

# Frequently asked questions

## **Why are you planning to separate the businesses?**

Kalmar and Hiab standalone would enhance their business performance through higher agility, decisiveness and stronger management focus.

As two separate businesses, the companies could achieve faster organic and inorganic growth thanks to a more tailored capital allocation strategy and flexible access to external capital.

The Board of Directors is convinced that the separation would unlock shareholder value by allowing both businesses to pursue sustainable profitable growth opportunities independently.

## **Are there any dis-synergies from separation and demerger for Kalmar and Hiab?**

Businesses today do not share sizable operational synergies between them and are operating independently already.

## **Did you consider other strategic alternatives, such as a sale of Kalmar?**

The Board of Directors considered all feasible alternatives that would serve the best interests of the company's shareholders.

The current plan would allow Kalmar and Hiab unlock the highest value to the shareholders by enabling the full potential of the businesses.

## **What will the relationship with Cargotec and Kalmar look like in the future?**

After the first phase of the planned actions, Kalmar would be operating standalone as a listed company. No ownership in Kalmar by Cargotec is expected following the transaction.

## **What is the timetable of the demerger?**

The planning of the potential partial demerger took place during 2023.

On 1 February 2024, Cargotec's Board of Directors approved a demerger plan concerning the separation of Kalmar into an independent listed company. On 30 May 2024, the Annual General Meeting of Cargotec resolved on the partial demerger of Cargotec Corporation in accordance with the demerger plan approved by the Board of Directors and signed on 1 February 2024. The completion date of the demerger was 30 June 2024. The trading in the class B shares of Kalmar on Nasdaq Helsinki is commenced on or about 1 July 2024.

The demerger and listing prospectus, published by Cargotec on 22 May 2024, contains more detailed information on the demerger and Kalmar.

### **Why are you planning to separate the businesses now?**

Having explored a number of strategic alternatives, we believe that it would be the right time to execute this separation.

With diverging market dynamics and capital allocation needs, Kalmar and Hiab, as standalone businesses, would be better positioned to cater to their customers' needs, lead on their industries' latest trends (including ESG) and maximise shareholder value.

However, we will continue to closely monitor the prevailing market conditions to determine whether the Kalmar separation, considering especially its listing as a separate company, will be in the best interest of our shareholders.

### **Have you made any significant leader appointments following the announcement?**

On 9 November 2023, Cargotec announced that Sami Niiranen had been appointed as President of Kalmar and proposed as the new CEO of the potential separately listed standalone Kalmar. He started as President of Kalmar on 1 April 2024 and joined Cargotec's leadership team.

On 1 February 2024, Cargotec announced the Kalmar management team as of 1 April 2024. The members of the Kalmar management team are also presented in this pdf image.

### **Can the future Board members be members of both Kalmar and Hiab Boards?**

The majority of the Board needs to be separate and independent. There is no overlap between the proposed Boards.

### **What is the Demerger Committee and who are the members?**

The Board of Directors established the Demerger Committee in August 2023 to support the potential standalone Kalmar listing readiness preparations. The committee oversaw the preparations for listing readiness and corporate governance matters for the potential standalone Kalmar. The committee consisted of three Board members, Jaakko Eskola as the Chair of the committee and Teresa Kemppe-Vasama and Tapio Kolunsarka as members. Committee members were independent of the company. The Board dissolved the Demerger Committee after the Annual General Meeting 2024.

## Will the new companies still have two share classes?

The shareholders of the Demerging Company received as demerger consideration one (1) new share of the corresponding share class (i.e., class A or class B) of Kalmar for each class A and class B share owned in Cargotec (the “Demerger Consideration”), that is, the Demerger Consideration 4 (17) was issued to the shareholders of Cargotec in proportion to their existing shareholding with a ratio of 1:1. There is the corresponding two (2) share classes in Kalmar as in Cargotec, i.e., class A and class B, and the shares of Kalmar do not have a nominal value. (See the Demerger plan document, chapter 4.1)

