

WOLFFKRAN



Annual Report 2023



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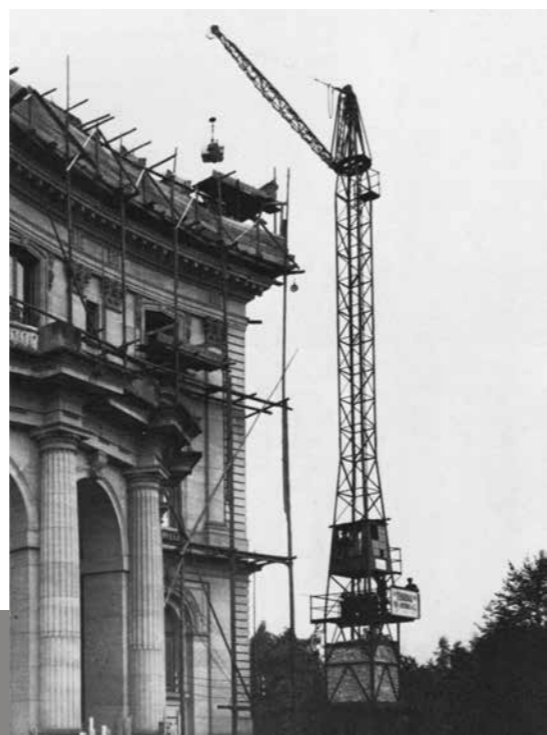
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Dedicated to Tower Cranes Since 1854

At Wolffkran, our passion for cranes is equaled only by our dedication to serving our customers. Established in 1854 in Heilbronn, Germany, the Wolffkran Group is the oldest tower crane manufacturer in the world. Today, our 872 employees work across 16 locations in nine countries – with one mission: to deliver the most reliable and efficient lifting solutions possible.

For almost two centuries, Wolffkran has been working at the forefront of tower cranes. Our distinguished history is marked by a continued dedication to providing the highest-quality lifting solutions. Since the beginning, WOLFF cranes have been critical to projects in the construction, mining, and marine industries as well as bespoke applications worldwide. With an enduring commitment to reliability and a drive for innovation, we remain a worldwide leader in the lifting industry.

With our legacy still being strong in Heilbronn, home to our principal manufacturing site and the Research & Development center, and with a second manufacturing site in Luckau, Germany is our strongest presence and accounts for half of our global workforce. Our vast sales and service network with 449 employees, however, spans across nine countries all over the world.



Manufacturing Plant Luckau

Tailored Sales and Rental Solutions

We think and act long-term. This is especially true for our customer relationships. That's why we cater to our customers' varied needs with tailored sales and rental solutions.

New Crane Sales: Ensuring Long-term Value

We build lasting equity for our customers with high-quality series and custom cranes designed for operational lifespans exceeding 30 years. Recognizing the substantial investment our cranes represent, Wolffkran offers comprehensive long-term service and tailored financing options. Thus, we make sure our customers' unique needs are fulfilled – and their investment has sustained value.

Fleet Services: All-inclusive Rental Solutions

With over 750 cranes readily available in our rental fleet, we provide immediate support and flexible terms, ensuring rapid delivery and tailored services to meet dynamic project needs. Our fleet services are ideal for customers managing their own crane operations or light-asset companies who want to avoid the financial, maintenance, and liability responsibilities associated with a long-term investment.



Thriving in Turbulent Markets

Amidst escalating challenges for the global construction industry, Wolffkran has set a new business record in 2023: Our net sales for the year reached 199 million EUR, surpassing the previous record of 194 million EUR in 2022. The year also marked a geographical sales shift. While our traditional anchor markets in the DACH region and the UK remained resilient, demand in the USA has reached new heights.



