. In 2024, Kalmar's emission intensity, based on sales, resulted in 1,300 tCO_2e/MEUR, and the target for 2025 is to reduce the intensity figure. Within its own operations, Kalmar is committed to increasing the share of fossil free electricity to 100 percent by 2030 either directly or through RECs (or similar) complying with SBTi. Currently, approximately 90 percent of the company's electricity consumption comes from the assembly sites and innovation centres, whereas the remaining 10 percent from the front line units. In 2024, all Kalmar assembly sites and innovation centres used fossil free electricity (renewable or nuclear), and the target for 2025 is to maintain fossil free consumption at 100 percent at these sites. Kalmar is also targeting to develop its environmental management practices at its front line units, to further increase the share of fossil free electricity.

Kalmar's eco portfolio supports the company's commitment to be a 1.5°C company by highlighting equipment, services and software that improve customers' sustainability and drive the transition to a low-carbon world. In 2024, Kalmar's eco portfolio sales totalled EUR 698 million, representing 41 percent (35%: 2023) of total sales. Kalmar's target for 2025 is to increase the share of eco portfolio sales of total sales.

To achieve its climate target, Kalmar will need to drive its current climate actions (see transition plan) more aggressively. This applies especially to increasing the share of eco portfolio sales of total sales. Kalmar does not currently offset emissions, use carbon credits, engage in greenhouse gas removals or apply internal carbon pricing to achieve its climate targets. However, these methods are not excluded and, for example, carbon offsetting might become relevant in the future for Kalmar to reach its targets.

Kalmar's climate-related targets for 2024 were set while the company was still part of Cargotec. Cargotec's climate targets for its core businesses (including Kalmar) was to reduce emissions by 25 percent by 2025 and by 50 percent by 2030 compared to a 2019 baseline, and to double the sales growth of the eco portfolio compared to traditional products. In 2024, Kalmar's emissions decreased by 28 percent compared to 2023, which was mainly due to lower sales. The eco portfolio sales increased from 35 percent of total sales in 2023 to 41 percent in 2024. Cargotec also aimed to reach a share of 65 percent fossil free electricity in its own operation by the end of 2024. At the end of the year, Kalmar's share of fossil free electricity totalled approximately 90 percent.

Energy consumption (MWh)	2023	2024
Energy consumption from fossil sources	**48,010**	**34,380**
Petroleum products	35,750	27,890
Natural gas	3,320	2,990
Other fossil sources	0	0
Acquired fossil electricity	7,700	1,580
Acquired fossil heat	1,240	1,920
Energy consumption from nuclear sources*	**2,220**	**2,170**
Energy consumption from renewable sources	**11,050**	**17,770**
Biofuels	70	140
Self-generated solar energy	1,450	3,260
Acquired renewable electricity	4,880	10,250
Acquired renewable heat	4,650	4,120
Total energy consumption	**61,290**	**54,320**
Share of renewable source in total energy consumption (%)	18%	33%
Share of fossil-free electricity in total electricity consumption (%)	48%	89%
Energy intensity**	30	32

* Nuclear energy is reported only for the assembly sites and innovation centres.
** Energy intensity is calculated as Kalmar's total energy consumption in relation to company revenue, MWh/MEUR (1,720 MEUR: 2024, note 2.2

GHG emissions (tCO_2e)	Retrospective			Target years	
	Base year 2023	2024	% 2024/2023	2030	2045
Scope 1 emissions	**10,200**	**8,100**	**-21%**	**-90%**	
Scope 2 emissions (market-based)	**4,500**	**3,300**	**-27%**		
Scope 2 emissions (location-based)	9,500	8,600	-9%		
Scope 3 emissions	**3,130,800**	**2,242,400**	**-28%**	**-40%**	
1 Purchased goods and services	522,400	431,600	-17%		
4 & 9 Upstream and downstream transportation and distribution	94,300	76,800	-19%		
11 Use of sold products	2,514,100	1,734,000	-31%		
Total GHG emissions (market-based)	**3,145,500**	**2,253,800**	**-28%**		**-90%**
Total GHG emissions (location-based)	3,150,500	2,259,100	-28%		
Emission intensity* (market-based)	**1,500**	**1,300**			
Emission intensity* (location-based)	1,500	1,300			

* Emission intensity is calculated as Kalmar's total greenhouse gas emissions in relation to company revenue, tCO_2e/MEUR (1,720 MEUR: 2024, note 2.2 Revenue recognition in the Financial statement)

GHG accounting principles

Kalmar's energy data is collected through the company's sustainability reporting system, which is implemented across the organisation. Energy consumption is reported from the sites within the reporting boundary based on invoices and continuous measurements. Gross GHG emissions are presented as tonnes of CO_2 equivalents. Kalmar uses global warming potential (GWP) values for the 100-year time horizon and accounting for carbon dioxide (CO_2), nitrous oxide (N_2O), and methane (CH_4).

Direct (scope 1) and indirect (scope 2) greenhouse gas emissions (GHG), are calculated based on energy consumption. Kalmar applies the operational control method outlined in the GHG Protocol's Corporate Accounting and Reporting Standard. Scope 1 emission factors are derived from the GHG Protocol version 3. Scope 2 location-based emissions are calculated using solely the average emission factors of the local grid where power is sourced. These emission factors are derived from the International Energy Agency's (IEA) publication series "CO_2 Emissions from Fuel Combustion" (2023, 2024), and updated every year after a new version has been published. Scope 2 market-based emissions are calculated based on emission factors from contractual agreements, which are associated with the source of energy Kalmar purchases. In addition, residual mix emission factors, as well as average grid emission factors are applied where no contractual agreements are found. The residual mix emission factors are derived from the latest update of the European Residual Mixes, and the average grid emission factors from the IEA.

Scope 3 emission data is reported in accordance with the GHG Protocol's Corporate Value Chain (scope 3) Accounting and Reporting Standard. Scope 3 emission categories have been screened and the following ones have been identified as material to Kalmar: purchased goods and services; upstream and downstream transportation and distribution; and the use of sold products.

- For the "purchased goods and services" category, separate calculation methodologies are applied for direct and indirect purchases. For direct purchases, a "hybrid" calculation approach is applied based on the GHG protocol. A mixture of methodologies is used depending on data availability. Primarily, supplier-specific data or weight data of sourced materials are used to calculate the emissions. When these data sources are not available, the company depends on a spend-based approach to calculate emissions. Emission factors are based on LCA-calculations. For indirect purchases (which account for a minor share of all purchases), spend data is applied and calculated using global emission factors.
- For the "use of sold products", product-specific information and emission factors for diesel and electricity (location-based) are used. When calculating emissions from this category, direct use phase emissions are accounted for over the products' expected lifetime.
- For the "upstream and downstream transportation and distribution" category, a spend-based method is applied and emissions are calculated using global emission factors.

Resource use and circular economy

Kalmar foresees many opportunities to contribute to a circular economy while capturing profitable growth through new business models and solutions. The company's main circularity work focuses on product design and expanding the lifetime of its products. As the company is highly dependent on finite resources, such as steel, advancing circularity in its operations and value chain help ensure that its business remains resilient and competitive. The extraction of finite resources, such as iron ore for steel manufacturing, can lead to local environmental harm, such as water and soil pollution, air emissions and biodiversity loss through land use changes. Kalmar can minimise its negative impacts on the local environment by, for example, replacing virgin steel with recycled steel and alternative materials. Also by providing more services, including lifecycle solutions, Kalmar can keep its equipment operating longer and more efficiently, meaning less virgin resources are needed and less waste is generated along its value chain.

To promote the transitioning to a circular economy Kalmar has applied circular business practices through its service offering. Services and solutions extending the lifecycle of Kalmar products are an essential part of the company's business model and strategy, as well as the eco portfolio. The service business also offers resilience due to the recurring nature of the orders, and helps Kalmar stay close and provide support to its customers throughout the equipment lifecycle, providing valuable usage data to Kalmar. Kalmar believes that focusing on the service offering will benefit Kalmar due to the profitability and growth potential of the services business. In addition, electrification offers new service concepts around battery replacements and recycling solutions.

Material impacts, risks and opportunities related to resource use and circular economy

Resource inflows, including resource use

Impacts

- Kalmar's business is based on manufacturing large and heavy equipment, which are very material intensive and require large amounts of finite resources, including steel.

Risks and opportunities

- Due to the electrification trend, the demand for components used in electric vehicles (batteries, engines, semiconductors) is expected to increase, resulting in limited availability and potential component shortage. Limited availability correlates with price increases whereas a component shortage with production delays.

+ By supporting and providing lifecycle solutions Kalmar can increase resource efficiency and reduce emissions, while at the same seizing new business opportunities.

Waste

Impacts

- Waste is generated in all parts of Kalmar's value chain. Kalmar's activities are very material intensive and high-value materials become waste throughout the whole value chain.

Kalmar aims to expand its service offering from traditional maintenance and spare parts sales to providing a wider range of lifecycle solutions and intelligent service offering. Lifecycle solutions is a key growth area in Kalmar services, as lifecycle and circular solutions are the way forward when the company wants to truly unlock the full service potential of its installed base and support its customers on their sustainability journey. Some examples of Kalmar's lifecycle solutions include short- and long-term equipment rentals, refurbishments, and retrofit solutions, whereas the intelligent service offering consist of, for example, remote and predictive maintenance and "Equipment as a Service" business solutions. Enhancing the digital offering to proactively address customer challenges is considered a big opportunity for the company.

On the other hand, the simultaneous depletion of natural resources and increasing demand for low-emissions solutions may impact the availability and price of materials and components that are crucial for production. As a result of the electrification trend, the demand for minerals used in, for example, battery production is expected to increase. Limited availability and the potential rise in battery prices pose a market risk as price increases can impact direct costs. This can also impact the overall demand for low-carbon solutions.

Policies related to resource use and circular economy

Kalmar's Code of Conduct reinforces the company's commitment to mitigate adverse impacts on the environment and improve the environmental performance of its offering, operations and raw material sourcing. As stated in Kalmar's Sustainability Policy, the company gives preference to materials that are better for the environment, and rethinks material flows to promote the transition away from extraction of virgin non-renewable resources. Kalmar is committed to promote sustainable use of raw materials through durable and long-lasting products, retrofits, as well as through its modernisation and maintenance services. The policy addresses topics related to responsible waste management, but does not take a stand on the waste hierarchy. The Sustainability Policy also includes commitments relating to responsible sourcing, with the following key priorities: decarbonisation; reducing hazardous substances used in Kalmar products; sourcing critical minerals responsibly; and due diligence (identifying, stopping, preventing, mitigating and remedying adverse impacts on people and the environment).

Kalmar's Business Partner Code of Conduct (BPCoC) requires suppliers and other business partners to monitor, control and appropriately treat solid waste generated in their operations. They are also encouraged to reduce waste generation and their use of natural resources.

For more information about the policies, please see Policies related to climate change under Climate change.

Actions related to resource use and circular economy

Kalmar seeks to rethink material flows, and has for example, partnered with SSAB to start using SSAB Zero™ steel in Kalmar's equipment. The SSAB Zero™ steel is made from recycled steel and produced using fossil-free electricity and biogas. The collaboration is a natural next step in the Kalmar and SSAB partnership where the two work together to reduce the negative environmental impacts of the material handling industry. During 2024, Kalmar delivered its first electric reachstacker built with 37 percent SSAB Zero™ steel.

Part of the daily actions relating to circularity, Kalmar offers refurbishment and modernisation services that help keep its equipment in operation for longer, improve eco efficiency and optimise performance. Services include, for example, inspections, repairs, upgrades, automation and digitalisation services. Kalmar's products are also reusable and the company sells second hand goods and rents out equipment. Repairing and refurbishment is also used, to give a second life to customers' equipment.

In addition, Kalmar has signed up for the Nordic Circular Design Programme 2024/2025, which is an eight months long development programme, to strengthen and improve its knowledge of circularity. This also supports the practical next step, which will be to develop a roadmap for Kalmar, on how to further accelerate its circular business practices.

Targets and metrics related to resource use and circular economy

Kalmar's service solutions are an essential part of the eco portfolio, which contribute to transitioning to a circular economy. Apart from low-carbon solutions, Kalmar's eco portfolio includes a range of services, such as lifecycle solutions, repairs and refurbishments. In 2024, Kalmar's eco portfolio sales totalled EUR 698 million, representing 41 percent (35%: 2023) of total sales. Kalmar's target for 2025 is to increase the share eco portfolio sales of total sales.

Kalmar's business is based on manufacturing large and heavy equipment, which are very material intensive and require large amounts of resources, mainly steel. Batteries and other electronic components are also essential structures used in the equipment. In 2024, Kalmar used approximately 110,000 tonnes of material in its equipment, whereof approximately 64,000 tonnes was steel structures. Of the steel structures used in the equipment, approximately 4,000 tonnes was recycled, representing 6.5 percent of total steel structures used. Kalmar is targeting to reduce its CO_2 emissions from steel by at least 40 percent, compared to a 2023 baseline.

The total amount of materials is based on the weights of sold products, as they best represent the amount of materials used during the reporting period. In case of unknown weights, estimates are applied based on data from similar products. The amount of steel structures is calculated using an average share of steel structures in Kalmar's products per division. Recycled steel is used in certain steel structures of terminal tractors in the USA and the total share is calculated following this assumption.

Kalmar's main outflows are its products and waste stemming from its assembly operations. The company's products are designed to support circular principles that lead to increased product durability and optimisation of use (material and energy). The company' s products are mainly made of steel structures, ranging from around 60 percent in average of total weight in terminal tractors to around 90 percent in Bromma's spreaders, and component repairability is considered in the design phase to enable future reuse and refurbishing. The company offers lifecycle solutions to extend the lifetime of its products and keep its equipment in operation longer. The expected utilisation rate of Kalmar's products vary between 20,000 hours and 80,000 hours, depending on the product.

Due to a very material intensive industry, Kalmar is aware that waste is generated in all parts of its value chain. From the company's own operation, waste is mainly generated at the assembly-sites and innovation centres, and has been identified as non-material for the service sites. Therefore, waste data is published only for the company's assembly sites and innovation centres, and reported based on waste records received from contractor companies. The main waste streams generated are wood pallets, lubricant containers and cloths, which mainly consist of wood, plastic and textiles.

Waste, t	2023	2024
Hazardous waste	**340**	**290**
Diverted from disposal	70	50
preparation for reuse	0	0
recycled	70	50
other recovery operations	0	0
Directed to disposal	270	240
landfilled	0	0
incinerated	260	230
other disposal operations	10	10
Non-hazardous waste	**5,370**	**4,850**
Diverted from disposal	4,570	4,520
preparation for reuse	0	0
recycled	4,570	4,520
other recovery operations	0	0
Directed to disposal	800	330
landfilled	200	180
incinerated	600	120
other disposal operations	0	30
Total	**5,710**	**5,140**
Total amount of recycled waste	4,640	4,570
%	81%	89%
Total amount of non-recycled waste	1,070	570
%	19%	11%

Disclosures pursuant to the EU Taxonomy- regulation

The EU Taxonomy regulation establishes a classification system to define economic activities that substantially contribute to environmental sustainability. The regulation applies to Kalmar and requires the disclosure of the share of EU Taxonomy eligible and aligned revenue, capital expenditures and operating expenditures.

Activities that have the potential to be aligned with specific substantial contribution criteria are considered taxonomy-eligible. Out of the six environmental objectives of the EU Taxonomy, Kalmar considers its solutions to be eligible under the objectives of climate change mitigation and transition to a circular economy.

Kalmar's equipment that contributes to the objective of climate change mitigation, includes zero- or low-emission equipment that drive the transition towards a decarbonised and more sustainable world. The equipment is reported eligible under the taxonomy activity 3.6. Manufacture of other low carbon technologies.

The majority of Kalmar's services contribute to the objective of transitioning to a circular economy. The eligible services, for example, increase the lifespan of Kalmar's products and promote resource efficiency throughout the value chain. Services are reported eligible under the following taxonomy activities: 4.1 Provision of IT/OT data driven solutions; 5.1 Repair, refurbishment and remanufacturing; 5.2 Sale of spare parts; 5.4 Sale of second-hand goods; 5.5 Product-as-a-service and other circular use- and result-oriented service models.

Assessment of alignment

In order for an economic activity to be considered taxonomy-aligned, it shall meet the criteria for substantial contribution and do no significant harm (DNSH), as well as comply with minimum safeguards. Substantial contribution and the DNSH criteria are assessed on a product or service level, whereas the minimum safeguards are assessed on Kalmar level. Kalmar's activities that meet all of the Taxonomy criteria (substantial contribution, DNSH, and minimum safeguards) are considered sustainable, that is, taxonomy-aligned. Kalmar reports alignment for activities that fall under the objective of climate change mitigation as well as transitioning to a circular economy.

To prove substantial contribution to the objective of climate change mitigation under activity 3.6., Kalmar conducts product life-cycle assessment (LCA) studies to prove lifecycle greenhouse gas emission savings. The LCAs compare the company's zero-emission or low-emission equipment to the best performing alternative, which typically is a diesel-powered version of the same equipment with the same functionality and capacity. The LCA studies are conducted for equipment that is considered representative of the entire product group, so that the results can be generalised. The studies follow the ISO 14067 standard and are reviewed by an independent third party. Since the technical screening criteria leaves room for interpretation, Kalmar leans on its 1.5°C climate ambition when setting the ambition level and defining which products meet the screening criteria and have sufficient emission reductions to be reported as taxonomy aligned.

To prove substantial contribution to the objective of transitioning to a circular economy and the following activities: 4.1 Provision of IT/OT data driven solutions; 5.1 Repair, refurbishment and remanufacturing; 5.2 Sale of spare parts; 5.4 Sale of second-hand goods; 5.5 Product-as-a-service and other circular use- and result-oriented service models, Kalmar follows the substantial contribution criteria of each of these subtopics. The criteria include a range of themes from extending the life cycle of the product to contracts made as well as packaging and waste management. Many of the services or business models seen as aligned under the transition to a circular economy are directly extending the life cycle of the products or increasing the intensity of their usage.

To meet the do no significant harm (DNSH) criteria, Kalmar has analysed the potential impacts its own operations, products and services related to the climate solutions and circular solutions, may have on the other environmental objectives.

- Climate change: Kalmar has a concrete action plan in place on how to reduce emissions arising from its own operation and its value chain, and achieve a net-zero value chain by 2045.
- Climate change adaptation: Kalmar has analysed the impact of physical climate-related risks to its own operations and supply chain as part of the climate scenario analysis. In its own operations, these risks were considered minor due to the asset-light assembly line. Given the asset-light assembly line, Kalmar is however highly reliant on its global network of suppliers, and the risk of supply interruptions is growing due to the increase of physical climate risks globally. Risks arising from the supply chain are however considered low in the short-term and moderate in the long-term.
- Sustainable use and protection of water and marine resources: Kalmar has concluded that its activities do not cause significant harm to water and marine resources, as no process water is used at Kalmar's assembly sites.

- Transition to a circular economy: Kalmar promotes circularity throughout its operations by, for example, promoting high durability design, using secondary raw materials, reusing components where feasible and recycling materials and waste.
- Pollution prevention and control: Compliance with pollution and chemical use regulations is ensured through Kalmar's responsible sourcing programme. Kalmar has identified certain hazardous substances in its products, but to the company's knowledge, there are currently no other suitable alternative substances or technologies available on the market to replace them.
- Protection and restoration of biodiversity and ecosystems: Kalmar has mapped its sites against biodiversity-sensitive areas, and concluded that none of its sites are located in such an area.

Furthermore, the company has comprehensive management processes in place that cover various environmental topics, such as waste management and pollution. These processes are mainly implemented through ISO 14001-certified environmental management systems. The management systems require Kalmar to assess and address the potential and actual impacts that its activities, products and services have on the environment. If negative impacts are identified, appropriate controls and improvement plans, including relevant target setting, are implemented and maintained. This helps Kalmar ensure its activities do no significant harm to the environment.

Regarding the EU Taxonomy's minimum safeguards on human rights, bribery/corruption, taxation and fair competition, Kalmar has performed an internal analysis of its policies and processes and believes it complies with the principles of each safeguard. Kalmar has implemented relevant processes to ensure alignment with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work, and the International Bill of Human Rights. Kalmar's Code of Conduct and related policies set the foundation for responsible business conduct, and the company has developed and implemented processes that support these principles. Detailed descriptions of these policies and processes are available throughout this Disclosure.

Taxonomy KPI's

Kalmar discloses the share of environmentally sustainable economic activities that align with the EU Taxonomy criteria using the turnover, capital expenditures (capex) and operating expenditures (opex) KPIs.

The turnover KPI represents the proportion of the net turnover derived from products or services that are taxonomy-aligned. The turnover consists of revenues recognised from sales of products and services sold net of sales taxes, discounts and translation differences from foreign currency denominated revenues, pursuant to IFRS. In 2024, the share of taxonomy-aligned revenue, of total revenue increased by 26.7 percentage points compared to 2023. The increase was mainly due to adoption of the circular economy objective. In the area of climate change mitigation the share increased as a result of growing demand for electric products.

The capital expenditures KPI represents the proportion of the capital expenditure associated with taxonomy-aligned activities. Taxonomy capital expenditures consist of additions to tangible and intangible assets, including right-of-use assets related to leases, considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The capital expenditures aligned with EU Taxonomy have been calculated based on the total taxonomy qualifying capex for each product and service type multiplied by the percentage share of taxonomy aligned revenues for the same product and service type. In 2024, the share of taxonomy-aligned capex, of total capex increased by 24.7 percentage points compared to 2023, mainly due to adoption of the circular economy objective.

The operating expenditures KPI represents the proportion of the operating expenditure as defined in EU taxonomy associated with taxonomy-aligned activities. Taxonomy operating expenditures consists of direct non-capitalised costs related to research and development, renovation measures, short-term lease, maintenance and other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment that are necessary to ensure the continued and effective production of taxonomy-aligned products and services. In 2024, the share of taxonomy-aligned opex, of total opex increased by 8.8 percentage points compared to 2023, mainly due to adoption of the circular economy objective.

To the extent the capital and operating expenditures relate to assets and operations that are associated with taxonomy-eligible activities, such as manufacturing, provision of services, or R&D, they are considered taxonomy eligible. The taxonomy-aligned portion of capital and operating expenditures associated with taxonomy-aligned economic activities are estimated by using the ratio of aligned turnover in comparison to the eligible turnover as the allocation key. This is because typically these expenditures cannot be allocated clearly to a single activity. No expenditure has been reported as taxonomy-aligned based on a capex plan.

Regarding the disclosed amounts, double counting has been avoided by taking the following precautions:

- Turnover related to aligned activities is based on financial reporting compiled from entities having relevant activities. Turnover related to each aligned activity is based on reported external revenue for the equipment and services that are relevant for the activity, and presented under single contribution criteria and taxonomy activity.
- Capital expenditure related to aligned activities is based on financial reporting compiled from entities having relevant activities. Taxonomy-aligned capex is presented based on estimation under single contribution criteria and taxonomy activity.
- Operating expenditure related to aligned activities is based on financial reporting compiled from entities having relevant activities. Taxonomy-aligned opex is presented based on estimation under single contribution criteria and taxonomy activity.

In 2024, Kalmar's turnover amounted to a total of EUR 1,720.5 million (Note 2.2 Revenue recognition in the Financial statements) of which EUR 713.2 million was taxonomy-eligible (41.5% of total sales) and EUR 707.9 million taxonomy-aligned (41.1% of total sales). The share of taxonomy-eligible and taxonomy-non-eligible economic activities, as well as taxonomy-aligned and taxonomy-non-aligned economic activities in the total turnover, capex and opex are presented below in tables 1.1, 1.2 and 1.3.

Board of Directors' report
Sustainability statement
Consolidated financial statements (IFRS)
Combined statement of income
Combined statement of comprehensive income
Consolidated balance sheet
Consolidated statement of changes in equity
Combined statement of cash flows
Notes to the consolidated financial statements
Key figures
Financial statements of the parent company (FAS)
Shares and shareholders
Signatures for Board of Directors' report and financial statements
Auditor's report
Sustainability reporting assurance provider's report

Table 1.1: Proportion of turnover from products or services associated with taxonomy-eligible and taxonomy-aligned economic activities – disclosure covering year 2024

				Substantial contribution criteria*						DNSH criteria**									
Economic activities	Code(s)	Absolute turnover (MEUR)	Proportion of turnover (%)	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2. turnover in 2023 (%)	Category (enabling activity, E)	Category (transitional activity, T)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of other low carbon technologies	CCM 3.6.	306.0	17.8%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	14.5%	E	
Provision of IT/OT data driven solutions	CE 4.1.	0.2	0.0%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-	E	
Repair, refurbishment and remanufacturing	CE 5.1.	137.0	8.0%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-		
Sale of spare parts	CE 5.2.	184.6	10.7%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-		
Sale of second-hand goods	CE 5.4.	33.1	1.9%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5.	46.9	2.7%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		707.9	41.1%	17.8%	-	-	23.4%	-	-	Y	Y	Y	Y	Y	Y	Y	14.5%		
Of which enabling		306.3	17.8%	17.8%	-	-	0.0%	-	-	Y	Y	Y	Y	Y	Y	Y	14.5%	E	
Of which transitional				-	-	-	-	-	-	-	-	-	-	-	-	-	-		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low carbon technologies	CCM3.6.	3.8	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Provision of IT/OT data driven solutions	CE 4.1.	1.6	0.1%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.0%		
Repair, refurbishment and remanufacturing	CE 5.1.	0.0	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								7.1%		
Sale of spare parts	CE 5.2.	0.0	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								9.3%		
Sale of second-hand goods	CE 5.4.	0.0	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								2.5%		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5.	0.0	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								1.2%		
Turnover of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		5.3	0.3%	0.2%	-	-	0.1%	-	-										
A. Total (A.1 + A.2)		713.2	41.5%	18.0%	-	-	23.4%	-	-										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES (B)																			
Turnover of taxonomy-non-eligible activities		1,007.3	58.5%																
Total (A + B)		1,720.5	100.0%																

* Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; N - No, Taxonomy-eligible but not Taxonomy-aligned activity; EL – Eligible, Taxonomy-eligible activity; N/EL – Not Eligible,
Taxonomy non-eligible activity.
** Y - Yes, The activity meets the DNSH criteria; N - No, The activity does not meet the DNSH criteria.

Table 1.2: Proportion of capital expenditure (CapEx) from products or services associated with taxonomy-eligible and taxonomy-aligned economic activities – disclosure covering year 2024

				Substantial contribution criteria*						DNSH criteria**									
Economic activities	Code(s)	Absolute CapEx (MEUR)	Proportion of CapEx (%)	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx in 2023 (%)	Category (enabling activity, E)	Category (transitional activity, T)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of other low carbon technologies	CCM 3.6.	1.7	2.8%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2.8%	E	
Provision of IT/OT data driven solutions	CE 4.1.	0.0	0.0%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-	E	
Repair, refurbishment and remanufacturing	CE 5.1.	11.6	19.4%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-		
Sale of spare parts	CE 5.2.	0.0	0.0%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-		
Sale of second-hand goods	CE 5.4.	3.3	5.5%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5.	0.0	0.0%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-		
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		16.5	27.6%	2.8%	-	-	24.8%	-	-	Y	Y	Y	Y	Y	Y	Y	2.8%		
Of which enabling		1.7	2.8%	2.8%	-	-	0.0%	-	-	Y	Y	Y	Y	Y	Y	Y	2.8%	E	
Of which transitional		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low carbon technologies	CCM 3.6	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Provision of IT/OT data driven solutions	CE 4.1.	0.0	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.0%		
Repair, refurbishment and remanufacturing	CE 5.1.	0.0	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								10.0%		
Sale of spare parts	CE 5.2.	0.0	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.0%		
Sale of second-hand goods	CE 5.4.	0.0	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								3.5%		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5.	0.0	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.0	0.0%	0.0%	-	-	0.0%	-	-										
A. Total (A.1 + A.2)		16.5	27.6%	2.8%	-	-	24.8%	-	-										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES (B)																			
CapEx of Taxonomy-non-eligible activities		43.3	72.4%																
Total (A + B)		59.8	100.0%																

* Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; EL – Eligible, Taxonomy-eligible activity for the relevant objective; N/EL – Not Eligible, Taxonomy non-eligible activity for the relevant environmental objective.

** Y - Yes, The activity meets the DNSH criteria; N - No, The activity does not meet the DNSH criteria.

Capex includes additions into property, plant and equipment, right-of-use assets and other intangible assets (Notes 6.2–6.3 in the Financial statements).

Table 1.3: Proportion of operating expenditures (OpEx) from products or services associated with taxonomy-eligible and taxonomy-aligned economic activities – disclosure covering year 2024

				Substantial contribution criteria*						DNSH criteria**									
Economic activities	Code(s)	Absolute OpEx (MEUR)	Proportion of OpEx (%)	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx in 2023 (%	Category (enabling activity, E)	Category (transitional activity, T)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of other low carbon technologies	CCM 3.6.	17.6	24.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	24.0%	E	
Provision of IT/OT data driven solutions	CE 4.1.	0.0	0.0%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-	E	
Repair, refurbishment and remanufacturing	CE 5.1.	5.0	7.0%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-		
Sale of spare parts	CE 5.2.	0.8	1.1%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-		
Sale of second-hand goods	CE 5.4.	0.2	0.3%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5.	0.0	0.0%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		23.7	32.8%	24.4%	-	-	8.4%	-	-	Y	Y	Y	Y	Y	Y	Y	24.0%		
Of which enabling		17.6	24.4%	24.4%	-	-	0.0%	-	-	Y	Y	Y	Y	Y	Y	Y	24.0%	E	
Of which transitional		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low carbon technologies	CCM 3.6.	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Provision of IT/OT data driven solutions	CE 4.1.	0.7	1.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								1.7%		
Repair, refurbishment and remanufacturing	CE 5.1.	0.0	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								5.6%		
Sale of spare parts	CE 5.2.	0.0	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.9%		
Sale of second-hand goods	CE 5.4.	0.0	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.2%		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5.	0.0	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.7	1.0%	0.0%	-	-	1.0%	-	-										
A. Total (A.1 + A.2)		24.4	33.8%	24.4%	-	-	9.4%	-	-										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES (B)																			
OpEx of Taxonomy-non-eligible activities		47.7	66.2%																
Total (A + B)		72.1	100.0%																

* Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; EL – Eligible, Taxonomy-eligible activity for the relevant objective; N/EL – Not Eligible, Taxonomy non-eligible activity for the relevant environmental objective.

** Y - Yes, The activity meets the DNSH criteria; N - No, The activity does not meet the DNSH criteria.

Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Taxonomy and eco portfolio connection

Kalmar's eco portfolio has been defined to include equipment and services that are aligned with the EU Taxonomy or are expected to be aligned within a year. The eco portfolio is Kalmar's own KPI that is reported externally on a quarterly basis. Kalmar has the potential to substantially contribute to the EU Taxonomy's objectives on climate change mitigation and the transition to a circular economy, and consequently, the eco portfolio consists of two categories: climate solutions and circular solutions. Kalmar's climate solutions are compatible with the greenhouse gas emission reductions needed in the 1.5°C scenario of the Paris Agreement, whereas the circular solutions contribute to the transition to a circular economy by promoting resource efficiency throughout the value chain.

Some differences occur between Kalmar's eco portfolio reporting and its taxonomy-aligned reporting. For example, regarding the climate solutions, equipment needs to have a life-cycle assessment (LCA) done and verified by a third party for it to be taxonomy-aligned. This also applies to Kalmar's eco portfolio equipment. However, as new solutions are added to the eco portfolio, it is possible that their LCA's are not yet finalised but will be in the near future. Therefore, some differences might occur between Kalmar's taxonomy-aligned reporting and its eco portfolio climate solutions, as the eco portfolio may also include equipment that are anticipated to be taxonomy-aligned once their life-cycle assessments (LCA) are finalised.

Social information

Kalmar's business impacts people in all parts of the value chain: the company's employees, supplier employees as well as operators of the company's equipment, who are typically customer employees. Kalmar is committed to continuously improving its human rights due diligence process by identifying, addressing and remedying negative impacts on people. Human rights risks related to Kalmar's own workforce are managed with policies, processes and follow-up tools related to safety and human resources. However, Kalmar's most significant human rights risks exist in the supply chain due to its complexity and global reach. Simultaneously, it is important to understand where the company can enhance its positive impacts on human rights.

Own workforce

Health and safety

Kalmar operates in an industry that presents high risks to personal safety, and the company continuously assesses its operations to identify, prevent and mitigate the risk of injuries and ill health, and to seize opportunities to improve safety. The health and safety of its employees is a fundamental element of Kalmar's operations, and the company is committed to provide a harm-free workplace where people are safe. The company's various locations – from an office environment to assembly facilities, service locations and various customer sites – pose different types of risks to the health and safety of employees. Safety risks include occupational health and safety-related risks, personnel security risks, environmental risks, product safety risks, catastrophe risks (for example fire, explosion and natural phenomenon risks) and premise security risks.

Material impacts, risks and opportunities relating to own workforce

Working conditions	
Health and safety	**Impacts**
	- Kalmar's business has potential negative impacts on the health and safety of all employees and external workforce. The company's incident statistics show that employees and workers who assemble, operate and service the company's equipment - whether directly employed by Kalmar or by a third party - face the biggest risk of personal injury. This type of work poses risks of individual incidents, such as ill health, minor and severe injuries (especially hand injuries) and even fatalities.
	+ Kalmar can improve safety by continuously assessing the risk of injuries and ill health and identifying ways to prevent incidents. Depending on the improvement measures, the positive impact may affect different groups of employees and external workforce. For example, a minor process improvement at an assembly site would only impact the people working at the site, whereas updating global safety instructions would impact all employees and workers.

Equal treatment and opportunities for all	
Gender equality and equal pay for work of equal value **Training and skills development** **Measures against violence and harassment in the workplace** **Diversity**	**Impacts**
	- Employee motivation and wellbeing is likely to decrease and workplace atmosphere to worsen, if discrimination, harassment or bullying occurs. This is the case especially for those who are directly affected, but also for those who witness or learn about the situations.
	+ Training enables employees to develop as experts and learn new skills, which increases the motivation to work efficiently and safely. Training is provided widely to Kalmar's employees, ranging from technical know-how to high-level understanding of relevant regulation, for example.
	Risks and opportunities
	+/- Kalmar's climate transition presents risks and opportunities in the form of skills development. For example, electrification requires new expertise in product safety and equipment maintenance, as the technical properties of electric equipment differ from their traditional counterparts. Kalmar must ensure that it has competent employees and workers to cover these requirements.

Most health and safety risks are associated with the manufacturing and services operations, as well as with the use of Kalmar's equipment.

Kalmar has taken precautions against safety risks in its manufacturing operations through, for example: policies and guidelines; training; certification principles; travel safety guidelines; rescue planning; and information security instructions. Kalmar has a proactive approach when it comes to health and safety and the company's health and safety programmes, for example, include training, development of practices, audits and target follow-ups. Ensuring that Kalmar employees have the needed competencies, skills and tools to perform their job in the best possible way is essential to ensure a safe environment. Despite the precautions taken, various occupational safety and environmental risks may arise in Kalmar's manufacturing operations. In case of any incidents, Kalmar has a systematic approach to ensure effective investigations to prevent similar incidents from happening again.

In Kalmar's daily operations, the ISO 45001 health and safety management system provides guidance on how to manage the company's safety impacts. In 2024, the ISO 45001 certification coverage at Kalmar's assembly sites and innovation centres was 100 percent. The ISO 45001 management system is not implemented at the company's non-assembly sites, as those premises are primarily offices with low risks. Consequently, in addition to the ISO 45001 system, Kalmar has implemented a health and safety reporting system across the organisation, including non-assembly sites, where all health and safety incidents, including near misses and fatalities, are reported. Complying with regulations both on local and regional level is always ensured.

As part of Kalmar's business model, the company uses feedback from employees, external workforce and customers to improve the safety of its equipment, services and ways of working.

Equal treatment and opportunities for all

Kalmar is committed to fostering a diverse, equitable and inclusive culture, grounded on equal opportunities. These elements set the foundation to how business is done at Kalmar. As an employer, Kalmar impacts the way employees experience their workplace, both physically and psychologically and thus, has the responsibility to ensure that people feel safe coming to work as they are and express themselves freely. Diversity, equity and inclusion are considered to drive creativity, innovation and growth, as they encourage individuals to reveal their knowledge and skills. In case of discrimination, harassment or bullying, affected employees may suffer direct impacts to their mental health, and discrimination may result in poorer career opportunities for those who are discriminated against. Kalmar has not developed a full understanding of the scope of people negatively affected by discrimination or bullying. However, all employees and workers - whether employed directly by Kalmar or by a third party - may be subject to discrimination or bullying. It is also likely that people who represent a minority or another vulnerable group are at higher risk, and the risk of such individual misconduct overall may also vary between regions. Kalmar has zero tolerance for discrimination in all its forms.

Kalmar believes in fostering people's growth through a variety of different formats. Whether it's through on-the-job experiences, social interaction, or formal training, the company is committed to developing its employees. Also, as part of the learning philosophy, Kalmar aims to offer its employees opportunities for internal transfers, job rotations, and involvement in challenging projects and assignments. The company prioritises regular development discussions, ensuring that its employees' career aspirations are actively supported. Kalmar sees its leaders as coaches, supporting its employees' potential and guiding them towards success within the company. The company's comprehensive e-learning platform offers plenty of opportunities, providing the employees the tools they need to foster.

Based on the company's human rights impact assessment, Kalmar has not identified its own operations at significant risk of incidents of forced labour or child labour. However, the company has identified that it has operations in certain high-risk countries, which require extra attention.

Policies related to own workforce

The social section of Kalmar's Code of Conduct (CoC) covers topics, such as human trafficking; child and forced labour; health and safety; diversity; and anti-discrimination. The CoC states that Kalmar does not tolerate discrimination based on gender identity, sexual orientation, race, religion, nationality, age, physical ability, or similar.

Kalmar's Sustainability Policy covers the company's material social topics: human rights; health and safety; and diversity, equity and inclusion. The policy's human rights section describes Kalmar's high-level approach to human rights due diligence, including remedy for adverse impacts on people and engagement with affected stakeholders. The health and safety section describes Kalmar's commitment to provide a harm-free workplace where people feel safe. The commitment further includes continuous assessment of the operation to identify and eliminate hazards and proactively mitigate the risk of injuries and ill health and seize opportunities to improve safety. Internal substance matter experts, such as human resources and safety experts, are included in the creation and updating of the policy. Please read more about the Code of Conduct and Sustainability Policy under Climate change - Policies related to climate change.

Kalmar's Employment Policy complements the Code of Conduct and defines the company's basic employment principles and workplace practices. It describes the mission, goals and development processes specific to human resources and applies to all Kalmar employees, locations and conditions worldwide, with enforcement subject to local legislation. The policy covers topics, such as anti-harassment, anti-discrimination and diversity, equity and inclusion. The following grounds for discrimination are covered in the policy: racial origin, sexual orientation, gender identity, disability, age, religion, national extraction, social origin or any other such characteristics. It also states that Kalmar does not act partially nor support or commit to political parties or religious groups. Other internal policies also cover human resources topics, such as recruitment and internal transfer, learning and development, performance and development, total remuneration and job title, and global mobility.

Kalmar's Human Resources is responsible for creating and ensuring the HR-related policies are kept up to date. The policy creation is done in cooperation with other internal and external experts while taking the needs of affected employees into account. Each policy is reviewed by the Human Resources Leadership Team and approved by the Kalmar Leadership Team. The European Works Council (KPM) is also informed if any policy has substantial impact on the personnel. Relevant Kalmar leadership team members, such as the Senior Vice President Human Resources, hold the ultimate responsibility for the implementation of these policies.

All policies listed above further confirm Kalmar's commitment to, for example, the International Bill of Human Rights, UN Global Compact, OECD's guidelines for multinational enterprises, UN Guiding Principles on Business and Human Rights, and International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work. All policies and guidelines can be found on the company intranet Move, and they are communicated to the relevant persons via training, inc. the Code of Conduct training, the local HR and the company induction.

The practical implementation of Kalmar's health and safety-related policy commitments, is guided by Kalmar's safety programme, which is based on the main principles of detecting, preventing and responding to potential safety hazards. As part of the programme, Kalmar has created several related guidelines and handbooks for its employees. Kalmar's Safety Vision, Safety Commitment, Key Safety Working Principles as well as Stop Work Authority instructions guide the company's safety practices. Also Kalmar's Life-Saving Rules were introduced to ensure that consistent behaviours are followed to prevent incidents that could result in a serious injury or a fatality. Leaders must make sure everyone is fully aware of the Life-Saving Rules and regularly engage their people on why they matter. When working at customer premises, Kalmar's safety policies and principles are always to be followed.

Processes for engaging with own workers and workers' representatives

Kalmar promotes social dialogue within the company. Cooperation between management and personnel is based on local legislation and organised on group and country level. All employees have the right to join a trade union of their choice and to bargain collectively. Kalmar ensures that employee representatives are not subject to discrimination and have access to their fellow employees. Interaction between management and personnel takes place both directly with employees and through their representatives, depending on the topic.

Direct engagement occurs through annual and monthly employee engagement surveys as well as the company's performance and development plan (PDP) process. The surveys provide valuable information on employees' work-related thoughts on topics, such as work-life balance, wellbeing, leadership and team climate. The survey findings also help evaluate the effectiveness of Kalmar's engagement with employees. Managers follow up on the findings in team sessions to collect feedback and set up action plans, with special focus on improvement areas. The annual employee engagement survey, Compass, reaches all employees through email, kiosks and site support, while the monthly survey is accessible to those with a company email address. Moreover, Kalmar uses people analytics, dashboards and metrics to better support human resources processes and to achieve desired outcomes and targets.

Kalmar's PDP process helps the company develop its performance management, set targets, enable personal development and promote a feedback culture. The process includes two manager-employee discussions per year, where one is used to set targets for the year and the other is dedicated to the employee's professional development. The meetings also enable mutual feedback and continuous dialogue. Kalmar's goal is to provide everyone with a dedicated, personal development plan. In addition, Kalmar hosts a learning platform where employees can expand their knowledge on various topics.

Due to Kalmar's separation from Cargotec, the company took many actions to ensure that managers and employees stayed up-to-date on the related planning, progress and change management. Updates were shared and discussed in, for example, line manager training sessions, team meetings, townhalls, project meetings, personnel webcasts and internal articles.

Kalmar engages with employee representatives through, for example, national and local trade unions, personnel representatives and works councils, in accordance with local legislation. Local personnel representatives and works councils are kept informed of any projects or changes that may significantly impact Kalmar's employees or their working conditions, and they are included in negotiations as needed. In addition, management and locally elected Kalmar Personnel Meeting representatives hold virtual meetings and meet face-to-face annually at the Kalmar Personnel Meeting in Europe. The goal is to promote interaction between management and staff and enhance relationships between personnel in different business divisions.

Kalmar evaluates the effectiveness of its engagement with employees through, for example, employee and leadership surveys. In addition, to improve their leadership capabilities and team climate, Kalmar leaders who have participated in the company's leadership development programmes are able to ask their direct reports for feedback through leadership style and team climate surveys. Dialogue between line managers and employees, during PDP and other discussions, is another important channel to receive feedback on employee engagement.

Kalmar's Senior Vice President Human Resources has the ultimate operational responsibility for ensuring that employee engagement happens and that results inform the company's approach.

Engagement with own workforce on health and safety

Everyone working at Kalmar's premises anywhere should be able to return home safe and in good health after every working day. Employee healthcare is organised locally in each operating country, as regulations vary between countries. Personal health information is treated in accordance with the law and confidentially. Kalmar has an information security policy in place.

The majority of Kalmar's employees are represented in local occupational health and safety committees. Some service sites do not have committees due to their small size. The purpose of the committees, which include representatives of both employees and the employer (and, when available, Kalmar's local health care provider), is to define local health and safety goals and programmes and monitor progress towards related targets.

Kalmar also engages with employees on health and safety topics through training. Health and safety training is part of the company's regular induction process and provided throughout the organisation. E-learning platforms support continuous training, and task-specific training is provided to enable employees to perform their work safely and in a correct manner. All employees are also required to complete Kalmar's Code of Conduct e-learning, which includes a section on health and safety.

In addition, on-site safety walks are organised, for managers to better understand how an ordinary working day at an assembly site looks like. The aim is to find safety improvement opportunities based on employees feedback and recommendations. Kalmar employees are also encouraged to report health and safety-related observations, as well as propose and implement safety kaizens. Site reviews are also organised based on needs.

The amount of safety walks; safety committee meetings; reported safety observations; as well as implemented safety kaizens are all indicators used to understand the safety engagement level. The effectiveness of all these actions is measured via the total recordable injury frequency rate (TRIFR), which is used as a main lagging indicator for safety. Health and safety data is collected through Kalmar's sustainability reporting system, which is implemented across the organisation.