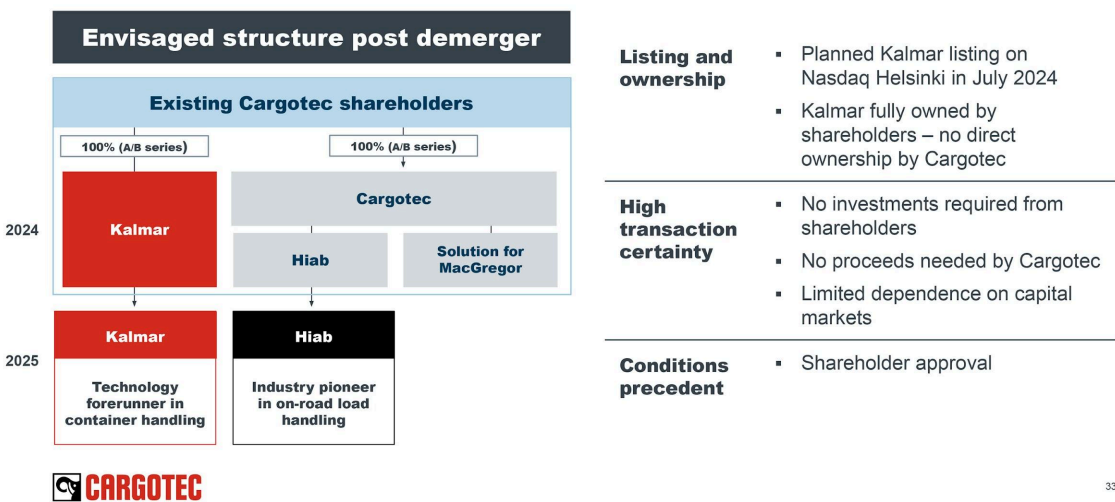
## What happens to shareholdings in current Cargotec?

Cargotec continues as a listed entity on Nasdaq Helsinki. The demerger didn't have an impact on the number of the shares held in Cargotec by the shareholders or respective ownership levels.

In the planned partial demerger, the shareholders of Cargotec received shares in the new company (Kalmar) pro rata to their existing shareholdings in Cargotec (for more information about the exact ratio, please see the question "Will the new companies still have two share classes? "). Consideration shares could consist of one or several share classes. From the perspective of Cargotec shareholders, the demerger was effectively be an asset divestment from Cargotec, from which Cargotec shareholders correspondingly received listed shares in Kalmar as demerger consideration. Thus, the demerger did not have an effect on the ownership levels in Cargotec by the shareholders.

## Structure of the planned transaction

Post transaction (and MacGregor solution) Kalmar and Hiab would be separate standalone businesses



## **Is there a decision made on the domiciles of the new companies or where the shares will be traded?**

Both Cargotec and Kalmar are Finland-based companies and Kalmar's shares were listed on the official list of Nasdaq Helsinki. Cargotec also continued as a listed entity on Nasdaq Helsinki. Possible changes to the domiciles of the companies, if any, will be assessed and made at a later stage.

## **What is the status of the plan for MacGregor?**

Looking for a solution for MacGregor during 2024 is a key priority for management. Cargotec announced on 28 May the start of MacGregor sales process.

Cargotec signed an agreement to sell MacGregor on 14 November 2024.

## **Will there be tax consequences?**

The planned partial demerger would be carried out as a tax neutral transaction under the Finnish tax law provision implementing the EU Merger Directive. A favourable tax treatment for the shareholders of Cargotec is a prerequisite for the partial demerger and it would not be carried out if there would remain issues in this regard.

Cargotec has obtained a confirmatory tax ruling from the Finnish tax authorities to ascertain tax neutrality of the partial demerger under the Finnish tax law. Based on the tax ruling, the prerequisites of a tax neutral transaction under the Finnish tax law will be met in the planned partial demerger, as a business unit – essentially consisting of dedicated subsidiary shares, related assets and debts, and certain group functions – is to be transferred from the partially demerging company to the newly established recipient company that gives pro-rata consideration as newly issued shares.

## **How is the acquisition cost of Cargotec Corporation and Kalmar Corporation shares determined for taxation purposes after the partial demerger of Cargotec Corporation?**

The original acquisition cost of Cargotec Corporation share is split between Cargotec Corporation and Kalmar Corporation shares in Finnish income taxation. The acquisition cost varies depending on the price and original date of acquisition of the share. The determination of the acquisition cost is necessary for taxation purposes to calculate the capital gain or loss received from the disposal of shares.