Manufacturing
Plant Heilbronn

Established in

1854

872

employees worldwide

16

locations in 9 countries

50%

of our employees are based in Germany

2

main business segments:
New Crane Sales and Fleet Services

Rental fleet with over

750

cranes

Our cranes have an operational
lifespan of over

30

years



81 Newgate Street,
London, UK

Net Sales for 2023

**199 million
EUR**

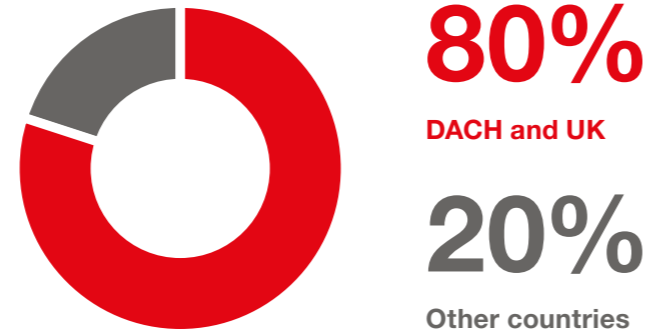
Wolffkran has always maintained a strong market presence in the DACH region (Germany, Austria, Switzerland) and, since 2015, the United Kingdom. Until 2023, these markets contributed to 80% of our sales. This year, our ongoing efforts to expand to new markets in Europe, the Middle East, Asia, and North America have created a meaningful shift: Sales outside of the DACH region and the UK increased significantly, contributing to over 40% of our global sales. This is primarily due to the high demand from the USA. As a result, our net sales for the year reached a new record high of 199 million EUR, beating the previous record of 194 million EUR in 2022.

We achieved this record in a challenging environment. The war in Ukraine and rising inflation have driven up construction costs. Higher interest rates made financing harder. In some markets, construction expenses went up more than 20% over previous years. At the same time, private investments in housing and overall consumption slowed down, creating lower demand for residential and commercial construction.

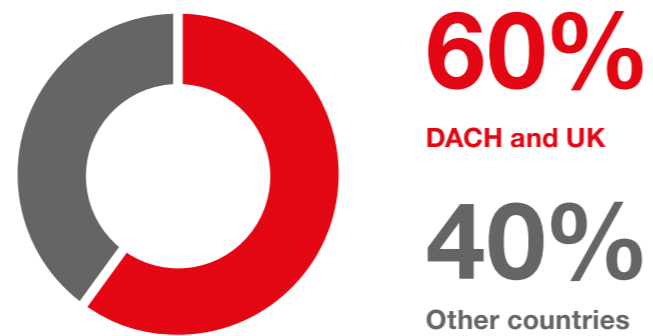
	in mio. EUR		
Net sales by region	2023	2022	% PYA
North America	41	16	+164
Europe (incl. UK, Norway)	154	177	-13
Rest of the world	5	3	+88
Total net sales*	199	194	+2

* incl. bad debt of 546 kEUR / 330 kEUR

Global Sales – historical



Global Sales – 2023



Intel Ohio One Campus,
New Albany, OH, USA

Growing strong in other sectors and regions

Unlike real estate, the demand for infrastructure, energy, and manufacturing plant construction continued to grow strongly in 2023. These sectors benefited from robust investments to address supply chain disruptions, geopolitical tensions, and climate change impacts.

Navigating the challenging climate of Europe's construction industry, Wolffkran successfully turned to growth opportunities in Asia, namely, delivering large tower cranes to South Korea.

Increased demand for tower cranes in the USA

In the USA, Wolffkran secured several contracts for large infrastructure projects. This resulted in a strong uptake in sales. Traditionally, large construction sites outside major urban areas in the USA have relied on crawler cranes. However, the increased demand for this type of crane in wind park installations has opened new opportunities for WOLFF tower cranes in construction. Their enhanced reliability and cost-effectiveness have helped to change the US construction industry's mindset and enabled a switch from crawler cranes to tower cranes.

Stable despite dropping demand

The construction industry in Germany, Belgium, and Austria has been exceptionally challenging, with demand for new construction dropping by as much as 50%. The default of leading real estate developers like the Austrian Signa Group was both a consequence and a catalyst of these altered market conditions.

Only 0.3% of global revenues under default

As a result, customers had to delay or alter planned crane purchases. This also created an oversupply of rental cranes, lowering our utilization rates and leading to reduced fees. Despite these challenges, Wolffkran has remained financially stable, with only 0.3% of global revenues under default.