The Head of the Legal Entity (country head, factory head, etc.) has the ultimate operational responsibility for ensuring that the safety engagement happens. In project deliveries, the same applies to the person responsible for the project.

Processes to remediate negative impacts and channels for own workers to raise concerns

Kalmar employees can report their concerns and potential misconduct through a variety of channels, including to their own manager; local or group-level human resources; the Ethics & Compliance team; or through the company's SpeakUp line. Kalmar's SpeakUp line is an externally hosted reporting tool for confidential and, where allowed by applicable law, anonymous reporting. The SpeakUp channel can be accessed by both internal and external stakeholders to make reports. The SpeakUp line and reports filed through it are managed by Kalmar's Ethics & Compliance team. The company's annual mandatory Code of Conduct training is also used to raise awareness of the SpeakUp line. For additional information about the investigation process of reports filed, see Preventing, detecting and responding to unlawful behaviour under Business conduct.

Kalmar's Head of Ethics & Compliance is responsible for building and promoting the compliance programme, including the SpeakUp reporting channel, through a variety of means. These include mandatory annual Code of Conduct training; employee communications; training sessions; Code of Conduct panels with the Kalmar Leadership Team, meetings with subordinate leadership teams and high-risk personnel; and Code of Conduct briefings to sales business partners/third parties, such as dealers and agents.

Kalmar does not require that a person reporting a concern have proof of misconduct, but reports must be made in good faith. Kalmar never imposes sanctions or other retaliation measures on the reporting person unless a report has been made in bad faith, for example with the knowledge that its contents are false. Human resources supported by Ethics & Compliance is responsible for monitoring and reacting to attempts to retaliate against people who have raised a concern in good faith.

All reported cases are evaluated confidentially by Ethics & Compliance and investigated if needed. Kalmar determines remedial actions on a case-by-case basis. The Ethics & Compliance team advises relevant management and functional stakeholders (e.g., Internal Controls, HR, etc.) on appropriate corrective actions, such as improved controls, training, disciplinary actions or termination of third-party relationships. Appropriate actions are determined based on the details of the case, the needs of the affected person or people, aggravating or mitigating circumstances and local legislation. During the bi-monthly Code of Conduct panels led by Ethics & Compliance, the Kalmar Leadership Team reviews compliance topics and specific and general needs or remedial measures. The effectiveness of the provided remedy would be evaluated based on, for example, feedback from the impacted person(s).

Kalmar tracks the effectiveness of the SpeakUp channel by monitoring the variety of frequent users of the channel. The company also tests the channel's functionality in case of any occasional change to secure its proper function. Furthermore, the annual Compass survey includes questions about the SpeakUp channel and its use.

Reporting and remedy process for health and safety incidents

As health and safety is an operational and local topic managed by the individual sites, the reporting and remedy processes for it differ from other material social topics. Reporting accidents, near-misses and safety observations is promoted throughout the organisation, so that improvements to existing ways of working can be made as swiftly and efficiently as possible. In addition, employees have the right to stop any hazardous work without fear of retaliation.

Employees and external employees can report safety observations through established reporting channels. If needed, employees can also report such cases to their line manager who then files them in the company's reporting system. All reports are reviewed, and appropriate action determined and taken by the responsible manager.

When a safety observation or injury is reported, the potential seriousness of the case determines the investigation process and the needed preventive and corrective action. Immediate corrective actions can include stopping the work until a safe way is defined. Long-term corrective actions can include improvements to working methods, changes to safety procedures and re-training.

Actions related to own workforce

Health and safety

Kalmar's health and safety activities are planned, implemented and monitored based on incident data. Actions are managed on site level, as each site has a safety operator. Kalmar ensures that its actions do not cause or contribute to unsafe working conditions by always prioritising people's safety, even when schedules, costs or customers put pressure on decision making. Kalmar tracks and evaluates the effectiveness of its actions through its health and safety targets.

In 2024, Kalmar took numerous actions to improve the safety of its employees. The company, for example, continued to expand its safety leadership training, and organised training for approximately 200 leaders. Kalmar piloted advanced software to analyse and improve work ergonomics, and artificial intelligence (AI) technology was taken into pilot use at the assembly sites to improve safety management. Kalmar also improved its process for on-site safety walks, where the aim is to switch focus from compliance to behaviour change.

In addition, Kalmar improved its internal safety communication by updating the safety content available on the company intranet, releasing new regular safety newsletters and including safety as a topic in every Kalmar townhall meeting. Kalmar also updated its crisis and serious incident management process.

Kalmar is also committed to implement a global safety management system to further activate the reporting of safety observations and to support organisational learning through enhanced transparency systematic problem solving process. The implementation is planned for 2025.

Equal treatment and opportunities for all
In 2024, Kalmar started to develop a proposal for a broader diversity, equity and inclusion (DE&I) initiative, where the first step would be to prepare a company-wide current state analysis to understand the company's current status and future ambitions. The aim is to prepare a comprehensive roadmap for the 2026 – 2028 period, including concrete targets, on how to develop and improve the DE&I topic. As Kalmar is still in the planning phase, the company is working on implementing processes to track and assess the effectiveness of its DE&I actions. Besides some awareness building of the topic, no actions with the primary purpose of delivering positive impacts were implemented during the year.

Kalmar also started preparing for the EU Pay Transparency Directive, which aims to ensure that companies implement remuneration structures that guarantee equal pay for equal work or work of equal value. In addition, the company continued to monitor DE&I-related questions in its annual employee engagement survey, Compass.

In addition, Kalmar initialised its human rights due diligence work as a standalone company, by conducting its first human rights impact assessment in 2024. The assessment identified impacts caused by the company; impacts that the company contributes to; and impacts that are directly linked to its operations, products or services through business relationships. In the assessment, potential and actual impacts relating to health and safety as well as discrimination, harassment and other human rights were screened and identified. The identified impacts shed light on where Kalmar needs to focus on in its human rights due diligence. The next steps will be to further investigate the impacts, and implement preventive actions to mitigate any adverse impacts. In addition, the company took steps to further build internal awareness and competence on human rights, as the annual mandatory Code of Conduct-training included a section focusing explicitly on the topic.

During 2024, Kalmar had one case relating to harassment where the company took actions to provide remedy. The remedy actions included organising training with the relevant persons, with the aim of reinforcing integration, value and teamwork, and providing psychological support for the affected person.

All the above listed actions contribute to the achievement of policy objectives and targets.

Targets and metrics related to own workforce

The unit used for reporting personnel-related information is headcount. The number of Kalmar employees is derived from Kalmar's human resources (HR) system Zone. The headcount figure is confirmed at the end of the year and in 2024 Kalmar employed 5,218 people. The headcount number presented under this disclosure differs slightly from the headcount number presented in other sections of the Annual Report (5,207), as the Financial function and the HR function use different methodologies when calculating personnel-related information.

In addition to its own employees, Kalmar has an external workforce that includes temporary employees, consultants and agency temps. Typically, these external workers are on a temporary, full-time contract and engaged in business activities such as software development, services, assembly, R&D and information management. The external workforce does not include subcontractors where Kalmar is only purchasing predefined deliverables, such as products, or an ongoing service that is solely managed by the supplier (no Kalmar line manager appointed) and where the work may be performed by anyone provided by the supplier.

Key employee figures	2023	2024
Number of employees	**5,126**	**5,218**
Women	901	984
Men	4,225	4,234
Aged under 30	810	808
Aged 30–50	3,102	3,180
Aged over 50	1,214	1,230
Of which permanent	**4,690**	**4,781**
Women	807	890
Men	3,883	3,891
Of which temporary	**436**	**437**
Women	94	94
Men	342	343
Non-guaranteed hours employees*	**307**	**241**
Women	45	43
Men	262	198
Of which full-time	**5,044**	**5,125**
Women	875	951
Men	4,169	4,174
Of which part-time	**82**	**93**
Women	26	33
Men	56	60
Number of non-employees	**235**	**186**
Total workforce	**5,361**	**5,404**

* Non-guaranteed hours employees can be both permanent or temporary.

Number of employees by region	AMER	AMEA	Europe	Total
Number of permanent employees	555	1,496	2,730	4,781
Number of temporary employees	0	146	291	437
Number of non-guaranteed hours employees	214	2	25	241
Number of full-time employees	554	1,635	2,936	5,125
Number of part-time employees	1	7	85	93
Total own employees	**555**	**1,642**	**3,021**	**5,218**

Number of employees by countries with at least 10% of total workforce 2024	
Malaysia	**742**
Women	85
Men	657
Poland	**696**
Women	201
Men	495
Finland	**533**
Women	130
Men	403
Spain	**527**
Women	16
Men	511

In 2024, Kalmar's employees signalled high satisfaction with their work environment. The favourability of the company's Integrity index, which measures employee perceptions of sustainability, pride and hope, and leadership, was 80 percent (80%: 2023). The target for 2024 was to maintain the level of more than 77 percent, which was achieved.

Employee turnover*	2023	2024
Number of employees leaving the company	638	574
Employee turnover rate (%)	14%	12%

* Employee turnover metrics includes only own permanent employees leaving the company voluntary

Health and safety

Kalmar's health and safety data is collected through the company's sustainability reporting system, which is implemented across the organisation. Kalmar's safety performance is monitored with a number of key performance indicators (KPIs). The industrial injury frequency rate (IIFR) includes fatalities and lost time injuries, whereas the total recordable injury frequency rate (TRIFR) covers a broader scope of incidents and includes fatalities, lost time injuries, medical treatment injuries as well as restricted work cases. Both rates are calculated based on the number of injuries per million hours worked. Kalmar's safety figures cover the company's own employees and certain external contractors (such as temporary employees and rental workforce), but they exclude subcontractors due to missing information on working hours. In 2024, health and safety data was only partially reported for the following sites; Helsinki and Kaarina offices in Finland; and Sofia office in Bulgaria, due to reporting difficulties caused by the demerger.

Kalmar's Health and Safety Director is responsible for setting the target and for aligning it with internal relevant substance matter experts, whereas the Leadership Team is responsible for approving the targets. The Health and Safety Director is also responsible for communicating the progress against the target internally on a monthly basis, and externally on a quarterly basis. Kalmar's target for 2025 is to have a TRIF rate below 4.5. The target supports the company's policy commitment in continuously working towards zero accidents in its operations. In 2024, Kalmar's TRIF rate resulted in 5.5. Kalmar's target for 2030 is to ensure everyone returns home safe every day.

Kalmar's safety target for 2024 was to have an IIFR below 3.5. In 2024, the indicator resulted in 3.7, meaning the target was not achieved. The IIFR improved at the non-assembly sites but worsened at the assembly sites.

Health and safety	2023	2024
Industrial injury frequency rate (IIFR)*	4.2	3.7
Total recordable injury frequency rate (TRIFR)*	6.3	5.5
Recordable work-related accidents	63	55
Recordable work-related ill health	11	6
Fatalities as a result of work-related injuries and ill health	0	0
Own workers covered by health and safety management system based on legal requirements and/or recognised standards (%) ISO 45001**	100%	100%

* Rate is calculated based on the number of injuries per million hours worked
** Assembly sites and innovation centres

During the year, the company recorded six cases of ill health, which were mainly related to recurring and relapsing muscular strains and back pain. The number of work-related accidents was 55, for which a more detailed description can be found in the GRI Index (403-9). Kalmar is not able to provide the number of days lost to work-related ill-health, injuries and fatalities, as the company does not have access to the reasons why employees go on sick leave. No fatalities were recorded during 2024.

All recordable injuries are investigated and corrective actions are implemented to prevent similar accidents from recurring in the future. Also high potential near misses are handled the same way. The people concerned are included and informed about the actions.

Equal treatment and opportunities for all

Kalmar is currently developing a proposal for a broader diversity, equity and inclusion (DE&I) initiative, where the aim is to prepare a comprehensive roadmap for the 2026–2028 period. By 2030, Kalmar is aiming to have at least 35 percent women in senior or leading roles, and ensure equal pay for work of equal value. Establishing the necessary framework and defining the needed actions is essential for the company to follow up on the progress towards its ambition.

Part of the human rights due diligence process, Kalmar has also set a target to conduct social audits on all its major entities by 2026, and reach a transparent value chain with regards to human rights by 2030.

Diversity

	Board of Directors'		Leadership Team	
By gender	**number**	**%**	**number**	**%**
Male	4	57%	8	73%
Female	3	43%	3	27%
By age group	**number**	**%**	**number**	**%**
Under 30 years old	0	0%	0	0%
30–50 years old	1	14%	3	27%
Over 50 years old	6	86%	8	73%

Training and skills development

During 2024, 97 percent of Kalmar employees participated in performance reviews. Employees who do not have access to the company's human resource information system (mainly workers at production and service sites) are covered by a local performance and development plan process.

The average number of training hours per employee was 3.3 in 2024. This number only includes e-learning courses completed on Kalmar's learning platform LEARN. It does not include training completed on any other online platform or in person. Training hours per employee are calculated based on the estimated time of completion for each e-learning course, not the actual time spent doing the training. Kalmar considers its level of training good and is targeting to maintain a similar level in the future.

During the year, Kalmar also took steps to further build internal awareness and competence on human rights. The company's human rights-related target for 2024 was to reach a 100 percent completion rate on its human rights training, as part of the mandatory Code of Conduct training. The training was completed during H1 2024, prior to the separation of Kalmar from Cargotec, with a completion rate of 93 percent.

Training and skills development	2024
Employees receiving regular performance and career development reviews (%)	**97%**
Female	97%
Male	96%
Average number of training hours per employee (hours in LEARN)	**3.3**
Female	4.4
Male	3.1
Code of Conduct-training completion rate (%)	**93**

Remuneration

Kalmar's gender pay gap is calculated based on the employee base salary only, as comprehensive data on all total elements of total rewarding is not globally available at the moment. The gender pay gap is presented for Kalmar as a global average for all employees. The higher average salary of females is explained by the much higher representation of females among white-collar employees compared to blue collar workers. The global average does not necessarily provide accurate information on the actual pay gaps between comparable jobs and Kalmar will continue reporting in coming years so that country and job specific factors can be taken into account. This development will be done in accordance with the EU's Pay Transparency Directive.

The total remuneration ratio for 2024 is calculated between the average employee and the highest paid employee (excluding the CEO), for the second half of the year, after Kalmar became a standalone company.

The information includes Kalmar total salaries and remuneration to employees that are being externally reported. The externally reported figures include total remuneration for all employees. With this approach, however, Kalmar is not currently able to provide the total remuneration ratio for the median employee, only for the average.

Remuneration metrics	2023	2024
Gender pay gap (%)	4.9%	-1.1%
Total remuneration ratio	n/a	10.8

Incidents, complaints and severe human rights impacts

Discrimination incidents, including harassment, are collected through the central serious misconduct reporting channel SpeakUp and manually from the local HR. In 2024 there were 12 reports of discrimination incidents – including harassment, which includes bullying. Eight of these were reported to the Ethics & Compliance team and four to the HR function. No cases related to severe human rights incidents were recorded in 2024 and no material fines, penalties, or compensation for damages as a result of the incidents and complaints were paid. For more detailed information about cases that were reported and investigated in 2024, please see Preventing, detecting and responding to unlawful behaviour under Business conduct.

Reports and incidents	2023	2024
Discrimination reports, including harassment	n/a	12
Severe human rights incidents	0	0

Workers in the value chain

Kalmar's safety work covers, not only the company's own employees, but also its suppliers, subcontractors, dealers and customers' employees who operate Kalmar's equipment. The quality and safety of Kalmar's equipment and services is critical to the success of its business. All of Kalmar's equipment and services are designed to meet the expectations of the customers in terms of quality, safety, environmental impacts, performance and reliability. Kalmar is subject to strict requirements with respect to safety standards to be applied to its products, especially relating to any products that include software, autonomous features or robotics, and its manufacturing sites. Kalmar's R&D functions have a significant role in meeting all applicable product requirements. Kalmar's products are also designed to satisfy the applicable legal and regulatory requirements as well as the standards established by a number of regulatory and testing bodies.

The end-users of Kalmar's equipment are typically customer employees who operate the equipment. Based on customer feedback and media reports, operators of heavy machinery are at risk of ill health, minor and severe personal injuries and even fatalities. While the root cause of the injury is typically not directly related to Kalmar's equipment, it may be linked to it through inadequate training on the customer's side. Equipment operators are dependent on accurate and accessible product information to do their work safely. Kalmar has the responsibility to provide an instruction manual with each piece of equipment sold, and it is the customer's responsibility to ensure that operators are properly informed to avoid the unsafe use of the equipment.

Material impacts, risks and opportunities relating to value chain workers

Working conditions	
Health and safety	**Impacts**
	- Kalmar's business has potential negative impacts on people's health and safety throughout the value chain.
	Risks and opportunities
	- Kalmar considers recurring pandemics a significant financial risk to its business. Pandemics can lead to significant amounts of value chain workers contracting an infectious illness, especially those working in close proximity to others. This, in turn, may lead to material flow disruptions. The COVID-19 pandemic, for example, caused disruptions in the company's supply chain, which resulted in reduced production capacity.

By continuously developing safer, quieter, more ergonomic, and cleaner equipment and solutions, Kalmar can reduce the risk of negative health and safety impacts on people who operate the company's equipment. Safety is of the utmost importance for an increasing number of customers in the market and as a result, many customers have prioritised safety as a key element of their strategy. The trend towards putting safety first is further increasing the adoption of electric equipment (EV), as EVs are more user-friendly due to easier introduction of driver assisted services and more quiet. Furthermore, increased automation is also expected to positively impact the safety of heavy material handling equipment operators, thus supporting the adoption of automated solutions. Automation can reduce work in tasks and working areas where safety hazards to employees are common, such as in factories, manufacturing and assembly sites, as well as in ports and terminals. The company also engages and collects feedback from customers to improve the safety of its equipment through design, for example.

As the majority of Kalmar's materials and components are sourced from third-party suppliers, the company engages with its suppliers to improve their safety performance. As commonly is the case in industrial operations, value chain workers may experience individual health and safety incidents. The findings of the company's supplier audits reveal issues with, for example, emergency preparedness, the availability of personal protective equipment and safety instructions. These types of shortcomings can lead to potential cases of ill health, minor and severe injuries or even fatalities for supplier employees. Kalmar has documented health and safety-related findings in some geographical regions and supplier categories. Kalmar's value chain workers include people working at factories producing steel and steel structures, electronic components, hydraulics, drive trains, batteries and a variety of other commodities and mass-produced parts. The company has health and safety requirements for its suppliers and other business partners in its Business Partner Code of Conduct, including obligations to provide related training and instructions, as well as having procedures in place for addressing occupational injuries and illnesses.

While there is a widespread risk of child and forced labour in certain parts of Kalmar's mineral supply chain (China, Democratic Republic of Congo) these issues have not been identified as material impacts for the company. This is due to steps taken to ensure that minerals used in Kalmar's supply chain are not extracted with child or forced labour, and that they do not come from conflict areas. The company's main tool for this is its membership of the Responsible Minerals Initiative (RMI).

Policies related to value chain workers

Kalmar's Business Partner Code of Conduct (BPCoC) covers partners in all parts of the company's value chain, but it puts more focus on the supply chain. The BPCoC has requirements for Kalmar's partners related to human rights, such as, health and safety and freedom of association. The policy requires its business partners to provide their employees with a safe and healthy working environment in compliance with all applicable laws and regulations. Appropriate health and safety information, training and safety instructions shall be in a language understood by workers and all necessary safety equipment must be provided to the business partners' employees. It also prohibits all forms of modern slavery, including forced and child labour and human trafficking. It is also part of the company's contracts with suppliers and general purchase conditions. Kalmar monitors the alignment with the policy commitments, through its responsible sourcing programme.

Kalmar's Sustainability Policy includes commitments to respect internationally recognised human rights throughout the value chain, and engage with impacted people to ensure adequate remedy.

Both policies listed above confirm Kalmar's commitment to, for example, the International Bill of Human Rights, UN Global Compact, OECD's guidelines for multinational enterprises, UN Guiding Principles on Business and Human Rights, and International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work. For more information about both policies, see Policies related to climate change under Climate change.

Processes for engaging with value chain workers

Kalmar's responsible sourcing programme focuses on identifying and mitigating sustainability risks in the entire supply chain, and the company has included strict people-related sustainability requirements in its supplier onboarding and engagement processes. Policies and processes supporting the programme include:

- Kalmar's Business Partner Code of Conduct (BPCoC)
- Supplier approvals and contracting
- Supplier engagement and audits
- SpeakUp line (accessible to both internal and external stakeholders).

Kalmar's supplier approval process follows a risk-based approach, where new direct material suppliers must meet pre-requirements and pass an audit conducted by Kalmar before they can be approved as suppliers. The pre-requirements include committing to the BPCoC; a risk assessment conducted by Kalmar; and a supplier self assessment on a third-party platform. In the audits, approximately 20 percent of the checklist questions are related to the supplier's management of labour and human rights, health and safety, anti-corruption and the environment.

One of the most important tools to follow up on the requirements of its Business Partner Code of Conduct (BPCoC), is the supplier self assessment provided by a third party, which the company uses to evaluate the sustainability performance of its suppliers and the associated risks. The assessment is mandatory for all new suppliers, while selected strategic direct suppliers take it annually, if they have a low score or the assessment has an update. The self assessment questionnaire includes questions on topics, such as health & safety, human rights, supply chain management, grievance mechanisms, climate strategies and targets, and due diligence processes. Suppliers also receive improvement recommendations through the platform used for the assessment questionnaire.

If any non-compliance of Kalmar's BPCoC is found during assessments or audits, for new suppliers or existing strategic ones, the company decides on corrective measures and timeframes together with the supplier. The priority is always to collaborate with the supplier to improve their sustainability performance. However, if the partner is unwilling to take the mutually agreed corrective action, Kalmar has the right to not approve the new supplier or terminate an existing contract.

The company's representatives also interview supplier employees during site visits and audits, which are conducted for potential new suppliers and selected strategic suppliers. Moreover, supplier employees are interviewed as part of audits conducted on Kalmar's behalf by a third party. These audits, targeted mainly at high-risk suppliers, provide valuable third-party views of, for example, the health and safety conditions at supplier sites. On-site audits are organised annually and according to needs.

All these processes function as a form of engagement with supply chain workers to understand how they are impacted by Kalmar's business. The company's Vice President Sourcing has the responsibility to ensure that the engagement happens. Kalmar evaluates the effectiveness of the engagement by, for example, following the progress of its supplier sustainability self assessment scores and the corrective action plans both from the third-party audits as well as on-site assessments conducted by Kalmar representatives.

Kalmar also works together with its customers in many locations, where joint safety improvement actions take place. Kalmar follows strict safety requirements, and when working on the customer premises, these are never to be compromised. The company gains insight into health and safety impacts on customer employees through customer engagement and feedback. Customer feedback helps Kalmar evaluate the effectiveness of the engagement. Ensuring that the engagement takes place is the responsibility of the company's sales function and its respective representatives in each division. The frequency of this engagement varies depending on the specific customer relationship.

Processes to remediate negative impacts and channels for value chain workers to raise concerns

Kalmar requires in its Business Partner Code of Conduct that its suppliers and other partners maintain a reporting mechanism that gives their employees and other stakeholders an opportunity to raise concerns. Business partners must also ensure that appropriate procedures are in place to handle such cases, and be committed to correcting any non-compliance. Information on the existence of a grievance channel is requested in Kalmar's supplier self assessments. The matter is also checked during Kalmar's onsite audits of potential new suppliers and selected existing strategic suppliers.

Kalmar's own channel, SpeakUp, is available to all value chain workers for reporting concerns of potentially serious misconduct that violates Kalmar's Code of Conduct, other policies or applicable laws and regulations. Kalmar promotes the SpeakUp line to its Sales Business Partners (also known as sales third parties), such as dealers and agents, through training that takes place during onboarding and monitoring. The company also promotes the SpeakUp line to suppliers. In addition to the SpeakUp line, workers in the value chain can report their concerns and observations directly to their Kalmar contact.

Kalmar uses input from its supplier engagement to evaluate the effectiveness of said channels and whether supplier employees are aware of and trust the channels. A more detailed description of the investigation process of reports filed through the SpeakUp line can be found under Business conduct – Preventing, detecting and responding to unlawful behaviour.

If a case was identified where Kalmar caused or contributed to a human rights violation, the company would apply its case-specific approach to remedy and corrective action. The details of the case, the needs of the impacted person(s) and local legislation would determine the adequate means of remedy. At the same time, Kalmar is committed to not hindering an impacted person's access to other forms of remedy, such as legal proceedings. Where relevant, Kalmar can also cooperate with others to provide appropriate remedy to impacted people. The effectiveness of the provided remedy would be evaluated based on, for example, feedback from the impacted person(s).

Actions related to value chain workers

Impacts related to the health and safety of workers in Kalmar's supply chain are assessed by the Sourcing function and the Sustainability team. On the downstream side, Kalmar's research and development function continuously evaluates and improves the safety of the company's equipment through product development. The company's health and safety function is also included in this work.

During 2024, Kalmar continued to follow up on the requirements of its Business Partner Code of Conduct (BPCoC), through the supplier self assessments and its supplier onboarding programme. To support suppliers with the lowest self assessment scores, Kalmar commissioned third-party onsite audits, focusing on human rights, with three suppliers during 2023. In 2024 Kalmar continued this work by re-auditing two of these suppliers and organising four additional audits. The audited suppliers received a tailored corrective action plan and are implementing them. The main improvement areas were related to health and safety, mostly emergency preparedness. In addition three of the audited suppliers were found to use monetary penalties as disciplinary means, and two also charged recruitment fees as a condition of employment. These cases were reported in Kalmar's upstream and are not aligned with Kalmar's policies nor with internationally recognised instruments. In 2025, Kalmar will follow up on the findings and the implementation of the action plans as well as continue the third-party audits of suppliers with low scores. Safety is a key area for Kalmar across the value chain, and the supplier improvement actions will directly contribute to this objective.

While Kalmar does not directly source minerals from mines, smelters or refiners, the company can play a role in addressing related conflicts, human rights abuses and environmental issues through strong multi-stakeholder partnerships. For example, Kalmar is a member of the cross-industry platform Responsible Minerals Initiative (RMI) which aims to support responsible mineral sourcing globally by developing business practices. The RMI provides tools for increasing the transparency of the origin of conflict minerals and cobalt used in the value chain, including a due diligence tool and the Responsible Minerals Assurance Process (RMAP) to audit smelters and refiners.

Kalmar has identified sourcing categories and suppliers whose products present the highest risk of containing critical minerals. As part of its due diligence, the company requests these suppliers to provide information on the smelters and refiners they work with. Kalmar aims to only purchase minerals that come from RMI-audited smelters and refiners. In 2023, the company began this process with cobalt and mica, in addition to conflict minerals included earlier (tungsten, tantalum, tin and gold; often referred to as 3TGs), and the work continued in 2024.

No severe human rights issues or incidents connected to Kalmar's upstream or downstream value chain were reported during the reporting period and no actions to provide remedy was taken.

Kalmar determines which actions are needed and appropriate on a case-by-case basis, depending on the severity of the findings. The company has implemented a risk-based approach, focusing on new and strategic suppliers, as well as suppliers who receive a low score in the supplier self assessment. The company tracks the effectiveness of the actions taken by following up on them. During 2024, no actions with the primary purpose of delivering positive impacts were taken. Kalmar's Sourcing function and the Sustainability team is responsible for the responsible sourcing programme and for its implementation.

Targets related to value chain workers

As part of Kalmar's responsible sourcing, the company is targeting to improve the overall score of its supplier sustainability self assessments and to conduct onsite audits with suppliers that present the highest risk in the assessments. Human rights, including health and safety and working conditions of supplier employees, are included in the assessment. In 2024, the target was to have 90 percent of strategic suppliers complete the sustainability self assessment and reach an improved combined average score of 60 percent or above (62%: 2023). During 2024, 85 percent of Kalmar's strategic suppliers completed the sustainability self assessment, with an average score of 66 percent, meaning that the target was partially achieved. The target for 2025 is to further improve the combined average score and expand the assessment coverage.

By 2025, Kalmar is also targeting to have all new dealers and agents onboarded according to its Business Partner compliance program. In addition, extra Code of Conduct training is deployed to those dealers operating in higher risk jurisdictions. Kalmar's target for 2030 is to expand its value chain screening, by implementing a responsible sales assessment process, and ensuring its suppliers as well as dealers adhere to all sustainability requirements set by the company.

Kalmar's long-term goal is also to minimise and eventually eliminate hazardous substances from its products. The company collects information on the substances from its suppliers to ensure compliance with REACH, RoHS and other regulations, but also supports related dialogue with suppliers. This work continued in 2024. Kalmar's Sourcing function, Sustainability team and E&C team are responsible for the target setting and for communicating it with the parties whom it concerns. Kalmar follows the progress against its target by monitoring the self assessment participation grade and its score development. In addition, the company monitors the corrective actions from the audits.

The end-users of Kalmar's products are the operators of its material handling equipment, who are also employees of the company's customers. Kalmar's target for 2030 is to ensure that everyone returns home safe every day, including the value chain workers who operate Kalmar's equipment. Customer feedback on safety features or incidents related to Kalmar's equipment is used to identify potential improvement areas in product design, for example.

Governance information

Kalmar conducts business in a complex global environment. Its industry is exposed to ethics and compliance risks related to, for example, doing business in remote locations, bidding for large projects and using sales intermediaries in countries where there are no Kalmar sales offices. Kalmar has strong practices for detecting, preventing and responding to potential misconduct, clear guidelines for ethical behaviour and robust channels for whistleblowing. With these efforts and its commitment to integrity, the company can set the example for stakeholders throughout its value chain.

Kalmar works with thousands of suppliers globally, which are chosen with care and on the basis of objective factors such as quality, reliability, delivery, sustainability and price. Compliance with laws and regulations as well as respect for international human rights are required of each supplier.

Business conduct

Complying with ethical standards and laws is the starting point for all actions and decisions at Kalmar. Behaving ethically is the responsibility of every employee at Kalmar and a requirement to the company's business partners. The role of Kalmar's management is to send a clear message from the top and enable the creation of structures which ensure that compliance risks are effectively assessed, controlled and mitigated.

Value chain emissions from steel production and initiatives around green steel are significant to Kalmar's strategy. The strategy also strongly focuses on electrification, which will lead to an increase in

Material impacts, risks and opportunities relating to business conduct

Corporate culture
Impacts
+ Kalmar has strong governance over its Code of Conduct and other policies. The company has clear guidelines for working and supports their suppliers to comply with the Code of Conduct.
+ Kalmar has a wide responsible sourcing programme in place that focuses on identifying and mitigating sustainability risks in the entire supply chain. Being part of RMI provides tools for increasing the transparency of the origin of conflict minerals used in the value chain.

Corruption and bribery - Prevention and detection, including training
Impacts
+ The company has robust practices in place for detecting, preventing and responding to potential misconduct, guidelines for ethical behaviour and channels for whistleblowing. With these efforts and its commitment to integrity, Kalmar can reduce and address risks related to ethical business and set the example for stakeholders throughout the value chain.

Management of relationships with suppliers, including payment practices
Impacts
+ Kalmar screens its strategic suppliers that operate in high-risk geographies and has strict requirements for all suppliers. Through its purchasing power, the company can help suppliers improve their sustainability-related performance.

No material financial risks or opportunities identified.

battery use which, in turn, requires the use of minerals. Minimising the negative impacts of these topics, while maximising related business opportunities, requires good management of supplier relationships.

Business conduct policies and corporate culture

Kalmar's Code of Conduct is the company's main instrument in setting and implementing an ethical corporate culture. The Code of Conduct helps people make informed decisions and find more information when in doubt. Kalmar's Ethics & Compliance (E&C) team within the Legal & Compliance function is responsible for promoting the corporate culture through a variety of means. These include mandatory annual Code of Conduct training; employee communications; training sessions; Code of Conduct panels with the Kalmar Leadership Team, meetings with subordinate leadership teams and high-risk personnel; and Code of Conduct briefings to sales business partners/third parties, such as dealers and agents.

The purpose of the company's SpeakUp and Non-Retaliation instructions is to encourage employees and other stakeholders to raise concerns related to suspected non-compliance with Kalmar's Code of Conduct, other policies or relevant laws and regulations. The instructions state that Kalmar does not punish or permit retaliation against any person who makes a report in good faith. The non-retaliation principle also applies to those who have refused to act unethically, even if that led to loss of business. The instructions have been prepared in accordance with the EU Directive 2019/1937 and apply to all of Kalmar's employees, business units and subsidiaries globally. For more information about Kalmar's reporting mechanisms, see Processes to remediate negative impacts and channels for own workers to raise concern under Own workforce.

Kalmar's compliance policies – Anti-Corruption Policy, Business Partner Code of Conduct, Business Partners Policy, Export Controls Policy, Trade Sanctions Policy – and related instructions including, for example, the Conflict of Interest and Business Partners in Sales instructions – further guide the company's efforts against unethical or corrupt business practices. Kalmar's E&C team oversees the implementation of these policies and instructions.

All Kalmar policies and instructions are accessible to all Kalmar employees on the company intranet Move, and they are communicated through various channels, including via local induction processes and the mandatory annual Code of Conduct e-learning.

Preventing, detecting and responding to unlawful behaviour

Kalmar has a robust risk-based compliance programme, which focuses on preventing, detecting and responding to potential misconduct, and ensures that related risks are managed effectively and consistently throughout the organisation. Kalmar's Ethics & Compliance team consists of experienced professionals that drive and monitor the overall E&C programme, conducts regular E&C risk assessments, administers the SpeakUp channel and ensures that reported concerns are handled independently, promptly and professionally, oversees Kalmar's third party and export controls programmes, and provides E&C guidance and support to the whole organisation.

- Prevent - Educate Kalmar employees on E&C policies and laws, build a culture of integrity and respect within Kalmar's organisation, counsel leaders and employees through E&C challenges, build and monitor effective controls against fraud and other misconduct.
- Detect - Administer Kalmar's confidential SpeakUp reporting channel available to colleagues and partners, professionally conduct and oversee E&C investigations of identified concerns, monitor core controls for potential misconduct.
- Respond - Ensure that Kalmar responds promptly and appropriately when there is substantiated misconduct or critical gaps in its control frameworks.

The Ethics & Compliance team supports the company's divisions with proactive advice, information and training and by conducting internal investigations. Through mandatory Code of Conduct e-learning courses, Kalmar trains its employees on ethics and compliance-related topics and provides exercises and examples that help employees with ethical dilemmas. The Code of Conduct training always includes content on anti-corruption and anti-bribery. The courses are accessible to employees who have company email addresses and access to the Kalmar intranet. In addition, onsite training workshops are arranged for employees without an email address or access to the intranet. Completing the CoC-training is mandatory for all Kalmar employees and managers, including members of the Board of Directors'. In 2024, the completion rate for the mandatory Code of Conduct training was 93 percent. The training was conducted during H1 2024, prior to the separation of Kalmar from Cargotec.

In 2023 and 2024, Kalmar launched a comprehensive e-learning course on anti-corruption. It was assigned as mandatory for specific roles in identified risk areas (i.e., functions at risk for corruption and bribery, including Sales, Procurement, Contract Management, Finance, HR, Legal and Risk Management), but all employees were encouraged to complete them. The completion percentage for these functions-at-risk was 90 percent. In addition to e-learning and in-person personnel training, the Head of Ethics & Compliance regularly updates the Audit and Risk Management Committee of the Board, the Kalmar Leadership Team, and subordinate leadership teams throughout the organisation on anti-corruption and other ethics and compliance topics.

Kalmar promotes a speak-up culture and the company encourages its employees to openly raise and discuss compliance concerns and questions, as well as to seek guidance. Kalmar employees can report their concerns and potential misconduct through a variety of channels, including to their own manager; local or group-level human resources; the Ethics & Compliance team; or through the company's SpeakUp line. Kalmar's SpeakUp line is an externally hosted reporting tool for confidential and, where allowed by applicable law, anonymous reporting. For more information about Kalmar's reporting mechanisms, see Processes to remediate negative impacts and channels for own workers to raise concern under Own workforce.

All suspected misconduct, including cases related to corruption and bribery, is subject to review and a potential investigation as assessed by Kalmar's Ethics & Compliance team. Kalmar's SpeakUp system enables and protects the confidentiality of reports and, where allowed by applicable law, the anonymity of reporters who wish to remain anonymous.

All suspected incidents of misconduct, regardless of reporting channel or whether it was reported by an employee or a value chain worker, are handled confidentially by, or overseen by, the Ethics & Compliance team. The Ethics & Compliance team may conduct investigations on its own and/or assign them to other authorised employees or functions, such as Human Resources, IT or Health and Safety. All investigations are conducted in an objective and neutral manner and in compliance with applicable laws and regulations.

The person or team responsible for the investigation can access all relevant documents, systems and premises and is allowed to conduct any interviews necessary. All employees are expected to cooperate in an investigation. The employee suspected of misconduct is given an opportunity to respond to the allegations.

In confirmed cases of misconduct, the Ethics & Compliance team agrees with relevant management team members on appropriate corrective actions, such as improved controls, training, disciplinary actions or termination of third-party relationships. The appropriate and adequate means of remedy are determined based on the details of the case, the needs of the affected person or people, and local legislation. The Kalmar Leadership Team discusses compliance topics and reviews the need for remedial and/or corrective measures during the bimonthly Code of Conduct panels led by the Head of Ethics & Compliance.

Reports and concerns

During 2024, Kalmar's Ethics & Compliance team received 39 total reports or concerns of potential misconduct. These equated to 37 total reported matters (note that some reported matters have multiple reports). Of these reported matters, the team determined that 14 constituted cases and warranted investigation. In addition, during the year the team continued to investigate three cases opened prior to 2024. The 17 total cases covered issues, including sexual harassment, conflicts of interest, fraud, trade compliance, inbound corruption, bullying, workplace environment and cyber security.

During the year, a total of 13 cases were closed by E&C. In seven of the closed cases, the allegations were substantiated in whole or in part. Corrective actions for these cases included disciplinary actions, such as warnings or dismissals, in some cases, and/or policy and process improvements. There were no convictions, nor fines for violation of anti-corruption and anti-bribery laws.

Management of relationships with suppliers

Through its purchasing power, Kalmar can influence suppliers and support them in improving their performance related to, for example, human rights and the environment. Kalmar is working with approximately 1000 direct suppliers and over 7000 indirect suppliers. Kalmar's responsible sourcing programme focuses on identifying and mitigating sustainability risks in the entire supply chain. For more information about the responsible sourcing programme and how Kalmar manages relationships with its suppliers, see Processes for engaging with value chain workers under Workers in the value chain.

Payment practices

Kalmar does not have one standard set of payment terms but instead, uses multiple different payment terms with its suppliers, where the payment time varies between 1 and 150 days. Because of this, the company cannot provide a description of its standard payment terms or KPIs aligned with such terms. The most common payment terms used are 30 days net (36% of all invoices), 60 days net (22% of all invoices) and 90 days net (14% of all invoices). Kalmar does not currently have a policy in place for preventing late payments.

Kalmar does not categorise its suppliers based on size and is therefore not able to provide the information for small or medium sized suppliers. The information is provided for the company's total suppliers.

The average time Kalmar takes to pay an invoice is 64 days. This metric is calculated as an average of the difference between the date when the invoice was recorded, and the date the invoice was paid. Kalmar also uses a payment-on-time ratio to monitor the time it takes the company to complete payments to suppliers. This ratio is calculated based on the number of external invoices paid on time, divided by the total number of external invoices paid. In 2024, the ratio was 68 percent.

To calculate the two metrics, information from two Enterprise Resource Planning (ERP) systems, SAP and LN, is currently used. However, the company also uses some other ERP systems, which are not all included in the calculation. The data from SAP and LN covers the majority of the total data but not the full scope.

Kalmar was not involved in legal proceedings related to late payments during 2024.

CSRD Content Index

Disclosure requirements and related datapoints covered in Kalmar's Sustainability statement

● Material ● Not material

Status	Disclosure requirement and related datapoint		Page
ESRS2 General disclosures			
Material	BP-1		54
Material	BP-2		54
Material	GOV-1		54–56
Material		-paragraph 21 (d) and (e)	54
Material	GOV-2		54–56
Material	GOV-3		56
Material	GOV–4		57
Material		- paragraph 30	57
Material	GOV–5		57
Material	SBM-1		58–59
Not material		- paragraph 40 (d) i, ii, iii and iv	-
Material	SBM-2		59–60
Material	SBM-3		61–62
Material	IRO-1		62–66
Material	IRO-2		101–102
ESRS E1 Climate change			
Material	E1-1		68–69
Material		-paragraph 14	68–69
Material		-paragraph 16 (g)	69
Material	E1-2		69–70
Material	E1-3		70
Material	E1-4		70–71
Material		-paragraph 34	70–71
Material	E1-5		71
Material		-paragraph 37 and 38	71
Material		-paragraphs 40 to 43	71
Material	E1-6		72
Material		-paragraph 44	72
Material		-paragraphs 53 to 55	72
Not material	E1-7	-paragraph 56	-
Not material	E1-9	-paragraphs 66 (a),(c), 67 (c) and 69	-
ESRS E2 Pollution			
Not material	E2-4	-paragraph 28	-
ESRS E3 Water			
Not material	E3-1	-paragraphs 9, 13, 14	-
Not material	E3-4	-paragraphs 28 (c) and 29	-
ESRS E4 Biodiversity			
Not material	ESRS2 IRO1-E4	-paragraphs 16 (a) i and 16 (b), (c)	-
Not material	E4-2	-paragraphs 24 (b), (c) and (d)	-
ESRS E5 Resource use and circular economy			
Material	E5-1		74
Material	E5-2		74
Material	E5-3		74–75
Material	E5-4		74–75
Material	E5-5		75
Material		-paragraphs 37 (d) and 39	75
ESRS S1 Own workforce			
Material	ESRS2 SBM3-S1	-paragraphs 14 (f) and (g)	84
Material	S1-1		84–85
Material		-paragraphs 20, 21, 22 and 23	84–85
Material	S1-2		85–86

Status	Disclosure requirement and related datapoint		Page
	S1-3		86–87
		-paragraph 32 (c)	86–87
	S1-4		87–88
	S1-5		88–91
	S1-6		88–89
	S1-7		88–89
	S1-9		88, 90
	S1-13		90
	S1-14		89–90
		-paragraph 88 (b), (c) and (e)	89–90
	S1-16		90–91
		-paragraph 97 (a) and (b)	90–91
	S1-17		91, 99
		-paragraph 103 (a) and 104 (a)	91
ESRS S2 Value chain workers			
	ESRS2 SBM3-S2	-paragraph 11 (b)	93
	S2-1		93
		-paragraphs 17,18 and 19	93, 95
	S2-2		93–94
	S2-3		94–95
	S2-4		95
		- paragraph 36	95
	S2-5		95–96
ESRS S3 Affected communities			
	S3-1	-paragraphs 16 and 17	-
	S3-4	-paragraph 36	-
ESRS S4 Customers and end-users			
	S4-1	-paragraphs 16 and 17	-
	S4-4	-paragraph 35	-
ESRS G1 Business conduct			
	G1-1		97–98
		-paragraph 10 (b) and (d)	98
	G1-2		99–100
	G1-3		98–99
	G1-4		99
		-paragraph 24 (a) and (b)	99
	G1-6		99–100

Consolidated financial statements (IFRS)

Combined statement of income

MEUR	Note	1 Jan–31 Dec 2024*	1 Jan–31 Dec 2023 Carve-out
Sales	2.1, 2.2	1,720.5	2,049.6
Cost of goods sold		-1,268.0	-1,540.3
Gross profit		**452.5**	**509.3**
Gross profit, %		26.3%	24.8%
Selling and marketing expenses		-88.1	-85.1
Research and development expenses		-54.0	-54.3
Administration expenses		-110.0	-130.4
Restructuring costs	2.4	0.0	-1.2
Other operating income	2.3	36.7	40.9
Other operating expenses	2.3	-67.3	-48.0
Share of associated companies' result	7.2	4.6	9.0
Operating profit	2.1, 2.3, 2.4, 3.1, 6.4	**174.4**	**240.2**
Operating profit, %		10.1%	11.7%
Finance income	2.5	17.0	15.3
Finance expenses	2.5	-19.0	-14.0
Profit before taxes		**172.5**	**241.5**
Profit before taxes, %		10.0%	11.8%
Income taxes	4.1	-44.6	-47.7
Profit for the period		**127.9**	**193.8**
Profit for the period, %		7.4%	9.5%
Profit for the period attributable to:			
Shareholders of the parent company		127.9	193.8
Non-controlling interest		-	-
Total		**127.9**	**193.8**
Earnings per share for profit attributable to the shareholders of the parent company:			
Basic earnings per share, EUR**	2.6	1.99	3.01
Diluted earnings per share, EUR**	2.6	1.99	3.01

* Income statement items until 1 July 2024 are carve-out basis.