As a starting point, the acquisition cost of the shares of the receiving company is the part of the acquisition cost of the shares of the demerging company that corresponds to the part of the net assets transferred to the receiving company. In a partial demerger, the acquisition

cost of the shares of the demerged company is the part of the acquisition cost of the shares of the demerged company that corresponds to the net assets remaining with it.

The Finnish Tax Administration published guidelines on 27 September 2024, regarding the determination of the acquisition cost of Cargotec Corporation and Kalmar Corporation shares for Finnish income tax purposes. The guidelines confirm that the ratio of net assets remaining with Cargotec Corporation and transferred to Kalmar Corporation is used as the basis for calculating the acquisition costs of the shares. The net assets of Cargotec Corporation have been allocated in such way that Kalmar Corporation has received approximately 32.44% of the net assets and approximately 67.56% of the net assets have remained with Cargotec Corporation. Therefore, in accordance with the Finnish Tax Administration's guidelines, the acquisition cost of Cargotec Corporation share is 67.56% of the original acquisition cost of Cargotec Corporation share prior to the partial demerger. Consequently, the acquisition cost of Kalmar Corporation share is 32.44% of the original acquisition cost of Cargotec Corporation share prior to the partial demerger.

Example: If the original acquisition price paid by a shareholder for a Cargotec Corporation share was 60.00 euros prior to the demerger, the acquisition cost of Cargotec Corporation share would be 40.54 euros, and the acquisition cost of Kalmar Corporation share would be 19.46 euros.

The Finnish Tax Administration's guidelines are available on the Finnish Tax Administration's website in Finnish and in Swedish.

Please note that the allocation of the acquisition cost described above only applies to shareholders who are subject to unlimited tax liability in Finland. Shareholders who are subject to taxation in another country are advised to consult their own tax advisor or a local tax authority on how the acquisition cost of Cargotec Corporation share and Kalmar Corporation share is determined in their taxation after the partial demerger.

## **How will Kalmar shares be treated for tax purposes?**

In the planned partial demerger, the current shareholders of Cargotec would receive shares in the new company (Kalmar) pro rata to their existing shareholdings in Cargotec with a ratio of 1:1, so that the current shareholders of Cargotec receive as demerger consideration one (1) new share of the corresponding share class (i.e., class A or class B) of Kalmar for each class A and class B share owned in Cargotec. The planned partial demerger would be carried out as a tax neutral transaction under Finnish tax law provision implementing the EU Merger Directive. A confirmatory tax ruling has been obtained from the Finnish tax authorities to ascertain the tax neutrality of the partial demerger under Finnish tax law. Based on the tax ruling, no direct tax costs should be triggered for Cargotec shareholders receiving Kalmar shares as demerger consideration.

For the shareholders' capital gains tax purposes in future disposals, Kalmar shares would have the original acquisition cost of Cargotec shares divided to Cargotec and Kalmar in

proportion to their net assets or, if the allocation would be materially different based on fair values, then based on fair values of Cargotec and Kalmar. Simply put, this means that the acquisition cost of Kalmar shares would not be stepped up to be the fair value in the partial demerger.

### **Who have you appointed as financial advisors for the proposed demerger?**

Goldman Sachs International, Danske Bank A/S, Finland Branch and BNP PARIBAS have been retained as financial advisors to Cargotec. The financial advisors are acting for Cargotec and no one else in connection with the planned partial demerger and will not be responsible to anyone other than Cargotec for providing the protections afforded to clients of the financial advisors, or for giving advice in connection with the planned partial demerger or any other matter.

### **What is the last day to trade in Cargotec's share to be eligible for the demerger consideration shares and thus receive shares in Kalmar?**

A trade made on the stock exchange in Cargotec's share on 28 June 2024 at the latest entitles to receive demerger consideration shares, while a trade in Cargotec's share on 1 July 2024 or thereafter will no longer entitle to receive demerger consideration shares. All trades in Cargotec's shares made on 28 June 2024 at the latest, which have not been settled by said date, will be settled in a way that investors who have acquired Cargotec's shares by such trades will receive both Cargotec's and Kalmar's shares at settlement.