Elbtower, Hamburg,
Germany

New Crane Sales: Size Matters

The New Crane Sales segment at Wolffkran develops, manufactures, and sells new cranes and provides original spare parts directly from our manufacturing plants in Germany. In 2023, revenue in this area grew modestly, mostly driven by an increase in the average crane size.

New Crane Sales 2023 rose by
**1% to
87 million EUR**

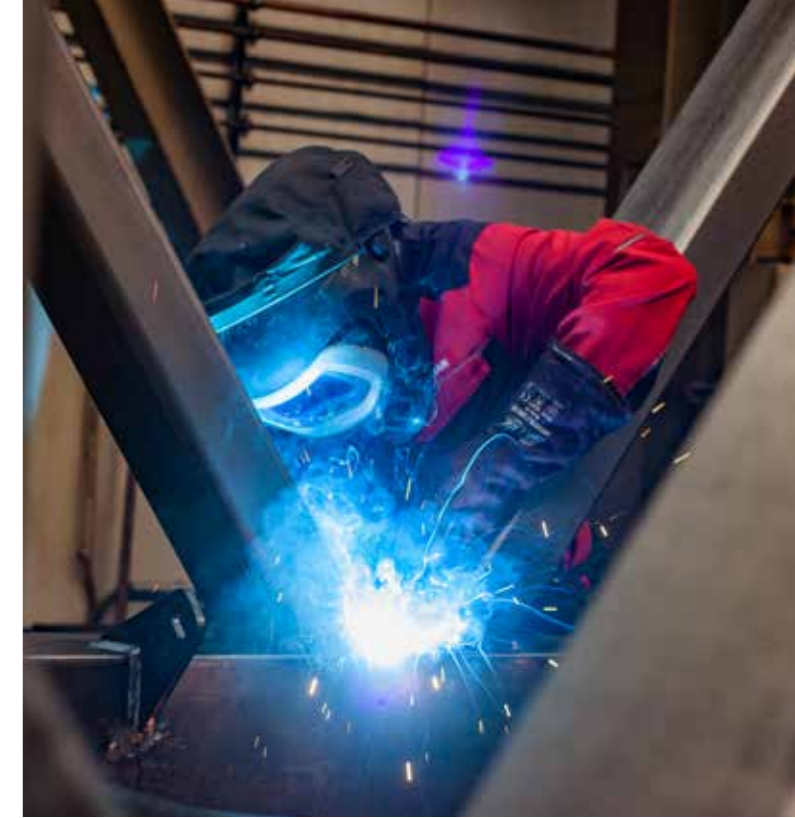


Overall revenue in New Crane Sales experienced a modest increase in 2023, rising by 1% to 87 million EUR compared to 2022. While the sale of cranes saw a slight decline, there was a notable increase in demand for spare parts. This was mostly driven by large construction projects and crane fleet operator requirements.

	in mio. EUR		
Net sales by business area	2023	2022	% PYA
Sales – New Cranes	82	82	-1
Sales – Spare Parts	6	4	+51
Business segment: New Crane Sales	87	86	+1

Regionally, the recession in the DACH region resulted in a record decrease in sales volume, with the number of cranes sold dropping by 52% compared to 2022. In contrast, the USA and Canada saw a volume increase of an impressive 275% in cranes sold, with revenues showing even more robust growth.

Sales volume by region	2023	2022	% PYA
Germany, Austria, Switzerland	36	75	-52
France, Belgium, Netherlands, Luxembourg	29	31	-6
Great Britain and Ireland	3	5	-40
USA, Canada	15	4	+275
Rest of Europe	5	15	-67
Rest of the World	2	1	+100
Total cranes sold	90	131	-31
Revenue per crane	1.0 m EUR	0.7 m EUR	+47
	cranes	cranes	



Revenue per crane rises by 47%

While the total number of cranes sold dropped from 131 units in 2022 to 90 units in 2023, revenue remained stable. This is primarily due to the rising demand for ever-larger cranes with higher lifting capacities, driven by two trends: On the one hand, the construction industry continues to embrace the use of precast concrete and prefabricated modules. On the other hand, substantial industrial projects, a key sales driver in 2023, require cranes with a high lifting capacity and fast operating speeds. Consequently, the average crane size increased – and revenue per unit sold rose by 47%, amounting to 1 million EUR in 2023.