** Periods before the listing of Kalmar Corporation on 1 July 2024 are calculated based on the number of shares at the listing moment.

Combined statement of comprehensive income

MEUR	Note	1 Jan–31 Dec 2024*	1 Jan–31 Dec 2023 Carve-out
Profit for the period		**127.9**	**193.8**
Other comprehensive income			
Items that cannot be reclassified to statement of income:			
Actuarial gains (+) / losses (-) from defined benefit plans	3.4	-4.1	-2.9
Taxes relating to items that cannot be reclassified to statement of income	4.1	0.9	0.4
Items that can be reclassified to statement of income:			
Gains (+) / losses (-) on cash flow hedges		-7.4	9.6
Gains (+) / losses (-) on cash flow hedges transferred to statement of income		2.3	-10.5
Translation differences		8.0	6.3
Taxes relating to items that can be reclassified to statement of income	4.1	1.0	0.2
Share of other comprehensive income of associates, net of tax		0.7	0.7
Other comprehensive income, net of tax		**1.3**	**3.9**
Comprehensive income for the period		**129.2**	**197.6**
Comprehensive income for the period attributable to:			
Shareholders of the parent company		129.2	197.6
Non-controlling interest		-	-
Total		**129.2**	**197.6**

* Comprehensive income statement items until 1 July 2024 are carve-out basis.

Notes are an integral part of the financial statements.

Consolidated balance sheet

MEUR	Note	31 Dec 2024	31 Dec 2023 Carve-out
ASSETS			
Non-current assets			
Goodwill	6.1	261.9	260.2
Intangible assets	6.2	6.5	17.4
Property, plant and equipment	6.3	265.2	272.9
Investments in associated companies	7.2	53.1	48.8
Loans receivable and other interest-bearing assets*	8.2	2.2	0.1
Deferred tax assets	4.2	50.4	54.4
Derivative assets	8.2, 8.5	-	0.2
Other non-interest-bearing assets	5.3, 8.2	2.6	2.5
Total non-current assets		**642.0**	**656.3**
Current assets			
Inventories	5.2	437.3	460.9
Loans receivable and other interest-bearing assets*	8.2	1.9	5.4
Income tax receivables		17.0	14.5
Derivative assets	8.2, 8.5	10.0	5.7
Accounts receivable	5.3, 8.2	263.9	267.7
Contract assets	2.2, 5.3	5.5	9.3
Other non-interest-bearing assets	5.3	57.5	53.9
Cash pool receivables, Cargotec Group*	8.2	-	289.9
Cash and cash equivalents*	8.2, 8.3	260.6	82.6
Total current assets		**1,053.9**	**1,189.8**
Total assets		**1,695.9**	**1,846.1**

* Included in interest-bearing net debt.

MEUR	Note	31 Dec 2024	31 Dec 2023 Carve-out
EQUITY AND LIABILITIES			
Equity attributable to the shareholders of the parent company			
Share capital		20.0	-
Translation differences		-98.8	-106.8
Fair value reserves		-1.3	2.0
Reserve for invested unrestricted equity		156.8	-
Invested equity and retained earnings		-	922.9
Retained earnings		561.5	-
Total equity attributable to the shareholders of the parent company	3.2, 8.6	**638.2**	**818.2**
Non-controlling interest		-	-
Total equity		**638.2**	**818.2**
Non-current liabilities			
Interest-bearing liabilities*	8.2, 8.4, 9.1	315.7	114.0
Deferred tax liabilities	4.2	4.7	9.9
Pension obligations	3.4	43.0	38.9
Provisions	5.5	2.2	3.2
Derivative liabilities	8.2, 8.5	-	0.0
Other non-interest-bearing liabilities	5.4, 8.2	71.5	77.0
Total non-current liabilities		**437.1**	**243.0**
Current liabilities			
Current portion of interest-bearing liabilities*	8.2, 8.4, 9.1	16.9	14.5
Other interest-bearing liabilities*	8.2, 8.4	8.3	63.4
Cash pool liabilities, Cargotec Group*	8.2, 8.4	-	62.7
Provisions	5.5	89.7	85.3
Income tax payables		11.4	25.3
Derivative liabilities	8.2, 8.5	11.1	2.6
Accounts payable	5.4, 8.2	163.4	172.0
Contract liabilities	2.2	110.9	109.8
Other non-interest-bearing liabilities	5.4, 8.2	209.0	249.3
Total current liabilities		**620.6**	**784.9**
Total equity and liabilities		**1,695.9**	**1,846.1**

* Included in interest-bearing net debt.

Notes are an integral part of the financial statements.

Consolidated statement of changes in equity

		Attributable to the shareholders of the parent company								
MEUR	Note	Invested equity and retained earnings	Share capital	Fair value reserve	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total	Non-controlling interest	Total equity
Invested equity 1 Jan 2024, Carve-out		**922.9**	**-**	**2.0**	**-**	**-106.8**	**-**	**818.2**	**-**	**818.2**
Profit for the period		64.7	-	-	-	-	-	64.7	-	64.7
Cash flow hedges		-	-	-2.2	-	-	-	-2.2	-	-2.2
Translation differences		-	-	-	-	-3.8	-	-3.8	-	-3.8
Actuarial gains and losses from defined benefit plans	3.4, 4.1	-0.1	-	-	-	-	-	-0.1	-	-0.1
Comprehensive income for the period*		**64.6**	**-**	**-2.2**	**-**	**-3.8**	**-**	**58.6**	**-**	**58.6**
Equity transactions with Cargotec Group		-302.7	-	-	-	-	-	-302.7	-	-302.7
Share-based payments	3.2	0.8	-	-	-	-	-	0.8	-	0.8
Transactions with owners of the company		**-301.9**	**-**	**-**	**-**	**-**	**-**	**-301.9**	**-**	**-301.9**
Transactions with non-controlling interests		-	-	-	-	-	-	-	-	-
Invested equity 30 Jun 2024, Carve-out		**685.6**	**-**	**-0.2**	**-**	**-110.5**	**-**	**574.8**	**-**	**574.8**
Demerger at 30 Jun 2024		-685.6	20.0	-	164.9	-	500.7	-	-	-
Equity 30 Jun 2024		**-**	**20.0**	**-0.2**	**164.9**	**-110.5**	**500.7**	**574.8**	**-**	**574.8**
Changes in equity after demerger (7–12/2024)										
Profit for the period		-	-	-	-	-	63.2	63.2	-	63.2
Cash flow hedges		-	-	-1.1	-	-	-	-1.1	-	-1.1
Translation differences		-	-	-	-	11.7	-	11.7	-	11.7
Actuarial gains and losses from defined benefit plans	3.4, 4.1	-	-	-	-	-	-3.1	-3.1	-	-3.1
Comprehensive income for the period*		**-**	**-**	**-1.1**	**-**	**11.7**	**60.1**	**70.7**	**-**	**70.7**
Treasury shares acquired		-	-	-	-8.0	-	-	-8.0	-	-8.0
Share-based payments	3.2	-	-	-	-	-	0.7	0.7	-	0.7
Transactions with owners of the company		**-**	**-**	**-**	**-8.0**	**-**	**0.7**	**-7.3**	**-**	**-7.3**
Transactions with non-controlling interests		-	-	-	-	-	-	-	-	-
Equity 31 Dec 2024		**-**	**20.0**	**-1.3**	**156.8**	**-98.8**	**561.5**	**638.2**	**-**	**638.2**

* Net of tax.

Notes are an integral part of the financial statements.

		Attributable to the shareholders of the parent company								
MEUR	Note	Invested equity and retained earnings	Share capital	Fair value reserve	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total	Non-controlling interest	Total equity
Invested equity 1 Jan 2023, Carve-out		**964.1**	**-**	**1.9**	**-**	**-113.1**	**-**	**853.0**	**-**	**853.0**
Profit for the period		193.8	-	-	-	-	-	193.8	-	193.8
Cash flow hedges		-	-	0.1	-	-	-	0.1	-	0.1
Translation differences		-	-	-	-	6.3	-	6.3	-	6.3
Actuarial gains and losses from defined benefit plans	3.4, 4.1	-2.5	-	-	-	-	-	-2.5	-	-2.5
Comprehensive income for the period*		**191.2**	**-**	**0.1**	**-**	**6.3**	**-**	**197.6**	**-**	**197.6**
Equity transactions with Cargotec Group		-128.9	-	-	-	-	-	-128.9	-	-128.9
Dividends paid		-105.1	-	-	-	-	-	-105.1	-	-105.1
Share-based payments	3.2	1.6	-	-	-	-	-	1.6	-	1.6
Transactions with owners of the company		**-232.5**	**-**	**-**	**-**	**-**	**-**	**-232.5**	**-**	**-232.5**
Transactions with non-controlling interests		-	-	-	-	-	-	-	-	-
Invested equity 31 Dec 2023, Carve-out		**922.9**	**-**	**2.0**	**-**	**-106.8**	**-**	**818.2**	**-**	**818.2**

* Net of tax.

Notes are an integral part of the financial statements.

Combined statement of cash flows

MEUR	Note	1 Jan–31 Dec 2024*	1 Jan–31 Dec 2023, Carve-out
Net cash flow from operating activities			
Profit for the period		127.9	193.8
Depreciation, amortisation and impairment	6.4	65.8	57.2
Finance income and expenses	2.5	2.0	-1.3
Income taxes	4.1	44.6	47.7
Change in non-interest bearing receivables		6.3	36.3
Change in non-interest bearing liabilities		-24.5	-104.0
Change in inventories		31.7	36.0
Change in net working capital		13.6	-31.7
Other adjustments		-4.7	-8.9
Cash flow from operations before finance items and taxes		**249.1**	**256.8**
Interest received		17.1	1.6
Interest paid		-13.3	-3.7
Other finance items		-2.3	-1.4
Income taxes paid		-74.4	-32.0
Net cash flow from operating activities		**176.2**	**221.3**
Net cash flow from investing activities			
Acquisitions of businesses, net of cash acquired	7.1	-	-9.5
Disposals of businesses, net of cash sold	7.1	-	-0.5
Investments in intangible assets and property, plant and equipment	6.2, 6.3	-40.5	-55.9
Disposals of intangible assets and property, plant and equipment	2.3, 6.2, 6.3	12.1	18.9
Cash flow from investing activities, other items		0.6	3.6
Net cash flow from investing activities		**-27.9**	**-43.3**

MEUR	Note	1 Jan–31 Dec 2024*	1 Jan–31 Dec 2023, Carve-out
Net cash flow from financing activities			
Treasury shares acquired		-8.0	-
Equity financing from / to Cargotec Group, net		-77.2	-109.7
Net proceeds from / repayment of loans from Cargotec Group		183.2	-15.3
Repayments of lease liabilities	8.4	-17.5	-15.8
Proceeds from long-term borrowings	8.4	49.9	50.0
Repayments of long-term borrowings	8.4	-99.8	-
Proceeds from short-term borrowings	8.4	-	8.4
Repayments of short-term borrowings	8.4	-4.7	-3.9
Dividends paid to Cargotec Group		-0.2	-107.4
Net cash flow from financing activities		**25.7**	**-193.7**
Change in cash and cash equivalents		**174.0**	**-15.8**
Cash and cash equivalents, and bank overdrafts 1 Jan	8.3	78.8	98.9
Effect of exchange rate changes		4.7	-4.3
Cash and cash equivalents, and bank overdrafts 31 Dec		**257.6**	**78.8**
Bank overdrafts 31 Dec	8.3	3.0	3.8
Cash and cash equivalents 31 Dec		**260.6**	**82.6**

* In year 2024 the opening balances and income statement items until 1st July 2024 used in cash flow calculation are carve-out based. Cash flows for earlier periods are presented on carve-out basis.

In note 8.3, Cash and cash equivalents are presented Group's cash and cash equivalents subject to transfer restrictions.

Notes are an integral part of the financial statements.

Notes to the consolidated financial statements

1. Accounting principles

1.1 Accounting principles for the consolidated financial statements

General information

Kalmar Corporation was formed as a result of the partial demerger from Cargotec Corporation (later referred to as Cargotec), which was completed on 30 June 2024. Trading in Kalmar Corporations class B shares on the main market of Nasdaq Helsinki started on 1 July 2024. Kalmar Corporation (3424222-7) is a limited liability company domiciled in Helsinki, Finland. The registered address is Itämerenkatu 25, 00180 Helsinki, Finland. Kalmar Corporation and its subsidiaries form the Kalmar Group (later referred to as Kalmar or company).

These consolidated financial statements were approved for publishing by the Board of Directors on 12 February 2025. Pursuant to the Finnish Limited Liability Companies Act, the shareholders have the right to approve or reject the financial statements in the Annual General Meeting held after their publication. The Annual General Meeting also has the right to amend the financial statements. A copy of the financial statements is available at www.kalmarglobal.com or from the company's registered address.

Accounting principles in the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2024 have been prepared for the purpose of presenting the financial position, results of operations and cash flows of Kalmar on a consolidated and carve-out basis. Kalmar did not exist as a separate legal group prior to the Demerger as at 30 June 2024 and therefore has not prepared consolidated financial statements. Until 30 June 2024 the financial statements have been presented on a carve-out basis and following the formation of the legal group on 1 July 2024, the financial statements have been prepared on a consolidated basis. The statement of income and statement of cash flows for the year ended 31 December 2024 are presented as a combination of carve-out financial information for the period 1 January – 30 June 2024 and consolidated financial information for the period 1 July – 31 December 2024. The balance sheet figures as at 31 December 2024 are reported consolidated figures. The comparative figures as at and for the year ended 31 December 2023 are presented on carve-out basis.

Kalmar Corporation's consolidated financial statements have been prepared according to the International Financial Reporting Standards (IFRS) as adopted by the European Union. The IAS and IFRS accounting standards as well as SIC and IFRIC interpretations valid on 31 December 2024 have been used in preparation of the financial statements.

The consolidated financial statements include the parent company Kalmar Corporation and those subsidiaries in which the parent exercises control, as well as associated companies. Control is achieved when Kalmar is exposed to, 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, and control is lost when this criteria is no longer met. Subsidiaries have been listed in note 7.3, Subsidiaries. Consolidation principles related to subsidiaries, associated companies and acquisitions and disposals are presented in the note section 7. Group structure.

The consolidated financial statements are prepared under the historical cost convention except for certain classes of financial instruments, cash-settled components of share-based payments, and funds invested in post-employment defined benefit plans that are measured at fair value.

The consolidated financial statements are presented in euros, which is the functional and reporting currency of the parent company. Financial information is presented in millions of euros and business transactions are based on historical cost convention unless otherwise stated. All figures presented have been rounded which may cause, for example, the sum of individual figures to deviate from the presented sum total.

Accounting principles (as from 1 July 2024)

Kalmar describes the accounting principles in conjunction with relevant note or note section. Refer to the following table for a list of accounting principles and financial statement note or note section in which they are presented.

Accounting principle	Note or note section
Segment reporting	2.1 Segment information
Revenue recognition and contract assets and liabilities	2.2 Revenue recognition
Government grants	2.3 Other operating income and expenses
Interest income and expense	2.5 Finance income and expenses
Earnings per share	2.6 Earnings per share
Share-based payments	3.2 Share-based payments
Pension obligations	3.4 Post-employment benefits
Income taxes	4. Income taxes
Inventories	5.2 Inventories
Accounts receivable	5.3 Accounts receivable and other non-interest-bearing assets
Provisions	5.5 Provisions
Goodwill	6.1 Goodwill
Intangible asset and research and development costs	6.2 Intangible assets
Property, plant and equipment	6.3 Property, plant and equipment
Impairments	6.4 Depreciation, amortisation and impairment charges
Consolidation principles, foreign currency transactions, foreign subsidiaries, business acquisitions and disposals, joint ventures and associated companies, and non-current assets held for sale	7. Group structure
Financial assets, cash and cash equivalents, financial liabilities, offsetting financial assets and liabilities, derivative financial instruments and hedge accounting, profit distribution and treasury shares	8. Capital structure and financial instruments
Leases	9.1 Leases
Contingent liabilities and commitments	9.2 Contingent liabilities and commitments

New or amended IFRS accounting standards and interpretations in 2024

Amendments to IAS 1, Classification of Liabilities as Current or Non-current
Amendments clarify the classification of a liability as current or non-current in a situation where an entity has a right to defer its settlement for at least twelve months. In accordance with the amended guidance, a liability that is due within 12 months after the reporting date is presented as non-current if the entity has a right to extend it for at least 12 months after the reporting date. In this case, the liability is classified as non-current on reporting date even regardless of the probability or intention of the management to settle it within the next 12 months. Similarly, a liability is classified as non-current even if the right to extend it for at least 12 months is conditional and the entity is not expected to meet these conditions provided that the covenant assessment is taking place only after the end of the reporting period.

Amendments to IFRS 16 Leases, Lease Liability in a Sale and Leaseback
The amendment clarifies the accounting and measurement of a sale and leaseback transaction in particular related to the value of right of use asset that the seller-lessee measures based on the economic interest retained.

Amendments to IAS 7 and IFRS 7, Supplier Finance Arrangements
The amendment instructs to provide more information about the use of supplier financing arrangements, their scope, and the effect on the reported figures. Kalmar has supplier financing arrangements with certain financiers and its suppliers. In the arrangements, Kalmar receives a longer than normal payment period for its trade payables covered by the program, and suppliers receive payment faster than the normal payment period.

The amendments that became effective in the year 2024 had no material impact on the reported figures.

New or amended IFRS accounting standards and interpretations from 2025

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Kalmar's financial statements are disclosed below. Kalmar intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 21, Lack of Exchangeability

The amendments helps to identify a situation where the currency cannot be considered freely exchangeable and instructs in these situations to take this into account in the exchange rate used in reporting and to provide additional information on the matter. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. The amendments are not expected to have a material impact on the Kalmar's financial statements.

Amendments to IFRS 9 and IFRS 7, amendments to the classification and measurement of financial instruments

The amendments include guidance for determining whether cash flows of financial instruments tied to environmental, social, and governance (ESG) objectives are considered to be ordinary payments of principal and interest. The amendments also include certain additional disclosure requirements. The changes become effective on 1 January 2026. The amendments are not expected to have a significant impact on Kalmar's reporting.

IFRS 18 Presentation and disclosure in financial statements

IFRS 18 replaces IAS 1 "Presentation of Financial Statements". IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations. It also requires disclosure of management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information. The standard is becoming effective on 1 January 2027 and will change the presentation of Kalmar's financial statements.

IFRS 19 Subsidiaries without public accountability: disclosures

The standard defines limited reporting requirements that a subsidiary can apply in its own IFRS reporting, if certain conditions are met, instead of the presentation requirements of the normal IFRS accounting standards. The standard is becoming effective on 1 January 2027 and has no impact on Kalmar's reporting.

Narrow scope amendments

The International Accounting Standards Board (the IASB) published nine narrow scope amendments to five IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to IFRS 1 "First time Adoption of International Financial Reporting Standards"; IFRS 7 "Financial Instruments: Disclosures" and its accompanying Guidance on implementing IFRS 7; IFRS 9 "Financial Instruments"; IFRS 10 "Consolidated Financial Statements"; and IAS 7 "Statement of Cash Flows". The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. The amendments are not expected to have a material impact on the Kalmar's financial statements.

Basis of preparation for the carve-out financial information (until 30 June 2024)

The carve-out financial information until 30 June 2024 has been prepared using the historical book values for income and expenses, assets and liabilities and cash flows attributable to the Kalmar business in Kalmar legal entities and business units attributable to Kalmar in Cargotec's consolidated financial information. Therefore assets, liabilities, income, revenue, expenses and cash flows which are either directly attributable to or allocated to or which will transfer to Kalmar have been included in the carve-out financial information. The carve-out financial information also includes certain allocations from other Cargotec units and business operations, including the parent company Cargotec Corporation's income, expenses, assets, liabilities and cash flows which will either be transferred to Kalmar, or which have been allocated to Kalmar for the purpose of preparation of these carve-out financial information.

The carve-out financial information has been prepared in accordance with IFRS Accounting Standards and the interpretations issued by the IFRS Interpretations Committee as adopted by the Commission of the European Communities (EU) in the European Union by 31 December 2024, and in consideration of the principles described in subsection "Carve-out principles applied" for determining which assets and liabilities, income and expense as well as cash flows are to be allocated to the Kalmar carve-out financial information.

IFRS Accounting Standards do not provide guidance for the preparation of carve-out financial information and therefore, certain accounting conventions commonly used for the preparation of historical financial information have been applied in preparing the carve-out financial information. The application of these carve-out conventions has been described below.

Kalmar carve-out financial statements include the results of operations and financial position of Kalmar legal entities (later referred to as Kalmar legal entities) and Kalmar business units included in Cargotec legal entities (later referred to as Kalmar business units) (together referred to as Kalmar entities) forming the carved-out Kalmar business historically.

The carve-out financial information may not be indicative of Kalmar's future performance and do not necessarily reflect what its combined income statement, balance sheet and cash flows would have been, had Kalmar operated as a standalone consolidated group and had it therefore presented standalone consolidated financial information during the periods presented.

Carve-out principles applied

The following summarises the carve-out principles applied in preparing Kalmar's carve-out financial information.

The carve-out financial information includes the separate allocation of income, expense, assets, liabilities and cash flows which are based on management judgement, assumptions and estimates as described below. The most significant estimates, judgements and assumptions relate to the allocation of the costs of certain centrally provided shared services, leasing arrangements and shared assets, cash management and financing, determination of current and deferred income taxes and invested equity. Kalmar does not have a significant recurring operative business relationship with other Cargotec units and business operations.

Kalmar's management considers that the allocations described below have been made on a reasonable basis but may not necessarily be indicative of the income and costs that would have been incurred if Kalmar had been a standalone group preparing consolidated financial information for the periods presented.

Intercompany transactions and transactions with related parties

Intercompany transactions, including assets and liabilities between the Kalmar legal entities have been eliminated from Kalmar's carve-out financial information. Intercompany transactions and balance sheet items between the Kalmar business and other Cargotec units and business operations, previously considered as intercompany transactions in Cargotec reporting, have been reported as transactions with related parties in the carve-out financial information.

Receivables and liabilities in Kalmar entities due from or due to Cargotec Group are included in the carve-out financial information and presented as related party transactions, including the financial income and expenses relating to these receivables and liabilities.

Centrally provided services

Cargotec's parent company has historically been responsible for the management and general administration of Cargotec Group. Additionally, the parent company has provided different central services to all subsidiaries. For the purposes of the preparation of the Kalmar carve-out financial information, income and costs that directly relate to Kalmar, or Kalmar specific historical transactions, have been allocated based on attribution principle i.e., allocation follows the origin and nature of the cost.

Cargotec has historically recharged directly reporting entities for internal and external costs that have arisen from services conducted on behalf of the legal entities. Such services consisted of i.e. information management, finance, human resources, indirect procurement, compliance and master data services. Historically certain costs incurred by the parent company, including among others insurance fees and guarantees, have been invoiced directly from the subsidiaries. The aforementioned costs are included in the carve-out financial information based on the historically recharged amounts.

For the purposes of the preparation of the carve-out financial information a portion of Cargotec's parent company's shared income and expense items including all administrative and personnel expenses for each of the corporate headquarter functions attributable to Kalmar have been allocated to Kalmar. Shared functions include for example Group management, Human Resource, Information Management, Investor Relations, Communications, Sustainability, Finance, Treasury, Legal and Strategy. Historically the parent company has invoiced these shared costs through management fees to subsidiaries using allocation keys defined based on the nature of the expense being invoiced. These costs are included in the carve-out financial information based on the historically recharged amounts or using same allocation keys.

Historically certain costs related to public company status have been incurred by the parent company of Cargotec. These costs include costs for the Board of Directors and part of the costs of group management, strategy, legal, group finance, communications, investor relations, sustainability, group HR, and group information management. These costs related to the public company status represent the historically unallocated or uncharged group level costs incurred by Cargotec. Part of these costs have been allocated in the carve-out financial information to Kalmar to reflect the cost of doing business by applying as allocation key mostly net sales, which the management believes is the most appropriate allocation key to be used.

Management considers these allocations to be a reasonable reflection of the utilisation of services provided. These allocated expenses have been affected by the arrangements that existed in Cargotec and are not necessarily representative of the position that may prevail in the future for Kalmar.

Shared assets, liabilities, and leasing arrangements with other Cargotec units and business operations

Historically, Kalmar and other Cargotec units and business operations have operated in shared leased premises and offices in certain locations. For those premises, where Kalmar is not the legal owner of the lease agreement and the lease agreement did not transfer to Kalmar in connection with the Demerger, an expense related to the usage of the premises by Kalmar has been included in the carve-out financial information based on allocation keys (square metres or number of personnel). Kalmar and other Cargotec units and business operations have also historically shared certain fixed assets (machinery), which have been allocated to Kalmar and included in Kalmar's fixed assets in the carve-out financial information in case the asset has been expected to be transferred to Kalmar in the Demerger.

An expense related to Kalmar's use of certain assets, shared by Kalmar and other Cargotec units and business operations, has been historically allocated to reflect the usage of these assets by Kalmar. The right-of-use assets and lease liabilities related to such shared assets, have not been presented as part of the carve-out financial information, unless the asset has been expected to transfer to Kalmar in connection with the Demerger.

Lease agreements in Kalmar business units that are directly attributable to Kalmar business and were transferred to Kalmar in connection with the Demerger have been presented as lease agreements in the carve-out financial information.

The assets and leasing arrangements presented in the carve-out financial information may differ significantly from the requirements of the future standalone Kalmar. Kalmar entered into new leasing agreements related to certain shared premises for its standalone business operations when the Demerger was consummated.

Share-based payments

Kalmar key personnel have historically participated in Cargotec's share-based incentive programs. For carve-out purposes, the expenses related to Kalmar personnel are included in the carve-out financial information based on the actual number of employees over the cost recorded at Cargotec. A portion related to the Cargotec Group function's participants in the share-based incentive programs has also been allocated to the carve-out financial information based on the same allocation principles as for the centrally provided services, which management considers to be an appropriate method of allocating costs related to the share-based payments.

The historical cost allocations may not be indicative of the future expenses that will arise through incentive schemes that will be established for Kalmar key personnel in the future.

Pensions and other employee benefits

Pensions and other post-employment benefit plans and their respective portion of the plan liabilities, plan assets, interest and service costs are included in the carve-out financial information in accordance with each Kalmar legal entity's separate benefit plans. In addition, Kalmar has historically participated in a benefit plan in Sweden shared with the other Cargotec units' and business operations' businesses. Kalmar's portion of the shared benefit plan's liability and costs are included in the carve-out financial information as those will remain with Kalmar after the Demerger including an allocated portion of Cargotec's corporate personnel in Sweden that have participated in the shared benefit plan. The liability and costs related to Cargotec's corporation personnel in Sweden were allocated to Kalmar based on Kalmar's relative share of the pension liability.

Cash management and financing

Cash management has historically been centralised in Cargotec and Cargotec has managed the Group's liquidity needs through cash pool arrangements and intercompany loans.

Kalmar's cash and cash equivalents comprise of cash held and short-term deposits in Kalmar legal entities. Cash and cash equivalents, cash pool arrangements and internal loans at Kalmar business units included in Cargotec legal entities were not included in the carve-out financial information as they have been shared with other Cargotec units and business operations and Kalmar's share can not be reliably allocated to Kalmar.

In addition, for the Kalmar legal entities, the carve-out financial information include cash pool receivable and payable balances due to or due from other Cargotec units and business operations, which have been transferred to Kalmar Corporation at the execution of the Demerger. These cash pool receivables and payables have been presented as short-term receivables and payables from related parties. Accordingly, these intercompany cash pool receivables and payables have been eliminated from Kalmar's consolidated financial statements after the Demerger. Following the Demerger, Kalmar has its own cash pool arrangements to fund its working capital needs.

Cargotec's subsidiaries' working capital and capital expenditure have been funded, in addition to cash pool arrangements, mainly by intercompany loans. All intercompany loans held by Kalmar legal entities from the other Cargotec units and business operations have been presented as transactions with related parties in the carve-out financial information. In addition, a limited number of Kalmar legal entities have historically funded a portion of their operations directly with external loans from banks. Such loans have been presented in the carve-out financial information. The external funding held by Cargotec had not historically been drawn or linked to specific Cargotec Group's segments, except for the EUR 50.0 million loan committed by Cargotec in November 2023, which had been drawn for use of Kalmar. Thus, all external funding held by Cargotec, other than the EUR 50 million loan linked to Kalmar, cannot be reliably attributed to Kalmar for the purposes of the carve-out financial information.

Interest income and expenses from related parties have been determined based on the interest charges recorded directly by Kalmar legal entities.

Cargotec had agreed with its creditors that in connection with the Demerger EUR 300 million of the current bank loans of Cargotec, will be transferred to Kalmar in accordance with the Demerger plan. In addition, Cargotec had agreed with its creditors to transfer its EUR 100 million revolving credit facility maturing in 2025 with one year extension option to Kalmar on the effective date of Demerger and signed a EUR 50 million revolving credit facility maturing in 2026 for Kalmar, which is available for Kalmar on the effective date of the Demerger.

No portion of Cargotec's parent company's cash and cash equivalents had been allocated to Kalmar. Any payments made by the parent company on behalf of Kalmar entities were presented through equity transactions with Cargotec Group. In connection with the Demerger, a certain amount of Cargotec's cash and cash equivalents was transferred to Kalmar in accordance with the Demerger plan.

The financing presented in the carve-out financial information may differ significantly from the future financing requirements of Kalmar on a standalone basis.

Invested equity

Kalmar has not in the past formed a separate legal group with its own share capital and accordingly it is not possible to present share capital separately from other equity balances including reserves. Kalmar's net assets represented Cargotec's interest in Kalmar and are shown in these carve-out financial information as "Invested Equity" consisting of cumulative translation adjustments, hedge reserve as well as invested equity and retained earnings. Invested equity and retained earnings consist of equity items allocated from other Cargotec units and business operations and Kalmar entities historical retained earnings balances.

Changes in net assets allocated to Kalmar are presented separately in the combined statement of changes in invested equity through line "Equity transactions with Cargotec Group" and in the cash flow statements through the line-item "Equity financing with Cargotec Group, net", reflecting the internal equity financing between Cargotec Group and Kalmar during the presented period. Invested equity is affected by net assets allocated to Kalmar, consisting of allocation of income, expenses, assets and liabilities of Cargotec parent company and other Cargotec Group entities representing Kalmar business.

Translation differences are recognised in a separate cumulative translation difference account within total invested equity and the changes are presented in other comprehensive income.

The capital structure attributed to Kalmar in connection with the preparation of these carve-out financial information, the presented invested equity, is not indicative of the capital structure that Kalmar would have required had it been a standalone group during the periods presented.

The equity of Kalmar was formed when the Demerger is consummated, and Kalmar Oyj has share capital and other reserves as described in the Demerger plan.

Income tax

During the period presented as carve-out financial information, certain legal entities in Kalmar have operated as standalone taxpayers. For these entities, tax charges as well as tax liabilities and receivables were based on actual taxation in the carve-out financial information.

Some Kalmar legal entities have been included in tax groups that have been consolidated for income tax purposes and the taxpaying entity has been another Cargotec legal entity. As for the Kalmar business units, they have been historically included in the Cargotec legal entities. During the period presented, these Kalmar business units or legal entities did not file separate tax returns. Tax charges in these Kalmar business units or Kalmar legal entities have been determined based on the separate return method, as if the Kalmar legal entities were separate taxpayers in the jurisdiction of their primary operations.

The current tax expense and income is the amount of tax payable or refundable based on the Kalmar legal entity's hypothetical, current-year separate return and has been recorded as current income tax expense and as a transaction with other Cargotec units and business operations through invested equity. Deferred taxes have been recorded based on their full historical figures when relating to Kalmar legal entities, which have operated as stand-alone taxpayers. Deferred tax assets are booked based on the actual and approved losses in the legal entity's tax declaration as these entities have the right to offset those losses against future taxable profits. Tax losses (DTA) for those entities which have not operated as stand-alone taxpayers were not included in the carve-out financial information because these entities do not have carry forward losses in their tax declarations and Kalmar entities in the future will not have legal right to utilise these losses against future profits.

The line item "income taxes paid" in the combined statement of cash flows reflects current taxes for all the carve-out legal entities as they are deemed to be paid by the respective tax filing group. To the extent that where there has not historically been a settlement through cash, tax payments are deemed to be contributions from or distributions to other Cargotec units and business operations and deemed to be settled immediately through invested equity. Such settlements through invested equity are reflected in the line item "Equity financing with Cargotec Group, net" in the financing section of the combined statement of cash flows."

The tax charges recorded in the combined income statement are not necessarily representative of the tax charges that may arise in the future as Kalmar entities are operating as stand-alone taxable entities.

Transactions in foreign currency

The carve-out financial information is presented in euros, which is the reporting currency of Kalmar. Kalmar legal entities and Kalmar business units also have other functional currencies. At each reporting date, for the purpose of presenting carve-out financial statements, the income statements of foreign Group companies and business units are translated at the average exchange rates for the reporting period and the balance sheets by using the European Central Bank's exchange rates prevailing on the reporting date. Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Additional information on exchange rate gains and losses is disclosed in note section 8. Capital structure and financial instruments.

Translated balance sheet and income statement items are allocated to Kalmar or to other Cargotec units and business operations. As part of the allocations, a translation difference related to these allocated items is recognised in invested equity and its change is recorded in the combined statement of comprehensive income.

1.2 Estimates and assumptions requiring management judgement

When preparing the consolidated financial statements, the management makes estimates and assumptions which have an impact on reported assets and liabilities, presentation of the contingent assets and liabilities in notes, and reported income and expenses during the financial year. In addition, management judgement may be required in applying the accounting principles.

Estimates and assumptions requiring management judgement are based on the management's historical experience as well as best knowledge about the events and other factors, such as expectations on future events, which can be considered reasonable. The actual amounts may differ significantly from the estimates used in the financial statements.

Kalmar follows the changes in estimates, assumptions and the factors affecting them by using multiple internal and external sources of information. Possible changes in estimates and assumptions are recognised in the financial period the estimate or assumption is changed. The most important items in the consolidated statements, which require the management's estimates and which may include uncertainty, are presented in following note or note section:

Estimates and assumptions requiring	Note or note section
Revenue recognition	2.2 Revenue recognition
Defined benefit plans	3.4 Post-employment benefits
Income taxes	4 Income taxes
Inventories	5.2 Inventories
Provisions	5.5 Provisions
Impairment testing of goodwill and intangible assets	6.1 Goodwill
Amortisation and depreciation periods	6.2 Intangible assets 6.3 Property, plant and equipment
Impairment testing	6.4 Depreciation, amortisation and impairment charges
Business combinations	7 Group structure
Fair value of financial assets and liabilities	8 Capital structure and financial instruments
Leases	9.1 Leases

2. Financial performance

2.1 Segment information

Accounting principles

Segment reporting
Kalmar's reportable segments are: Equipment and Services. These segments comprise of Kalmar's business operations and offerings to customers/ market. Segments are defined in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the segments, has been identified as Kalmar's Board of Directors together with the CEO. Segment reporting follows the operational structure and Equipment segment is aggregated from operating segments in the equipment business area. The aggregated operating segments have similar economic characteristics, nature of the products, production process, customers, distribution methods and regulatory environment with one another. In the Services segment no aggregation is done. The accounting principles applied to internal reporting and management segment reporting are the same as those used in preparing the consolidated financial statements. The financial performance of the segments is measured through external sales, comparable operating profit and operating profit. Comparable operating profit is used to monitor and forecast profit development and set related targets. More information on the comparable operating profit in Calculation of Key figures.

Kalmar offers a wide range of heavy material handling equipment and services to ports and terminals, distribution centres, manufacturing industries and to heavy logistics.

Equipment
The Equipment segment consists of a portfolio of heavy material handling equipment to ports and terminals, distribution centres, manufacturing industries and heavy logistics. The company's equipment range includes reachstackers, forklift trucks, empty container handlers, terminal tractors, straddle carriers and Bromma spreaders.

Services
The Services segment consists of an offering of solutions to ensure Kalmar's equipment uptime and productivity. Key offering includes spare parts, on-call and contract maintenance services, as well as lifecycle services, including refurbishments, fleet management and upgrades. Data, analytics and AI have a central role in the services offering.

Other
Other consists of Kalmar's management and headquarter functions as well as the cost of certain central functions that are not allocated to segments. In addition, activities not included in the Equipment or the Services segments are included in Other. These include mainly the remaining activities related to heavy cranes business, which Kalmar decided to divest in 2022, as well as Kalmar's share of the profits of the associated company.

Operating segments

Segment income and expenses
Finance income and expenses, taxes and certain corporate administration cost are not allocated to the operating segments. During the financial year and the comparison period, Kalmar had no individual significant customers as defined in IFRS 8.

Segment income and expenses

1 Jan–31 Dec 2024 MEUR	Equipment	Services	Segments total	Other and elimination of internal sales	Kalmar total
Sales	**1,159.5**	**560.0**	**1,719.6**	**0.9**	**1,720.5**
Internal sales	1.1	-	1.1	-1.1	-
Comparable operating profit*	**150.1**	**97.8**	**247.9**	**-31.1**	**216.8**
% of sales	12.9%	17.5%			12.6%
Restructuring costs and other items affecting comparability	-10.7	0.0	-10.7	-31.7	-42.4
Operating profit	**139.4**	**97.8**	**237.2**	**-62.7**	**174.4**
% of sales	12.0%	17.5%			10.1%
Finance income and expenses	-	-	-	-2.0	-2.0
Profit before taxes	**139.4**	**97.8**	**237.2**	**-64.7**	**172.5**
Depreciation and amortisation	48.4	12.5	60.9	5.0	65.8
EBITDA	187.7	110.3	298.1	-57.8	240.3

1 Jan–31 Dec 2023 MEUR	Equipment	Services	Segments total	Other and elimination of internal sales	Kalmar total
Sales	**1,441.5**	**567.1**	**2,008.7**	**40.9**	**2,049.6**
Internal sales	0.0	-	0.0	0.0	-
Comparable operating profit*	**201.8**	**95.6**	**297.4**	**-42.7**	**254.7**
% of sales	14.0%	16.9%			12.4%
Restructuring costs and other items affecting comparability	-	0.0	0.0	-14.6	-14.5
Operating profit	**201.8**	**95.6**	**297.4**	**-57.2**	**240.2**
% of sales	14.0%	16.9%			11.7%
Finance income and expenses	-	-	-	1.3	1.3
Profit before taxes	**201.8**	**95.6**	**297.4**	**-55.9**	**241.5**
Depreciation and amortisation	40.6	11.0	51.6	5.6	57.1
EBITDA	242.4	106.6	349.0	-51.6	297.4

* Comparable operating profit is calculated by excluding restructuring items and other items affecting comparability presented in the note 2.4 Restructuring costs and other items affecting comparability from operating profit.

Segment assets and liabilities

The assets and liabilities allocated to segments comprise all business assets and liabilities that are used by the segment or can be reasonably allocated to the segment excluding the intercompany receivables and liabilities. Unallocated assets comprise loans and other interest-bearing receivables, cash and cash equivalents, income tax receivables, deferred tax assets, deferred interests, deferred considerations on disposals and derivatives designated as hedges of future treasury transactions. Unallocated liabilities comprise loans and other interest-bearing liabilities, income tax payables, deferred tax liabilities, accrued interests, deferred considerations on acquisitions, dividend liabilities and derivatives designated as hedges of future treasury transactions.

31 Dec 2024 MEUR	Note	Equipment	Services	Segments total	Other	Kalmar total
Goodwill	6.1	139.7	122.3	261.9	-	261.9
Intangible assets	6.2	0.4	0.1	0.4	6.1	6.5
Property, plant and equipment	6.3	217.2	33.2	250.5	14.7	265.2
Investments in associated companies	7.2	-	-	0.0	53.1	53.1
Working capital receivables	5.1	470.5	245.4	715.9	54.9	770.9
Unallocated assets, interest-bearing	8.2	-	-	0.0	264.7	264.7
Unallocated assets, non-interest-bearing		-	-	0.0	73.5	73.5
Total assets		**827.8**	**401.0**	**1,228.8**	**467.1**	**1,695.9**
Working capital liabilities	5.1	452.1	118.7	570.8	125.2	696.0
Unallocated liabilities, interest-bearing	8.2	-	-	0.0	340.9	340.9
Unallocated liabilities, non-interest-bearing		-	-	0.0	20.8	20.8
Total liabilities		**452.1**	**118.7**	**570.8**	**487.0**	**1,057.7**
Operative capital employed		375.8	282.3	658.0	3.6	661.6
Capital expenditure excluding acquisitions and customer financing		7.3	18.6	25.9	2.2	28.1

31 Dec 2023 MEUR	Note	Equipment	Services	Segments total	Other	Kalmar total
Goodwill	6.1	-	-	-	-	260.2
Intangible assets	6.2	7.5	0.1	7.6	9.8	17.4
Property, plant and equipment	6.3	233.4	33.9	267.2	5.6	272.9
Investments in associated companies	7.2	-	-	-	48.8	48.8
Working capital receivables	5.1	512.9	224.0	736.9	62.3	799.2
Unallocated assets, interest-bearing	8.2	-	-	-	377.9	377.9
Unallocated assets, non-interest-bearing		-	-	-	69.8	69.8
Total assets		**753.8**	**258.0**	**1,011.8**	**834.3**	**1,846.1**
Working capital liabilities	5.1	403.0	69.6	472.7	234.8	707.5
Unallocated liabilities, interest-bearing	8.2	-	-	-	254.6	254.6
Unallocated liabilities, non-interest-bearing		-	-	-	65.8	65.8
Total liabilities		**403.0**	**69.6**	**472.7**	**555.3**	**1,027.9**
Operative capital employed		350.8	188.4	539.1	-108,4	690.9
Capital expenditure excluding acquisitions and customer financing		21.6	14.0	35.6	3.4	39.0

Orders

	Orders received		Order book	
MEUR	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023	31 Dec 2024	31 Dec 2023
Equipment	1,098.8	1,166.7	831.0	927.6
Services	580.0	538.3	119.8	90.1
Other	0.2	0.2	4.0	6.6
Total	**1,679.1**	**1,705.2**	**954.8**	**1,024.3**

Number of employees

	Average		At the end of year	
	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023	31 Dec 2024	31 Dec 2023
Equipment	2,493	2,662	2,463	2,562
Services	2,184	2,233	2,212	2,188
Other	480	231	532	241
Total	**5,157**	**5,125**	**5,207**	**4,991**

Information divided by geographical area

Sales are reported by customer location, while assets and capital expenditure are reported by the location of the assets. The geographical areas are based on the main market areas.

Sales

1 Jan–31 Dec 2024 MEUR	Equipment	Services	Segments total	Other	Kalmar total
Europe	423.6	288.8	712.3	-0.1	712.3
Finland	25.9	12.4	38.3	-0.5	37.7
Other Europe	397.7	276.4	674.1	0.5	674.6
Americas	498.5	159.4	657.9	0.0	657.9
USA	318.7	122.0	440.7	0.0	440.7
Other Americas	179.8	37.4	217.2	0.0	217.2
AMEA (Asia, Middle East, Africa)	237.5	111.8	349.3	0.9	350.2
Total	**1,159.5**	**560.0**	**1,719.6**	**0.9**	**1,720.5**

1 Jan–31 Dec 2023 MEUR	Equipment	Services	Segments total	Other	Kalmar total
Europe	416.6	294.0	710.6	8.3	718.9
Finland	34.4	13.8	48.2	1.2	49.4
Other Europe	382.2	280.1	662.3	7.1	669.5
Americas	782.3	163.7	946.0	3.6	949.5
USA	605.2	128.5	733.7	1.3	735.0
Other Americas	177.1	35.2	212.3	2.3	214.5
AMEA (Asia, Middle East, Africa)	242.6	109.5	352.1	29.1	381.2
Total	**1,441.5**	**567.1**	**2,008.7**	**40.9**	**2,049.6**

Non-current assets and goodwill*

MEUR	31 Dec 2024	31 Dec 2023
Europe	270.9	279.0
Americas	20.3	22.9
AMEA (Asia, Middle East, Africa)	33.6	37.1
Goodwill	261.9	260.2
Total	**586.8**	**599.2**

* Excluding financial instruments and deferred tax assets. Goodwill has not been allocated to geographical areas.

