

Cramo Plc
Stock Exchange Release
18 February 2019, at 09:00 (EET)

Cramo Board of Directors has approved a demerger plan concerning the spin-off of Modular Space business into a new listed company

The Board of Directors of Cramo Plc ("**Cramo**"), having assessed the strategic alternatives for Cramo's Modular Space business, has today 18 February 2019 approved a demerger plan concerning a partial demerger of Cramo. According to the demerger plan, Cramo will demerge so that all the assets, debts and liabilities belonging to Cramo's Modular Space business are transferred to a new independent company named Adapteo Plc ("**Adapteo**") to be established in the demerger (the "**Demerger**"). An application is intended to be made to admit the shares of Adapteo for trading on the main market of Nasdaq Stockholm. Cramo's Equipment Rental business would in the Demerger remain in the current company, which would continue to operate under the Cramo name. Adapteo would initially have the same ownership structure as Cramo, and there would not be any cross-ownership between Cramo and Adapteo.

The purpose of the Demerger is to execute the spin-off of Cramo's Modular Space business, which mainly consists of modular space rental and rental-related service operations, so that it will form a new independent group of companies. In the view of the Board of Directors of Cramo, the Demerger will, among other things, clarify the business structures, financing and management, increase opportunity to optimize operational efficiency and value creation, clarify the investment options with different risk and growth profiles and increase competitiveness through specialization and thus strengthen the conditions for shareholder value creation.

During the past years Cramo has successfully executed its strategy and strengthened its position in selected key markets through developing the Equipment rental and Modular space business models and by making divestments and acquisitions, most recent being the acquisition of Nordic Modular Group. Cramo has continuously developed its offering by placing increasing emphasis in innovation and enhancing its digital platform as well as adopting more customer-oriented focus. To address stakeholders' expectations for more sustainable operations, sustainability has been further integrated into Cramo's business through the updated sustainability platform Cramo Care. Following this period of successful strategy execution, the Demerger would create two leading companies in their respective markets. Operating Equipment rental and Modular space as stand-alone companies is expected to increase opportunities for further optimising operational efficiencies to support growth and value creation, and more specialised business operations is seen to improve competitive strength. Additionally, the two separate businesses present clearly distinct investment opportunities with different risk and growth profiles.

Veli-Matti Reinikkala, Chairman of the Board of Cramo, comments: "The Board of Directors has concluded that the spin-off of Modular Space business through a partial demerger offers the best potential for capturing the full business potential and shareholder value creation. The Demerger will increase the focus of the two companies and improve conditions for strategy execution and growth. Moreover, we believe that the two companies will provide two attractive investment opportunities with crystallised strategies and business operations."

The Demerger would be executed in accordance with the attached demerger plan as a partial demerger, as set out in the Finnish Companies Act. Upon the completion of the Demerger, the shareholders of Cramo would receive as demerger consideration one (1) Adapteo share for each Cramo share that they hold. No action would be required from the shareholders to receive the demerger consideration.

The entry into force of the Demerger is subject to, among other things, approval by the Extraordinary General Meeting ("**EGM**") of Cramo and the registration of the completion of the Demerger with the Finnish Trade Register following the creditor hearing process pursuant to the Finnish Companies Act.

Cramo plans to hold the EGM concerning the Demerger on or about 17 June 2019. The EGM shall resolve on the Demerger and other Board proposals based on the demerger plan, including a share issue authorisation that may be used, among other things, for a possible reinvestment by the sellers of Nordic Modular Group in Adapteo as announced by Cramo on 26 June 2018. The Board of Directors of Cramo will separately publish a notice to the EGM as well as the proposed composition of the Board of Directors of Adapteo at a later stage.

As previously announced, the completion of the Demerger is expected to take place no later than in the third quarter of 2019. The planned completion date pursuant to the demerger plan is 1 July 2019. The trading in Adapteo shares on Nasdaq Stockholm is expected to commence on the completion date or as soon as reasonably possible thereafter.

In its preparations for the Demerger, Cramo has secured sufficient financing for the demerging businesses, subject to customary conditions. The financing of Cramo will after the Demerger consist of the existing EUR 150 million unsecured bond, a EUR 50 million term loan facility with the European Investment Bank and a EUR 200 million commercial paper program. Cramo also plans to retain the EUR 250 million revolving credit facility from its existing term and revolving credit facilities agreement entered into in 2014. Cramo has also agreed on financing commitments for a EUR 150 million back-up facility for the existing EUR 150 million unsecured bond. In addition, Cramo has obtained financing commitments for Adapteo consisting of a EUR 400 million term loan facility and a EUR 100 million revolving credit facility. In order to facilitate the demerger process, Cramo also intends to seek certain consents, waivers and amendments with respect to its EUR 150 million unsecured bond.

Cramo has received an advance tax ruling from the Finnish Large Tax Payer's Office (*Konserniverokeskus*), according to which the Demerger will be treated as a tax neutral demerger as defined in Section 52 c of the Finnish Business Income Tax Act.

The demerger and listing prospectus, which will be prepared in accordance with the Finnish Securities Markets Act and which is expected to be published in June 2019, will contain more detailed information on the Demerger and Adapteo.

CRAMO PLC

The Board of Directors

Further information:

Mr Leif Gustafsson, President and CEO, tel: +46 70 691 2550, email: leif.gustafsson@cramo.com

Mr Aku Rumpunen, CFO, tel: +358 10 661 10, +358 40 556 3546, email: aku.rumpunen@cramo.com

Mr Mattias Rådström, SVP, Communication, Marketing and Investor Relations, tel: +46 70 868 7045, email: mattias.radstrom@cramo.com

Appendix: The demerger plan and its appendices, excluding Appendix 3 (a description of Cramo's business mortgages)

Distribution:

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Main media

www.cramogroup.com

Cramo is Europe's second largest rental services company specialising in construction machinery and equipment rental and rental-related services as well as the rental of modular space. Cramo operates

in about 300 depots in 13 countries. With a group staff around 2,700, Cramo's consolidated sales in 2018 were EUR 780 million. Cramo shares (CRA1V) are listed on Nasdaq Helsinki Ltd.

Cramo Adapteo is the sub-brand for Cramo's modular space operations.

Read more: www.cramogroup.com, www.twitter.com/cramogroup

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This release includes "forward-looking statements". These statements may not be based on historical facts, but are statements about future expectations. When used in this release, the words "aims," "anticipates," "assumes," "believes," "could," "estimates," "expects," "intends," "may," "plans," "should," "will," "would" and similar expressions as they relate to the Demerger or its completion identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. These forward-looking statements are based on present plans, estimates, projections and expectations and are not guarantees of future performance. They are based on certain expectations, which, even though they seem to be reasonable at present, may turn out to be incorrect. Such forward-looking statements are based on assumptions and are subject to various risks and uncertainties.