Capital expenditure excluding acquisitions and customer financing

MEUR	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Europe	20.5	23.2
Americas	1.3	10.7
AMEA (Asia, Middle East, Africa)	6.4	5.1
Total	**28.1**	**39.0**

Number of employees

MEUR	31 Dec 2024	31 Dec 2023
Europe	3,025	2,806
Americas	551	616
AMEA (Asia, Middle East, Africa)	1,631	1,569
Total	**5,207**	**4 991**

2.2 Revenue recognition

Accounting principles

Revenue recognition
Sales include revenues from products and services sold net of sales taxes, discounts and translation differences from foreign currency denominated revenues. The revenue recognition criteria are usually applied separately to each contract, unless multiple contracts effectively form a single transaction, and within contracts, revenue recognition is determined separately for each distinct product or service. A product or service is considered to be a distinct performance obligation if it is separable from other contractual promises to a customer, and if the customer can benefit from it on its own or together with other readily available resources. Therefore, a single agreement including multiple deliverable elements may include one or more distinct items of revenue. Kalmar has the main responsibility to fulfil the performance obligations, and, therefore, mainly acts as principal in its customer contracts, also when subcontractors are used.

The transaction price allocated to distinct promised goods or services is based on the amount Kalmar expects to receive from the sale by taking into account the agreed contractual transaction price and the assessment of impact of any related variable price elements, such as performance bonuses or late delivery penalties. Although variable price elements are commonly used in contracts, the project outcomes are mostly reliably predictable and the impact of variable price elements in the overall revenue recognition of projects is not determinant. The transaction price is allocated to distinct products and services in accordance with their relative fair values that are based either on list prices or expected production costs and margins, depending on the product or service.

Revenue is recognised separately for each distinct product or service either over time or at a certain point in time, based on the fulfilment of the performance obligations and how control of the product or service is transferred to the customer. Control is considered to be transferred over time if the benefit received from performance is produced and consumed simultaneously, or if the produced performance improves an asset controlled by the customer. In addition, control is considered to be transferred over time when delivering products with a highly customised design, if it is assessed that a product is not suitable as such or with minor modifications for another customer and if Kalmar has a contractual right to a payment regarding the produced output. In other situations, revenue is recognised at a point in time when control of the product is transferred to the customer. The timing of the transfer is primarily determined based on the transfer of risks and rewards. Depending on the type of product, the applied delivery method and the contract terms, the risks and rewards are considered to be transferred either in accordance with the applied delivery term, when the installation of the product is ready, or when the customer accepts the product.

If a customer contract is expected to be loss-making, the costs arising from the contract are estimated with the same principles that are applied to provisions and the expected loss is recognised immediately in the statement of income.

Revenue from sales of machines and equipment that are either manufactured in large quantities or their manufacturing requires no significant amount of design work is recognised at a point in time when significant risks and rewards related to the product have been transferred to the buyer and the company no longer has the authority or control over the product. When products are sold without delivery or installation, revenue is recognised when the product is handed over or otherwise made available to the customer. If standard products are sold with delivery but without installation, the timing of revenue recognition is stipulated by the applied delivery clause (Incoterm). If standard products are sold together with an installation service, the timing of revenue recognition is determined based on the complexity of the installation work. Complex installation services are considered to be performance obligations closely related to the installed products, and, therefore, the revenue from both is recognised only after the installation is completed. On the contrary, the non-complex installation services that are typically of short duration and low in value do not determine the timing of the product's revenue recognition.

Revenue from sales of machines and equipment, the manufacturing of which requires a significant amount of design work, is recognised over time by using the percentage of completion method if it is assessed that the product is not suitable as such or with minor modifications for another customer, and if Kalmar has a contractual right to a payment regarding the produced output. Due to this two-tier rule, the timing of the revenue recognition of these products is in practice determined by the payment terms of the contract. The percentage of completion is determined by reference to the individual contract costs incurred to date as a percentage of the total estimated contract costs (cost-to-cost method). If it is not possible to reliably estimate the outcome of a contract, costs are recognised as incurred and revenues only to an extent the corresponding costs are expected to be recovered.

Revenue from sales of ready-to-use software is recognised when the software is delivered or otherwise made available to the customer. Revenue is recognised at a point in time if the customer obtains a perpetual right to use it as it exists at the point in time at which the licence is granted. If the software sold with perpetual licence requires significant customer-specific customisation, the software licence and the customisation work are considered to be a combined performance obligation, and the related revenue is recognised by reference to the stage of completion based on the amount of work performed. If it is not possible to reliably estimate the outcome of a contract, costs are recognised as incurred and revenues only to an extent the corresponding costs are expected to be recovered. If a software licence is sold for a defined period of time, or as a service, the related revenue is recognised over the licence or service period.

Revenue from sales related to service contracts is recognised in accordance with the percentage of completion method when the outcome of the contract can be reliably estimated. The stage of completion is determined by reference to the individual contract costs incurred to date as a percentage of the total estimated contract costs (cost-to-cost method). The percentage of completion related to long-term and small-value service contracts is not assessed at an individual contract level based on the costs incurred, but it is based on an estimate of how the costs are generally incurred over a contract period with a similar length. If the service is continuous or includes an indefinite number of deliverables, such as software maintenance and support services, cloud-based data services and extended warranties, the revenue is recognised on a straight-line basis over the contract period. If the outcome of a contract cannot be reliably estimated, the project costs are recognised in the statement of income during the period in which they are incurred and the revenue only to the extent that the corresponding costs are expected to be recovered. Expected contract losses are recognised as expenses immediately. Revenue from short-term service orders is recognised when the service has been rendered.

Kalmar offers customer finance services to certain customer segments and distribution channels. In these transactions, Kalmar is involved in arranging financing to the customer or dealer either directly by itself or in cooperation with a financing partner. It is typical that in these arrangements Kalmar continues to carry some level of residual value risk related to the sold product or credit risk related to the end customer. Depending on the type and level of risk retained, Kalmar accounts for its sales under customer finance arrangements as normal sales, operating or finance leases, or financing arrangements in accordance with the true nature of the transaction.

Contract assets and liabilities
Contract assets relate to unbilled receivables from customer contracts in which revenue is recognised on an over time basis. Unbilled receivables represent the amount of revenue recognised relating to the work performed that exceeds the sum of invoicing and recognised losses. Contract assets are recognised as other non-interest-bearing receivables on the balance sheet. Contract liabilities relate to advances received from customer contracts and represent the amount of prepayments received, or invoiced, in excess of the revenue recognised.

Contract liabilities are recognised as advances received on the balance sheet. Contract assets and liabilities are determined separately for each customer contract.

Estimates and assumptions requiring management judgement

Revenue recognition
Revenue recognition requires a use of judgement and estimates in many ways. Judgement is used for example in identification of separate units of revenue i.e. performance conditions when treating the deliverable products and services together or separately is not unambiguous. This is for example when the deliverable products and services alone do not form a functioning end-product. It is also customary that contracts with customers include variable price elements that require use of judgement in revenue recognition, especially in situations when there is no prior experience about the deliverable product or entirety. However, judgement is needed the most in determining the timing of revenue recognition.

Revenue related to long-term service contracts and separately identified construction contracts is recognised on an over time basis in accordance with the percentage of completion. Application of the percentage of completion method is allowed if the delivered machine is considered to have no alternative use for Kalmar, and at all times during the project Kalmar has a right to payment regarding the work already performed. Revenue recognised on reporting date in accordance with the over time model is either based on the cumulative costs in relation to the contract's estimated total costs, or an estimate of the construction contract's physical stage of completion. If the estimate of the final outcome of the contract changes, the recognition of revenue and profit is adjusted in the period the change has come to attention and can be estimated. The expected loss from the construction contract is expensed immediately. In 2024, approximately 12.7 (2024: 12.1) percent of sales was recognised on an over time basis.

Revenue

1 Jan–31 Dec 2024 MEUR	Equipment	Services	Other	Total
Recognised at a point in time	1,049.8	452.1	0.1	1,501.9
Recognised over time	109.8	108.0	0.8	218.5
Total sales	**1,159.5**	**560.0**	**0.9**	**1,720.5**

1 Jan–31 Dec 2023 MEUR	Equipment	Services	Other	Total
Recognised at a point in time	1,329.0	456.3	16.5	1,801.8
Recognised over time	112.5	110.9	24.4	247.8
Total sales	**1,441.5**	**567.1**	**40.9**	**2,049.6**

Contract assets and liabilities

Contract assets MEUR	2024	2023
Contract assets 1 Jan	9.3	29.8
Translation differences	0.0	-0.2
Transfers to receivables	-88.7	-124.6
Companies acquired and sold	-	11.3
Change in provision for doubtful accounts and impairments +/-	0.0	0.0
Progress, cost estimate and price adjustments	84.9	93.1
Contract assets 31 Dec	**5.5**	**9.3**

Contract liabilities MEUR	2024	2023
Contract liabilities 1 Jan	109.8	99.7
Translation differences	1.2	-1.0
Revenue recognised from contract liability on 1 Jan	-82.3	-65.6
Companies acquired and sold	-	0.2
Cash received/paid less revenue recognised	82.3	76.6
Contract liabilities 31 Dec	**110.9**	**109.8**

Transaction price allocated to remaining performance obligations related to customer contracts

Transaction price allocated to remaining performance obligations related to ongoing customer contracts is on the reporting date EUR 954.8 (31 Dec 2023: 1,024.3) million, of which 93% (31 Dec 2023: 95%) is expected to be recognised as revenue during the next 12 months.

2.3 Other operating income and expenses

Accounting principles

Government grants
An unconditional government grant is recognised in the statement of income when the grant becomes receivable. Other government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and Kalmar will comply with the conditions associated with the grant, and are then recognised in the statement of income on a systematic basis over the period during which the costs related to grant are incurred.

Other operating income

MEUR	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Gain on disposal of intangible assets and property, plant and equipment	0.1	0.1
Customer finance related other income	28.5	28.8
Rental income	0.7	0.6
Other income	1.3	1.5
Other operating income, Cargotec Group*	6.2	9.9
Total	**36.7**	**40.9**

* Other operating income from Cargotec Group until 1st July 2024.

Other operating expenses

MEUR	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Loss on disposal of intangible assets and property, plant and equipment	0.3	0.3
Customer finance related other expenses	28.0	28.7
Demerger and listing related costs	28.4	13.2
Other expenses	10.6	5.8
Total	**67.3**	**48.0**

Operating profit includes exchange rate differences on forward contracts designated as cash flow hedges, in 2024 total EUR -2.3 (2023: 10.5) million, of which in 2024 EUR -4.2 (2023: 10.5) million in sales and in 2024 EUR 1.9 (2023: 0.0) million in cost of goods sold. The exchange rate differences related to the portion of ineffective hedges, which are booked in other operating income and expenses, had no effect on the operating profit on 2024 or 2023.

In addition, operating profit includes in 2024 EUR -0.4 (2023: 0.3) million of exchange rate differences arising from unhedged sales and purchases, and from hedges of sales and purchases for which hedge accounting is not applied.

Audit fees

MEUR	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Audit	2.0	1.5
Assurance services	0.1	0.0
Tax advisory services	0.0	0.0
Other services	0.4	0.4
Total	**2.6**	**1.9**

The table above presents the fees to Ernst & Young globally. In 2024 non-audit fees for Ernst & Young Oy were EUR 0.5 million.

2.4 Restructuring costs and other items affecting comparability

Restructuring costs

The costs arising from restructuring measures are presented on a separate line in the consolidated statement of income. Restructuring costs are based on their nature, recognised in the balance sheet as an impairment to assets, as restructuring provisions or as accruals. A part of the costs is recognised on an accrual basis in the statement of income and also paid during the financial period.

Other items affecting comparability

Other items affecting comparability include income and expenses related to significant transactions that do not relate to the recurring business operations, such as the demerger from Cargotec and separate listing of Kalmar in 2024, restructuring, acquisitions and integration, divestment and other discontinuation of operations, impairments of assets and other major transactions that are not considered part of the recurring business operations and they do not relate to business restructuring measures. These items are reported in the statement of income either in administration expenses, other operating income or other operating expenses.

MEUR	Note	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Restructuring costs			
Employment termination costs		-0.3	1.1
Impairments of inventories		-0.1	0.3
Other restructuring costs		0.4	-0.1
Restructuring costs, total		**0.0**	**1.2**
Other items affecting comparability			
Demerger and listing related costs		31.7	13.3
Other costs		10.7	-
Other items affecting comparability, total		**42.4**	**13.3**
Restructuring costs and other items affecting comparability, total		**42.4**	**14.5**

Other costs comprise of write-downs related to assets stemming from the Lonestar acquisition made in 2023.

2.5 Finance income and expenses

Accounting principles

Finance income and expenses recognition
Interest income and expense on financial instruments measured at amortised cost are accrued in the statement of income using the effective interest method. When hedge accounting is applied to a forward exchange contract, the amortisation of initial value of forward points and subsequent change in the value related to forward points are recognised separately in the statement of income. Arrangement and commitment fees related to interest-bearing liabilities are recognised separately as an expense if they cannot be included in the amortised cost of interest-bearing debt.

Finance income

MEUR	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Interest income on financial assets measured at amortised cost	6.6	1.6
Other finance income	0.0	0.0
Finance income	**6.6**	**1.6**
Interest income on financial assets measured at amortised cost, Cargotec Group*	10.5	13.6
Finance income, Cargotec Group*	**10.5**	**13.6**
Finance income, total	**17.0**	**15.3**

* Finance income with Cargotec Group until 1st July 2024.

Finance expenses

MEUR	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Interest expenses on financial liabilities measured at amortised cost	8.8	0.3
Interest expenses on leases	3.6	3.1
Forward contracts interest component, net	1.5	-
Other finance expenses	0.6	0.0
Exchange rate differences, net	1.3	2.6
Finance expenses	**15.9**	**6.0**
Interest expenses on financial liabilities measured at amortised cost, Cargotec Group*	1.5	4.1
Forward contracts interest component, net, Cargotec Group*	1.6	3.9
Finance expenses, Cargotec Group*	**3.1**	**8.0**
Finance expenses, total	**19.0**	**14.0**

* Finance expenses with Cargotec Group until 1st July 2024.

Comparison period figures for financing items are carve-out. Prior to the demerger, majority of Kalmar's financing was treated as equity financing from Cargotec Group, hence not comparable with Kalmar's actual figures.

2.6 Earnings per share

Accounting principles

Earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the parent company by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated by taking into account potential dilutive ordinary shares related to equity-settled share-based incentive schemes. The shares granted under the incentive schemes are contingently issuable, and therefore, are considered like options when calculating the diluted earnings per share. Shares and share options are dilutive when their subscription price, including the value of the employee's yet undelivered service, is lower than the average share price during the reporting period. Dilutive effect is the difference between the number of shares to be issued and the number of shares that would have been issued at the average share price of the reporting period.

	Note	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Profit attributable to the shareholders of the parent company, MEUR		127.9	193.8
Weighted average number of shares during financial year, ('000)*		64,267	64,324
Basic earnings per share, EUR		**1.99**	**3.01**

	Note	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Profit attributable to the shareholders of the parent company, MEUR		127.9	193.8
Weighted average number of shares during financial year, ('000)*		64,267	64,324
Effect of share-based incentive programmes, ('000)*	3.2	78	-
Diluted weighted average number of shares during financial year, ('000)*		64,345	64,324
Diluted earnings per share, EUR		**1.99**	**3.01**

* Weighted average number of shares for the current financial year and effect of share-based incentive programmes is calculated starting from the listing of Kalmar Corporation on 1 July 2024. Financial years before the listing of Kalmar Corporation on 1 July 2024 are calculated based on the number of shares at the listing moment.

3. Employee benefits

3.1 Personnel expenses

MEUR	Note	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Wages and salaries		253.0	247.9
Equity-settled share-based payments	3.2	1.5	1.6
Cash-settled share-based payments	3.2	2.5	2.3
Pension costs	3.4	32.7	38.0
Other statutory employer costs		33.8	26.6
Total		**323.5**	**316.4**

Information on key management compensation is presented in note 3.3, Management remuneration. Number of employees is presented in note 2.1, Segment information.

3.2 Share-based payments

Accounting principles

Share-based payments
Kalmar Corporation has share-based incentive plans which include incentives paid as shares or in cash. The benefits granted in accordance with the incentive plan are measured at fair value at the grant date and are expensed on a straight-line basis over the vesting period. The fair value of the equity-settled incentives is based on the market price of the share at the grant date. Equity-settled incentives include benefits paid in shares and the portion of share benefits that is used to pay income taxes if Kalmar has an obligation to withhold them. The share-based payments settled with equity instruments are not revalued subsequently, and cost from these arrangements is recognised as an increase in equity. The cash-settled share-based incentives are valued at fair value at each closing until the settlement date and recognised as a liability.

The expensed amount of the benefits is based on the group's estimate of the amount of benefits to be paid in accordance with the fulfilment of service and performance-based vesting conditions at the end of the vesting period. Market conditions and non-vesting conditions are considered in determining the fair value of the benefit. Instead, the non-market criteria, like profitability or increase in sales, are not considered in measuring the fair value of the benefit but are taken into account when estimating the final amount of benefits. The estimate is updated at each closing date and changes in estimates are recorded through the statement of income.

The completion of the partial demerger of Cargotec Corporation and the incorporation of a new Kalmar Corporation was registered in the Finnish Trade Register on 30 June 2024. As a result of the partial demerger, the ongoing share plans of Cargotec Corporation and the related obligations were transferred to Kalmar to the extent that they relate to the personnel that transfer to the service of Kalmar at the time of the completion of the demerger. The Board of Directors of Kalmar resolved on the conversion of ongoing share-based incentive programmes as communicated in the stock exchange release on 7 August 2024.

The long-term incentive schemes in Kalmar are either performance share plans based on the company's performance or restricted share plans that are based on continuous employment. Schemes typically consist of a 3-year performance or restriction period. Company's practice is that one new performance and restriction period commences annually.

Year 2024:

Performance share programmes

Performance Share Programmes consist of 3-year performance periods that the Board of Directors can decide on annually. Kalmar has at the end of year 2024 three active Performance Share Programmes (PSP) that are presented in the following tables.

In the PSPs, participants are given an opportunity to earn Kalmar shares. The rewards are based on the company's performance against the criteria set by the Board of Directors and will be paid to the participants after the performance period, given that the participants' employment continues without termination at the time of payment. In addition to the rewards payable in shares, the rewards include a cash portion which is intended to cover the taxes and tax-like payments arising to the key employees from the reward.

Performance share programme 2022–2024

	2024
Earnings criterias:	
Performance period 2022	Comparable operating profit
Performance period 2023	Services segment's gross profit
Performance period 2024	Eco portfolio share of order intake
Range of reward per participant based on the level of participation and fulfilment of the earnings criteria	0–186,973 shares and a cash portion for taxes
Expected total cost of the programme on grant date, MEUR	2,2
Initial number of participants	40
Participants fullfilling the minimum earnings criteria on 31 Dec 2024	27
Number of class B shares granted initially	186,973
Number of class B shares forfeited in 2024	51,743
Number of class B shares exercised in 2024	3,413
Number of class B shares subject to vesting conditions on 31 Dec 2024	88,597
Reward payment	First quarter of year 2025

Performance share programme 2023–2025

	2024
Earnings criterias:	
Performance period 2023	Earnings per share (EPS)
Performance period 2024	Services segment's gross profit
Performance period 2025	to be defined
Range of reward per participant based on the level of participation and fulfilment of the earnings criteria	0–154,821 shares and a cash portion for taxes
Expected total cost of the programme on grant date, MEUR	3.3
Initial number of participants	41
Participants fullfilling the minimum earnings criteria on 31 Dec 2024	36
Number of class B shares granted initially	154,821
Number of class B shares forfeited in 2024	12,280
Number of class B shares exercised in 2024	0
Number of class B shares subject to vesting conditions on 31 Dec 2024	121,950
Reward payment	First quarter of year 2026

Performance share programme 2024–2026

	2024
Earnings criterias:	
Performance period 2024	Earnings per share (EPS)
Performance period 2025	to be defined
Performance period 2026	to be defined
Range of reward per participant based on the level of participation and fulfilment of the earnings criteria	0–185 470 shares and a cash portion for taxes
Expected total cost of the programme on grant date, MEUR	5.6
Initial number of participants	41
Participants fullfilling the minimum earnings criteria on 31 Dec 2024	38
Number of class B shares granted initially	185,470
Number of class B shares forfeited in 2024	12,440
Number of class B shares exercised in 2024	0
Number of class B shares subject to vesting conditions on 31 Dec 2024	173,030
Reward payment	First quarter of year 2027

Restricted share plans

Restricted share plans consist of 3-year restriction periods that the Board of Directors can decide on annually. Kalmar has at the end of year 2024 three active restricted share plans that are presented in the tables below. The rewards will be paid to the participants, given that the employment continues without termination at the time of payment. In addition to the rewards payable in shares, the rewards include a cash portion which is intended to cover the taxes and tax-like payments arising to the participants from the reward.

Restricted share plans 2022–2024

	2024
Earnings criteria	Service condition
Expected total cost of the programme on grant date, MEUR	1.0
Initial number of participants	31
Number of participants on 31 Dec 2024	6
Number of class B shares granted in 2024	1,520
Number of class B shares forfeited in 2024	0
Number of class B shares exercised in 2024	8,700
Number of class B shares subject to vesting conditions on 31 Dec 2024	7,060
Right to reward	Partly the first quarter of 2024 and partly the first quarter of 2025

Restricted share plans 2023–2025

	2024
Earnings criteria	Service condition
Expected total cost of the programme on grant date, MEUR	0.4
Initial number of participants	4
Number of participants on 31 Dec 2024	3
Number of class B shares granted in 2024	0
Number of class B shares forfeited in 2024	0
Number of class B shares exercised in 2024	0
Number of class B shares subject to vesting conditions on 31 Dec 2024	16,280
Right to reward	First quarter of year 2026

Restricted share plans 2024–2026

	2024
Earnings criteria	Service condition
Expected total cost of the programme on grant date, MEUR	0.0
Initial number of participants	0
Number of participants on 31 Dec 2024	0
Number of class B shares granted in 2024	0
Number of class B shares forfeited in 2024	0
Number of class B shares exercised in 2024	0
Number of class B shares subject to vesting conditions on 31 Dec 2024	0
Right to reward	First quarter of year 2027

Carve-out basis information on year 2023:

Share-based incentive programme 2023–2025

Incentive programme for the years 2023–2025 is targeted to the members of the Leadership Team and other key persons. The programme consists of three annually granted incentive programme periods in which rewards are conditional on the fulfilment of a three-year service condition and performance conditions tied to financial targets that are separately set for each year. The reward is granted and settled in Cargotec class B shares on top of which Cargotec pays taxes and tax-related expenses. The reward is paid after each three-year incentive programme period based on fulfilment of the vesting criteria.

	2023
First year earnings criteria	Earnings per share
Range of reward per participant based on the level of participation and fulfilment of the earnings criteria	0–8,300 shares and a cash portion for taxes
Expected total cost of the programme on grant date, MEUR	3.0
Initial number of participants	38
Participants fullfilling the minimum earnings criteria on 31 Dec 2023	34
Number of class B shares granted	64,140
Number of class B shares forfeited in 2023	11,000
Number of class B shares subject to vesting conditions on 31 Dec 2023	53,140

Restricted shares incentive programmes 2023-2025

Restricted incentive programme is targeted to key persons selected by the Board of Directors. The programme consists of three annually granted engagement periods in which rewards are conditional on the fulfilment of a three-year service condition. The reward will be paid evenly in three installments, in spring 2024, spring 2025 and spring 2026. Shares paid as a reward for the first and second installments of the program may not be sold, transferred, pledged or otherwise given away during the restriction period, which ends on 31 December 2025. In addition, earnings criteria based on financial targets may be set for the first year of the engagement periods. The reward is granted and paid in Cargotec class B shares in addition to which Cargotec pays taxes and tax-related expenses related it.

	2023
Earnings criteria	Service condition
Expected total cost of the programme on grant date, MEUR	0.2
Initial number of participants	1
Number of participants on 31 Dec 2023	0
Number of class B shares granted	1,750
Number of class B shares forfeited in 2023	1,750
Number of class B shares subject to vesting conditions on 31 Dec 2023	0

Restricted share unit programme 2022-2024

The incentive programme is targeted to the members of the Leadership team and other key persons. The reward of the programme is conditional on the achievement of the strategic goals determined by the Board of Directors and it is paid in two instalments, half in the spring of 2023 and half in the spring of 2024. The shares paid as a reward for the first instalment of the programme may not be sold, transferred, pledged or otherwise given away during the restriction period which ends on 31 December 2023. The reward is granted and paid in Cargotec's class B shares, in addition to which Cargotec pays the taxes and tax-related fees related to the reward.

	2022
Range of reward per participant based on the level of participation and fulfilment of the earnings criteria	0–6,500 shares and a cash portion for taxes
Expected total cost of the programme on grant date, MEUR	1.2
Initial number of participants	21
Participants fullfilling the minimum earnings criteria on 31 Dec 2022	21
Participants fullfilling the minimum earnings criteria on 31 Dec 2023	18
Number of class B shares granted	24,000
Number of class B shares forfeited in 2022	0
Number of class B shares forfeited in 2023	4,100
Number of class B shares paid in 2023	12,000
Number of class B shares subject to vesting conditions on 31 Dec 2022	24,000
Number of class B shares subject to vesting conditions on 31 Dec 2023	7,900

Share-based incentive programme 2020–2024

Incentive programme for the years 2020–2024 is targeted to the members of the Leadership Team and other key persons. The programme consists of three annually granted incentive programme periods in which rewards are conditional on the fulfilment of a three-year service condition and performance conditions tied to financial targets that are separately set for each year. The reward is granted and settled in Cargotec class B shares on top of which Cargotec pays taxes and tax-related expenses. The reward is paid after each three-year incentive programme period based on fulfilment of the vesting criteria.

	2022	2021	2020
First year earnings criteria	Comparable operating profit	Comparable operating profit	Comparable operating profit, Navis' sales, cloud transformation
Second year earnings criteria	Service business gross profit	Service business gross profit	Service business gross profit
Third year earnings criteria		Development of ecoportfolio products	Climate programme roadmap and development of ecoportfolio products
Range of reward per participant based on the level of participation and fulfilment of the earnings criteria	0–10,500 shares and a cash portion for taxes	0–15,450 shares and a cash portion for taxes	0–16,350 shares and a cash portion for taxes
Expected total cost of the programme on grant date, MEUR	2.1	4.3	2.0
Initial number of participants	38	43	82
Participants fullfilling the minimum earnings criteria on 31 Dec 2020	-	-	81
Participants fullfilling the minimum earnings criteria on 31 Dec 2021	-	41	34
Participants fullfilling the minimum earnings criteria on 31 Dec 2022	35	33	27
Participants fullfilling the minimum earnings criteria on 31 Dec 2023	32	29	Ended
Number of class B shares granted	79,260	100,020	151,320
Number of class B shares forfeited in 2020	-	-	1,230
Number of class B shares forfeited in 2021	-	14,460	66,287
Number of class B shares paid during 2021 related to sale of Navis	-	-	15,924
Number of class B shares forfeited in 2022	4,860	42,062	31,929
Number of class B shares forfeited in 2023	12,152	9,370	339
Number of class B shares paid during 2023	3,413	5,150	35,611
Number of class B shares subject to vesting conditions on 31 Dec 2020	-	-	150,090
Number of class B shares subject to vesting conditions on 31 Dec 2021	-	85,560	67,879
Number of class B shares subject to vesting conditions on 31 Dec 2022	74,400	43,498	35,950
Number of class B shares subject to vesting conditions on 31 Dec 2023	58,835	28,978	Ended

Restricted shares incentive programmes 2020-2024

Restricted incentive programme is targeted to key persons selected by the Board of Directors. The programme consists of three annually granted engagement periods in which rewards are conditional on the fulfilment of a three-year service condition. In addition, earnings criteria based on financial targets may be set for the first year of the engagement periods. The reward is granted and paid in Cargotec class B shares in addition to which Cargotec pays taxes and tax-related expenses related it. Rewards are paid after the end of the vesting period. No rewards were granted under the programme during 2021.

	2022	2021	2020
Earnings criteria	Service condition	-	Service condition
Expected total cost of the programme on grant date, MEUR	0.3	-	0.1
Initial number of participants	1	-	1
Number of participants on 31 Dec 2020	-	-	-
Number of participants on 31 Dec 2021	-	-	1
Number of participants on 31 Dec 2022	1	-	1
Number of participants on 31 Dec 2023	5	-	Ended
Number of class B shares granted	4,300	-	1,486
Number of class B shares forfeited in 2020	-	-	-
Number of class B shares forfeited in 2021	-	-	-
Number of class B shares forfeited in 2022	-	-	-
Number of class B shares forfeited in 2023	1,533	-	-
Number of class B shares paid during 2023	767	-	1,486
Number of class B shares subject to vesting conditions on 31 Dec 2020	-	-	-
Number of class B shares subject to vesting conditions on 31 Dec 2021	-	-	1,486
Number of class B shares subject to vesting conditions on 31 Dec 2022	2,300	-	1,486
Number of class B shares subject to vesting conditions on 31 Dec 2023	2,767	-	Ended

Effect of share-based payment transactions in result and balance sheet

Recognised as cost during MEUR	1 Jul–31 Dec 2024	1 Jan–30 Jun 2024*	2023*
Performance share programme 2023–2025	0.2	0.8	0.7
Restricted share plans 2023–2025	0.3	0.1	-
Restricted share unit programme 2022-2024	-	0.2	0.8
Performance share programme 2022–2024	0.0	0.8	3.2
Restricted share plans 2022–2024	0.1	0.1	0.1
Performance share programme 2024–2026	1.1	0.2	-
Restricted share plans 2024–2026	-	-	-
Performance share programme 2021–2023	-	0.5	-
Bridge Programme 2023–2025	-	-0.5	-
Total	**1.8**	**2.3**	**4.8**

Recognised as provision on 31 Dec MEUR	2024	2023*
Performance share programme 2023–2025	1.8	0.4
Restricted share plans 2023–2025	0.4	-
Restricted share unit programme 2022-2024	-	0.4
Performance share programme 2022–2024	2.8	2.7
Restricted share plans 2022–2024	0.3	0.0
Performance share programme 2024–2026	1.4	-
Total	**6.7**	**3.4**

Some of the programmes have been renamed in year 2024.

*Until 1.7.2024 figures are on carve-out basis

3.3 Management remuneration

The top management comprises the Board of Directors and the Leadership Team. The remuneration paid or payable based on the work performed consists of the following:

MEUR	1 Jul–31 Dec 2024	1 Jan–30 Jun 2024 Carve-out	1 Jan–31 Dec 2023 Carve-out
Wages, salaries and other short-term employee benefits	3.4	1.4	2.9
Share-based payments	1.3	3.5	5.1
Termination benefits	0.0	-	0.5
Total	**4.7**	**4.9**	**8.5**

The composition of Kalmar's Leadership Team was appointed upon the completion of the Demerges as at 30 June 2024. The remuneration of the Leadership Team members is included in the key management compensation information from the appointment date or until the end of the membership. On 31 December 2024, Leadership Team consisted of CEO Sami Niiranen and ten (30.6.2024: twelve) other members.

The carve-out periods 1 January–31 December 2023 and 1 January–30 June 2024, consists of expenses of Kalmar's operative directors, who were part of Cargotec Group's management team. For the purpose of the preparation of the carve-out financial information, a portion of the remuneration of Cargotec Group's management team and board of directors was allocated to Kalmar to reflect the management's contribution to Kalmar's business. During the periods presented in the carve-out financial information, Kalmar has not had a separate management team. Thus, the table presented above may not be indicative of the expenses related to management remuneration that will incur in the following financial years.

The CEO and members of the Leadership Team are participants in the share-based incentive programmes. There were no Kalmar class B shares paid to them based on share-based incentive programmes during 1 July–31 December 2024.

At the end of 2024, the CEO is participating the share-based incentive programmes PSP 2023–2025 and PSP 2024–2026. From the other members of the Leadership Team, six members are participants to the share-based incentive programme PSP 2022–2024, seven members to the share-based incentive programme PSP 2023–2025 and ten to the share-based incentive programme PSP 2024–2026. Additionally, two members of the Leadership Team are participants to the restricted share programmes RSP 2022–2024 and to RSP 2023–2025.

Further information on the incentive programmes is presented in note 3.2, Share-based payments.

The President and CEO Sami Niiranen's pension is provided according to the statutory Finnish Employees Pensions Act, for which a pension cost of EUR 0.0 million was recorded in 2024. Other members of the Leadership Team are entitled to a statutory pension according to the home country legislation. The retirement age for the Leadership Team members is determined in line with the statutory pension scheme. They have a notice period of 6 months and are entitled to compensation for termination of employment, corresponding to 6 to 12 months' salary.

Kalmar had no loans, liabilities or commitments to persons belonging to Kalmar's top management at the end of the financial year 2024.

Salaries and remunerations paid after the demerger 30 June 2024

1,000 EUR		1 Jul–31 Dec 2024
Sami Niiranen	CEO	273.0
Jaakko Eskola	Chair of the Board	176.3
Teresa Kemppi-Vasama	Vice Chair of the Board	100.8
Lars Engström	Member of the Board	90.7
Marcus Hedblom	Member of the Board	90.7
Vesa Laisi	Member of the Board	90.7
Sari Pohjonen	Member of the Board	100.8
Emilia Torttila-Miettinen	Member of the Board	85.6

Further information on share ownership of the Board of Directors and key management is available under Shares and shareholders.

3.4 Post-employment benefits

Accounting principles

Pension obligations
Kalmar operates various pension plans in accordance with local conditions and practices. The plans are classified either as defined contribution plans or defined benefit plans.

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity with no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to the defined contribution plans are charged directly to the statement of income in the year to which these contributions relate.

A defined benefit plan is a pension plan under which the group itself has the obligation to pay retirement benefits and bears the risk of change in the value of plan liability and assets. The liability recognised on the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of reporting period less fair value of plan assets. The defined benefit obligation regarding each significant plan is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate or government bonds with approximating terms to maturity and that are denominated in the currency in which the benefits are expected to be paid. The applied discount rates are determined in each country by an external actuary. If an asset is recognised on the balance sheet based on the calculation, the recognition is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses related to remeasurements of a defined benefit plan and the effect of the asset ceiling, if any, are recognised directly in the statement of comprehensive income. Interest and all other expenses related to defined benefit plans are recognised directly in the statement of income.

If a plan is amended or curtailed, the portion of the changed benefit related to past service by the employees, or the gain or loss on curtailment, is recognised directly in the statement of income when the plan amendment or curtailment occurs.

Estimates and assumptions requiring management judgement

Defined benefit plans
The present value of pension obligations depends on a number of factors determined on an actuarial basis by using a number of financial and demographic assumptions, and changes in these assumptions impact the carrying amount of pension obligations. The key financial assumption used in determining the net cost (income) for pensions is the discount rate. The appropriate discount rate is determined at the end of each year and is used in calculating the present value of estimated cash outflows to settle the pension obligation. In determining the appropriate discount rate, Kalmar considers the yields of high-quality corporate or government bonds, depending on the country, that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions related to pension obligations include financial assumptions such as estimated increases in salaries and pensions, and demographic assumptions such as mortality rates.

Kalmar has various post-employment benefit plans throughout the world. Pension arrangements are made in accordance with local regulations and practices in line with the defined contribution pension plans or defined benefit pension plans.

The defined benefit arrangements determine the amount of pension to be paid and the benefits to be paid for disability and at termination of employment. The benefits in these arrangements are usually based on the length of employment and the level of final salary.

Mos of the defined benefit plans (about 90%) are in Sweden. The defined benefit pension plans are funded by the relevant group companies to satisfy local statutory funding requirements.

Summary of the impact of post-employment benefits in the financial statements

MEUR	2024	2023
Present value of unfunded obligations	40.8	38.0
Present value of funded obligations	2.8	2.9
Fair value of benefit plan assets	2.2	2.2
Net liability	**41.4**	**38.7**
Net liability on balance sheet	43.0	38.9
Net asset on balance sheet	1.6	0.2
Expense related to defined contribution plans	30.3	35.5
Expense related to defined benefit plans and other post-employment benefits	2.4	2.4
Expense in the statement of income	**32.7**	**38.0**
Remeasurement of defined pension benefits and other post-employment benefits	4.1	2.9
Remeasurement in the statement of comprehensive income	**4.1**	**2.9**

Expected contributions to defined benefit plan assets during the next reporting period is EUR 0.5 (31 Dec 2023: EUR 0.6) million. The weighted average duration of the defined benefit obligations was 16.6 (31 Dec 2023: 16.5) years.

Reconciliation of the net defined benefit obligation

MEUR	Present value of plan obligation	Fair value of plan assets	Total
1 Jan 2024	40.9	-2.2	38.7
Current service cost	1.2	-	1.2
Interest expense (+) / income (-)	1.3	-0.1	1.3
Past service cost	0.0	-	0.0
Remeasurements:			
Return on plan assets, excluding amounts of interest	-	0.1	0.1
Actuarial gain (-) / loss (+) from change in demographic assumptions	0.0	-	0.0
Actuarial gain (-) / loss (+) from change in financial assumptions	2.8	-	2.8
Experience adjustment gain (-) / loss (+)	1.2	-	1.2
Foreign exchange rate gains (-) / losses (+)	-0.7	0.1	-0.6
Contributions by employer	-	-0.1	-0.1
Benefits paid	-2.1	0.1	-1.9
Settlements	-	-	0.0
Effect of demerger	-1.1	-	-1.1
31 Dec 2024	**43.6**	**-2.2**	**41.4**

MEUR	Present value of plan obligation	Fair value of plan assets	Total
1 Jan 2023	36.8	-2.3	34.6
Current service cost	1.1	-	1.1
Interest expense (+) / income (-)	1.5	-0.1	1.4
Past service cost	0.0	-	0.0
Remeasurements:			
Return on plan assets, excluding amounts of interest	-	0.0	0.0
Actuarial gain (-) / loss (+) from change in demographic assumptions	0.4	-	0.4
Actuarial gain (-) / loss (+) from change in financial assumptions	0.4	-	0.4
Experience adjustment gain (-) / loss (+)	2.1	-	2.1
Foreign exchange rate gains (-) / losses (+)	0.0	0.1	0.1
Contributions by employer	-	-0.2	-0.2
Benefits paid	-1.4	0.2	-1.2
Settlements	-0.1	-	-0.1
31 Dec 2023	**40.9**	**-2.2**	**38.7**

Allocation of plan assets and liabilities geographically

MEUR	Sweden	Other countries	Total
Present value of plan liability:			
2024	37.7	5.9	**43.6**
2023	34.9	6.1	40.9
Fair value of plan assets:			
2024	-	2.2	2.2
2023	-	2.2	2.2

Plan assets consist mainly of qualifying insurance policies.

Defined benefit plans: applied actuarial assumptions

%	Sweden	Other countries*
Discount rate 2024 / 2023	3.1 / 3.3	2.8 / 3.0
Expected rate of salary increases 2024 / 2023	2.3 / 1.9	3.1 / 3.2
Expected pension growth rate 2024 / 2023	1.8 / 1.6	2.2 / 2.4

*Weighted average

The discount rate is determined separately for each plan and where available, the discount rate is based on a yield of high-quality corporate bonds that are denominated in the same currency and have length that approximates the plan duration. The discount rate in Sweden is based on Swedish housing market bonds and the discount rate in Norway is based on Norwegian covered bond yields. The discount rate in all euro countries is based on iBoxx quoted for euro bonds.

Sensitivity analysis of the relevant actuarial assumptions' impact on defined benefit obligation

%	2024	2023
0.5%-point increase in the principal assumption		
Discount rate	-3,0	-3,4
Expected rate of salary increases	1,1	1,3
Expected pension growth rate	2,7	2,9
0.5%-point decrease in the principal assumption		
Discount rate	3,5	3,8
Expected rate of salary increases	-0,9	-1,1
Expected pension growth rate	-2,5	-2,7
Change in the life expectancy		
Effect of 1 year increase in the life expectancy	1,6	1,6
Effect of 1 year decrease in the life expectancy	-1,5	-1,6

The table above summarises the results of the sensitivity analysis prepared separately for each plan, and for each relevant actuarial variable, by an external actuary. The sensitivity analysis has been prepared for one variable at a time while holding all other variables constant. Regardless of the actual volatility of the given variable, for presentation purposes the analysis has been prepared by assuming a fixed change in the key variable as indicated in table. Consequently, the purpose of the analysis is not to quantify possible or expected change in the defined benefit obligation but to illustrate the sensitivity of the value of obligation to these variables, the fluctuation of which may deviate from the figures presented in practice. The sensitivity analysis covers 93 (31 Dec 2023: 94) percent of the net defined benefit liability recognised on the balance sheet.

The analysis above assesses only the pension liability's sensitivity to given variables without considering the plan assets. Although the changes in the discount rate create the most significant risk to plan based on the sensitivity analysis, in practice, the interest rate sensitivity is partly offset by the plan assets that include investments in bonds. The plan assets also include instruments such as equities and funds that in the near term may be volatile, but on the long run are expected to outperform corporate bond yields. The risks related to asset performance are significant both due to the absolute size of plan assets and due to their relative size compared to plan liability. This risk is mitigated by suitable asset allocation and balancing between risk and return. The defined benefit obligation is determined based on the current best estimate of the life expectancy. If the assumed life expectancy proves to be underestimated, also the recognised plan liability will be insufficient. Uncertainty regarding the reliability of this estimate is also a risk to the plan.

4. Income taxes

Accounting principles

Income taxes
Income taxes in the statement of income include group companies' taxes based on the taxable income, changes in deferred taxes and adjustments to taxes for previous periods. Income taxes based on the taxable income are calculated by using the local tax rates and laws enacted or substantively enacted at the end of the reporting period. Tax is recognised in the statement of income except to the extent that it relates to items recognised in the statement of other comprehensive income, in which case the tax is presented in the statement of other comprehensive income. Deferred taxes are calculated on the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on the unutilised tax losses. Deferred tax liabilities are recognised in full and deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unutilised tax losses can be utilised. Deferred taxes are measured with the tax rates and laws that are enacted or substantively enacted at the end of the reporting period and that are expected to apply when the asset is realised or liability settled. When there is uncertainty over an income tax treatment, Kalmar considers uncertain tax positions either separately or together as a group based on the approach that better predicts the resolution of the uncertainty. Recognised income taxes are adjusted where it is considered probable that a tax authority or competent court will not accept an uncertain tax treatment applied by Kalmar in an income tax filing. Income taxes are in that case adjusted either based on an estimate of the most likely amount or the expected weighted average value of the final tax amount, taking into account the tax authorities' expected acceptance of the chosen tax treatment.

Pillar 2
Pillar 2 is the OECD's framework to address tax challenges related to the digitalisation of the global economy by introducing Global Anti-Base Erosion (GloBE) rules and a related 15% global minimum tax. The GloBE rules have been adopted widely in jurisdictions where Kalmar operates as of January 2024, including Finland where Kalmar Corporation is incorporated.

According to the IASB's published amendments to IAS 12, Kalmar has applied the exception provided in IAS 12 paragraph 4A and has neither recognised nor disclosed information about deferred tax assets or liabilities related to Pillar 2 income taxes. Current tax provision concerning Pillar 2 has been disclosed separately from other income taxes.

Estimates and assumptions requiring management judgement

Income taxes
The determination of taxes based on taxable income, deferred tax assets and liabilities, and the extent to which deferred tax assets can be recognised on the balance sheet, requires management judgement.

Kalmar is subject to income tax in several jurisdictions where there may be uncertainty over an income tax treatment and the interpretation of tax legislation requires management judgement. Kalmar assesses regularly uncertainties related to income tax treatments and where required, adjusts the recognised taxes either to an estimate of the most likely amount or the expected weighted average value of the final tax amount taking into account the tax authorities' expected acceptance of the chosen tax treatment.

The effect of Pillar 2 related income taxes on the financial year 2024 tax expense as well as the estimated impact to income taxes of future periods are both considered not to be material. There is still uncertainty regarding how and when the Pillar 2 rules and their developing framework will be implemented and how different authorities will interpret the global rules. Kalmar continues to monitor Pillar 2 legislative developments and their potential impact on the group financial statements.

4.1 Income tax reconciliation

Taxes in statement of income

MEUR	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Current year tax expense	40.2	50.0
Change in current year's deferred tax assets and liabilities	-1.7	1.0
Tax expense for previous years	6.1	-3.3
Total	**44.6**	**47.7**

Reconciliation of effective tax rate

MEUR	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Profit before taxes	172.5	241.5
Tax calculated at Finnish tax rate (20%)	34.5	48.3
Effect of different tax rates in foreign subsidiaries	-1.3	2.4
Tax expense for previous years	6.1	-3.3
Tax-exempt income and non-deductible expenses	0.6	-1.2
Realisability of deferred tax assets	3.1	0.9
Withholding tax. non-creditable	1.4	0.4
Top-up tax expense due to Pillar 2	0.3	-
Effect of changes in tax rates	0.0	0.1
Other	0.0	0.1
Total taxes in statement of income	**44.6**	**47.7**
Effective tax rate. %	25.8	19.8

Taxes relating to components of other comprehensive income

	1 Jan–31 Dec 2024			1 Jan–31 Dec 2023		
MEUR	Before taxes	Taxes	After taxes	Before taxes	Taxes	After taxes
Cash flow hedges	-4.4	1.0	-3.4	-0.1	0.2	0.1
Translation differences	8.0	-	8.0	6.3	-	6.3
Actuarial gains (+) / losses (-) from defined benefit plans	-4.1	0.9	-3.3	-2.9	0.4	-2.5
Total other comprehensive income	**-0.5**	**1.9**	**1.3**	**3.2**	**0.6**	**3.9**

4.2 Deferred tax assets and liabilities

MEUR	31 Dec 2024	31 Dec 2023
Deferred tax assets and liabilities		
Intangible assets, property, plant and equipment, and inventory	-8.2	-8.3
Provisions and accruals	27.0	27.9
Tax losses and credits carried forward	12.3	12.8
Other temporary differences	14.7	12.1
Deferred taxes, net asset	**45.7**	**44.5**
Deferred tax assets*	50.4	54.4
Deferred tax liabilities*	4.7	9.9

* Deferred tax assets and liabilities are offset in accordance with IAS 12.

Reconciliation of deferred taxes

MEUR	2024	2023
Deferred taxes, net asset 1.1.	44.5	39.5
Recognised in statement of income	-0.6	-0.2
Recognised in other comprehensive income	2.0	0.6
Recognised in invested equity	-	4.5
Translation differences	-0.2	0.1
Deferred taxes, net asset 31.12.	**45.7**	**44.5**

Deferred tax assets are recognised for tax losses and credits carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable, considering expiry dates, if any. Where there is a recent history of loss, Kalmar assesses if that loss arises from factors which are likely to recur. The recognition of deferred tax assets is supported by an offsetting deferred tax liabilities and where applicable an assessment of earnings history and profit projections in the relevant jurisdictions.

Unrecognised tax losses, tax credits and temporary differences in Kalmar relate mainly to Hong-Kong, Malaysia, Brazil and Chile.

Unrecognised tax losses, tax credits and temporary differences

MEUR	2024	2023
Expiry date during the next five years	1.8	1.4
No expiry date or expiry date after five years	56.9	46.3
Unrecognised tax losses, tax credits and temporary differences 31.12.	**58.8**	**47.7**

A deferred tax liability on undistributed profits of subsidiaries located in countries where distributions generates tax consequences is recognised when it is likely that the earnings will be distributed in the foreseeable future. On 31 December 2024, Kalmar had EUR 46.9 million of undistributed profits for which no deferred tax liability was recognised.

5. Net working capital

5.1 Net working capital

MEUR	Note	31 Dec 2024	31 Dec 2023
Inventories	5.2	437.3	460.9
Operative derivative assets		4.7	5.8
Accounts receivable	5.3	263.9	267.7
Contract assets	5.3	5.5	9.3
Other operative non-interest-bearing assets		59.4	55.4
Working capital assets		**770.9**	**799.2**
Provisions	5.5	-91.9	-88.5
Operative derivative liabilities		-7.0	-2.6
Pension obligations	3.4	-43.0	-38.9
Accounts payable	5.4	-163.4	-172.0
Contract liabilities	5.4	-110.9	-109.8
Other operative non-interest-bearing liabilities		-279.8	-295.7
Working capital liabilities		**-696.0**	**-707.5**
Total		**74.9**	**91.7**

Assets and liabilities unallocated to business operations are not included in net working capital. Unallocated assets comprise loans and other interest-bearing receivables, cash and cash equivalents, income tax receivables, deferred tax assets, deferred interests, deferred considerations on disposals and derivatives designated as hedges of future treasury transactions. Unallocated liabilities comprise loans and other interest-bearing liabilities, income tax payables, deferred tax liabilities, accrued interests, deferred considerations on acquisitions, dividend liabilities and derivatives designated as hedges of future treasury transactions.

Transactions and balances with Cargotec Group in 2023 are presented in note 9.3 Related party transactions.

5.2 Inventories

Accounting principles

Inventories
Inventories are valued at acquisition cost or lower estimated net realisable value. The acquisition cost is mainly determined using the weighted average price method. The acquisition cost of inventory includes the purchase price as well as transportation and manufacturing costs. The acquisition cost of self-manufactured finished and work-in-progress products includes raw materials, direct manufacturing wages and other direct expenses, as well as a proportional share of variable manufacturing costs and fixed overheads. The net realisable value is the estimated sales price obtained in the ordinary course of business less the estimated costs of completing and selling the product. If the acquisition cost of the inventory exceeds its net realisable value, an obsolescence provision is recorded in the value of the inventory. The recorded obsolescence provision is included in the book value of the inventory.

Estimates and assumptions requiring management judgement

Inventories
The inventory obsolescence provision is estimated based on the systematic and continuous monitoring of the inventory. When assessing the amount of obsolescence, the nature, condition and age structure of the inventory and the amounts based on the estimated need are taken into account.

Inventories and obsolescence

31 Dec 2024 MEUR	Gross value	Obsolescence	Net value on balance sheet
Raw materials and supplies	207.7	-32.8	174.9
Work in progress	103.7	-	103.7
Finished goods	183.9	-28.3	155.6
Advance payments paid for inventories	3.1	-	3.1
Total	**498.4**	**-61.1**	**437.3**

31 Dec 2023 MEUR	Gross value	Obsolescence	Net value on balance sheet
Raw materials and supplies	227.8	-29.6	198.2
Work in progress	116.3	-	116.3
Finished goods	164.8	-20.8	144.0
Advance payments paid for inventories	2.4	-	2.4
Total	**511.3**	**-50.4**	**460.9**

Impairment of inventories included in restructuring costs is presented in note 2.4, Restructuring costs and other items affecting comparability.

Raw materials and supplies include raw materials needed in production as well as spare parts and components needed in service business. Work-in-progress products include products whose manufacturing process is in progress. Finished products include ready-made new and replacement products in stock as well as finished products in delivery.

The expense recognized in the income statement in 2024 due to write-downs of inventories is EUR 9.2 (2023: 6.9) million.

5.3 Accounts receivable and other non-interest-bearing assets

Accounting principles

Accounts receivable and contract assets
Accounts receivable are invoiced customer receivables representing Kalmar's rights to consideration in exchange for goods or services that have been transferred to customers when those rights are conditioned only on the passage of time. Contract assets are unbilled customer receivables representing Kalmar's rights to consideration in exchange for goods or services that have been transferred to customers when those rights are conditioned on something other than merely the passage of time such as the agreed timing or project milestones for invoicing. Contract assets include mostly unbilled receivables related to customer contracts in which the revenue is recognised on an overtime basis based on the stage of completion and the amount of revenue recognised exceeds the invoicing.

Accounts receivable and contract assets are initially recognised at fair value less expected credit losses and subsequently at amortised cost less expected credit losses. Credit risk is evaluated based on systematic and continuous monitoring of receivables as part of the credit risk control. Credit loss allowance is recognised based on expected credit losses that is measured based on both historical and forward-looking credit loss assessment. The backward-looking credit loss assessment is determined mechanically by using a provision matrix in which the impairment is determined based on risk weights derived from the historical credit losses and ageing of customer receivables. The forward-looking credit loss assessment is determined by a forward-looking analysis under which additional impairment exceeding the first component of credit loss allowance may be recognised for a receivable or group of receivables. Impairments and allowances are recognised in the statement of income under cost of goods sold. Bad debts are written off upon an official announcement of liquidation or bankruptcy confirming that the receivable will not be collected.

Estimates and assumptions requiring management judgement

Expected credit losses
Management judgement and estimates are needed in determining the credit loss allowance. In measuring the component of the credit loss allowance based on historical credit losses, judgement is needed in determining risk levels for different groups of receivables based on their ageing. Judgement and estimation is also needed in assessing sufficiency of the credit loss allowance based on historical credit losses and in increasing the credit loss allowance based on a forward-looking credit loss assessment.

Customer receivables and other non-interest-bearing assets

MEUR	Note	31 Dec 2024	31 Dec 2023
Non-current			
Other non-interest-bearing assets	8.2	2.6	2.5
Current			
Accounts receivable	8.2	263.9	266.7
Accounts receivable, Cargotec Group		-	1.0
Contract assets	2.2, 8.2	5.5	9.3
Other non-interest-bearing assets		57.5	52.6
Other non-interest-bearing assets, Cargotec Group		-	1.3
Total current		**327.0**	**330.9**
Total accounts receivable and other non-interest-bearing assets		**329.7**	**333.4**

Other non-interest-bearing assets

MEUR	Note	31 Dec 2024	31 Dec 2023
Non-current			
Other non-interest-bearing assets	8.2	2.6	2.5
Current			
VAT receivable		33.3	32.9
Deferred interests	8.2	0.1	0.2
Receivables related to business combinations and disposals	8.2	-	0.1
Other deferred assets		24.1	19.4
Other deferred assets, Cargotec Group		-	1.3
Total current		**57.5**	**53.9**
Total other non-interest-bearing assets		**60.2**	**56.3**

Aging and expected credit losses from accounts receivable and contract assets

		Expected credit losses			
31 Dec 2024 MEUR	**Gross value**	**Based on historical**	**Based on forward-looking risk assessment**	**Average rate of allowance**	**Net value**
Accounts receivable not due and contract assets	206.3	-0.1	-0.4	0%	205.9
1–90 days overdue	48.7	-0.2	0.0	0%	48.5
91–360 days overdue	15.7	-0.8	-1.4	-14%	13.4
Over 360 days overdue	4.4	-1.2	-1.4	-61%	1.7
Total	**275.1**	**-2.4**	**-3.2**	**-2%**	**269.5**

		Expected credit losses			
31 Dec 2023 MEUR	**Gross value**	**Based on historical**	**Based on forward-looking risk assessment**	**Average rate of allowance**	**Net value**
Accounts receivable not due and contract assets	195.2	-0.1	-0.2	0%	195.0
1–90 days overdue	62.6	-0.3	0.0	0%	62.3
91–360 days overdue	18.1	-1.3	-0.2	-9%	16.6
Over 360 days overdue	7.5	-2.1	-3.1	-70%	2.2
Total	**283.4**	**-3.8**	**-3.5**	**-3%**	**276.1**

Movement in the loss allowance for accounts receivable and contract assets

Credit loss allowance MEUR	2024	2023
Allowance 1 Jan	7.3	6.8
Translation differences	0.0	-0.3
Increase of allowance	-1.3	1.8
Use of allowance	-0.1	-0.9
Reversed allowance	-0.4	0.0
Other changes	-	0.0
Balance 31 Dec	**5.6**	**7.3**

Credit losses recognised in the statement of income

Credit loss allowance MEUR	2024	2023
Movement in the loss allowance during the period	-1.6	1.8
Directly recognised credit losses	0.4	1.3
Total	**-1.3**	**3.0**

5.4 Accounts payable and other non-interest-bearing liabilities

Accounts payable include open invoices from suppliers, and contract liabilities include mainly advance payments received from customers.

Repurchase obligations under customer financing agreements include the portion of the consideration received to which Kalmar is not entitled, as the equipment sold under the contractual obligation or otherwise is expected to be repurchased at a later date at the agreed residual value from the financier.

Late cost accruals relate to customer projects that are substantially completed and revenue related to them is fully recognised but for which, however, certain costs are still expected.

Prepayments from customer finance agreements include received prepayments in which the residual value of the sold equipment has not been substantially transferred to the customer and, as a result, the agreement is treated as an operating lease.

EUR 3.3 (31 Dec 2023: 13.9) million of the accounts payable relates to payables under supplier finance programs that extend the term of payment from the normal 30–60 days up to 180 days. Kalmar has supplier finance arrangements with several financial institutions, and normally payables under these programs are immediately settled with suppliers.

Accounts payable and other non-interest-bearing liabilities

MEUR	Note	31 Dec 2024	31 Dec 2023
Non-current			
Other non-interest-bearing liabilities	8.2	71.5	77.0
Current			
Accounts payable	8.2	163.4	167.0
Accounts payable, Cargotec Group		-	5.0
Contract liabilities	2.2	110.9	109.8
Other non-interest-bearing liabilities		209.0	217.5
Other non-interest-bearing liabilities, Cargotec Group		-	31.8
Accounts payable and other non-interest-bearing liabilities		**554.7**	**608.1**

Other non-interest-bearing liabilities

MEUR	Note	31 Dec 2024	31 Dec 2023
Non-current			
Buy-back obligations from customer finance arrangements	8.2	69.2	75.0
Other liabilities	8.2	2.2	2.0
Non-current other non-interest-bearing liabilities		**71.5**	**77.0**
Current			
Accrued salaries, wages and employment costs		62.1	56.2
Late cost reservations		25.6	20.4
Cost accruals related to construction contracts		-	4.4
Prepaid rents from customer finance arrangements		69.3	72.7
VAT liabilities		15.3	19.0
Accrued interests	8.2	0.8	0.0
Other accrued expenses		35.8	44.8
Other accrued expenses, Cargotec Group		-	31.8
Current other non-interest-bearing liabilities		**209.0**	**249.3**
Total other non-interest-bearing liabilities		**280.4**	**326.3**

5.5 Provisions

Accounting principles

Provisions
Provisions are recognised when Kalmar has a current legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are accounted for using the best estimate for the costs required to settle the obligation on the balance sheet date. In case the time value of money is significant, the provision is stated at present value.

Provisions for warranties cover the estimated costs to repair or replace products that are still under warranty on the balance sheet date. Provision for warranty is calculated based on historical experience of levels of repairs and replacements.

Provisions for product claims consist of expected costs arising from settling customer claims for which the value, probability and realisation can be estimated.

A provision is recognised for an onerous contract when the unavoidable costs required to fulfil the commitment exceed the gain to be received from the contract.

A restructuring provision is recognised when Kalmar has prepared a detailed restructuring plan and started the implementation of the plan or communicated the plan. A restructuring plan shall include the following information: business which is affected, the main units and personnel affected by the restructuring, as well as the costs to be incurred and the timetable of the plan. A restructuring provision and other restructuring related expenses are booked to the function costs to which they by nature belong. However, in case of a significant restructuring programme of Kalmar or its business area, restructuring costs are presented separately in the statement of income.

Estimates and assumptions requiring management judgment

Provisions
The amount of provision to be recognised is the best estimate of the cost required to settle the obligation at the reporting date. The estimate of the financial impact of the past event requires management judgement, which is based on similar events occurred in the past, and where applicable, external experts' opinion. Provisions are reviewed on a regular basis, and adjusted to reflect the current best estimate when necessary. The actual costs may differ from the estimated costs.

Provisions

2024 MEUR	Product warranties	Claims	Restructuring	Onerous contracts	Others	Total
Provisions 1 Jan	57.6	1.6	19.3	2.8	7.2	88.5
Translation differences	0.1	0.0	0.0	0.0	0.0	0.2
Increases	16.5	0.8	-0.1	0.3	13.2	30.7
Provisions used	-10.1	-0.2	-2.6	-2.4	-3.2	-18.4
Reversals of provisions	-5.2	-0.6	-2.4	-0.3	-0.4	-9.0
Provisions 31 Dec	**59.0**	**1.6**	**14.2**	**0.3**	**16.8**	**91.9**

2023 MEUR	Product warranties	Claims	Restructuring	Onerous contracts	Others	Total
Provisions 1 Jan	54.3	2.6	26.7	4.1	7.0	94.8
Translation differences	-0.1	0.0	-0.2	0.0	-0.2	-0.5
Increases	17.6	0.5	6.8	0.5	6.0	31.3
Provisions used	-9.7	0.0	-13.9	-0.5	-5.0	-29.2
Reversals of provisions	-4.4	-1.4	-0.1	-1.3	-0.6	-7.8
Provisions 31 Dec	**57.6**	**1.6**	**19.3**	**2.8**	**7.2**	**88.5**

MEUR	31 Dec 2024	31 Dec 2023
Non-current provisions	2.2	3.2
Current provisions	89.7	85.3
Total	**91.9**	**88.5**

Provisions for warranties cover the expected expenses related to warranty claims from goods sold in the financial period or earlier with a valid warranty. Warranty periods vary among the products but are mainly from 1 to 2 years.

Claims include items related to product claims and related to legal disputes. Provisions for product claims received are made when the value, probability and realisation can be estimated. Provisions are expected to realise mainly within 1–2 years.

Provisions for restructuring are based on plans approved and implemented by the management related to restructuring of operations. Information on restructuring costs can be found in note 2.4, Restructuring costs and other items affecting comparability.

Provisions for onerous contracts are recognised when it is probable that contract costs will exceed the estimated total contract revenue. The expected loss is recognised as an expense immediately. Provisions for onerous contracts in general realise within 1–2 years.

Other provisions include various items, e.g. items affecting comparability.

6. Intangible and tangible assets

6.1 Goodwill

Accounting principles

Goodwill
Goodwill is recognised in a business combination based on the difference between the consideration paid and net assets received. It represents the value of unidentified intangible assets and expected future benefits that do not meet the definition of an asset such as the value of acquired workforce, and expected synergies that are considered to be available only for Kalmar.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the fair value of previously owned interest and the fair value of non-controlling interest over the fair value of the net identifiable assets acquired and liabilities assumed. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of income. Goodwill is measured at cost less impairment. Impairment losses are recognised in the statement of income. Goodwill is derecognised when subsidiaries are disposed of. The amount of disposed goodwill is determined in relation to the change in the value of the related reporting segment before and after the disposal, based on the value-in-use analysis, or alternatively, based on fair value less cost to sell.

Goodwill and intangible assets with indefinite useful lives are not amortised, but are tested for impairment when any indication of impairment exists, or at least annually. Impairment testing is performed on the level of the CGU. Goodwill is allocated to those units or groups of units, identified in accordance with the operating segments, that are expected to benefit from the business combination. The testing of intangible assets with indefinite useful lives is either performed as part of a CGU, or on an individual asset level if it is possible to determine independent cash flows for it. The determined recoverable amount of a CGU is based on value-in-use calculations. The value-in-use is determined by calculating the present value of the estimated future net cash flows of the tested CGU. The discount rate applied is the weighted average pre-tax cost of capital that reflects the current market view of the time value of money and risks related to the tested unit.

An impairment loss is recognised in the statement of income when the carrying amount of the CGU exceeds its recoverable amount. Impairment loss is first allocated to goodwill and then to other assets on a pro rata basis.

Estimates and assumptions requiring management judgment

Impairment testing of goodwill and intangible assets
Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually. For the purpose of impairment testing, goodwill and intangible assets with indefinite useful lives are allocated to cash-generating units. The recoverable amounts of cash-generating units are based on calculations that require management to make estimates and assumptions in determining both future cash flows and the weighted average cost of capital (WACC) used to discount them.

Goodwill

MEUR	2024	2023
Book value 1 Jan	260.2	268.1
Translation differences	1.8	-7.9
Book value 31 Dec	**261.9**	**260.2**

Prior to the demerger from Cargotec and the separate listing of Kalmar, goodwill relating to Kalmar's operations has been followed at one level for Kalmar as total. Upon the separate listing of Kalmar, the reportable segments and composition of operating segments and CGU's has been changed to mirror the way that Kalmar management follows operations. Kalmar has five divisions that have been identified as CGU's that present the lowest level of operations for which management monitors goodwill internally. Allocation of goodwill to each CGU has been done on a relative value basis. The values of goodwill relating to operations in each of Kalmar's CGU's and discount rates (WACC) used in valuations are presented in the below table. The WACC defined for Kalmar as whole in 2023 was 12.3 percent.

31 Dec 2024, MEUR	Goodwill	WACC
Counterbalanced	65.9	12.8%
Terminal Tractors	30.0	12.5%
Horizontal Transportation	21.9	11.5%
Bromma	21.9	10.5%
Services	122.3	11.4%
Total	**261.9**	**12.0%**

Goodwill is reviewed for potential impairment whenever there is an indication that the current value may be impaired, or at least annually. Impairment testing of goodwill is carried out by allocating goodwill to the lowest cash generating unit level (CGU) which generates independent cash flows.

The recoverable amount of each cash generating unit (CGU) is determined based on the value-in-use model that is based on estimated pre-tax cash flows and assumptions reflecting current use. The future cash flow projection used in the calculation is based on the strategic plans approved by the top management and the Board of Directors and taking into account the prevailing risks and uncertainties in the market environment. Cash flow forecast cover five years, of which the last year is used to derive the terminal value. Cash flows beyond the forecast horizon have been projected using a growth rate that is based on an estimate of the long-term growth rate of the industries, taking into account the OECD long-term growth projections but capped by the level of risk-free rate used in the calculations. Long-term growth rate has been 2.0 (2023: 2.0) percent.

The key assumptions made by the management in the projection relate to market and profitability outlook. Future growth estimates are based on information available by external market research institutions on market development and timing of business cycle. Additionally, market share and growth potential in both new equipment and service markets have been taken into account when estimating future sales growth. Key factors affecting profitability are sales volume, competitiveness and cost efficiency. The relative share of service business from total revenue has also significance in the cash flow projections due to its lower cyclicity and better than average profitability. Additionally, the utilisation rate of factories and assembly units and their cost competitiveness have a significant impact on profitability. The efficiency improvements over the past years have affected positively in financial performance, and the ongoing profit improvement programmes are expected to further improve the profitability in the coming years.

The discount rate used in the impairment testing is the weighted average cost of capital (WACC) that reflects the total cost of equity and debt, and the market risks related to the CGU/unit. Components of WACC are a risk-free interest rate based on the average of government bond yields weighted by the sales of a cash-generating unit in respective countries, market risk premium, comparable peer industry beta, gearing, and credit spread. In the impairment testing based on value-in-use, the WACC is determined on a pre-tax basis.

Sensitivity analyses of the key assumptions have been prepared as part of the impairment testing process for Kalmar based on three different scenarios. The tested change in the first scenario is an increase of 2 percentage points in the discount rate, in the second scenario a 10 percent decrease in sales together with a decrease of 2 percentage points in comparable operating profit margin, and in the third scenario the combined effect of the previous scenarios. The sensitivity analyses performed in 2024 indicated no risk of impairment.

6.2 Intangible assets

Accounting principles

Intangible assets
Intangible assets include patents, trademarks, licences, software, capitalised development costs, technologies, acquired order book, and customer relationships. These assets are recognised on the balance sheet at their original cost less cumulative amortisations and impairment losses, if any, except for intangible assets acquired in a business combination which are measured at fair value at acquisition date.

Intangible assets with definite useful lives are amortised on a straight-line basis over their useful lives as follows:

- Developed and acquired technologies 3–10 years
- Customer relationships and trademarks 3–15 years
- Order book 1-5 years
- Others 2-5 years

The assets' useful lives are reviewed, and adjusted if necessary, on each balance sheet date. Intangible assets under development are not amortised, but tested for impairment at least annually. The impairment testing is described in detail in the accounting principle Goodwill, disclosed in note 6.1 Goodwill.

Research and development costs
Research and development costs are primarily expensed when incurred. However, development costs are capitalised when certain criteria related to economic and technical feasibility are met, and it is expected that the product will generate future economic benefits. Capitalised development costs include mainly materials, supplies and direct labour costs. The development costs that are once expensed are not subsequently capitalised. Capitalised development costs related to intangible assets are amortised on a straight-line basis over their estimated useful economic life. Unfinished development projects are tested for impairment annually.

Estimates and assumptions requiring management judgment

Amortisation periods applied for the intangible assets
The amortisation periods determined for intangible assets and the related amortisation costs recognised in the statement of income are based on management's estimates of the economic useful lives of the assets.

Intangible assets

2024 MEUR	Developed technology	Acquired technology	Customer relationships and trademarks	Others*	Total
Acquisition cost 1 Jan	47.7	20.1	9.7	2.6	80.1
Translation differences	-0.2	0.1	0.0	0.1	-0.1
Additions	0.3	0.2	-	0.2	0.7
Disposals	-8.0	-9.2	-2.2	-0.1	-19.4
Reclassifications	-	0.1	-	0.0	0.1
Acquisition cost 31 Dec	**39.9**	**11.3**	**7.5**	**2.8**	**61.4**
Accumulated amortisation and impairment 1 Jan	-40.9	-10.4	-8.9	-2.5	-62.7
Translation differences	0.2	-0.1	0.0	-0.1	0.1
Amortisation during the financial period	-2.0	-4.8	-0.4	-	-7.1
Impairment charges	-	-4.7	-	-	-4.7
Disposals	8.0	9.2	2.2	-	19.4
Reclassifications	-	0.2	-	-	0.2
Accumulated amortisation and impairment 31 Dec	**-34.7**	**-10.5**	**-7.1**	**-2.5**	**-54.9**
Book value 31 Dec	**5.2**	**0.8**	**0.3**	**0.2**	**6.5**

* Includes EUR 0.0 million of intangible assets under construction.

2023 MEUR	Developed technology	Acquired technology	Customer relationships and trademarks	Others*	Total
Acquisition cost 1 Jan	45.4	11.5	9.9	8.0	74.7
Translation differences	0.0	-0.1	-0.2	0.0	-0.3
Additions	0.1	0.1	-	1.1	1.3
Disposals	-0.9	-1.0	-	-3.8	-5.6
Reclassifications	3.1	0.5	-	-2.7	0.9
Companies acquired and sold	-	9.2	-	-	9.2
Acquisition cost 31 Dec	**47.7**	**20.1**	**9.7**	**2.6**	**80.1**
Accumulated amortisation and impairment 1 Jan	-39.6	-10.1	-8.7	-2.6	-60.9
Translation differences	0.0	0.1	0.2	0.0	0.3
Amortisation during the financial period	-1.6	-1.4	-0.4	-	-3.4
Impairment charges	-	-	-	-	0.0
Disposals	0.9	1.0	-	0.0	1.8
Reclassifications	-0.6	-0.1	-	0.1	-0.6
Accumulated amortisation and impairment 31 Dec	**-40.9**	**-10.4**	**-8.9**	**-2.5**	**-62.7**
Book value 31 Dec	**6.8**	**9.7**	**0.8**	**0.1**	**17.4**

* Includes EUR 0.1 million of intangible assets under construction.

Kalmar has not capitalised research and development costs during the period. Intangible assets do not include items that have an indefinite useful life.

6.3 Property, plant and equipment

Accounting principles

Property, plant and equipment
Property, plant and equipment are recognised on the balance sheet at cost less accumulated depreciations and impairment losses, if any. Impairment losses are described in detail in the accounting principle Impairment disclosed in note 6.4 Depreciation, amortisation and impairment charges. Depreciation is recognised on a straight-line basis to write off the cost less the estimated residual value over the estimated economic useful life of assets as follows:

- Machinery and equipment 2–10 years
- Buildings 5–40 years
- Land and water areas are not depreciated

The assets' residual values and useful lives are reviewed, and adjusted if necessary, on each balance sheet date. The cost of major renovations is included either in the asset's carrying amount or recognised as a separate asset, as appropriate, when future economic benefits are expected from the renovations, and the cost of the renovation can be distinguished from ordinary maintenance and repair costs. Financing costs of tangible assets as borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as a part of the cost of the respective asset. Gains and losses on sales of property, plant and equipment are included in the operating profit.

Estimates and assumptions requiring management judgment

Depreciation periods applied for the items of property, plant and equipment
The depreciation periods determined for items of property, plant and equipment and the related depreciation costs recognised in the statement of income are based on management's estimates of the economic useful lives of the assets.

Property, plant and equipment

2024 MEUR	Owned assets: Land and buildings	Owned assets: Machinery and equipment	Owned assets: Equipment leased to others	Owned assets: Others*	Right-of-use assets: Land and buildings	Right-of-use assets: Machinery and equipment	Total
Acquisition cost 1 Jan	89.4	103.0	209.3	3.0	100.9	24.9	530.6
Translation differences	3.3	2.7	-1.0	0.1	0.2	0.0	5.3
Additions	0.9	3.5	31.7	3.8	8.3	11.0	59.2
Additions due to demerger	-	-	-	0.7	3.4	0.2	4.3
Disposals	-2.4	-8.7	-43.7	-0.2	-6.2	-4.0	-65.2
Reclassifications	2.1	3.6	-0.4	-6.3	0.0	0.0	-0.9
Acquisition cost 31 Dec	**93.3**	**104.1**	**196.0**	**1.2**	**106.7**	**32.1**	**533.4**
Accumulated depreciation and impairment 1 Jan	-41.3	-81.7	-80.3	0.0	-40.3	-14.2	-257.7
Translation differences	-1.7	-2.0	0.3	0.0	-0.2	0.0	-3.7
Depreciation during the financial period	-3.6	-6.5	-26.2	-	-11.4	-6.4	-54.0
Impairment charges	0.0	-	-	0.0	-	-	0.0
Disposals	2.0	8.5	27.7	-	4.6	3.3	46.1
Reclassifications	0.0	0.0	1.4	0.0	-0.1	0.0	1.3
Accumulated depreciation and impairment 31 Dec	**-44.6**	**-81.7**	**-77.2**	**0.0**	**-47.4**	**-17.2**	**-268.1**
Book value 31 Dec	**48.7**	**22.4**	**118.8**	**1.2**	**59.3**	**14.9**	**265.2**

* Includes EUR 1.2 million of assets under construction.

2023 MEUR	Owned assets: Land and buildings	Owned assets: Machinery and equipment	Owned assets: Equipment leased to others	Owned assets: Others*	Right-of-use assets: Land and buildings	Right-of-use assets: Machinery and equipment	Total
Acquisition cost 1 Jan	86.7	98.6	202.4	3.1	85.0	21.7	497.5
Translation differences	0.4	-1.2	-1.9	0.0	-0.5	-0.2	-3.4
Additions	1.7	3.5	42.7	6.7	16.7	9.1	80.4
Disposals	-0.5	-3.5	-38.8	-0.3	-0.3	-5.6	-49.1
Reclassifications	1.2	5.2	4.8	-6.4	0.0	0.0	4.8
Companies acquired and sold	-	0.3	-	-	-	-	0.3
Acquisition cost 31 Dec	**89.4**	**103.0**	**209.3**	**3.0**	**100.9**	**24.9**	**530.6**
Accumulated depreciation and impairment 1 Jan	-38.7	-79.3	-77.9	0.0	-30.8	-13.5	-240.2
Translation differences	0.6	1.0	0.8	0.0	0.4	0.1	2.9
Depreciation during the financial period	-3.5	-6.3	-27.9	-	-10.1	-6.0	-53.7
Impairment charges	0.0	-	-	-	-	-	0.0
Disposals	0.3	2.9	24.2	-	0.3	5.2	32.9
Reclassifications	0.0	0.0	0.5	-	0.0	0.0	0.4
Accumulated depreciation and impairment 31 Dec	**-41.3**	**-81.7**	**-80.3**	**0.0**	**-40.3**	**-14.2**	**-257.7**
Book value 31 Dec	**48.1**	**21.3**	**129.0**	**3.0**	**60.7**	**10.8**	**272.9**

* Includes EUR 3.0 million of assets under construction.

6.4 Depreciation, amortisation and impairment charges

Accounting principles

Impairments
The book values of assets are reviewed for potential impairment on each balance sheet date. Should any indication arise, the asset is tested for impairment. Impairment testing determines the recoverable amount of an asset. The recoverable amount of items of property, plant and equipment, intangible assets, and goodwill is the fair value less costs to sell, or, if higher than that, the cash flow-based value in use. If the recoverable amount of a single asset cannot be reliably determined, the need for impairment is assessed on the lowest level of the cash generating unit (CGU) that is mainly independent of the other units, and whose cash flows are separately identifiable from the cash flows of the other units.

An impairment loss related to goodwill is recognised in the statement of income when the carrying amount of the CGU exceeds its recoverable amount. Impairment loss is first allocated to goodwill and then to other assets on a pro rata basis. Impairment losses recognised for goodwill cannot be subsequently reversed.

An impairment loss related to other assets is recognised in the statement of income when the carrying amount of an asset exceeds its recoverable amount. A previously recognised impairment loss is reversed only if there has been a significant change in the estimates used to determine the recoverable amount. The impairment loss can only be reversed to the extent that the carrying value of an asset is returned to a level where it would have been without the recognised impairment loss.

Estimates and assumptions requiring management judgment

Impairment testing
Intangible assets and property, plant and equipment are tested for impairment every time there is any indication of impairment. In assessing impairment, both external and internal sources of information are considered. External sources include a significant decline in market value that is not the result of the passage of time, normal use of the assets or increase in interest rate. Internal sources of information include evidence of obsolescence of, or physical damage to, an asset. If the carrying amount of an asset exceeds the amount that is recoverable from its use or sale, an impairment loss is recognised immediately so that the carrying amount corresponds to the recoverable amount.

Depreciation, amortisation and impairment by function

MEUR	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Cost of goods sold	44.0	44.3
Sales and marketing	3.0	3.0
Research and development	5.9	2.5
Administration	8.4	7.4
Other	4.7	0.0
Total	**65.8**	**57.2**

Depreciation, amortisation and impairment charges by asset type are disclosed in notes 6.1, Goodwill, 6.2, Intangible assets, and 6.3, Property, plant and equipment.

7. Group structure

Accounting principles

Consolidation principles
The consolidated financial statements comprise the financial statements of Kalmar's parent company and its subsidiaries in which the parent exercises control. Control is achieved when Kalmar 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. Generally, there is a presumption that a majority of voting rights results in control. When less than a majority of the voting or similar rights of an investee are held, all relevant facts and circumstances are considered in assessing whether Kalmar has control over an investee. Kalmar reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes in the relevant elements of control. Consolidation of a subsidiary begins when Kalmar obtains control over the subsidiary and ceases when the control is lost. 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 are attributed to the shareholders 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 in 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 on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. In acquiring non-controlling interests' shares in subsidiaries, the difference between any consideration paid and the share of net assets acquired in the subsidiary is recorded in equity. Gains and losses realised on disposals to non-controlling interests are also recorded in equity. Distribution of net income for the period to the equity holders of the parent company and to non-controlling interests is presented in the statement of income. Equity attributable to non-controlling interest is disclosed as a separate item on the balance sheet.

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

All intercompany transactions, receivables, liabilities, unrealised profits and distribution of profits within Kalmar are eliminated in the consolidated financial statements. The accounting principles of the subsidiaries have been changed, where necessary, to ensure consistency with the principles adopted by Kalmar Corporation.

Foreign currency transactions
Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Open foreign currency-denominated monetary receivables and liabilities at the end of the financial period, both intercompany and external, are translated using the exchange rate of the balance sheet date, and the resulting foreign exchange gains and losses are recognised in the statement of income except when hedge accounting is applied. Foreign exchange gains and losses related to normal business operations are treated as adjustments to sales or costs. Exchange rate differences on other hedges relating to business operations are recorded in other operating income and expenses.

Exchange rate gains and losses related to foreign currency hedges designated as hedges of sales and purchases under hedge accounting are first recognised in the statement of comprehensive income, and finally in the statement of income as adjustments to sales and purchases simultaneously with the related transactions. Exchange rate differences on other hedges relating to business operations are recorded in other operating income and expenses. Foreign exchange gains and losses associated with financing are included in financial income and expenses.

Foreign subsidiaries

The stand-alone financial statements of subsidiaries are reported using the currency that best reflects the operational environment of that subsidiary (the functional currency"). In the combined financial statements, the statement of income and the cash flows of subsidiaries whose functional currency is other than the euro are translated into euros using the average exchange rate of the financial period, and the assets and liabilities on the balance sheets are translated into euros at the balance sheet date exchange rate. Translation differences caused by different exchange rates are recognised through the statement of comprehensive income in the cumulative translation differences in equity. Intercompany loan agreements may form a part of net investment if their settlement is neither planned nor probable in the foreseeable future, and thus the exchange rate gains and losses of these contracts are also recognised as translation differences in equity. When applying hedge accounting for a hedge of a net investment in a foreign operation, exchange rate differences on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income, and any ineffective portion is recognised immediately in the statement of income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Translation differences arising are recognised in equity.

Translation differences from acquisition cost eliminations and post-acquisition profits and losses of subsidiaries, associated companies and joint ventures outside the euro area are recognised in the statement of comprehensive income. When a foreign entity or part of it is disposed, accumulated translation differences previously recognised in other comprehensive income are reclassified to the statement of income as a part of the gain or loss on sale.

Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction instead of normal use and a sale is considered highly probable. Non-current assets held for sale are measured immediately before reclassification in accordance with the normal measurement principles after which they are measured at the lower of carrying amount and fair value less cost to sell. Impairment losses or gains are recognised in the statement of income. Non-current assets held for sale are not depreciated or amortised.

7.1 Acquisitions and disposals of businesses

Accounting principles

Acquisitions and disposals of businesses

The acquisition method of accounting is used to account for all business combinations in which Kalmar obtains control of the acquired business regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business is the fair value of the assets transferred, the liabilities incurred and the equity interest issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. If a contingent consideration is classified as a financial liability, it is measured at fair value on each reporting date, and the changes in the fair value are recognised in the statement of income. Contingent consideration classified as equity is not revalued.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their acquisition date fair values. The share of non-controlling interest in the acquiree is recognised on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The difference, if any, between the consideration transferred and the fair value of net assets obtained is recognised as goodwill. Businesses acquired during the financial period are included in the combined financial statements from the date the control is obtained, and divested businesses until the date the control is lost. When control is lost, all assets and liabilities related to the disposed business are derecognised. Additionally, if relevant, the related hedging result recognised in other comprehensive income and translation differences accumulated in equity are reclassified to the statement of income on disposal.

If a business combination is achieved in stages, the previously held equity interest is revalued at fair value at the acquisition date. Any gains or losses arising from remeasurement are recognised in the statement of income. Acquisition-related costs are expensed as incurred

Estimates and assumptions requiring management judgment

Acquisitions of businesses

Net assets acquired through business combinations are measured at fair value. The consideration exceeding the value of net assets acquired is recognised as goodwill. The measurement of fair value of the acquired net assets is based on market values of similar assets (property, plant and equipment), and valuation techniques based on expected cash flows and returns (intangible assets). The valuation, which is based on prevailing repurchase value, expected cash flows or estimated sales price, requires management judgement, estimates and assumptions. Management trusts that the applied estimates and assumptions are sufficiently reliable for determining fair values.

Acquisitions and disposals in the year 2024

Kalmar did not have any acquisitions or disposals in the year 2024.

Acquisitions in the year 2023

In September, Kalmar acquired the product rights for the product line of electric terminal tractors from Lonestar Specialty Vehicles (LSV) in the United States for a purchase price of EUR 9.5 million. The transaction was accounted for as an asset acquisition in which EUR 9.2 million of the purchase price was allocated to technology-related intangible assets and EUR 0.3 million to prototype machines. In addition, Kalmar entered into a manufacturing contract with LSV for the production of the acquired electric terminal tractor product range. Kalmar pays LSV an equipment-specific commission for the electric terminal tractors sold. Assets stemming from the Lonestar acquisition were written down in December 2024 and reported as items affecting comparability.

Disposals in the year 2023

Kalmar did not have any disposals in the year 2023.

7.2 Associated companies

Accounting principles

Associated companies
Associated companies are entities over which Kalmar has significant influence based on right to participate in the financial and operating policy decision-making but over which Kalmar has no control or joint control. Investments in associated companies are accounted for in the combined financial statements under the equity method. Investments in associated companies are initially recognised on the balance sheet at the acquisition cost, which includes goodwill and intangible assets identified on acquisition as well as the costs for acquiring or establishing the associated company. Subsequently, the value of investment is adjusted in accordance with changes in the net assets of the investee in proportion to Kalmar's ownership, and in accordance with the amortisations of the intangible assets identified in the acquisition. Investment in an associated company is derecognised when Kalmar no longer has significant influence over the investee.

Kalmar's share of the associated company's profit for the financial period is presented as a separate item before the operating result in the combined statement of income. The results of associated companies are accounted for with equity method based on their most recent financial statements. Any change in other comprehensive income of those investees is presented as part of the Kalmar's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, Kalmar recognises its share of any changes, when applicable, in the statement of changes in equity.

Business transactions between the group and the associated companies are recognised in the group's financial statements only to the extent of the unrelated investor's interest in the associated company. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the transferred assets. The accounting principles of the associated companies have been changed where necessary to ensure consistency with the principles adopted by Kalmar.

The carrying amount of investments in associated companies is reviewed on a regular basis and if any impairment in value has occurred, it is written down in the period in which these circumstances are identified. If Kalmar's share of the associated company's losses exceeds its interest in the company, the carrying amount is written down to zero. After this, losses are reported only if Kalmar is committed to fulfilling the obligations of the associated company.

Estimates and assumptions requiring management judgement

Assessment of joint control and significant influence
Kalmar applies judgement in determining an appropriate method to account for its ownership in the investees. Kalmar's investments in associated companies include investments, in which Kalmar's voting rights are normally more than 20 percent. Accounting for the investment as an associated company is based on Kalmar's significant influence in the investee. Where indicators for significant influence are not unambiguous, management applies judgement in determining the appropriate consolidation method.

Associated companies

MEUR	2024	2023
Book value 1 Jan	48.8	39.3
Translation differences	-1.0	-0.3
Share of net income	4.6	9.0
Share of other comprehensive income	0.7	0.7
Book value 31 Dec	**53.1**	**48.8**

Equity-accounted companies

31 Dec 2024 MEUR	Country*	Classification	Assets	Liabilities	Sales	Profit for the period	Shareholding (%) Parent company	Shareholding (%) Group
Bruks Siwertell Group AB	Sweden	Associated company	191.0	84.5	173.0	9.7	-	48.0

* The country of incorporation and of primary operations are the same.

31 Dec 2023 MEUR	Country*	Classification	Assets	Liabilities	Sales	Profit for the period	Shareholding (%) Parent company	Shareholding (%) Group
Bruks Siwertell Group AB	Sweden	Associated company	167.8	64.5	206.0	19.0	-	47.2

* The country of incorporation and of primary operations are the same.

Summarised financial information about associated company

Summarised balance sheet at 31 Dec MEUR	Bruks Siwertell Group AB 2024	Bruks Siwertell Group AB 2023
Non-current assets	73.5	61.6
Cash and cash equivalents	26.6	27.7
Other current assets	91.0	78.5
Total assets	**191.0**	**167.8**
Non-current financial liabilities	9.6	4.3
Other non-current liabilities	15.5	16.7
Current financial liabilities	1.9	-
Other current liabilities*	57.5	43.4
Total liabilities	**84.5**	**64.5**
Net assets	**106.6**	**103.3**

* Accounts payable are included in other current liabilities.

Summarised statement of income MEUR	Bruks Siwertell Group AB 2024	Bruks Siwertell Group AB 2023
Sales	173.0	206.0
Depreciation, amortisation and impairments	-3.3	-3.0
Finance income	1.6	2.1
Finance expenses	-2.8	-1.2
Profit before taxes	12.5	23.8
Income taxes	-2.8	-4.8
Profit for the period	**9.7**	**19.0**
Other comprehensive income	1.5	1.5
Comprehensive income for the period	**11.2**	**20.5**

There were no dividends received.

Reconciliation of summarised information

	Bruks Siwertell Group AB	
MEUR	2024	2023
Net assets 1 Jan	103.3	83.3
Profit for the period	9.7	19.0
Other comprehensive income for the period	1.5	1.5
Additions/disposals	-5.8	-
Dividends	0.0	0.0
Translation differences	-2.1	-0.5
Net assets 31 Dec	**106.6**	**103.3**
Kalmar's share of net assets	51.2	48.8
Additions*	2.0	0.0
Book value 31 Dec	**53.1**	**48.8**

* Additions in 2024 result from associated company's transactions with its non-controlling interest shareholders.

7.3 Subsidiaries

31 Dec 2024	Country	Shareholding (%) Parent company	Shareholding (%) Group
Cargotec Argentina S.R.L.	Argentina		100
Kalmar Equipment (Australia) Pty. Ltd.	Australia		100
Inver Port Services Pty. Ltd.	Australia		100
Kalmar Austria GmbH	Austria		100
Kalmar Belgium NV	Belgium	100	100
Kalmar Brazil Ltda.	Brazil		100
Kalmar Bulgaria EOOD	Bulgaria		100
Kalmar Chile S.A.	Chile		100
Kalmar Asia Limited	China	100	100
Kalmar Industries (China) Co., Ltd.	China		100
Kalmar Port Machinery (Shanghai) Co., Ltd	China		100
Kalmar Colombia S.A.S.	Colombia		100
Kalmar Finland Oy	Finland		100
Kalmar Holding Finland Oy	Finland	100	100
Kalmar Finland Solutions Oy	Finland	100	100
Kalmar France SAS	France		100
Kalmar Germany GmbH	Germany		100
Kalmar India Private Limited	India		100
PT Kalmar Pacific Indonesia	Indonesia	100	100
Kalmar Lift and Handling Equipment Ireland Limited	Ireland		100
Kalmar Italia S.r.l.	Italy	100	100
Kalmar Japan Co., Ltd	Japan		100
Bromma (Malaysia) Sdn. Bhd.	Malaysia		100
Kalmar Solutions (Malaysia) Sdn. Bhd.	Malaysia		100
Kalmar Mexico Equipos S.A. de C.V.	Mexico		100
Kalmar Maghreb S.A.	Morocco		100
Kalmar Netherlands B.V.	Netherlands	100	100
Kalmar New Zealand Ltd	New Zealand		100
Kalmar Norway AS	Norway	100	100
Kalmar Industries Panama, S.A.	Panama	100	100
Kalmar Poland Sp. z.o.o.	Poland		100
Kalmar Portugal, S.A.	Portugal		100

31 Dec 2024	Country	Shareholding (%) Parent company	Shareholding (%) Group
KMH Equipment LLC	Russia		100
Kalmar Pte. Ltd.	Singapore		100
Tagros d.o.o.	Slovenia	100	100
Kalmar Industries South Africa (Pty) Ltd	South Africa	100	100
Kalmar Spain Cargo Handling Solutions S.A.	Spain		100
Kalmar Solutions AB	Sweden		100
Bromma Middle East DMCC	United Arab Emirates		100
Kalmar Middle East DMCC	United Arab Emirates	100	100
Kalmar Limited	United Kingdom	100	100
Terminal Crane and Electrical Services, Inc.	USA		100
Kalmar Material Handling, Inc.	USA		100
Kalmar Solutions LLC	USA		100
Kalmar USA Inc.	USA		100
Kalmar USA Holding, Inc.	USA	100	100

8. Capital structure and financial instruments

8.1 Financial risk management

Organisation of finance function and financial risk management

Kalmar's finance function and financial risk management are conducted according to the Treasury Policy, approved by the Board of Directors. Organisation, responsibilities and principles of financial risk management, monitoring and reporting are defined in the Treasury Policy. Treasury Committee, appointed by the Board, is responsible for Treasury Policy compliance and for organising and monitoring the treasury function. Detailed guidelines for financing functions in accordance with Treasury Policy are defined in Treasury Instructions, approved by the Treasury Committee.

The objectives of the treasury function are to secure sufficient funding for business operations, avoiding financial constraint at all times, to provide business units with financial services, minimise the costs of financing, manage financial risks (currency, interest rate, liquidity and funding, credit, counterparty and operational risks) and to regularly provide management with information on the financial position and risk exposures of Kalmar and its business units.

Kalmar Treasury is responsible for funding at corporate level, managing liquidity and financial risks, providing efficient set up of financing operations and monitoring business units' financial positions. Kalmar Treasury reports on these topics monthly. The business units are responsible for hedging their financial risks according to the Treasury Policy and instructions from Kalmar Treasury.

Currency risk

Due to its global operations, Kalmar is exposed to risks arising from foreign exchange rate fluctuations. A significant proportion of sales and costs are generated in foreign currencies, most significantly in the US dollars.

The objective of the currency risk management is to hedge operations against exchange rate fluctuations, thus allowing time for the business units to react and adapt to changes in exchange rates. Foreign currency positions, which include contractual cash flows, related to sales, purchases and financing (transaction risk), are fully hedged. Other highly probable cash flows may be hedged, if deemed necessary by Kalmar Treasury and the business unit. The business units report their risk exposures to Kalmar Treasury and hedge the positions via intercompany forward contracts. In countries where hedging is restricted, foreign currency denominated loans and deposits may be used as hedging instruments.

Cash flow hedge accounting is generally applied to qualifying foreign currency hedges. Under the Kalmar hedge accounting model, the portion of the fair value change related to a change in the spot rate is recognized in the fair value reserve within equity until the cumulative profit or loss is recycled to the statement of income simultaneously with the hedged item. The portion of the fair value change related to interest rate is excluded from hedge accounting and recognized directly in profit or loss. Hedge accounting is started when a qualifying risk exposure is identified and Kalmar enters into a hedge, and terminated when the hedged item impacts profit or loss. Hedge accounting is not applied in cases where its impact on the consolidated statement of income is deemed insignificant by Kalmar Treasury.

Kalmar is exposed to foreign currency risk arising from both on- and off-balance sheet items. The net balance sheet exposure in the table below represents the foreign currency risk arising from the on-balance sheet financial items, and the net exposure illustrates the total outstanding foreign currency risk as defined and monitored by Kalmar Treasury.

Net exposure

31 Dec 2024 MEUR	EUR	USD	CNY	SGD	PLN	Other
Balance sheet items	0.8	17.3	-14.8	-7.0	-3.4	-1.3
Hedges	4.6	-148.4	85.5	65.0	45.9	-49.8
Balance sheet exposure	**5.4**	**-131.2**	**70.7**	**58.0**	**42.5**	**-51.1**
Order book and purchases	1.9	159.7	-75.8	-59.4	-75.5	35.4
Net exposure	**7.3**	**28.5**	**-5.1**	**-1.3**	**-33.1**	**-15.7**

31 Dec 2023 MEUR	EUR	USD	CNY	SGD	PLN	Other
Balance sheet items	-49.3	78.5	-14.7	-19.6	4.3	-0.2
Hedges	141.6	-225.7	58.6	52.6	30.1	-51.3
Balance sheet exposure	**92.4**	**-147.2**	**43.9**	**33.1**	**34.5**	**-51.5**
Order book and purchases	-93.8	167.6	-39.9	-52.2	-40.7	49.4
Net exposure	**-1.4**	**20.4**	**4.0**	**-19.2**	**-6.3**	**-2.1**

The foreign currency exposures in the table above include the most important operational currencies of Kalmar's business units. In this table, amounts are presented on a gross basis including foreign currency amounts and counter values in local currencies.

Kalmar's subsidiaries constantly monitor their foreign currency exposures and report them on a monthly basis to Kalmar Treasury which is responsible for monitoring the overall exposure and arranging hedges for identified exposures.

Foreign exchange rate fluctuations have an effect on the consolidated income and equity. The effect in the statement of income arises from foreign currency denominated financial assets and liabilities in the subsidiaries' balance sheets, including derivatives for which hedge accounting is not applied. The effect in equity arises from derivatives under hedge accounting from which the fair value fluctuations related to changes in exchange rates are recognized in the fair value reserve of the other comprehensive income. Foreign exchange rate impact in the fair value reserve is expected to be offset by the corresponding opposite impact in the value of the hedged item when recognized in the statement of income. Foreign exchange hedges mature and the hedged cash flows realize within the next year. Kalmar has recognized the following currency pair to be the most significant and estimated its impact on profit before taxes and on other comprehensive income through sensitivity analysis. Sensitivity analysis assumes that cash is held at subsidiaries functional currency.

Sensitivity analysis

	Profit before taxes		Other comprehensive income	
MEUR	**2024**	**2023**	**2024**	**2023**
USD appreciates 10% against the euro	0.4	-3.4	-8.9	-9.6
USD depreciates 10% against the euro	-0.4	3.4	8.9	9.6

Net investments in non-euro area subsidiaries cause translation differences, recognized in the consolidated equity (translation risk). Translation risk is mitigated by managing the capital structure so that the effect of foreign exchange rate fluctuations on debt and equity are in balance. Kalmar Treasury regularly monitors the translation exposure and evaluates the materiality of the risk position. The impact of the translation risk from currencies to Kalmar's gearing is evaluated not to be significant and hedging the translation risk has not been considered necessary.

Interest rate risk

Fluctuations in market interest rates have an effect on consolidated interest outflows and the fair values of interest-bearing loans, receivables and derivative instruments. The objective of interest rate risk management is to mitigate the impact of interest rate changes on the statement of income, balance sheet and cash flow. To manage interest rate risk, the duration of the financial portfolio is maintained within the limits set by the Treasury Committee, by balancing between fixed and floating rate debt and by using derivative instruments.

On 31 December 2024, Kalmar's consolidated interest-bearing debt totalled EUR 340.9 (31 Dec 2023: 254.6) million, of which EUR 249.5 (50.0) million were floating rate loans from financial institutions and EUR 83.1 (78.6) million were lease liabilities. The rest, EUR 8.3 (13.3) million, consisted of bank overdrafts and other interest-bearing liabilities. Comparison period include cash pool liabilities and other interest-bearing liabilities from Cargotec Group. On 31 December 2024, the average interest duration of interest-bearing debt excluding lease liabilities was 5 (N/A) months. Comparison period figures of Interest-bearing debt are carve-out figures.

Kalmar's EUR 264.7 (31 Dec 2023: 377.9) million investment portfolio consisted mainly of short-term deposits and bank account balances. Interest-bearing loan receivables totalled EUR 0.7 (5.3) million and finance lease receivables EUR 3.4 (0.2) million. Comparison period figures include cash pool receivables and other interest-bearing receivables from Cargotec Group. The average interest duration of the interest-bearing assets was less than one month (less than one month).

Based on the sensitivity analysis, a one percentage point increase/decrease in the interest rates would have decreased/ increased net interest cost by EUR 0.1 (31 Dec 2023: 1.7) million. The sensitivity in the statement of income is affected by variable rate loans, short term loans, loans receivable, deposits, bank accounts and bank overdrafts. The sensitivity is calculated as an annual effect assuming that the group's balance sheet structure remains unchanged.

With respect to all currency forward contracts, the fair value changes related to fluctuations in interest rates are recognized directly in financial income and expenses, and, hence, the changes in short-term market rates may affect financial result also via currency hedging contracts. If the interest rate difference between the euro and the US dollar had widened/narrowed one percentage point, financial net cost would have increased/decreased by EUR 1.1 (31 Dec 2023: 2.0) million. Effects from other currency pairs are deemed insignificant assuming that the current currency position remains the same and there is a similar change in all currency pairs.

Prior to the demerger, majority of Kalmar's financing was treated as equity financing from Cargotec Group and presented as Invested equity in the carve-out financial statements, hence not comparable with Kalmar's actual figures. Comparison period figures are carve-out figures.

Interest fixing periods of interest-bearing assets and liabilities

31 Dec 2024 MEUR	Under 1 year	1-5 years	Over 5 years	Total
Loans receivable and other interest-bearing assets*	262.5	2.2	-	264.7
Non-current loans from financial institutions	-249.5	-	-	-249.5
Lease liabilities	-16.9	-41.2	-25.0	-83.1
Current interest-bearing liabilities and other interest-bearing liabilities**	-8.3	-	-	-8.3
Net	**-12.3**	**-38.9**	**-25.0**	**-76.2**

31 Dec 2023 MEUR	Under 1 year	1-5 years	Over 5 years	Total
Loans receivable and other interest-bearing assets*	85.8	-	-	85.8
Loans receivable and other interest-bearing assets, Cargotec Group	292.1	-	-	292.1
Non-current loans from financial institutions	-50.0	-	-	-50.0
Lease liabilities	-14.5	-36.9	-27.1	-78.6
Current interest-bearing liabilities and other interest-bearing liabilities**	-13.3	-	-	-13.3
Current interest-bearing liabilities and other interest-bearing liabilities, Cargotec Group	-112.8	-	-	-112.8
Net	**187.3**	**-36.9**	**-27.1**	**123.3**

* Including cash and cash equivalents
** Including bank overdrafts

Other market risks

In addition to financial risks managed by the treasury function, Kalmar is exposed to price and supply risks mainly relating to raw material and component purchases. Business units are responsible for identifying and mitigating the risks as well as possible hedging measures. Risks are managed through careful selection of suppliers, long-term cooperation with key suppliers and contract terms.

Liquidity and funding risks

The objective of liquidity management is to maintain an optimal amount of liquidity to fund the business operations of Kalmar group at all times while minimising interest and bank costs and avoiding financial distress (liquidity risk).

Liquidity risk is managed by retaining long-term liquidity reserves exceeding the level of short-term liquidity requirement. On 31 December 2024, the liquidity reserves, including cash and cash equivalents and long-term undrawn credit facility, totalled EUR 460.6 (31 Dec 2023: 372.5) million of which cash and cash equivalents totalled EUR 260.6 (372.5) million. Comparison period figures include cash pool receivables from Cargotec Group. Kalmar's total liquidity position includes EUR 53.6 (67.5) million of cash and cash equivalents in different currencies subject to currency-related or other regulatory restrictions, and therefore, these balances may not be utilized outside these countries within a short period of time. Nevertheless, these restricted balances are typically available for immediate use locally in these countries and therefore these balances are included in cash and cash equivalents. Additionally, Kalmar has supplier finance arrangements with several financial institutions. More information on supplier financing is presented in note 5.4, Accounts payable and other non-interest-bearing liabilities.

Short-term liquidity requirement covers the repayments of short- and long-term debt within the next 12 months, as well as the strategic liquidity requirement, as determined by the Treasury Committee, which covers the operative funding demand within the following 12 months. On 31 December 2024, repayments of short- and long-term interest-bearing liabilities due within the following 12 months totalled EUR 25.2 (31 Dec 2023: 77.9) million, of which EUR 16.9 (14.5) million are leasing liabilities. Comparison period figure excludes cash pool liabilities from Cargotec Group.

On 31 December 2024, Kalmar held EUR 200.0 (31 Dec 2023: -) million long-term revolving credit facility, which will mature in December 2029 and it includes two one-year extension options subject to the lender's approval. According to the facility agreement, Kalmar has a right to withdraw funds on three business days' notice on agreed terms. Additionally, Kalmar held undrawn short-term bank overdraft facilities of EUR 53.9 (31.1) million and a EUR 150.0 (-) million domestic Commercial Paper programme which on 31 December 2024 was unused.

Prior to the demerger, majority of Kalmar's financing was treated as equity financing from Cargotec Group and presented as Invested equity in the carve-out financial statements, hence not comparable with Kalmar actual figures. Comparison period figures are carve-out figures.

Liquidity

MEUR	31 Dec 2024	31 Dec 2023
Cash and cash equivalents	260.6	82.6
Cash pool receivables, Cargotec Group	-	289.9
Committed long-term undrawn revolving credit facility	200.0	-
Repayments of interest-bearing liabilities during next 12 months	-25.2	-27.8
Cash pool liabilities, Cargotec Group	-	-62.7
Repayments of interest-bearing liabilities during next 12 months, Cargotec Group	-	-50.1
Total liquidity	**435.4**	**231.9**

The objective of funding risk management is to avoid an untenably large proportion of loans or credit facilities maturing at a time when refunding is not economically or contractually feasible. The risk is minimised by balancing the repayment schedules of loans and credit facilities, as well as retaining flexible credit facility agreements. Kalmar's bilateral bank loan agreements and revolving credit facility include a financial covenant restricting the corporate capital structure. According to the covenant, the relation between net debt and equity (gearing) must be retained below 125 percent. Breaches of the covenant could result in premature termination of financing agreements. The financial covenant is tested at the end of each quarter. According to management assessment, Kalmar is in good position regarding liquidity and there are no significant concentrations of risks relating to refunding.

The following tables represent the maturity analysis of the company's financial liabilities and derivative instruments. The figures are non-discounted contractual cash flows.

Maturities of financial liabilities and derivative instruments

31 Dec 2024 MEUR	2025	2026	2027	2028	2029	2030–	Total
Derivatives							
Currency forward contracts, outflow	-1,629.3	-	-	-	-	-	-1,629.3
Currency forward contracts, inflow	1,627.9	-	-	-	-	-	1,627.9
Derivatives, net	**-1.3**	**-**	**-**	**-**	**-**	**-**	**-1.3**
Interest-bearing liabilities							
Repayments of loans from financial institutions and other interest-bearing liabilities	-8.3	-149.7	-99.8	-	-	-	-257.8
Repayments of lease liabilities	-16.9	-14.9	-12.1	-8.4	-5.7	-25.0	-83.1
Total interest charges	-12.7	-11.1	-5.1	-1.3	-1.0	-2.8	-33.9
Accounts payable and other non-interest-bearing liabilities	-164.1	-20.5	-14.1	-15.1	-11.4	-10.3	-235.6
Interest-bearing and non-interest-bearing liabilities	**-202.1**	**-196.3**	**-131.1**	**-24.8**	**-18.1**	**-38.1**	**-610.4**
Total	**-203.4**	**-196.3**	**-131.1**	**-24.8**	**-18.1**	**-38.1**	**-611.7**

31 Dec 2023 MEUR	2024	2025	2026	2027	2028	2029–	Total
Derivatives							
Currency forward contracts, outflow, Cargotec Group	-567.4	-10.7	-	-	-	-	-578.1
Currency forward contracts, inflow, Cargotec Group	569.4	10.7	-	-	-	-	580.1
Derivatives, net	**2.0**	**0.1**	**-**	**-**	**-**	**-**	**2.0**
Interest-bearing liabilities							
Repayments of loans from financial institutions and other interest-bearing liabilities	-13.3	-	-50.0	-	-	-	-63.3
Repayments of lease liabilities	-14.5	-12.5	-9.9	-8.5	-6.1	-27.1	-78.6
Loans and cash pool liabilities, Cargotec Group	-112.8	-	-	-	-	-	-112.8
Total interest charges	-3.0	-2.4	-1.9	-1.3	-1.0	-3.2	-12.9
Accounts payable and other non-interest-bearing liabilities	-167.0	-26.5	-15.9	-15.2	-9.2	-10.2	-244.0
Accounts payable and other non-interest-bearing liabilities, Cargotec Group	-5.0	-	-	-	-	-	-5.0
Interest-bearing and non-interest-bearing liabilities	**-315.6**	**-41.3**	**-77.7**	**-25.0**	**-16.3**	**-40.6**	**-516.5**
Total	**-313.6**	**-41.3**	**-77.7**	**-25.0**	**-16.3**	**-40.6**	**-514.5**

Credit and counterparty risks

Credit risk realizes when counterparty will not meet its obligations under a financial or customer contract, leading to a Kalmar's financial loss. Kalmar business units are responsible for managing the operational credit risks. Because of the diverse and global clientele, Kalmar is not exposed to significant credit risk concentrations. Credit risk related to sales contracts is mitigated by using payment terms that are based on advance payments, bank guarantees or other guarantees, and by monitoring the creditworthiness of customers. Credit risks related to large contracts are shared with financial institutions, insurance companies or export guarantee institutions, when feasible. More information on accounts receivable is presented in note 5.3, Accounts receivable and other non-interest-bearing assets.

The Treasury Committee sets financial counterparty limits based on their solvency and creditworthiness. Kalmar Treasury actively reviews counterparty risks and, if needed, may reject a counterparty with immediate effect. Only large financial institutions with a high credit rating are accepted as counterparties. Deposits of liquidity reserves and trading in financial instruments are only accepted with counterparties confirmed by the Treasury Committee.

The derivative assets and liabilities are presented at their gross fair values as the IFRS offsetting criteria are not met. Kalmar has derivative positions with several banks, and related transactions are effected under the ISDA agreement that allows for settling on a net basis all outstanding items within the scope of the agreement, such as in the event of bankruptcy. At the reporting date, the remaining counterparty risk after net settlement, as allowed by ISDA, was EUR 3.1 (31 Dec 2023: 3.5) million for Kalmar. Credit risk related to the derivative assets is considered to be low.

The maximum credit risk relating to cash and cash equivalents corresponds to their carrying amount. Kalmar subsidiaries deposit their excess cash balances with the Kalmar Treasury on an ongoing basis, in order to provide the sufficient visibility of Kalmar's cash balance and risks associated with it. According to management assessment, no significant credit losses are anticipated on the investments of liquidity reserves. The off-balance sheet customer finance and operating lease receivables are collateralized, and, therefore, the related credit risk is considered to be low.

Prior to the demerger, majority of Kalmar's financing was treated as equity financing from Cargotec Group and presented as Invested equity in the carve-out financial statements, hence not comparable with Kalmar actual figures. Comparison period figures are carve-out figures.

Operational risks of the treasury function

The management of operational risks aims to eliminate losses or increased risk levels due to errors in procedures or insufficient monitoring. The risks are minimised by maintaining a high level of proficiency, identifying and documenting routine procedures and organising responsibilities.

Risks related to transactions are minimised by conducting regular general assessments and monitoring trading limits, market valuations and daily trade confirmations.

Capital structure management

The goal of Kalmar's capital structure management is to secure operational preconditions at all times and to maintain the optimum capital cost structure. The target capital structure is determined by shareholders and it is regularly monitored by the Board of Directors.

Gearing, calculated as the ratio of net debt to equity, is the key figure monitored in capital structure management. Interest-bearing net debt is calculated as net of interest-bearing liabilities and assets, including cash and cash equivalents. The elements of gearing are presented in the table below.

Interest-bearing net debt

MEUR	31 Dec 2024	31 Dec 2023
Interest-bearing liabilities	340.9	141.8
Lease liabilities included in interest-bearing liabilities	83.1	78.6
Loans and cash pool liabilities, Cargotec Group	-	112.8
Loans receivable and other interest-bearing assets	-4.1	-3.2
Loans receivable and other interest-bearing assets, Cargotec Group	-	-2.3
Cash pool receivables, Cargotec Group	-	-289.9
Cash and cash equivalents	-260.6	-82.6
Interest-bearing net debt	**76.2**	**-123.3**
Equity	638.2	818.2
Gearing	**11.9%**	**N/A**

MEUR	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Operating profit	174.4	240.2
Depreciation, amortisation and impairment	65.8	57.2
EBITDA	**240.3**	**297.4**
Interest-bearing net debt / EBITDA	**0.3**	**N/A**

Interest-bearing net debt / EBITDA, last 12 months is calculated based on actual net debt at 31 December 2024 and EBITDA for last 12 months. EBITDA for July-December 2024 is on actual basis and prior periods on carve-out basis.

Prior to the demerger, majority of Kalmar's financing was treated as equity financing from Cargotec Group and presented as Invested equity in the carve-out financial statements, hence not comparable with Kalmar actual figures. Comparison period figures are carve-out figures.

8.2 Financial instruments by measurement category

Accounting principles

Financial assets

Financial assets are classified in accordance with the applied measurement principle as financial assets at amortised cost, fair value through other comprehensive income, or fair value through profit or loss. Financial assets are classified at the initial recognition in accordance with the features and planned use of the asset. Financial assets are presented as non-current when their maturity exceeds one year.

Financial assets are measured at amortised cost if there is no intention to sell the asset and the expected contractual cash flow from it is based on interest and repayment of the principal amount. The loans and receivables measured at amortised cost mostly consist of accounts receivable and cash and cash equivalents. Loan receivables are measured initially at fair value plus transaction costs and less expected credit losses, and subsequently at amortised cost in accordance with the effective interest method. Changes in the amount of expected credit loss are reflected in the expected cash flows included in amortised cost.

Financial assets are measured at fair value through other comprehensive income if the asset can be sold before it matures and the contractual cash flow from it is based on interest and repayment of principal. The financial assets included in the class are measured initially at fair value plus transaction costs and less expected credit losses, and subsequently at fair value less expected credit losses. Equity instruments can be irrevocably classified into this category on initial recognition after which all subsequent fair value changes are recognised in other comprehensive income except dividends that are recognised in the statement of income. In addition, the effective portion of fair value changes related to derivatives under hedge accounting is measured in accordance with this category throughout the hedge relationship.

Financial assets measured at fair value through profit or loss are those financial assets that do not belong to the previous classes, including equity investments, derivative instruments to which no hedge accounting is applied, and financial assets held for trading, or from which the expected contractual cash flows on initial recognition are not solely based on interest and repayment of principal. The transaction costs and subsequent fair value changes of financial assets recognised at fair value through profit or loss are recognised directly in the statement of income.

Purchases and sales of derivative instruments are recognised on the trade date, while transactions in the other financial asset categories are recognised on the settlement date.

A financial asset is derecognised when the contractual rights to the cash flows from the asset expire or are transferred so that the material risks and rewards related to the ownership of the asset are transferred to another party.

Financial liabilities
Financial liabilities are classified as financial liabilities recognised at fair value through profit or loss and as financial liabilities recognised at amortised cost. Financial liabilities are presented as non-current when their maturity exceeds one year.

Financial liabilities recognised at fair value through profit or loss include derivative instruments unless hedge accounting is applied. The transaction costs and subsequent fair value changes of financial liabilities recognised at fair value through profit or loss are recognised directly in the statement of income. Fair value changes related to derivatives under hedge accounting are recognised in the statement of comprehensive income and, subsequently, recycled to the statement of income when hedge accounting is ceased.

Financial liabilities recognised at amortised cost include mainly interest-bearing liabilities and accounts payable. Financial liabilities recognised at amortised cost are initially recognised at fair value less transaction costs, and subsequently, at amortised cost using the effective interest method.

Purchases and sales of derivative instruments are recognised on the trade date while transactions with the other financial liabilities are recognised on the settlement date.

A financial liability is derecognised when the related obligation is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of income.

Offsetting financial assets and liabilities
Financial assets and financial liabilities are offset and the net amount is reported on the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Estimates and assumptions requiring management judgement

Fair value of financial assets and liabilities
The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The fair value of the over-the-counter derivatives used for hedging is determined by using a commonly applied valuation technique, and by maximising the use of available market prices. In applying these techniques, judgement is used to select the applied method, and where appropriate, to make assumptions that are mainly based on existing market conditions at the reporting date.

Kalmar recognises impairments on customer receivables at the end of the reporting period based on the expected credit losses. Expected credit loss is estimated based on systematic and continuous follow-up as part of the credit risk control that is based on both historical and forward-looking credit loss assessment. Additional information regarding the impairment of accounts receivable is disclosed in note 5.3, Accounts receivable and other non-interest-bearing assets.

Financial assets and liabilities

31 Dec 2024 MEUR	Note	Measured at cost or amortised cost	Measured at fair value through other comprehensive income	Measured at fair value through profit or loss	Total
Share investments		-	-	-	-
Loans receivable and other interest-bearing assets		4.1	-	-	4.1
Derivative assets	8.5	-	1.3	8.7	10.0
Accounts receivable and other non-interest-bearing assets	5.3	272.2	-	-	272.2
Cash and cash equivalents	8.3	260.6	-	-	260.6
Total financial assets		**537.0**	**1.3**	**8.7**	**547.0**
Interest-bearing liabilities	8.4	340.9	-	-	340.9
Derivative liabilities	8.5	-	4.1	7.0	11.1
Accounts payable and other non-interest-bearing liabilities	5.4	235.6	-	-	235.6
Total financial liabilities		**576.5**	**4.1**	**7.0**	**587.6**

31 Dec 2023 MEUR	Note	Measured at cost or amortised cost	Measured at fair value through other comprehensive income	Measured at fair value through profit or loss	Total
Share investments		-	-	0.0	0.0
Loans receivable and other interest-bearing assets		3.2	-	0.0	3.2
Loans receivable and other interest-bearing assets, Cargotec Group		2.3	-	-	2.3
Derivative assets	8.5	-	-	0.0	0.0
Derivative assets, Cargotec Group	8.5	-	5.3	0.6	5.8
Accounts receivable and other non-interest-bearing assets	5.3	278.8	-	-	278.8
Accounts receivable and other non-interest-bearing assets, Cargotec Group	5.3	1.0	-	-	1.0
Cash and cash equivalents	8.3	82.6	-	-	82.6
Cash pool receivables, Cargotec Group		289.9	-	-	289.9
Total financial assets		**657.6**	**5.3**	**0.6**	**663.5**
Interest-bearing liabilities	8.4	141.8	-	-	141.8
Interest-bearing liabilities, Cargotec Group	8.4	112.8	-	-	112.8
Derivative liabilities	8.5	-	-	-	-
Derivative liabilities, Cargotec Group	8.5	-	1.8	0.8	2.6
Accounts payable and other non-interest-bearing liabilities	5.4	244.0	-	-	244.0
Accounts payable and other non-interest-bearing liabilities, Cargotec Group	5.4	5.0	-	-	5.0
Total financial liabilities		**503.6**	**1.8**	**0.8**	**506.2**

Financial assets and liabilities measured at fair value through profit and loss consists of currency forward contracts. Financial assets and liabilities measured at fair value through other comprehensive income include forward exchange contracts subject to hedge accounting. Fair value changes related to derivatives for which hedge accounting is applied are accumulated in other comprehensive income during hedge accounting and recycled to statement of income when hedge accounting related to sales transaction ceases, and to value of inventory when hedge accounting related to purchase transaction ceases. The recurring measurement of derivative instruments at fair value is based on commonly applied valuation methods and uses observable market-based variables based on which these measurements are categorised in the fair value hierarchy as level 2 fair values. The fair values of other instruments measured at fair value through profit or loss are partly based on non-market-based variables, and, therefore, these measurements are categorised in the fair value hierarchy as level 3 fair values. Other items are recognised on the balance sheet at amortised cost and information about their fair values is presented under each respective note to the extent that the difference between the book value and fair value is significant.

Loans receivable and other interest-bearing assets mainly consist of finance lease receivables and term deposits.

8.3 Cash and cash equivalents

Accounting principles

Cash and cash equivalents
Cash and cash equivalents include cash balances, short-term bank deposits and other short-term liquid investments with original maturities up to three months. Bank overdrafts are included in other current liabilities. In the statement of cash flows, bank overdrafts are deducted from cash and cash equivalents.

MEUR	31 Dec 2024	31 Dec 2023
Cash at bank and on hand	242.6	59.4
Short-term deposits	18.0	23.2
Cash and cash equivalents	**260.6**	**82.6**

Cash and cash equivalents include a total of EUR 53.6 (31 Dec 2023: 67.5) million worth of cash and cash equivalents in different countries and currencies, which are subject to transfer restrictions but can be used in local business or transferred with a delay excluding cash and cash equivalents worth EUR 3.8 (5.8) million in Russia.

Cash and cash equivalents in the statement of cash flows

MEUR	31 Dec 2024	31 Dec 2023
Cash and cash equivalents	260.6	82.6
Bank overdrafts used	-3.0	-3.8
Cash and cash equivalents in the statement of cash flows	**257.6**	**78.8**

8.4 Interest-bearing liabilities

Book value of interest-bearing liabilities

MEUR	Note	31 Dec 24	31 Dec 23
Non-current			
Loans from financial institutions		249.5	50.0
Lease liabilities	9.1	66.1	64.0
Total		**315.7**	**114.0**
Current			
Loans payable, Cargotec Group		-	50.1
Lease liabilities	9.1	16.9	14.5
Other interest-bearing liabilities		5.3	9.5
Cash pool payables, Cargotec Group		-	62.7
Bank overdrafts used		3.0	3.8
Total		**25.2**	**140.6**
Total interest-bearing liabilities		**340.9**	**254.6**

On 31 December 2024, the average interest rate of long-term liabilities was 3.7 (31 Dec 2023: N/A) percent. The average interest rate of short-term liabilities was 4.7 (N/A) percent.

The fair values of interest-bearing liabilities are not materially different from their carrying amounts.

Reconciliation of interest-bearing liabilities

MEUR	Note	Non-current interest-bearing liabilities including repayments	Lease liabilities and current interest-bearing liabilities	Loans and cash pool payables, Cargotec Group	Bank overdrafts used	Total interest-bearing liabilities
1 Jan 2024		50.0	88.1	112.8	3.8	254.6
Cash flows		-49.8	-22.2	-131.8	-0.8	-204.6
New and changed lease agreements		-	18.6	-	-	18.6
Demerger		249.4	3.5	20.0	-	272.9
Translation differences		-	0.4	-1.0	0.1	-0.5
Effective yield adjustment		0.0	-	-	-	0.0
Total interest-bearing liabilities, 31 Dec 2024		**249.5**	**88.4**	**-**	**3.0**	**340.9**

MEUR	Note	Non-current interest-bearing liabilities including repayments	Lease liabilities and current interest-bearing liabilities	Loans and cash pool payables, Cargotec Group	Bank overdrafts used	Total interest-bearing liabilities
1 Jan 2023		-	74.6	94.9	1.4	171.0
Cash flows		50.0	-11.3	20.3	2.4	61.3
New and changed lease agreements		-	25.5	-	-	25.5
Demerger		-	-	-	-	-
Translation differences		-	-0.7	-2.5	0.0	-3.2
Effective yield adjustment		-	-	-	-	-
Total interest-bearing liabilities, 31 Dec 2023		**50.0**	**88.1**	**112.8**	**3.8**	**254.6**

8.5 Derivatives

Accounting principles

Derivative financial instruments and hedge accounting
Kalmar uses mainly currency forwards to hedge from the identified significant market risks. Derivative instruments are initially recognised on the balance sheet at cost, which equals the fair value, and are subsequently measured at fair value on each balance sheet date. Derivatives are classified at the inception either as hedges of binding agreements and future cash flows, in which case cash flow hedge accounting is applied to them, or as derivatives at fair value through profit or loss, when the preconditions for hedge accounting are not fully met.

Fair values of foreign currency forward contracts are based on quoted market rates on the balance sheet date. Derivative instruments are presented as non-current when their maturity exceeds one year.

Cash flow hedge accounting is mainly applied to hedges of operative cash flows. In addition, hedge accounting is applied to hedges of certain foreign currency denominated borrowings. To qualify for hedge accounting, the company documents the hedge relationship of the derivative instruments and the underlying items, group's risk management targets and the strategy of applying hedge accounting. When starting hedge accounting and at least in every interim and annual closing, the company documents and estimates the effectiveness of the hedge by measuring the ability of the hedging instrument to offset changes in fair value of the underlying cash flow. Because the critical terms of the hedging instrument are set to match with the hedged item as closely as possible, there is typically no inefficiency.

Fair value changes of hedging instruments under effective cash flow hedge relationship are recognised through the statement of comprehensive income in the fair value reserve of equity, and under effective net investment hedges through the statement of comprehensive income in the translation differences of equity. However, only the exchange rate difference of foreign currency forward agreements is recognised in other comprehensive income whereas the changes in forward points are recognised as financial income or expense in the statement of income. Cumulative gain or loss on the hedge recognised through the statement of comprehensive income in fair value reserve or translation differences is recognised in the statement of income simultaneously with the hedged item. The effective portion of foreign currency forwards hedging sales and purchases is recognised in sales and cost of goods sold, respectively. If the hedged cash flow is no longer expected to materialise, the deferred gain or loss is immediately recognised in the statement of income. If the hedging instrument is sold, expires, is revoked or exercised, or the relation of the hedging instrument and the underlying item is revoked, the cumulative change in the fair value of the hedging instrument remains to be recognised in the fair value reserve and is recycled to the statement of income when the underlying operative item materialises. If effectiveness testing results in ineffectiveness, the ineffective portion of the hedges is recognised immediately in the statement of income.

Changes in the fair values of hedges, for which hedge accounting is not applied, are recognised in the statement of income, either in other operating income and expenses, or financial income and expenses depending on the underlying exposure.

Derivatives

31 Dec 2024 MEUR	Nominal value	Positive fair value	Negative fair value	Net fair value
Non-current				
Currency forwards, cash flow hedge accounting	-	-	-	-
Equity warrants	0.0	0.0	-	0.0
Total	**0.0**	**0.0**	**-**	**0.0**
Current				
Currency forwards, cash flow hedge accounting	579.1	1.3	4.1	-2.7
Currency forwards, other	1,058.9	8.7	7.0	1.7
Total	**1,638.1**	**10.0**	**11.1**	**-1.1**
Total derivatives	**1,638.1**	**10.0**	**11.1**	**-1.1**

31 Dec 2023 MEUR	Nominal value	Positive fair value	Negative fair value	Net fair value
Non-current				
Currency forwards, cash flow hedge accounting*	10.8	0.2	0.0	0.2
Equity warrants	0.0	0.0	-	0.0
Total	**10.8**	**0.2**	**0.0**	**0.2**
Current				
Currency forwards, cash flow hedge accounting*	516.0	5.1	1.8	3.3
Currency forwards, other*	51.8	0.6	0.8	-0.2
Total	**567.8**	**5.7**	**2.6**	**3.1**
Total derivatives	**578.6**	**5.8**	**2.6**	**3.2**

* Until the date of the demerger, counterparty for the currency forward contracts was Cargotec Corporation.

The derivatives have been recognised at gross fair values in the balance sheet even when entered into with a same counterparty, as the netting agreements related to derivatives allow unconditional netting only in the occurrence of credit events, but not in a normal situation. The group has not given or received collateral related to derivatives from the counterparties.

8.6 Equity

Accounting principles

Profit distribution
Profit distribution includes dividends and donations decided by the Shareholders' Meeting. The distribution of profits proposed by the Board of Directors is recognised as a liability and a deduction of equity once the distribution is approved by Kalmar Corporation's shareholders at the Annual General Meeting.

Treasury shares
When the parent company or its subsidiaries purchase shares of Kalmar Corporation, the consideration paid and directly attributable costs are recognised as a deduction in equity. When such shares are sold, the consideration received, net of directly attributable transaction costs and income tax effect, is included in equity.

Total equity consists of share capital, fair value reserve, reserve for invested unrestricted equity, translation differences, retained earnings and non-controlling interest. Fair value reserve includes hedge accounted component of fair value changes of derivatives under hedge accounting. Reserve for invested unrestricted equity includes transactions with treasury shares. Translation differences includes translation differences caused by translation of foreign subsidiaries' financial statements into euro. Retained earnings include profit for the period and previous periods. Paid dividends and donations approved by the Annual General Meeting are deducted from retained earnings. Additionally, retained earnings include actuarial gains and losses from defined benefit plans and the cost of equity-settled share-based payments. Share-based payments are described in note 3.2 Share-based payments.

Shares and share capital

Kalmar has two (2) share classes: class A shares and class B shares. The shares have no nominal value. All issued shares have been fully paid. Kalmar Corporation's class B shares are quoted on Nasdaq Helsinki since 1 July 2024. Kalmar's share capital amounts to EUR 20,000,000.00.

Voting rights entitled by shares: At the General meeting, class A shares entitle their holders to one vote and each full set of ten class B shares entitle their holders to one vote, but in such a way that each shareholder has a minimum of one vote.

Dividend on class B shares: In dividend distribution, class B shares earn a higher dividend than class A shares. The difference between dividends paid on the two classes of shares is a minimum of one (1) cent and a maximum of two and a half (2.5) cents.

Number of shares	Class A shares	Class B shares	Total
Number of shares 30 June 2024	9,526,089	54,798,029	64,324,118
Number of shares 31 Dec 2024	**9,526,089**	**54,798,029**	**64,324,118**
Treasury shares 31 Dec 2024	-	250,000	250,000
Number of shares outstanding 31 Dec 2024	**9,526,089**	**54,548,029**	**64,074,118**

Dividend distribution

After 31 December 2024, the following dividends were proposed by the Board of Directors to be paid: EUR 0.99 per each class A share and EUR 1.00 per outstanding class B share, a total of EUR 63,978,857.11.

9. Other notes

9.1 Leases

Accounting principles

Leases, Kalmar as lessee

Kalmar leases property, plant and equipment in most of the countries it operates in under contracts that meet the definition of a lease. Short-term lease agreements, with contractual and expected lease periods not exceeding 12 months, are accounted for as off-balance sheet leases if there is no purchase option. Also long-term lease agreements in which the underlying leased asset is of low value are accounted for as off-balance sheet leases. Expenses related to these leases are recognised in the statement of income as incurred over the lease period.

Lease agreements which do not qualify for the short-term or low-value exemption are recognised on the balance sheet as lease liabilities and right-of-use assets at the commencement of the lease period. Lease liabilities are initially measured at present value by determining the expected reasonably certain lease payments and discounting them with an incremental borrowing rate that is determined separately for the main lease types in each relevant currency. Rent components not directly related to the leased asset are excluded from the lease value on the balance sheet. If a lease has no maturity date, the lease liability is determined based on the enforceable lease period considering the termination rights of both contractual parties. Lease payments are allocated to repayments of lease liabilities and finance charges so that a constant interest rate on the outstanding balance is obtained. Lease liability is included in the interest-bearing liabilities on the statement of financial position, and is measured at amortised cost. Right-of-use assets are initially measured at cost, comprising the initial measurement of the lease liability adjusted by lease advances paid or incentives received, initial direct costs, and estimated dismantling, removal and restoration costs at the end of the lease period, if relevant. Right-of-use assets are included in the property, plant and equipment on the statement of financial position, and they are depreciated over the lease period on a straight-line basis unless the asset is expected to be fully consumed before the end of the lease term or purchased, in which case the depreciation period is determined based on the expected useful life of the asset. An off-balance sheet lease commitment becoming onerous leads to a recognition of a separate loss provision, whereas an on-balance sheet lease becoming onerous leads to an impairment of the related right-of-use asset.

Lease modifications are accounted for either as new lease contracts or as changes in the existing lease contracts depending on the type of the modification. Modifications accounted for as changes in the existing leases, and changes in the estimates applied in lease accounting, such as those related to the use of an option to prolong a lease or to purchase a leased asset, trigger a remeasurement of the lease liability and the right-of-use asset at an updated discount rate. Contractual rent changes tied to indexes also trigger a remeasurement of the lease liability and the right-of-use asset but without a change in the applied discount rate.

Leases, Kalmar as lessor

Kalmar rents out equipment under contracts that meet the definition of a lease, and are accounted for either as operating or finance leases. In an operating lease the risks and rewards incidental to ownership of an asset remain with the lessor. The leased asset is recognised on the balance sheet according to the nature of the asset. Income from operating leases is recognised on a straight-line basis over the lease term. The depreciation of the leased asset is determined by considering the normal depreciation policy of similar assets in own use and the planned use after the lease period.

In a finance lease the risks and rewards of ownership are substantially transferred to the lessee. The sales profit is recognised similarly to profit from an outright sale. Finance lease receivables are recognised on the balance sheet at present value. The financial income relating to the finance lease contract is recognised in the statement of income over the lease term so as to achieve a constant interest rate on outstanding balance.

Estimates and assumptions requiring management judgement

Leases
Measurement of the on-balance sheet leases partly requires a use of judgement, in particular, when determining the capitalised lease term. If a lease contract includes an option to prolong or purchase the leased asset, the decision to include or exclude the option in the value of the capitalised lease liability and right-of-use asset is based on an estimate of the likelihood to exercise the option. In practice, the probability to exercise an option is estimated from the needs of the business as part of the real estate management process and taking into account the contractual conditions, leasehold improvements made or needed, and the local market situation. Additional information about the right-of-use assets related to leases is disclosed in notes 6.3, Property, plant and equipment.

Kalmar leases property and equipment in most of the countries where it operates. Leased properties include land and buildings mainly for use as offices, manufacturing facilities, workshops, and warehouses. The average length of Kalmar's property leases on reporting date is 8.3 (31 Dec 2023: 9.2) years and contracts typically include an option or options to prolong, or an option to early terminate the lease. Optional lease periods are reflected in the capitalised value of the leases based on the real estate management process in which the remaining reasonably certain lease period is reassessed on a regular basis, and typically the capitalisation threshold is met, depending on the location and use of the property, from a few months to a couple of years before the end of the ongoing lease period. Leased equipment include mainly vehicles and machines with fixed rents and lease terms. The average length of Kalmar's equipment leases on reporting date is 3.1 (31 Dec 2023: 2.8) years. Kalmar lease agreements typically do not include variable rent elements except for the rent escalation clauses tied to inflation-related indexes. The weighted average discount rate applied to determine the present value of lease liability on reporting date is 4.4 (31 Dec 2023: 4.2) percent.

Kalmar as lessee

MEUR	Note	31 Dec 2024	31 Dec 2023
Off-balance sheet leases			
Lease payments related to off-balance sheet leases	9.2		
Less than one year		0.5	0.5
One to two years		0.1	0.1
Two to three years		0.0	0.0
Three to four years		0.0	-
Four to five years		-	-
Over five years		-	-
Total		**0.6**	**0.6**
Off-balance sheet lease commitments on reporting date			
Lease payments related to short-term leases		0.2	0.2
Lease payments related to low-value leases		0.4	0.4
Lease payments related to leases not yet commenced		-	-
Total		**0.6**	**0.6**
On-balance sheet leases			
Lease payments related to on-balance sheet leases			
Less than one year		20.0	17.2
One to two years		17.3	14.6
Two to three years		13.8	11.6
Three to four years		9.7	9.8
Four to five years		6.7	7.1
Over five years		27.8	30.4
Total		**95.3**	**90.7**

MEUR	Note	31 Dec 2024	31 Dec 2023
Present value of lease payments related to on-balance sheet leases	8.4		
Less than one year		16.9	14.5
One to two years		14.9	12.5
Two to three years		12.1	9.9
Three to four years		8.4	8.5
Four to five years		5.7	6.1
Over five years		25.0	27.1
Total		**83.1**	**78.6**
Future interest expense related to on-balance sheet leases		12.2	12.2
Right-of-use assets	6.3		
Land and buildings		59.3	60.7
Machinery and equipment		14.9	10.8
Total		**74.2**	**71.4**
Leases in the statement of income			
Depreciation related to right-of-use assets	6.3	17.8	16.1
Land and buildings		11.4	10.1
Machinery and equipment		6.4	6.0
Interest expense on lease liabilities	2.5	3.6	3.1
Early termination gain (-) / loss (+)		1.9	0.2
Impairment related to right-of-use assets	6.3	-	-
Rent expense from off-balance sheet leases:		1.6	3.7
Portion related to short-term leases		0.9	2.6
Portion related to low-value leases		0.8	1.1
Total		**24.9**	**23.0**
Leases in the statement of cash flows			
Lease payments related to off-balance sheet leases		1.6	3.7
Lease payments related to on-balance sheet leases		21.1	18.9
Total		**22.8**	**22.6**

Kalmar as lessor

MEUR	Note	31 Dec 2024	31 Dec 2023
Off-balance sheet leases			
Operating lease receivables			
Less than one year		26.8	28.6
One to two years		19.4	14.3
Two to three years		13.3	30.1
Three to four years		8.6	6.2
Four to five years		3.5	2.6
Over five years		0.8	3.0
Total		**72.3**	**84.9**
Property, plant and equipment related to off-balance sheet leases			
Land and buildings		1.0	1.2
Machinery and equipment	6.3	118.7	129.0
Total		**119.7**	**130.1**
On-balance sheet leases			
Finance lease receivables			
Less than one year		1.3	0.1
One to two years		0.9	0.1
Two to three years		0.9	0.0
Three to four years		0.4	-
Four to five years		0.0	-
Over five years		-	-
Total		**3.6**	**0.2**

MEUR	Note	31 Dec 2024	31 Dec 2023
Present value of finance lease receivables			
Less than one year		1.3	0.1
One to two years		0.8	0.1
Two to three years		0.9	0.0
Three to four years		0.4	-
Four to five years		0.0	-
Over five years		-	-
Total		**3.4**	**0.2**
Future interest income related to finance lease receivables		0.2	0.0
Finance lease receivables			
Land and buildings		1.4	-
Machinery and equipment		2.0	0.2
Total		**3.4**	**0.2**
Leases in the statement of income			
Rent income related to operating leases		32.4	31.8
Machinery and equipment		31.7	31.2
Land and buildings		0.3	0.1
Sublease of right-of-use assets		0.4	0.4
Selling profit or loss related to finance leases		3.9	1.6
Interest income related to finance leases		0.1	0.0
Total		**36.3**	**33.4**
Leases in the statement of cash flows			
Lease payments related to off-balance sheet leases		29.4	39.7
Lease payments related to on-balance sheet leases		3.5	0.2
Total		**32.9**	**39.9**

Kalmar's operating lease receivables mainly relate to container handling and industrial application equipment leased out under contracts with varying duration and conditions. The operating lease receivables also include future rent income from premises owned or subleased by Kalmar.

Rental income recognised in sales from operating leases was EUR 31.7 (2023: 31.2) million and rental income recognised in other operating income from operating leases was EUR 0.7 (2023: 0.6) million.

9.2 Contingent liabilities and commitments

Accounting principles

Contingent liabilities and commitments
Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of Kalmar. Contingent liabilities also include obligations that are not recognised because their values cannot be measured reliably or because their settlement is not probable. Contingent liabilities are not recognised in the statement of financial position but are disclosed unless the possibility of an outflow of economic resources is remote. When an outflow of economic resources becomes probable and can be reliably measured, a liability is recognised in the statement of financial position.

Contingent assets are possible assets whose existence will be confirmed by uncertain future events that are not wholly within the control of Kalmar. Contingent assets are not recognised in the statement of financial position but are disclosed when it is more likely than not that an inflow of benefits will occur. However, when the inflow of benefits is virtually certain an asset is recognised in the statement of financial position.

Commitments relate to agreements or pledges to assume a financial obligation at a future date, or present obligations not recognised in the statement of financial position.

Contingent liabilities and commitments

MEUR	31 Dec 2024	31 Dec 2023
Customer financing	14.5	8.3
Off-balance sheet leases	0.6	0.6
Other contingent liabilities	0.6	0.7
Total	**15.7**	**9.6**

Kalmar Corporation has guaranteed obligations of Kalmar companies arising from ordinary course of business. The total amount of these guarantees on 31 December 2024 was EUR 121.8 (31 Dec 2023: 144.3) million.

Contingent liabilities are related to guarantees given by Kalmar in the ordinary course of business for the delivery of products and services. Guarantees are provided in different ways including direct guarantees, bank guarantees, and performance bonds. Various Group entities are parties to legal actions and claims which arise in the ordinary course of business. While the outcome of some of these matters cannot precisely be foreseen, they are not expected to result in a significant loss to the Group.

Commitments related to leases include commitments related to off-balance sheet leases and on-balance sheet leases not yet commenced, and residual value risk related to equipment sold under customer finance arrangements and accounted for as leases.

9.3 Related party transactions

As from the demerger date 30 June 2024 Kalmar's related parties include the parent company Kalmar Corporation, its subsidiaries as well as an associated company. Related parties also include the members of the Board of Directors, the CEO and other members of the Leadership Team, their close family members and entities controlled directly or indirectly by them. In addition, major shareholders with more than 20 percent ownership of shares or of the total voting rights in the company, are included in related parties.

Transactions with Cargotec Group

Until the date of the demerger, Kalmar's related parties included Cargotec Corporation and Cargotec Group companies other than Kalmar entities. Transactions with Cargotec Group until the date of the demerger are presented at the table below.

Main transactions with Cargotec companies comprise centrally provided services that are presented in administration expenses and other operating income. Finance income and expenses comprise interest on cash-pool and other interest bearing assets and liabilities included in the carve-out financial statements.

MEUR	1 Jan–30 Jun 2024	1 Jan–31 Dec 2023
Sales	0.4	0.2
Cost of goods sold	0.0	-0.2
Administration expenses	-21.4	-43.7
Other operating income	6.2	9.9
Finance income	10.5	13.6
Finance expenses	-3.1	-8.0
Total	**-7.5**	**-28.2**

Transactions with associated company Bruks Siwertell Group

MEUR	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Sales	0.0	0.0
Cost of goods sold	-	0.0
Finance income	-	0.1
Total	**0.0**	**0.1**

Transactions with related parties are carried out at market prices.

Balances with Cargotec Group

At the date and after the demerger, balances with Cargotec Group are not classified as related party transactions. Comparison period includes following balances with Cargotec Group.

MEUR	31 Dec 2023
Derivative assets	5.8
Loans receivable and other interest-bearing assets	2.3
Accounts receivable	1.0
Other non-interest-bearing assets	1.3
Cash pool receivables	289.9
Total assets	**300.3**
Derivative liabilities	2.6
Interest-bearing liabilities	50.1
Cash pool liabilities	62.7
Accounts payable	5.0
Other non-interest-bearing liabilities	31.8
Total liabilities	**152.1**

Prior to the demerger, legal companies included in Kalmar carve-out financials participated in Cargotec Group's centralised cash pool arrangements. These and other short-term financing with Cargotec is presented in the related balances with Cargotec. At the date of the demerger 30 June 2024, remaining balances related mainly to a short-term receivable from demerger related structuring and short-term demerger related interest bearing liability, that have been settled in cash during the third quarter of 2024.

In addition to the above, prior to the demerger, Cargotec Corporation had equity transactions with Kalmar which have been presented in the consolidated statement of changes in equity.

Other related party transactions

Between August 2023 and May 2024 Kalmar acquired software consulting services from an entity, which is controlled by a member of top management. Total value of the acquired services was EUR 0.2 million during the first half-year of 2024 and EUR 0.1 million in year 2023.

Remuneration to the members of the Board of Directors, the CEO and other members of the Leadership Team is presented in note 3.3, Management remuneration.

Acquisitions and disposals with related parties are presented in note 7.1, Acquisitions and disposals.

Kalmar did not have other material business transactions with its related parties than those presented above.

9.4 Events after the reporting period

Kalmar's Board of Directors has on 12 February 2025 decided on share-based payments related to long-term incentive plans and on the establishment of new share-based long-term incentive plans. More information can be found in the stock exchange releases published on 12 February 2025.

There were no other material events after the reporting period.

Key figures

Key financial figures

Consolidated statement of income		2024	2023 Carve-out	2022 Carve-out	2021 Carve-out
Sales	MEUR	1,720	2,050	1,943	1,512
Operating profit	MEUR	174	240	118	321
% of sales	%	10.1%	11.7%	6.1%	21.2%
Comparable operating profit[1]	MEUR	217	255	169	100
% of sales[1]	%	12.6%	12.4%	8.7%	6.6%
Profit before taxes	MEUR	172	241	118	319
% of sales	%	10.0%	11.8%	6.0%	21.1%
Profit for the period	MEUR	128	194	93	261
% of sales	%	7.4%	9.5%	4.8%	17.3%
Depreciation, amortisation and impairment	MEUR	66	57	52	54
Wages and salaries	MEUR	257	252	240	267

Consolidated balance sheet and investments		2024	2023 Carve-out	2022 Carve-out	2021 Carve-out
Equity	MEUR	638	818	853	776
Total assets	MEUR	1,696	1,846	1,904	1,760
Interest-bearing net debt	MEUR	76	-123	-198	-123
Net working capital	MEUR	75	92	62	62
Capital expenditure in intangible assets and property, plant and equipment (including leasing)	MEUR	28	39	28	21
Capital expenditure in customer financing	MEUR	32	43	32	16
Capital expenditure, total % of sales	%	3.5%	4.0%	3.1%	2.5%

Other key figures		2024	2023 Carve-out	2022 Carve-out	2021 Carve-out
Return on equity (ROE)	%	17.6%	n/a	n/a	n/a
Return on capital employed (ROCE)	%	18.7%	24.4%	12.4%	30.4%
Earnings per share [1]	EUR	1.99	3.01	1.44	4.07
Diluted earnings per share [1]	EUR	1.99	3.01	1.44	4.07
Gearing	%	11.9%	n/a	n/a	n/a
Interest-bearing net debt / EBITDA		0.3	n/a	n/a	n/a
Orders received	MEUR	1679	1,705	2,081	2,063
Order book	MEUR	955	1,024	1,428	1,302
Ecoportfolio sales, % of sales	%	40.6%	35.1%	34.0%	31.7%
Cash flow from operations before finance items and taxes	MEUR	249	257	178	88
Research and development costs	MEUR	54	54	50	60
% of sales	%	3.1%	2.6%	2.6%	3.9%
of which capitalised	MEUR	-	-	-	-
Average number of employees		5,157	5,125	5,062	5,222
Number of employees 31 Dec		5,207	4,991	5,099	4,955

[1] Periods before the listing of Kalmar Corporation on 1 July 2024 are calculated based on the number of shares at the listing moment.

Share-related key figures

		2024	
Basic earnings per share	EUR	1.99	
Diluted earnings per share	EUR	1.99	
Equity per share	EUR	9.96	
Dividend per class B share	EUR	1.00	4
Dividend per class A share	EUR	0.99	4
Total dividends	MEUR	64	4
Dividend per earnings, class B share	%	50.2%	4
Dividend per earnings, class A share	%	49.8%	4
Effective dividend yield, class B share	%	3.1%	4
Price per earnings, class B share		15.98	
Development of share price, class B share			
Average share price	EUR	28.12	
Highest share price	EUR	37.00	
Lowest share price	EUR	24.52	
Closing price at the end of period	EUR	31.81	
Market capitalisation 31 Dec[1]	MEUR	2,038	
Market capitalisation of class B shares 31 Dec[2]	MEUR	1,735	
Trading volume, number of class B shares traded	('000)	16,466	
Trading volume, number of class B shares traded	%	30.0%	
Weighted average number of class A shares[3]	('000)	9,526	
Number of class A shares 31 Dec[3]	('000)	9,526	
Weighted average number of class B shares[2]	('000)	54,740	
Number of class B shares 31 Dec[2]	('000)	54,548	
Diluted weighted average number of class B shares[2]	('000)	54,819	

Trading information is based on Nasdaq Helsinki Ltd statistics.

[1] Including class A and B shares, excluding treasury shares.
[2] Excluding treasury shares.
[3] No dilution on class A shares.
[4] Board's proposal.

Calculation of key figures

IFRS key figures

$$\text{Basic earnings per share (EUR)} = \frac{\text{Profit attributable to the shareholders of the parent company}}{\text{Average number of outstanding shares during the period}}$$

$$\text{Diluted earnings per share (EUR)} = \frac{\text{Profit attributable to the shareholders of the parent company}}{\text{Average number of diluted outstanding shares during the period}}$$

Alternative performance measures

According to the ESMA Guidelines on Alternative Performance Measures, an Alternative Performance Measure (APM) is understood as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. In addition to IFRS key figures, Kalmar uses the following alternative performance measures:

Key figure		Definition	Reason for use	Reconciliation
Operating profit (MEUR and % of sales)	=	Sales - cost of goods sold - selling and marketing expenses - research and development expenses - administration expenses - restructuring costs + other operating income - other operating expenses + share of associated companies' net income	Operating profit is used to measure business profitability. It describes the profitability of the business before taking into account financial items and taxes.	Statement of income
Comparable operating profit (MEUR and % of sales)	=	Operating profit excluding items significantly affecting comparability	Comparable operating profit is used to monitor and forecast profit development and set related targets. It is calculated by excluding items significantly affecting comparability from operating profit, which makes it easier to compare the profitability of the business at different time periods.	Note 2.1, Segment information
Items significantly affecting comparability (MEUR)	=	Items affecting comparability include income and expenses related to significant transactions that do not relate to the recurring business operations, such as the demerger from Cargotec and separate listing of Kalmar in 2024, restructuring, acquisitions and integration, divestment and other discontinuation of operations, impairments of assets and other major transactions that are not considered part of the recurring business operations.	Factor used to calculate Comparable operating profit.	Note 2.4, Restructuring costs and other items affecting comparability

Key figure		Definition	Reason for use	Reconciliation
Cash flow from operations before finance items and taxes	=	Profit for the period + depreciation, amortisation and impairment + finance income and expenses + taxes + other adjustments + changes in net working capital	Represents cash flow from operations after income from sales less operating expenses. Measures the company's ability to meet its financial commitments, including interest payments, taxes, investments, and equity and debt payments. Used to monitor and forecast business performance.	Statement of cash flows
Interest-bearing net debt / EBITDA, last 12 months	=	$\frac{\text{Interest-bearing net debt}}{\text{EBITDA, last 12 months}}$	Used to measure corporate capital structure and financial capacity.	Note 8.1, Financial risk management
Interest-bearing net debt (MEUR)	=	Interest-bearing liabilities (non-current interest-bearing liabilities + current portion of interest-bearing liabilities + current other interest-bearing liabilities) - interest-bearing receivables (non-current and current loans receivable and other interest-bearing assets) - cash and cash equivalents	Interest-bearing net debt represents Kalmar's indebtedness. Used to monitor capital structure and as a factor to calculate Interest-bearing net debt / EBITDA and Gearing.	Note 8.1, Financial risk management
EBITDA (MEUR), last 12 months	=	Operating profit + depreciation, amortisation and impairment, last 12 months	Factor used to calculate Interest-bearing net debt / EBITDA.	Note 8.1, Financial risk management
Net working capital (MEUR)	=	Inventories + operative derivative assets + accounts receivable + contract assets + other operative non-interest-bearing assets - provisions - operative derivative liabilities - pension obligations - accounts payable - contract liabilities - other operative non-interest-bearing liabilities	Net working capital is used to follow the amount of capital needed for the business to operate. It does not include financing items, taxes nor non-current assets.	Note 5.1, Net working capital
Cash conversion (%)	=	$\frac{\text{Cash flow from operations before financing items and taxes, last 12 months}}{\text{EBITDA, last 12 months}}$	Cash conversion is used to evaluate efficiency in terms of how much operational cash flow Kalmar has generated relative to it's result (operating profit) during the measured period.	Note 8.1, Financial risk management
Investments	=	Additions to intangible assets and property, plant and equipment including owned assets and right-of-use assets, excluding assets acquired through business combinations	Investments refer to money used to acquire long-term assets. Used as a factor in cash flow calculation.	Note 6.2 Intangible assets; note 6.3 Property, plant and equipment

Key figure		Definition	Reason for use	Reconciliation
Return on equity (ROE) (%), last 12 months	= 100 x	$\frac{\text{Profit for the period, last 12 months}}{\text{Total equity (average for the last 12 months)}}$	Represents the rate of return that shareholders receive on their investments.	Profit for the period: Statement of income; Total equity: Balance sheet
Return on capital employed (ROCE) (%), last 12 months	= 100 x	$\frac{\text{Profit before taxes + finance expenses, last 12 months}}{\text{Total equity + interest-bearing debt (average for the last 12 months)}}$	Represents relative profitability or the rate of return that has been received on capital employed requiring interest or other return.	Profit before taxes and finance expenses: Statement of income; Total assets and interest-bearing debt: Balance sheet
Interest-bearing debt	=	Non-current interest-bearing liabilities + current portion of interest-bearing liabilities + current other interest-bearing liabilities + Cash pool liabilities, Cargotec Group	Used as a factor to calculate Return on capital employed (ROCE).	Balance sheet
Gearing (%)	= 100 x	$\frac{\text{Interest-bearing net debt}}{\text{Total equity}}$	Represents the company's indebtedness by measuring the amount of interest-bearing debt in proportion to equity capital. Some of Kalmar's loan agreements include a covenant restricting the corporate capital structure, measured by gearing.	Note 8.1, Financial risk management

In the calculation of the balance sheet related key figures the assets held for sale and liabilities related to assets held for sale are included in the applicable account groups, even though in the balance sheet they are presented on one row.

Share-related key figures

$$\text{Equity / share (EUR)} = \frac{\text{Total equity attributable to the shareholders of the parent company}}{\text{Number of outstanding shares at the end of the period}}$$

$$\text{Dividend / share (EUR)} = \frac{\text{Dividend for the period}}{\text{Number of outstanding shares at the end of the period}}$$

$$\text{Dividend / earnings (\%)} = 100 \times \frac{\text{Dividend for the period / share}}{\text{Basic earnings per share}}$$

$$\text{Effective dividend yield (\%)} = 100 \times \frac{\text{Dividend / share}}{\text{Closing price for the class B share at the end of the period}}$$

$$\text{Price / earnings (P/E)} = \frac{\text{Closing price for the class B share at the end of the period}}{\text{Basic earnings per share}}$$

$$\text{Average share price (EUR)} = \frac{\text{EUR amount traded during the period for the class B share}}{\text{Number of class B shares traded during the period}}$$

Market capitalisation at the end of the period = Number of class B shares outstanding at the end of the period x closing price for the class B share at the end of the period + Number of class A shares outstanding at the end of the period x closing day average price for the class B share

Trading volume = Number of class B shares traded during the period

$$\text{Trading volume (\%)} = 100 \times \frac{\text{Number of class B shares traded during the period}}{\text{Average weighted number of class B shares during the period}}$$

Key exchange rates for euro

Closing rate	31 Dec 2024	31 Dec 2023
SEK	11.459	11.096
USD	1.039	1.105

Average rate	2024	2023
SEK	11.423	11.456
USD	1.083	1.082

Additional information on currency risk is disclosed in note 8.1, Financial risk management.

Financial statements of the parent company (FAS)

Parent company income statement

EUR	Note	30 Jun–31 Dec 2024
Sales		**37,492,373.05**
Administration expenses	3, 4, 5	-38,405,077.75
Other operating income and expenses		-17,979,287.57
Operating loss / profit		**-18,891,992.27**
Finance income and expenses	6	175,886,469.08
Loss / profit before appropriations and taxes		**156,994,476.81**
Group contributions		26,294,102.76
Income taxes	7	1,506,916.30
Loss / profit for the period		**184,795,495.87**

Figures are presented according to the Finnish Accounting Standards (FAS).

Parent company balance sheet

EUR	Note	31 Dec 2024
ASSETS		
Non-current assets		
Intangible assets	8	4,065,458.91
Tangible assets	9	265,024.80
Investments		
Investments in subsidiaries	10	1,037,685,370.79
Total non-current assets		**1,042,015,854.50**
Current assets		
Long-term receivables	11, 13	47,678,554.81
Short-term receivables	12, 13	137,028,933.03
Cash and cash equivalents		168,561,833.40
Total current assets		**353,269,321.24**
Total assets		**1,395,285,175.74**

EUR	Note	31 Dec 2024
EQUITY AND LIABILITIES		
Equity		
Share capital		20,000,000.00
Reserve for invested unrestricted equity		156,814,737.45
Effect of demerger 30 Jun		180,162,892.17
Loss / profit for the period		184,795,495.87
Total equity	14	**541,773,125.49**
Liabilities		
Non-current liabilities	13, 15	250,000,000.00
Current liabilities	13, 16	603,512,050.25
Total liabilities		**853,512,050.25**
Total equity and liabilities		**1,395,285,175.74**

Figures are presented according to the Finnish Accounting Standards (FAS).

Parent company cash flow statement

TEUR	30 Jun–31 Dec 2024
Operating loss / profit	-18,892
Adjustments to the operating loss / profit for the period	16,283
Change in working capital:	
Change in non-interest-bearing receivables	-5,616
Change in non-interest-bearing payables	6,446
Interest paid	-18,960
Interest received	6,273
Dividends received	208,000
Other finance income and expenses	1,877
Cash flow from operating activities	**195,412**
Investments to tangible and intangible assets	-8
Cash flow from investing activities	**-8**
Acquisition of treasury shares	-8,048
Increase in loans receivable	-104,000
Disbursement of loans receivable	34,908
Proceeds from short-term borrowings	427,995
Repayments of short-term borrowings	-462,809
Proceeds from long-term borrowings	49,925
Repayments of long-term borrowings	-99,750
Cash flow from financing activities	**-161,778**
Change in cash and cash equivalents	**33,626**
Cash and cash equivalents 30 Jun	134,936
Cash and cash equivalents 31 Dec	**168,562**

Figures are presented according to the Finnish Accounting Standards (FAS).

Notes to the parent company financial statements

1. Accounting principles for the parent company financial statements

Corporate information and basis of preparation

Kalmar Corporation was formed as a result of the partial demerger from Cargotec Corporation ("demerger"), which was completed on 30 June 2024. Kalmar Corporation's class B shares are quoted on Nasdaq Helsinki since 1 July 2024.

Kalmar Corporation's (3424222-7) financial statements have been prepared in accordance with the Finnish Accounting Standards (FAS).

Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency-denominated receivables and payables outstanding at the end of the financial period are revaluated at the exchange rate prevailing on the balance sheet date. Exchange rate gains/losses relating to operations are treated as adjustments to sales and costs. Exchange rate gains/ losses associated with financial instruments are included in financing income and expenses.

Revenue recognition

Sales primarily include internal service charges. Revenue from the service sales is recognised when the services have been rendered.

Income taxes

Deferred tax assets and liabilities due to temporary differences between the financial statements and taxation are calculated using the future period's enacted tax rate at the closing date. Total deferred tax liability is included on the balance sheet in full and deferred tax asset at the estimated probable asset value.

Income taxes include a tax expense calculated from the taxable income of the period in accordance with the Finnish tax legislation.

Intangible and tangible assets, amortisation and depreciation

Intangible and tangible assets are stated at original acquisition cost less accumulated amortisation and depreciation, and impairment. Amortisation and depreciation are recognised on a straight-line basis in accordance with a predetermined plan based on the estimated useful economic life of assets. The amortisation and depreciation periods based on expected useful economic lives are as follows:

- Intangible assets 3–10 years
- Other capitalised expenditure 5–10 years
- Machinery and equipment 3–5 years

Investments

Investments in the group companies and joint ventures are measured at acquisition cost less accumulated impairment. Other investments, for which fair value cannot be measured reliably due to non-existent public markets or lack of reliable valuation methods, are also mainly measured at acquisition cost less accumulated impairment.

Loans receivable

Loans receivable include mainly loans to group companies. Loans receivable are initially recognised at fair value, and subsequently measured at amortised cost less impairments in accordance with the effective interest method. Interest income from loans receivable is recognised as financial income based on the effective interest rate.

Cash and cash equivalents

Cash and cash equivalents include cash balances, short-term bank deposits and other short-term liquid investments with maturities up to three months.

Loans payable

Loans payable are initially recognised as a liability on the balance sheet at an amount received. Transaction costs and interests are recognised as finance expense in the income statement by applying the effective interest rate.

Derivative instruments

Derivative instruments are initially recognised on the balance sheet at cost, which equals their fair value, and subsequently they are measured at fair value on each balance sheet date in accordance with the principles of IFRS, as allowed by FAS, and the fair value changes are recognised in the income statement unless hedge accounting is applied. Fair values of currency forward contracts are determined by using commonly applied valuation methods and the valuations are based on observable market data for interest rates and currencies. Derivative instruments maturing after 12 months from the balance sheet date are included in the non-current assets and liabilities. Other derivative instruments are included in the current assets and liabilities.

Parent company applies hedge accounting only to hedges of cash flows associated with foreign currency-denominated loans, if interest rate swap is used as a hedging instrument. To qualify for hedge accounting, the parent company documents the hedge relationship of the derivative instrument and the related hedged item, the company's risk management targets and the hedging strategy. When starting hedge accounting and at least in every interim and annual closing, the company documents and estimates the effectiveness of the hedge by measuring the ability of the hedging instrument to offset changes in fair value of the underlying asset or cash flow with respect to the hedged risk.

Changes in the fair value of effective cash flow hedges are recognised in fair value reserve of the equity. Ineffective portion is recognised immediately in the income statement. Cumulative gain or loss on the hedge deferred to equity is recognised in the income statement as an adjustment to the hedged item during the same period when the hedged item is recognised. Changes in the fair value of hedging instruments relating to operative items that no longer are expected to materialise are recognised immediately in the income statement in other operating income/expenses. If the hedging instrument matures, is sold, the contract is revoked or exercised or the relation of the hedging instrument and the underlying item is revoked, the cumulative change in the fair value of the hedging instrument remains in equity and is recognised in the income statement when the underlying operative item materialises.

Changes in the fair values of hedges, for which hedge accounting is not applied, are recognised in the income statement, either in operative income and expenses or financial income and expenses, depending on the hedged item. Changes in all forward contract fair values due to interest rate changes are always directly recognised in financial income and expenses.

Equity

Equity consists of share capital, fair value reserves, reserve for invested unrestricted equity and retained earnings, deducted with dividends paid and donations approved at the Annual General Meeting. Fair value reserves include the cumulative spot-component of the changes in the fair values of the derivative instruments defined as cash flow hedges. Changes in treasury shares are recorded in reserve for invested unrestricted equity. The net profit/loss for the period is recorded in retained earnings.

Statutory provisions

Statutory provisions are expenses to which the parent company is committed and that are not likely to generate the corresponding revenue, or losses, which are regarded as evident.

2. Finance risk management

The parent company manages the finance risks of the group and operates under the same policies and instructions as the group.

Currency risk

The parent company's treasury function operates as an internal bank for the group's subsidiaries. The parent company's currency exposure originates mainly from foreign currency funding given to subsidiaries and foreign currency loans taken by the parent company. In addition, the currency position includes internal forward agreements with the subsidiaries and external forward agreements. Foreign exchange differences arising from these transactions are booked in the income statement in the finance items. Furthermore, the parent company invoices the group companies for the services provided. Foreign exchange differences from these invoices are booked in the parent company's operating profit.

The parent company's open currency exposure on 31 December 2024 was, in absolute terms, EUR 7.4 million.

Interest rate risk

The parent company's interest rate risk originates from external loans and internal loans and deposits. The pricing of intercompany transactions is based on transfer pricing rules, and internal interest income and expenses are eliminated on group level. As a result, interest rate risk is not measured separately on parent company level, and the information presented in the consolidated financial statements regarding interest risk and its management is the same for the parent company.

Liquidity and funding risk

The majority of the group's derivatives, loans and cash equivalents belong to the parent company. The maturity structure of these finance liabilities is not separately followed on parent company level, because the information presented in the consolidated financial statements provides a fair view of the liquidity and funding risk. Only accounts payable and accounts receivable vary significantly between the parent company and the group.

Credit and counterparty risk

The parent company's accounts receivable and loans receivable originate mainly from the other group companies, and the parent company is therefore not exposed to a counterparty risk.

Parent company did not have external loans receivables at the end of 2024. Cash and cash equivalents were EUR 168.6 million. The parent company's cash and cash equivalents are held in banks that have a solid credit rating and are approved by the Treasury Committee. More information about the credit risk related to derivative contracts is disclosed in the note 8.1 in the consolidated financial statements.

Operational risks of the treasury function

The treasury function operates as part of the parent company, so it is subject to the same risk management goals as the group.

3. Personnel expenses

TEUR	30 Jun–31 Dec 2024
Wages and salaries	6,808
Pension costs	1,050
Other statutory employer costs	145
Total	**8,002**

Pension benefits of personnel are arranged with an external pension insurance company.

Average number of employees

	30 Jun–31 Dec 2024
White-collar	77

Key management compensation

Remunerations including fringe benefits paid to members of Kalmar's Board of Directors related to their Board work during the financial period totalled EUR 735,477.

The salaries and remunerations paid in 2024 to the President and CEO Sami Niiranen, including base salary and fringe benefits totalled EUR 273,040. The President and CEO is entitled to a pension provided according to the statutory Finnish Employees Pensions Act, for which a pension cost of EUR 44,448 was recorded in 2024. There were no payments to the President and CEO based on short-term incentives or share-based incentive programmes during 2024.

The key management's compensation is described in more detail in note 3.3, Management remuneration, in the consolidated financial statements.

4. Depreciation, amortisation and impairment charges

TEUR	30 Jun–31 Dec 2024
Planned depreciation and amortisation	
Intangible rights	687
Other capitalised expenditure	24
Machinery and equipment	29
Total	**740**

5. Audit fees

TEUR	30 Jun–31 Dec 2024
Audit	838
Assurance services	129
Total	**967**

6. Finance income and expenses

TEUR	30 Jun–31 Dec 2024
Interest income	
From group companies	3,152
From third parties	3,286
Total	**6,438**
Other finance income	
From group companies	831
Dividends from group companies	208,000
Total	**208,831**
Interest expenses	
To group companies	-12,261
To third parties	-7,424
Total	**-19,685**
Other finance expenses	
To third parties	-2,010
Exchange rate differences	-561
Total	**-2,572**
Reversals of impairments / impairments	
Impairments of investments and loans in subsidiaries	-17,126
Total	**-17,126**
Total finance income and expenses	**175,886**

7. Income taxes

TEUR	30 Jun–31 Dec 2024
Current year tax expense	467
Change in deferred tax asset	-1,974
Total	**-1,507**

8. Intangible assets

TEUR	Intangible rights	Other capitalised expenditure	Other intangible assets	Total
Demerger balance sheet 30 Jun 2024	12,346	-	174	12,520
Additions	-	8	-	8
Disposals	-	-	-	-
Transfers between groups	174	408	-174	408
Acquisition cost 31 Dec 2024	**12,520**	**416**	**0**	**12,936**
Accumulated amortisation on demerger 30 Jun 2024	-8,160	-	-	-8,160
Amortisation during the period	-687	-24	-	-711
Accumulated depreciation 31 Dec 2024	**-8,847**	**-24**	**0**	**-8,871**
Book value 31 Dec 2024	**3,674**	**392**	**0**	**4,065**

9. Tangible assets

TEUR	Machinery and equipment	Assets under construction	Total
Acquisition cost 30 Jun 2024	-	741	741
Additions	-	-	-
Disposals	-	-38	-38
Transfers between groups	294	-702	-408
Acquisition cost 31 Dec 2024	**294**	**0**	**294**
Accumulated amortisation on demerger 30 Jun 2024	-	-	-
Depreciation during the period	-29	-	-29
Accumulated depreciation 31 Dec 2024	**-29**	**0**	**-29**
Book value 31 Dec 2024	**265**	**0**	**265**

10. Investments

TEUR	2024
Investments in subsidiaries	
Acquisition cost 30.6.2024	1,120,452
Accumulated impairments on demerger 30 Jun 2024	-454,163
Additions	381,397
Disposals	-
Impairments	-10,000
Book value 31 Dec 2024	**1,037,685**

Subsidiary companies' full name, country of domicile and parent company's shareholding are disclosed in note 7.3, Subsidiaries, in the consolidated financial statements.

11. Long-term receivables

TEUR	31.12.2024
Loans receivable from group companies	39,355
Deferred tax asset from third parties	7,864
Deferred assets	459
Total	**47,679**

12. Short-term receivables

TEUR	31 Dec 2024
From group companies	
Loans receivable	77,068
Accounts receivable	5,972
Derivative assets	6,979
Deferred assets	29,492
Total	**119,511**
From third parties	
Accounts receivable	19
Derivative assets	10,035
Deferred assets	7,463
Total	**17,518**
Total current receivables	**137,029**

Deferred assets

TEUR	31 Dec 2024
Group contribution	26,294
Interest income	861
Periodisations	3,569
VAT receivable	2,929
Other accruals	3,303
Total	**36,956**

13. Derivatives

Fair values of derivative instruments

31 Dec 2024 TEUR	Positive fair value	Negative fair value	Net fair value
Group internal currency forward contracts	6,979	4,683	2,296
Other currency forward contracts	10,035	11,119	-1,084
Total	**17,014**	**15,802**	**1,212**

Nominal values of derivative instruments

TEUR	31 Dec 2024
Group internal currency forward contracts	603,696
Other currency forward contracts	1,638,064
Total	**2,241,759**

The derivatives have been recognised at gross fair values on the balance sheet as the netting agreements related to derivatives allow unconditional netting only in the occurrence of credit events, but not in a normal situation. The company has not given or received collateral related to derivatives from the counterparties.

14. Equity

TEUR	2024
Restricted equity	
Share capital 30 Jun	20,000
Share capital 31 Dec	**20,000**
Total restricted equity	**20,000**
Unrestricted equity	
Reserve for invested unrestricted equity 30 Jun	164,863
Acquisition of treasury shares	-8,048
Reserve for invested unrestricted equity 31 Dec	**156,815**
Effect of demerger 30 Jun	180,163
Loss / profit for the period	184,795
Total unrestricted equity 31 Dec	**521,773**
Total equity 31 Dec	**541,773**
Distributable equity 31 Dec	**521,773**

15. Non-current liabilities

TEUR	31 Dec 2024
Loans from financial institutions	250,000
Total non-current liabilities	**250,000**

16. Current liabilities

TEUR	31 Dec 2024
To group companies	
Loans from group companies	555,265
Accounts payable	16,044
Derivative liabilities	4,683
Accruals	89
Total	**576,080**
To third parties	
Bank overdrafts used	1,888
Accounts payable	6,297
Derivative liabilities	11,119
Accruals	8,128
Total	**27,432**
Total current liabilities	**603,512**

Accruals

TEUR	31 Dec 2024
Accrued salaries, wages and employment costs	6,305
Accrued interests	726
Other accruals	1,187
Total	**8,217**

17. Commitments

TEUR	31 Dec 2024
Security for guarantees	
Guarantees given on behalf of group companies	121,818
Leasing commitments	
Maturity within the next financial period	513
Maturity after the next financial period	3,479
Total	**125,810**

Shares and shareholders

Kalmar Corporation's class B shares are quoted on the Nasdaq Helsinki Large Cap list since 1 July 2024. The trading code is KALMAR. The number of B shares is 54,798,029 and the number of unlisted A shares is 9,526,089. The shares are registered in the book-entry securities system maintained by Euroclear Finland Ltd., which also maintains the official shareholder register of Kalmar Corporation.

Share related key figures 2024, EUR

	2024
Basic earnings per share	1.99
Equity per share	9.96
Dividend per class B share	1.00
Dividend per class A share	0.99
Effective dividend yield, class B share, %	3.1%
Price per earnings, class B share	15.98
Development of share price, class B share	
Average share price	28.12
Highest share price	37.00
Lowest share price	24.52
Closing price at the end of period	31.81

Shares and share capital

Kalmar has two classes of shares, of which class B shares are listed and class A shares are unlisted. At the Annual General Meeting, each class A share is assigned one vote, as is each block of ten class B shares, with the provision that each shareholder is entitled to at least one vote. The total number of votes attached to all shares was 15,001,033 at the end of 2024.

Dividend distribution

In dividend distribution, class B shares earn a higher dividend than class A shares. The difference between dividends paid on the two classes of shares is a minimum of one (1) cent and a maximum of two and a half (2.5) cents.

Dividend proposal

The Board of Directors proposes to the Annual General Meeting (AGM), that of the distributable profit, a dividend of EUR 0.99 for each class A shares and EUR 1.00 for each class B shares outstanding be paid for the financial year 2024.

Own shares and share issue

The Board of Directors of Kalmar Corporation decided on 31 October 2024 to exercise the authorisation of the Annual General Meeting of Cargotec Corporation on 30 May 2024 to repurchase the company's own shares. Kalmar announced on 10 December 2024 that it has completed the share repurchases and that Kalmar repurchased 250,000 class B shares at an average price of 32.1290 EUR between 4 November 2024 and 9 December 2024. The shares are planned to be used as reward payments for Kalmar's share-based incentive programmes.

Kalmar held a total of 250,000 own class B shares at the end of 2024.

Share price development and trading

Since the listing of Kalmar on 1 July 2024, Kalmar's share price increased by 20.49% from the closing price on 1 July until the closing price of the last day of trading 2024. Over the same period, the OMX Helsinki Benchmark Cap Index decreased by 5.97%.

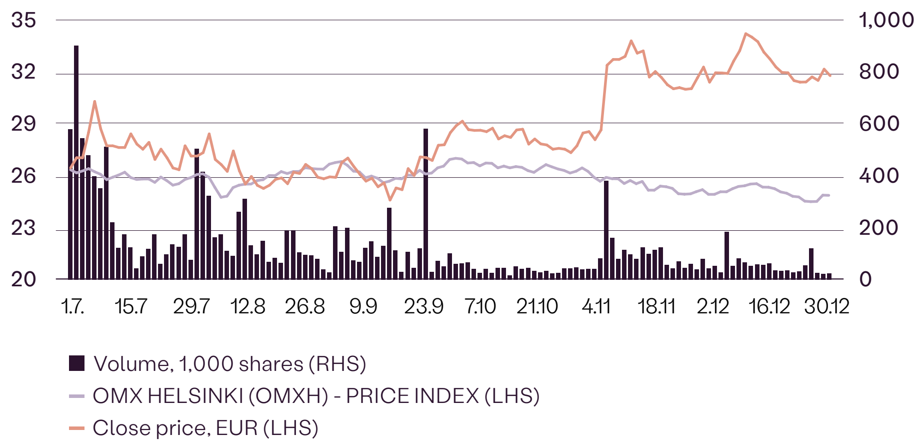
At the end of 2024, the total market value of class B shares, calculated using the closing price of class B shares of the last trading day of the year, was EUR 1,735 million, excluding own shares held by the company. Kalmar's year-end market capitalisation, in which unlisted class A shares are valued at the closing price of class B shares on the last trading day of the year, was EUR 2,038 million, excluding own shares held by the company.

Market capitalisation, class B shares

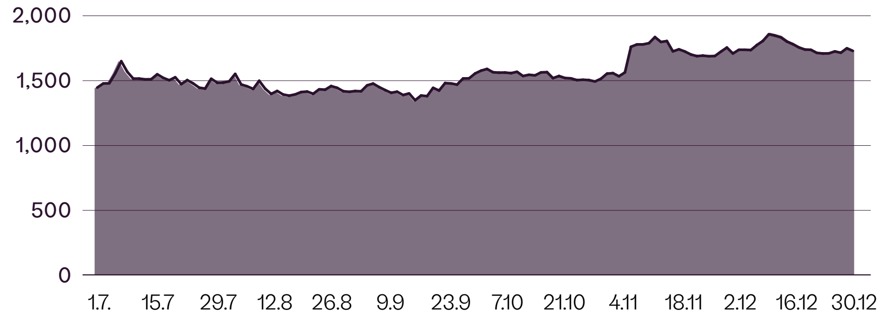
The class B share closed at EUR 31.81 on the last trading day of 2024 and the volume weighted average price for the period 1 July - 31 December was EUR 28.12 on Nasdaq Helsinki Ltd. The highest quotation for 2024 was EUR 37.00 and the lowest EUR 24.52. In 2024, a total of 16.5 million class B shares were traded on Nasdaq Helsinki Ltd, corresponding to a turnover of EUR 463 million. The average daily trading volume of class B shares was 129,657 shares or EUR 3.6 million. Information on the Kalmar class B share price is available on Kalmar's website www.kalmarglobal.com/investors.

Share price and volume, 1 July - 31 December 2024

Daily volume, daily closing price, OMX Helsinki development (rebased)



Market capitalisation, class B shares*, MEUR



*Excluding own shares held by the company

Shareholders

At the end of 2024, Kalmar had 41,657 registered shareholders, the largest shareholder being Wipunen varainhallinta oy. Ilkka Herlin was the largest owner when including shares owned directly as well as through companies in which a controlling interest is held. There were 17,287,465 nominee-registered shares, representing 26.88 percent of the total number of shares, which corresponds to 11.52 percent of all votes.

Top 20 shareholders

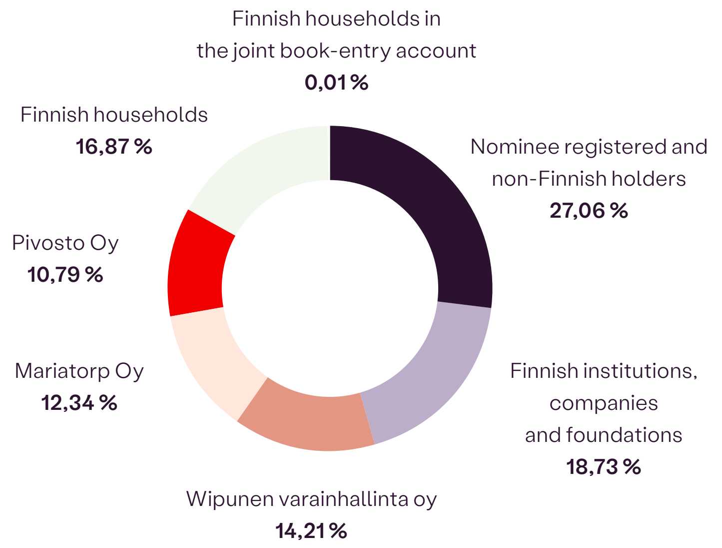
Shareholders	A-Shares, No. of shares	B-Shares, No. of shares	Total Shares, No. of shares	%	Total Votes, No. of shares	%
Wipunen varainhallinta oy	2,940,067	6,200,000	9,140,067	14.21	3,560,067	23.73
Mariatorp Oy	2,940,067	5,000,000	7,940,067	12.34	3,440,067	22.93
Pivosto Oy	2,940,067	4,000,000	6,940,067	10.79	3,340,067	22.27
Varma Mutual Pension Insurance Company	0	2,206,777	2,206,777	3.43	220,677	1.47
KONE Foundation	705,888	1,232,454	1,938,342	3.01	829,133	5.53
Ilmarinen Mutual Pension Insurance Company	0	1,530,000	1,530,000	2.38	153,000	1.02
Elo Mutual Pension Insurance Company	0	895,000	895,000	1.39	89,500	0.60
Finnish State Pension Fund	0	550,000	550,000	0.86	55,000	0.37
Nurminen Minna Kirsti	0	337,135	337,135	0.52	33,713	0.22
Sigrid Jusélius Foundation	0	299,800	299,800	0.47	29,980	0.2
Aktia Capital Mutual Fund	0	265,519	265,519	0.41	26,551	0.18
Kalmar Oyj	0	250,000	250,000	0.39	25,000	0.17
Veritas Pension Insurance Company Ltd.	0	227,000	227,000	0.35	22,700	0.15
Anna Karolina Blaberg	0	182,745	182,745	0.28	18,274	0.12
Herlin Olli Ilkka Julius	0	175,000	175,000	0.27	17,500	0.12
Herlin Ville	0	160,000	160,000	0.25	16,000	0.11
Jenny and Antti Wihuri Foundation	0	160,000	160,000	0.25	16,000	0.11
Nordea Pro Finland Fund	0	155,327	155,327	0.24	15,532	0.10
S-Bank Fenno Equity Fund	0	148,464	148,464	0.23	14,846	0.10
Hakakari Tapio	0	147,445	147,445	0.23	14,744	0.10
20 largest shareholders total	**9,526,089**	**24,122,666**	**33,648,755**	**52.31**	**11,938,351**	**79.58**
Nominee registered			17,287,465	26.88	1,728,742	11.52
Others			13,387,898	20.81	3,062,682	20.42
Total			**64,324,118**	**100.00**	**15,001,033**	**100.00**

Based on ownership records of Euroclear Finland Ltd.

Number of shares	Shareholders	Shares	% of shares
1 - 100	25,724	1,033,957	1.61
101 - 500	11,883	2,854,685	4.44
501 - 1,000	2,189	1,664,028	2.59
1,001 - 10,000	1,716	4,249,376	6.61
10,001 - 100,000	119	3,366,845	5.23
100,001 - 1,000,000	18	4,451,907	6.92
> 1,000,000	8	46,698,037	72.60
Total	**41,657**	**64,318,835**	**100.00**
Nominee registered	**11**	**17,287,465**	**26.88**
In the joint book-entry account		5,283	0.01
Total number of shares issued at 31 December 2024		**64,324,118**	**100.00**

Based on ownership records of Euroclear Finland Ltd.

Breakdown by shareholder category on 31 December 2024



Signatures for Board of Directors' report and Financial statements

We hereby confirm that the financial statements prepared in accordance with the applicable accounting regulations give a true and fair view of the assets, liabilities, financial position and profit or loss of Kalmar Corporation and the companies included in its consolidated financial statements. The Board of Directors' Report contains a true and fair view of the development and performance of the business of Kalmar Corporation and the companies included in its consolidated financial statements, as well as a description of the most significant risks and uncertainties and other aspects of the company's condition. The sustainability report included in the Board of Directors' Report has been prepared in accordance with the reporting standards referred to in Chapter 7 of the Finnish Accounting Act and Article 8 of the Taxonomy Regulation.

Helsinki, 12 February 2025

Jaakko Eskola
Chair of the Board

Teresa Kemppi-Vasama
Vice Chair of the Board

Lars Engström
Member of the Board

Marcus Hedblom
Member of the Board

Vesa Laisi
Member of the Board

Sari Pohjonen
Member of the Board

Emilia Torttila-Miettinen
Member of the Board

Sami Niiranen
President and CEO

The Auditor's Note

A report on the audit performed has been issued today.

Helsinki, 12 February 2025

Ernst & Young Oy
Authorized Public Accountant Firm

Kristina Sandin
Authorized Public Accountant

Auditor's report

(Translation of the Finnish original)

To the Annual General Meeting of Kalmar Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Kalmar Corporation (business identity code 3424222-7) for the year ended 31 December, 2024. The financial statements comprise the consolidated balance sheet, combined income statement, combined statement of comprehensive income, statement of changes in equity, combined statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements, including the combined financial statements, give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards 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 and Risk Management 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 the 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 2.3 to the consolidated financial statements.

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

Other matter

As described in the accounting principles of the consolidated statements, the consolidated financial statements for the year ended 31 December 2024 have been prepared on a consolidated and carve-out basis. Kalmar did not exist as a separate legal group prior to the demerger at 30 June 2024. Until 30 June 2024 the financial statements have been presented on a carve-out basis and following the formation of the legal group on 1 July 2024, the financial statements have been prepared on a consolidated basis. The statement of income, statement of comprehensive income and statement of cash flows for the year ended 31 December 2024 are presented as a combination of carve-out financial information for the period 1 January – 30 June 2024 and consolidated financial information for the period 1 July – 31 December 2024.

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
Valuation of goodwill Refer to note 6.1 of the consolidated financial statements. The value of goodwill at the date of the financial statements 31.12.2024 amounted to 261,9 million euro representing 15 % of total assets and 41 % of equity. Valuation of goodwill was a key audit matter because the assessment process is complex and is based on numerous judgmental estimates and because the amount of goodwill is significant to the financial statements. Valuation of goodwill is based on management's estimate about the value in use calculations of the cash generating units. There are a number of underlying assumptions used to determine the value in use, including development of revenue and profitability and the discount rate applied on cash flows. Estimated value in use of the cash generating units may vary significantly when the underlying assumptions are changed. Changes in above-mentioned individual assumptions may result in an impairment of goodwill. Valuation of goodwill is also a significant risk of material 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 valuation of goodwill included among others: • Involvement of EY valuation specialists to assist us in evaluating methodologies, impairment calculations and underlying assumptions applied by the management in impairment testing. • Testing of the mathematical accuracy of the impairment calculations. • Comparing the key assumptions applied by management in impairment tests to approved strategic plans and forecasts, information available in external sources and our independently calculated industry averages such as weighted average cost of capital used in discounting the cashflows. In addition, we compared the outcome of the impairment test with Kalmar Oyj's market capitalization. • Assessment of the Group's disclosures in respect of impairment testing.

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 IFRS Accounting Standards 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 the 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 30.5.2024.

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 Annual Report, 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 Annual Report 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 compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

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 compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

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.

Helsinki 12.2.2025

Ernst & Young Oy
Authorized Public Accountant Firm

Kristina Sandin
Authorized Public Accountant

Assurance report on the sustainability statement

(Translation of the Finnish original)

To the Annual General Meeting of Kalmar Corporation

We have performed a limited assurance engagement on the group sustainability statement of Kalmar Oyj (3424222-7) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the financial year ended 31.12.2024.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

1. the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);
2. the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Kalmar Oyj has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment) and the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act.

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that provision in the absence of the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Group Sustainability Auditor section of our report.

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

Other Matter

We draw attention to the fact that the group sustainability statement of Kalmar Oyj that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the financial year ended 31.12.2024. Our opinion does not cover the comparative information that has been presented in the group sustainability statement. Our opinion is not modified in respect of this matter.

Group sustainability auditor's Independence and Quality Management

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 engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Kalmar Oyj are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified as well as the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act and
- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Statement

The preparation of the group sustainability statement requires a materiality assessment from the company in order to identify relevant disclosures. This significantly involves management judgment and choices. Group Sustainability reporting is also characterized by estimates and assumptions, as well as measurement and estimation uncertainty.

The determination of greenhouse gases is subject to inherent uncertainty due to the incomplete scientific data used to determine the emission factors and the numerical values needed to combine emissions of different gases.

In addition, when reporting forward-looking information, the company must make assumptions about possible future events and disclose the company's possible future actions in relation to these events. The actual outcome may be different because predicted events do not always occur as expected.

Responsibilities of the Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance 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.
- Design and perform assurance procedures responsive to those risks to obtain 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.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included e.g. the following:

- We have interviewed the key persons responsible for collecting and reporting the information included in the group sustainability statement.
- Through interviews, we gained an understanding of the group's control environment related to the group sustainability reporting process.
- We evaluated the implementation of the company's double materiality assessment process against the requirements of ESRS standards and the compliance of the information provided for the double materiality assessment with ESRS standards.
- We assessed whether the group sustainability statement in material respect meets the requirements of ESRS standards for material sustainability topics:
  - We have tested the accuracy of the information presented in the group sustainability statement by comparing the information on a sample basis with supporting company documentation.
  - We have on a sample basis performed analytical assurance procedures and related inquiries, recalculation and inspected documentation, as well as tested data aggregation to assess the accuracy of the group sustainability statement.
- We gained an understanding of the process by which a company has defined taxonomy-eligible and taxonomy-aligned economic activities and evaluate the regulatory compliance of the information provided.

Helsinki 12.2.2025

Ernst & Young Oy
Authorized Sustainability Audit Firm

Kristina Sandin
Authorized Sustainability Auditor

Corporate governance statement

Introduction

Kalmar Corporation is a Finnish limited liability company, and its registered place of business is in Helsinki, Finland. The Kalmar Group's parent company Kalmar Corporation ("Kalmar" or the "Company") was incorporated in the partial demerger of Cargotec Corporation ("Cargotec"), completed on 30 June 2024. Trading in the shares of Kalmar's class B shares commenced on Nasdaq Helsinki Ltd ("Nasdaq Helsinki") on 1 July 2024.

Kalmar's governance follows the Finnish Limited Liability Companies Act, laws and regulations relating to publicly listed companies in Finland, the Company's Articles of Association, the charters of Kalmar's Board of Directors ("Board") and its committees, the Nasdaq Helsinki rules and regulations, and the rules and regulations from the European Securities and Markets Authority as well as from the Finnish Financial Supervisory Authority ("FIN-FSA").

Kalmar complies in full with and has prepared this Corporate Governance Statement ("Statement") in accordance with the Finnish Corporate Governance Code 2025, published by the Finnish Securities Markets Association on their website **www.cgfinland.fi/en**. Kalmar publishes this Statement as part of the Annual report 2024. Kalmar has also prepared a separate Remuneration report in accordance with the Corporate Governance Code, which is also published as part of the Annual report 2024. The Statement and the Remuneration report are disclosed, together with the Financial statements and Board of Directors' report, on the Company website **www.kalmarglobal.com.**

The Board has approved this Corporate Governance Statement on 12 February 2025. The Company's Auditor verifies that this Statement and its related descriptions of the internal reporting controls and risk management correspond to the financing reporting process. This Statement will not be updated during the financial period but the Company website **www.kalmarglobal.com** includes up-to-date information on governance and remuneration at Kalmar.

All figures and information presented in this Statement reflect the period from the incorporation of Kalmar up to and including 31 December 2024, unless otherwise expressly stated. This Statement is published in Finnish and English. In case of any discrepancy between the language versions, the Finnish version shall prevail.

Kalmar's regulatory framework for Corporate Governance

External framework	Internal framework
• Finnish Limited Liability Companies Act • Laws and regulations relating to publicly listed companies in Finland • Corporate Governance Code 2025 published by the Securities Market Association • Rules and regulations of the Nasdaq Helsinki, the European Securities and Markets Authority, and the Financial Supervisory Authority	• Articles of Association • Code of Conduct • Charters of the Board of Directors and its committees • Kalmar's policies, procedures and practices

Corporate Governance in Kalmar

The Company's statutory bodies are the General Meeting, the Board of Directors ("Board") and the President and CEO ("CEO") whose duties and responsibilities are determined in accordance with the Finnish Limited Liability Companies Act. The coordination of the Company's operations and operational management is also ensured by a Leadership Team assisting the CEO, whose members (including the CEO) are not members of the Board.

Kalmar's shareholders exercise their decision-making power at the General Meeting. The General Meeting of Kalmar appoints the members of the Board upon the proposal by the Shareholders' Nomination Board, and the Board appoints the Company's CEO.

General Meeting

Kalmar's highest decision-making power is held by the General Meeting, whose tasks and procedures are outlined in the Finnish Limited Liability Companies Act and the Company's Articles of Association. The General Meeting is convened upon notice given by the Board. Each shareholder has the right to participate in the General Meeting by following the procedure described in the notice of the General Meeting. By attending General Meetings, shareholders may exercise their voting rights, request information, and participate in the decision-making process of the Company either personally or by way of proxy representation. Kalmar has two share classes, each with different voting rights. At a General Meeting, class A shares entitle their holders to one vote and each full set of ten class B shares entitle their holders to one vote, but in such a way that each shareholder has a minimum of one vote.

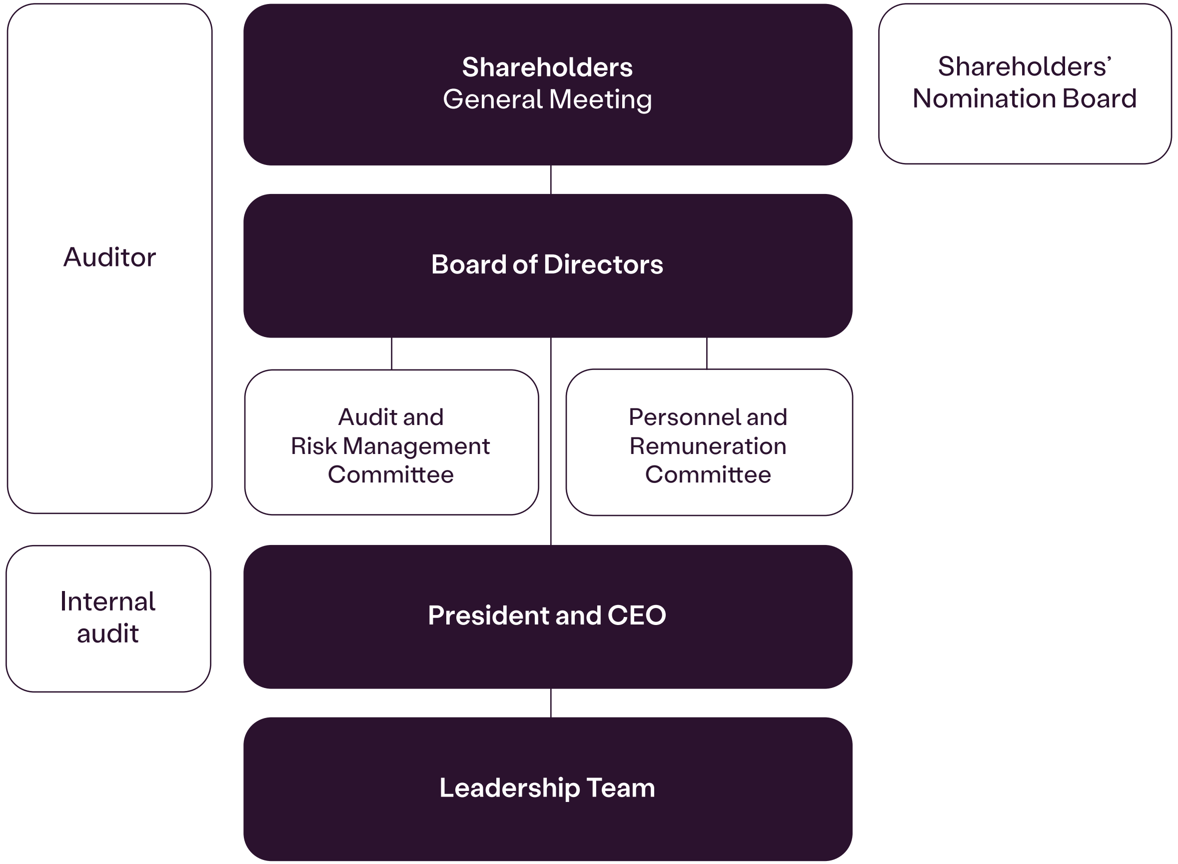
The General Meeting decides on the matters that fall within the competence of General Meeting such as:

- approval of the financial statements;
- distribution of profits;
- granting discharge to the members of the Board and to the CEO;
- election of and remuneration payable to the members of the Board, the Auditor and Sustainability reporting assurance provider;
- if necessary, advisory resolution on the Remuneration policy;
- advisory resolution on the Remuneration report; and
- other matters proposed to the General Meeting.

The Remuneration policy is presented to the General Meeting at least every four years and the Remuneration report annually. Resolutions of the General Meeting regarding the policy and the report are advisory.

The General Meeting also has the right to amend the Articles of Association and make decisions and authorise the Board to make decisions on the

Kalmar's governance model



acquisition of treasury shares, on share issues and on option programmes.

Notice of the General Meeting is published as a stock exchange release and on Kalmar's website www.kalmarglobal.com. The notice includes the agenda for the meeting and instructions regarding registration and attendance.

A proposal by the Shareholders' Nomination Board for the composition of the Board is included in the notice to the General Meeting. The same applies to a proposal for the composition of the Board made by shareholders with at least 10 percent of the votes carried by the shares, provided that the candidates have given their consent to the election and the Company has received information of the proposal sufficiently in advance so that it may be included in the notice to the General Meeting. A proposal by the Board for the Auditor and the Sustainability reporting assurance provider of the Company is also published in connection with the notice to the General Meeting.

The Annual General Meeting is held annually within six months of the closing of the financial period, on a day designated by the Board. An Extraordinary General Meeting in respect of specific matters shall be held when considered necessary by the Board, or when requested in writing by the Company's Auditor or by shareholders representing at least 10 percent of all the issued shares of the Company.

As Kalmar was incorporated on 30 June 2024 in the partial demerger of Cargotec, the Company has not yet held an Annual General Meeting. Resolutions regarding the partial demerger of Cargotec and incorporation of Kalmar were made at Cargotec's Annual General Meeting held on 30 May 2024. Kalmar's first Annual General Meeting is intended to be held on 27 March 2025.

The Chair of the Board, all members of the Board and the CEO must be present at the General Meeting. The Auditor must be present at the Annual General Meeting. Board member candidates must be present at the General Meeting deciding on their election.

Shareholders' Nomination Board

Kalmar's Shareholders' Nomination Board ("Nomination Board") was established when the Company was incorporated on 30 June 2024, pursuant to a resolution made by the Annual General Meeting of Cargotec held on 30 May 2024. The composition of the Nomination Board was published by the Company in a stock exchange release on 1 July 2024. Ilkka Herlin was elected as Chair of the Nomination Board at its first meeting held on 22 October 2024.

According to the charter of the Nomination Board, the duties of the Nomination Board consist of the preparation of proposals to the General Meeting concerning the number, composition and remuneration of the members of the Board. In addition, the Nomination Board seeks prospective successor candidates for the members of the Board.

According to the charter of the Nomination Board, the Nomination Board consists of four (4) members. The members of the Nomination Board are appointed as follows: two largest shareholders of class A shares are entitled to appoint one member each, and two largest shareholders of class B shares who do not own any class A shares are entitled to appoint one member each. The number of votes held by each shareholder of all shares in Kalmar are determined based on the shareholder register of Kalmar as per the situation on the first banking day of June each year. The Chair of Kalmar's Board shall request each of the four largest shareholders to appoint one member to the Nomination Board by the last day of June each year. The Chair of Kalmar's Board participates in the Nomination Board's work as an expert without having a right to participate in the decision-making of the Nomination Board.

As Kalmar was not incorporated until the completion of the partial demerger of Cargotec on 30 June 2024, the right to appoint members to the Nomination Board in the year 2024 was determined based on Cargotec's shareholder register as per the situation on the first banking day of June, i.e. 3 June 2024. In the demerger, the shareholders of Cargotec received as demerger consideration one (1) new share of the corresponding share class (i.e. class A or class B) in Kalmar for each class A and each class B share held in Cargotec.

The Nomination Board has been established until further notice until otherwise decided by the General Meeting. The term of office of the members of the Nomination Board expires annually upon the appointment of the new members of the Nomination Board in accordance with the charter of the Nomination Board.

The members of the Nomination Board are not remunerated for their membership in the Nomination Board. Travel expenses of the members are reimbursed according to the Company's travel policy.

The following members were appointed to the Nomination Board in 2024:

- Ilkka Herlin, Chair of the Nomination Board, appointed by Wipunen varainhallinta oy;
- Heikki Herlin, appointed by Mariatorp Oy;
- Mikko Mursula (Deputy CEO, Investments, Ilmarinen Mutual Pension Insurance Company), appointed by Ilmarinen Mutual Pension Insurance Company; and
- Carl Pettersson (CEO, Elo Mutual Pension Insurance Company), appointed by Elo Mutual Pension Insurance Company.

Shareholders and their appointed representatives in the Nomination Board

Shareholder	Shares on 3 June 2024*	Shares on 31 Dec 2024**	Representative
Wipunen varainhallinta oy	2,940,067 class A shares	2,940,067 class A shares	Ilkka Herlin
Mariatorp Oy	2,940,067 class A shares	2,940,067 class A shares	Heikki Herlin
Ilmarinen Mutual Pension Insurance Company	1,530,000 class B shares	1,530,000 class B shares	Mikko Mursula Deputy CEO, Investments, Ilmarinen Mutual Pension Insurance Company
Elo Mutual Pension Insurance Company	798,000 class B shares	895,000 class B shares	Carl Pettersson CEO, Elo Mutual Pension Insurance Company

* As Kalmar was not incorporated until 30 June 2024, the right to appoint members to the Nomination Board in the year 2024 was in accordance with the charter of the Nomination Board determined based on Cargotec's shareholders' register as per 3 June 2024.

** Shareholders register has evolved during 2024. Varma Mutual Pension Insurance Company held 2,206,777 class B shares in the Company as per 31 December 2024.

Nomination Board determined based on Cargotec's shareholders' register as per the situation on the first banking day of June, i.e. 3 June 2024. All members of the Nomination Board were males.

During 2024, the Nomination Board had two meetings, and all members participated in both meetings.

Proposals by the Nomination Board to the Company's Annual General Meeting 2025 were published on 5 December 2024.

The charter of the Nomination Board is available on Kalmar's website **www.kalmarglobal.com**.

Board of Directors

Responsibilities

The Board approves Kalmar's strategy and monitors its implementation. As stipulated in the Finnish Limited Liability Companies Act and the Company's Articles of Association, the Board is responsible for the management and proper organisation of the Company's operations as well as for representing the Company.

The Board has compiled a written charter for its work that defines its main duties and operating principles. The Board decides on company-wide significant matters of principal importance, such as the strategy, key investments, organisation and financial affairs. Furthermore, the Board appoints and dismisses the CEO, supervises their actions and decides on their remunerations and other terms and conditions of employment and/or the contract of service. Additionally, violations against Kalmar's Code of Conduct are reported to the Board. The Board also approves the long- and short-term incentive programmes and their outcome.

The Board shall convene in accordance with a schedule agreed in advance and as needed. The Board constitutes a quorum when more than half of the elected members are present. When this proportion is calculated, disqualified members are excluded. Minutes are kept for all meetings.

Composition

Pursuant to the Articles of Association of Kalmar, the Board shall comprise of a minimum of five (5) and a maximum of ten (10) members. The General Meeting elects the members of the Board. The Board elects the Chair and Vice Chair of the Board from among its members. The term of office of the members of the Board will expire at the end of the next Annual General Meeting following the election.

The Annual General Meeting of Cargotec resolving on Cargotec's partial demerger, held on 30 May 2024, appointed Jaakko Eskola as the Chair of the Board and Lars Engström, Marcus Hedblom, Teresa Kemppi-Vasama, Vesa Laisi, Sari Pohjonen and Emilia Torttila-Miettinen as the members of the Board. The Board elected Teresa Kemppi-Vasama to act as the Vice Chair of the Board on 1 July 2024. Ulla Bono, General Counsel of Kalmar, serves as the Secretary to the Board. The term of office of Kalmar's members of the Board commenced upon registration of the completion of the demerger on the effective date of 30 June 2024, and it shall expire at the end of the first Annual General Meeting of Kalmar following the effective date.

Kalmar's Board of Directors

Jaakko Eskola

Chair of the Board of Directors
Chair of the Personnel and Remuneration Committee

Born 1958, Male, Finnish citizen
Master of Science (Technology)

Main occupation:
Board professional

Key positions of trust:
- Oy HIFK-Hockey Ab, Chair of the Board of Director
- Valmet Corporation, Vice Chair of the Board of Directors
- Varma Mutual Pension Insurance Company, Chair of the Board of Directors
- Oy Pörssitalo-Börshuset Ab, Member of the Board of Directors
- Finnish Foundation for Share Promotion (Pörssisäätiö), Member of the Board of Directors

Lars Engström

Member of the Board of Directors
Member of the Audit and Risk Management Committee

Born 1963, Male, Swedish citizen
Master of Science (Engineering)

Main occupation:
Board professional

Key positions of trust:
- Boart Longyear Group Ltd, Advisor to the Board of Directors
- Normet Group Ltd., Member of the Board of Directors
- Alcadon Group AB, Member of the Board of Directors

Marcus Hedblom

Member of the Board of Directors
Member of the Audit and Risk Management Committee

Born 1970, Male, Swedish citizen
Master of Science (Industrial Engineering and Management)

Main occupation:
Ovako AB, President and CEO

Key positions of trust:
- Lindab International AB, Member of the Board of Directors
- Jernkontoret (Swedish iron and steel producers' association), Member of the Board of Directors

Teresa Kemppi-Vasama

Vice Chair of the Board of Director
Member of the Personnel and Remuneration Committee

Born 1970, Female, Finnish citizen
Master of Social Sciences (Social Psychology), MBA

Main occupation:
Kemppi Group, Owner and entrepreneur

Key positions of trust:
- Kemppi Oy, Chair of the Board
- Kempower Corporation, Member of the Board
- Kemptron Oy, Vice Chair of the Board
- LUT University, Chair of the Board
- Montia Oy, Chair of the Board of Directors
- Bellator Oy, Chair of the Board of Directors

Vesa Laisi

Member of the Board of Directors
Member of the Audit and Risk Management Committee

Born 1957, Male, Finnish citizen
Master of Science (Technology, Economics)

Main occupation:
Board professional

Key positions of trust:
- Kempower Corporation, Chair of the Board of Directors
- Axopar Boats Ltd, Chair of the Board of Directors
- Axopar Holdings Ltd, Chair of the Board of Directors
- Wirepas Ltd, Member of the Board of Directors

Sari Pohjonen

Member of the Board of Directors
Chair of the Audit and Risk Management Committee

Born 1966, Female, Finnish citizen
Master of Science (Economics and Business Administration)

Main occupation:
Board professional

Key positions of trust:
- Lindex Group plc, Chair of the Board of Directors
- Aktia Bank plc, Member of the Board of Directors, Chair of the Audit Committee
- Oilon Group Oy, Member of the Board of Directors
- VR-Group Plc, Vice Chair of the Board of Directors, Chair of the Audit Committee
- Jane and Aatos Erkko Foundation, Member of the Board of Directors

Emilia Torttila-Miettinen

Member of the Board of Directors
Member of the Personnel and Remuneration Committee

Born 1979, Female, Finnish citizen
Master of Science (Technology)´

Main occupation:
Valmet Corporation, President, Automation Systems business line

Key positions of trust:
- Hissi ja Kuormaustila M & M Oy, Deputy Member of the Board of Directors

The full CV's of the Board members are available on the Company website www.kalmarglobal.com.

Diversity of the Board

Kalmar considers diversity of the Board as a factor enabling the Company to achieve its strategic goals. In accordance with the Board's diversity principles, the diversity of the Board shall evolve over time and reflect the operations strategy and the future needs of the Company. The diversity factors include work experience in the strategic business areas and of the cultures in which Kalmar operates, as well as educational background, age and gender. There shall be both genders in the Board, the target being at least three (3) directors of the underrepresented gender. In addition to the abovementioned, the Nomination Board shall consider the principles concerning diversity of the Board, the independence requirements of the Finnish Corporate Governance Code and the rules of Nasdaq Helsinki applicable to the Company.

Independence

The majority of the Board members shall be independent of the Company and a minimum of three (3) of the independent directors are to be independent of significant shareholders. The Board conducts, annually and when necessary, an assessment of its members as regards their independence of the Company and major shareholders, as defined in the Corporate Governance Code. According to the assessment conducted in May 2024, all the members of the Board are independent of the Company and of significant shareholders in the Company.

Gender diversity

Holdings in Kalmar's shares on 31 December 2024*

Board members	Number of shares
Jaakko Eskola (Chair)	7,417
Lars Engström	1,736
Marcus Hedblom	1,736
Teresa Kemppi-Vasama	6,172
Vesa Laisi	1,736
Sari Pohjonen	1,929
Emilia Torttila-Miettinen	1,640
Total	**22,366**

* Direct ownership and the ownership of controlled corporations

In 2024, the Board had six meetings after the incorporation of Kalmar and made one resolution without a meeting (per capsulam). In addition, the Board had two meetings prior to the incorporation of Kalmar and made one resolution without a meeting (per capsulam) to make decisions on behalf of the company to be incorporated, including on matters concerning the governance of a listed company. The total attendance rate was 100 percent.

Board members' attendance at meetings and at making resolutions without a meeting (per capsulam) in 2024

Jaakko Eskola (Chair)	100%
Lars Engström	100%
Marcus Hedblom	100%
Teresa Kemppi-Vasama	100%
Vesa Laisi	100%
Sari Pohjonen	100%
Emilia Torttila-Miettinen	100%

Evaluation

The Board assesses its own performance and procedures on an annual basis with the aim of further developing and enhancing the Board procedures and efficiency, and identifying the future focus areas of the Board. In 2024, the self-assessment was conducted as a written questionnaire and the Board discussed the assessment among themselves.

Board Committees

The Board has established two permanent committees to assist the Board in the preparation and performance of its duties and responsibilities, the Audit and Risk Management Committee and the Personnel and Remuneration Committee, and has adopted written charters setting forth the purpose, composition, operation, and duties of the committees. The Board elects the members and the chairs for the committees from among its members in the Board's organisatory meeting. Members are appointed for a term of office which expires at the closing of the next Annual General Meeting following the election.

In addition to the permanent committees, the Board may in individual cases appoint ad hoc committees for the preparation of specific matters. Such ad hoc committees do not have Board approved charters and the Board does not release information on their term, composition, the number of meetings or the members' attendance rates.

The committees of the Board regularly report on their work to the Board. Minutes shall be prepared for each meeting.

Audit and Risk Management Committee

The composition of the Audit and Risk Management Committee (the "ARC") is determined by the Board. The Board also nominates the Chair of the committee. The ARC shall comprise at least three (3) members.

The ARC undertakes the statutory responsibilities of an Audit Committee pursuant to the Finnish Limited Liability Companies Act as well as other tasks set out in its charter. The ARC's tasks are, in greater detail than is possible for the Board as a whole, to review the auditing work, the sustainability reporting, the auditors' and the sustainability reporting assurance provider's fees, the internal controls, the scope of the internal and external audits, Kalmar's financial policies, and procedures for managing Kalmar's risks. A particular purpose of the ARC is to assist the Board in fulfilling its responsibility to oversee management's conduct of the Company's financial and sustainability reporting process. The ARC also defines and monitors the acceptable level of non-audit services purchased from the auditors and their related companies in order to ensure their independence. Furthermore, the ARC prepares a proposal to the Annual General Meeting regarding the election and fees of the external auditor and the sustainability reporting assurance provider.

The ARC has no independent decision-making power, but the Board makes decisions based on the recommendations made by the ARC. In discharging its oversight role, the ARC is empowered to investigate any matter within its scope of authority, including access to all records and personnel of the Company and it also has the authority to retain outside expertise for this purpose. The Chair of the ARC has the responsibility to lead the committee's work and to ensure that the committee attends to the tasks that fall within its authority.

In 2024, the Chair of the ARC was Sari Pohjonen, and Lars Engström, Marcus Hedblom and Vesa Laisi were members of the committee. The committee members were independent of the Company and of major shareholders.

In 2024, the ARC had three (3) meetings, and the total attendance rate was 100 percent.

Audit and Risk Management Committee members' attendance at meetings in 2024

Sari Pohjonen (Chair)	100%
Lars Engström	100%
Marcus Hedblom	100%
Vesa Laisi	100%

Personnel and Remuneration Committee

The composition of the Personnel and Remuneration Committee (the "PRC") is determined by the Board. The Board also nominates the Chair of the committee. The PRC shall comprise at least three (3) members.

The PRC assists and provides guidance and recommendations to the Board with respect to determining the general remuneration principles as well as long-term and short-term incentive plans and share-based incentive plans of the Company. In addition, the PRC prepares the performance evaluation and review of the remuneration of the CEO and the Leadership Team and is tasked with identifying persons qualified for the office of the CEO and reviewing talent management, employee retention and succession planning for executives as well as reviewing people strategy, workforce plan and workforce status against business strategy and plans. The PRC also prepares and reviews the Company's Remuneration policy and Remuneration report. Furthermore, the PRC reviews and provides final approval of the key terms of service agreements and remuneration of the Leadership Team members other than the CEO.

In 2024, the Chair of the PRC was Jaakko Eskola, and Teresa Kemppi-Vasama and Emilia Torttila-Miettinen were members of the committee. The committee members were independent of the Company and of major shareholders.

In 2024, the PRC had three (3) meetings, and the total attendance rate was 100 percent.

Personnel and Remuneration Committee members' attendance at meetings in 2024

Jaakko Eskola (Chair)	100%
Teresa Kemppi-Vasama	100%
Emilia Torttila-Miettinen	100%

President and CEO

The CEO conducts Kalmar Group's business and manages the Company operations in accordance with the Finnish Limited Liability Companies Act and the instructions and guidelines provided by the Board. The CEO is responsible for informing the Board regarding the development of the Company business and financial situation. The CEO prepares the Company's strategy and objectives for the Board. The CEO is also responsible for implementing the approved strategy and plans. The CEO is responsible for ensuring the legal compliance of the Company's bookkeeping and for arranging reliable asset management.

The CEO is elected by the Board. The Board also evaluates the performance of the CEO and the achievement of the targets it has set to him. The CEO remuneration is described in the Remuneration report 2024.

On 10 November 2023, Cargotec's Board of Directors announced the appointment of Sami Niiranen, M.Sc. Mining, b. 1972, as President and CEO of Kalmar as of May 2024 at the latest. He started in his position on 1 April 2024 and became a member of the Cargotec Leadership team.

The full CV of the CEO is available on the Company website www.kalmarglobal.com.

Kalmar Leadership Team

The Leadership Team assists the CEO in preparing the Company's strategy and operative management in accordance with targets set by the Board and the CEO. The Leadership Team also defines operative principles and procedures in accordance with the guidelines set by the Board.

According to Kalmar's practices, the Leadership Team assembles approximately 11 times per year. The Leadership Team meeting agenda regularly includes reports and questions concerning the development of the financials, governance, human resources, safety, sustainability and development projects.

The members of the Leadership Team are nominated by the Board based on the CEO's proposal. The Leadership Team members report to Kalmar's CEO. The CEO also acts as the Chair of the Leadership Team.

Sami Niiranen

President and CEO

Born 1972, Male, Finnish and Swedish citizen
Master of Science (Technology)

Holdings in Kalmar's shares (direct ownership and the ownership of controlled corporations) on 31 December 2024: 5,000

Sakari Ahdekivi

Chief Financial Officer

Born 1963, Male, Finnish citizen
Master of Science (Economics)

Holdings in Kalmar's shares (direct ownership and the ownership of controlled corporations) on 31 December 2024: 1,000

Ulla Bono

SVP, General Counsel

Born 1970, Female, Finnish citizen
Licentiate of Laws, Executive MBA

Holdings in Kalmar's shares (direct ownership and the ownership of controlled corporations) on 31 December 2024: 0

Thor Brenden

President, Terminal Tractors

Born 1968, Male, Norwegian citizen
Master of Science (Aerospace Engineering)

Holdings in Kalmar's shares (direct ownership and the ownership of controlled corporations) on 31 December 2024: 0

Carina Geber-Teir

SVP, IR, Communications and Marketing

Born 1972, Female, Finnish citizen
Master of Social Sciences (Political Science)

Holdings in Kalmar's shares (direct ownership and the ownership of controlled corporations) on 31 December 2024: 6,561

Mathias Höglund

SVP, Human Resources

Born 1981, Male, Finnish citizen
Doctor of Philosophy (Economics and Business Administration)

Holdings in Kalmar's shares (direct ownership and the ownership of controlled corporations) on 31 December 2024: 0

Alf-Gunnar Karlgren

President, Counter Balanced

Born 1981, Male, Swedish citizen
Master of Science (Industrial Management and Engineering)

Holdings in Kalmar's shares (direct ownership and the ownership of controlled corporations) on 31 December 2024: 4,053

Arto Keskinen

President, Horizontal Transportation

Born 1974, Male, Finnish citizen
Bachelor of Sciences (Production Economics)

Holdings in Kalmar's shares (direct ownership and the ownership of controlled corporations) on 31 December 2024: 2,411

Thomas Malmborg

President, Services

Born 1964, Male, Swedish citizen
Technical high school (automotive) diploma

Holdings in Kalmar's shares (direct ownership and the ownership of controlled corporations) on 31 December 2024: 7,623

Tommi Pettersson

SVP, Strategy, Sustainability and Technology

Born 1968, Male, Finnish citizen
Master of Science (Technology, Economics and Business Administration)

Holdings in Kalmar's shares (direct ownership and the ownership of controlled corporations) on 31 December 2024: 300

Shushu Zhang

President, Bromma

Born 1980, Female, Chinese citizen
Master of Public Administration

Holdings in Kalmar's shares (direct ownership and the ownership of controlled corporations) on 31 December 2024: 0

The full CV's of the Leadership Team members are available on the Company website www.kalmarglobal.com.

Francois Guetat, Head of Integrated Supply Chain, and Marika Väkiparta, Head of Transformation, were members of the Leadership Team during 30 June 2024–30 September 2024.

Internal control, internal audit and risk management

Internal Control

The objective of internal control is to ensure that the Company's operations are in accordance with applicable laws and regulations, efficient and profitable, that risk management is adequate and appropriate, and that financial and other information produced is reliable.

Kalmar's Internal Control Policy, approved by the Board, specifies the applicable control principles, procedures and responsibilities. Kalmar's internal control is based on the Company's Code of Conduct and Internal Controls Framework, which is aligned with the Committee of Sponsoring Organizations framework (the "COSO framework," 2013).

Similarly to other Kalmar operations, responsibility for internal control is divided into three tiers. The first tier is part of the daily operations of line management who have ownership of internal controls. The second tier is formed of group support functions, which define instructions applicable across the Company, supervise risk management and monitor the operation of internal controls. The third tier, internal audit, is responsible for providing independent, objective assurance and advice on the operational effectiveness of the first two tiers.

Risk Management

Kalmar's risk management is guided by the Enterprise Risk Management Policy, approved by the Board. It specifies the objectives and principles of risk management as well as the process and responsibilities involved. The core principle is to continuously, systematically and proactively identify, assess and manage risks, in line with the Company's defined risk appetite, and to establish effective responses to materialised risks. The Board defines the Company's overall risk appetite and ensures that the organisation has sufficient risk management and control. The CEO and the Leadership Team are responsible for the methods, implementation and supervision of risk management, and they report on these to the Board.

Risk management is built into all business decisions and plans, and it is part of the internal control operations. Each division is responsible for its own risk management, identifying, assessing and managing relevant risks that may affect the achievement of its business objectives. ESG-related risks and opportunities are identified and assessed as part of the enterprise risk management process. Financial risks, ethics and compliance related risks and cybersecurity risks are managed centrally and reported on for corporate management and the ARC on a regular basis.

Internal Control and Financial Reporting

Kalmar compiles its financial reporting in accordance with the International Financial Reporting Standards (IFRS), the Securities Markets Act, the Finnish Accounting Act, and the Finnish Accounting Board's guidelines and statements, while complying with the standards of the Finnish Financial Supervisory Authority (the FIN-FSA) and the rules of Nasdaq Helsinki.

Instructions regarding the publication of financial information and external communications are included in Kalmar's Disclosure Policy, which was approved by the Board on 1 July 2024 and published on the same day on the Company website www.kalmarglobal.com. Together with Kalmar Communications, Investor Relations is responsible for ensuring the accuracy of and compliance with the Policy.

Kalmar's financial reporting is based on monthly performance monitoring in a centralised reporting system. As part of this, actual results are compared against forecasts, plans and prior year figures and deviations are analysed and explained. Financial reports are reviewed at a relevant operative management level, followed by group management level reviews. Finally, the reports are discussed at the Leadership Team's meeting. Financial information is also reported to the Board on a monthly basis.

The internal control and risk management principles, guidelines, practices and responsibilities pertaining to the Company's financial reporting process have been designed to ensure that the financial reports disclosed by Kalmar are reliable and meet the requirements of the law, regulations, and Company principles.

To meet the above objective, a review of the key reported financial information was completed. From this, the underlying processes, key risks and the associated Internal Controls Over Financial Reporting (ICFR) were identified. These controls are designed to detect, prevent, and correct any errors and deviations in financial reporting. To assist in the effective operation of internal controls, financial transactional and master data processes, HR activities, and indirect procurement services have been centralised for most Kalmar companies to drive a harmonised way of working with common processes, controls, and tools.

The effectiveness of ICFR is self-assessed affecting the most significant operational entities. These ICFR are then tested by the Group Internal Controls function. The ICFR that have been assessed and tested include approvals, reconciliations, reviews and analyses which are performed at different organisational levels. The results of the ICFR review are communicated to the ARC and the management. For 2024, ICFR covering more than 90% of third-party revenue and total assets were self-assessed and ICFR covering more than 75% of these criteria were tested.

Other information provided

Internal Audit

The purpose of the Internal Audit function is to strengthen Kalmar's ability to create, protect, and sustain value by providing the ARC and management with risk-based and objective assurance, advice, insight, and foresight. The Head of Internal Audit reports functionally to the ARC and administratively to the CFO.

The scope of internal audit activities encompasses but is not limited to providing assessments on the adequacy and effectiveness of governance, risk management, and control processes for Kalmar. Internal audit work is carried out based on a rolling assignment plan which considers Kalmar's strategic priorities, key risks and specific requests from the ARC and management. The plan is approved by the ARC also the internal audit overall results and significant findings, including follow up results, are communicated to them and the management.

Related Party Transactions

Kalmar determines and monitors related parties in accordance with the International Accounting Standards (IAS 24) and other applicable regulations. The Company has procedures in place to identify and define its related parties and assesses and monitors related party transactions to ensure that all conflict of interest and the Company's decision-making process are appropriately taken into account.

The Company maintains lists of its related parties. Transactions with associated companies and joint ventures are monitored in the financial reporting system and reported in a note to the financial statements. The related parties are obliged to inform Kalmar CFO in advance of any planned agreements or other legal acts with any group company and asked annually to confirm if any related party transactions have taken place. Kalmar's CFO will assess the nature and terms of the transactions declared by the related parties or transactions and the materiality of the transaction will be assessed case by case. The Board handles all related party transactions that are not conducted in the ordinary course of business of the Company or are not implemented under arm's length terms.

Insider Management

Kalmar complies with the guidelines for insider trading drawn up by Nasdaq Helsinki and applicable legislation. In addition, the Company has its own internal Insider Guidelines that have been approved by the Board and that supplement insider regulations as well as include instructions on insiders and insider administration.

Kalmar maintains a list of its Managers and their closely associated persons. Kalmar's Managers include persons discharging managerial responsibilities in Kalmar, i.e. the members of the Board, the CEO and other members of the Leadership Team. The Managers and their closely associated persons are obliged to notify Kalmar and the FIN-FSA of transactions conducted on their own account or by a third party on their account relating to Kalmar's financial instruments. Kalmar will publish notifications made by the Manager or their closely associated person in the form of a stock exchange release.

Persons who, on the basis of an employment or other contract, work for the Company and obtain inside information associated with a specific project, are entered in the Company's project-specific insider list, which is established when necessary.

Trading in Kalmar financial instruments is prohibited on the person's own account or for the account of a third party: a) if a person possesses inside information, b) regarding project-specific insiders, for the duration of the project until the project is published or otherwise terminated, c) regarding Managers, during a period of 30 days prior to the publication of Kalmar's annual or interim reports (closed window), and d) regarding persons having access to Kalmar financials, especially persons engaged with preparing Kalmar's annual or interim reports, and/or other material information during a period of 30 days prior to the publication of such report (extended closed window).

Compliance

Kalmar's Code of Conduct contains the principles that guide the Company. All employees are expected to familiarise themselves with the Code of Conduct and take the regular eLearning training. To prevent financial and other misconduct, Kalmar has instructions for principles and processes for raising concerns. The SpeakUp Line gives an opportunity to anonymously raise concerns of possible misconduct or other matters that may not be in line with Company values and policies. The reporting channel is provided by an external partner, to ensure anonymity. All reports are investigated and processed in confidence by Kalmar's Ethics & Compliance function. Corrective and disciplinary actions are discussed in the Leadership Team.

External Audit

According to the Articles of Association, Kalmar has one auditor which must be an audit firm approved by the Finnish Patent and Registration Office, and the principal auditor must be an authorised public accountant. The Auditor is elected annually by the Annual General Meeting for a term expiring at the end of the first Annual General Meeting following the election.

The statutory external audit for the financial period includes the auditing of accounting records, financial statements and administration. In addition to the

Auditor's report issued annually, the Auditor reports to the Board on their audit findings on a regular basis and attends the ARC meetings.

In accordance with the EU Corporate Sustainability Reporting Directive (CSRD and national legislation related thereto) Kalmar has also prepared its sustainability statement for the financial year 2024.

The Annual General Meeting of Cargotec held on 30 May 2024 elected Ernst & Young Oy as Kalmar's auditor and the sustainability reporting assurance provider, in accordance with Chapter 7, Section 6a of the Finnish Limited Liability Companies Act, for a term expiring at the end of the first Annual General Meeting of Kalmar. Ernst & Young Oy appointed Kristina Sandin as the principal auditor and as the responsible sustainability reporting assurance provider.

The auditor's and sustainability reporting assurance provider's fees are compensated against an invoice approved by the Company.

The following table presents fees by type paid to the audit and authorised sustainability audit firm Ernst & Young Oy for the year 2024.

Fees by type paid, MEUR	2024
Audit	2,0
Assurance services	0,1
Tax advisory services	0,0
Other services	0,4

Kalmar

Kalmar Corporation
Itämerenkatu 25
FI-00180, Helsinki, Finland
+358 40 661 4117
www.kalmarglobal.com