Fleet Services:

Preparing for Market Shifts

The Wolffkran Fleet Services cover the entire life cycle of lifting operations. They are tailored to customers wishing to keep their assets light or requiring additional capacity and support for their projects. Revenues in this area slightly increased in 2023, driven by the addition of low-emission generators, intelligent lifting gear, and record sales of fleet assets.



Used Crane Sales
increased by 33%
compared to 2022

Our Fleet Services include a comprehensive package of services across various business areas. The initial touch-point are bare rentals using custom crane configurations, delivered through the specialized Applications Engineering team. The Service team seamlessly continues the customer journey, handling all areas from transport, crane erection, and inspection to dismantling and returning the cranes. The year's main Service revenue has come from crane operator leasing, mostly in the UK and the Czech Republic, or for special projects such as the Grimsel dam replacement in Switzerland.

	in mio. EUR		
Net sales by business area	2023	2022	% PYA
Revenues – Rental	41	44	-6
Revenues – Service	41	42	-1
Revenues – Accessories	5	4	+16
Revenues – Other	0	0	0
Revenues from Rental and related services	87	90	-3
Sales – used crane	25	19	+33
Business segment: Fleet Services	112	108	+3

Accessories on the rise

In 2023, Fleet Services revenue saw a slight increase of 3% compared to 2022, reaching 112 million EUR. While demand – and with it revenue – for Rental and Service offerings declined in Europe, sales and rentals of Accessories increased. This was predominantly driven by the expansion of our portfolio with low-emission generators and smart lifting gear.

Record sales and investments

Yet, with an increase of 33% compared to 2022, Used Crane Sales showed the most impressive revenue growth in 2023. With an expected lifespan of 30 years for our cranes, Wolffkran aims to keep the fleet's average age at 15 to 17 years. The year's record sales of used cranes led to a substantial investment of 35 million EUR reinvestment in new cranes (+80% compared to 2022). This record investment maintained fleet size and average age for the first time in the past five years.

	in mio. EUR		
Investment in rental fleet	2023	2022	% PYA
CAPEX – fleet assets	33	17	+91
CAPEX – major maintenance	2	2	0
Total CAPEX	35	20	+80

Lower utilization rate, higher per-crane yield

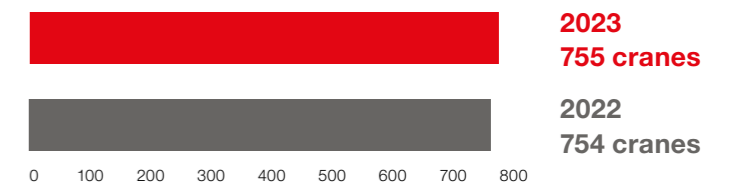
Revenues from Rental and directly related services marginally declined by 3% to 87 million EUR in 2023. This is mostly due to reduced demand leading to a lower utilization rate, which dropped by 10% compared to 2022 to 62%. Necessary adjustments like ahead-of-schedule divestments and delayed CAPEX contributed to the decline. Both are essential measures to adapt our fleet to the evolving construction industry.

Meanwhile, revenue per crane increased by 13% compared to the previous year. This is thanks to stronger revenues from Services and Accessories and the growing trend towards larger cranes yielding higher rental rates.

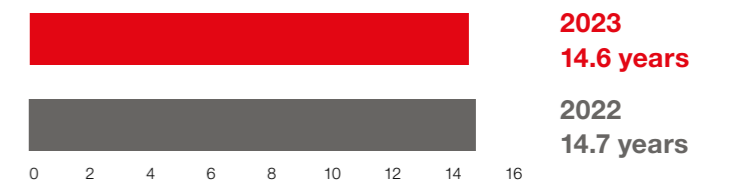
	in mio. EUR		
Average revenue per crane	2023	2022	% PYA
Revenue per crane	115 kEUR	119 kEUR	-3
Utilization – average*	62%	72%	-10%p
Revenue per crane, adjusted for utilization**	156 kEUR	138 kEUR	+13

* Technical maximum: 84%
** Based on technical maximum of 84%

Fleet size – average



Fleet age – average



Diverging Paths in European Construction

Construction output in Central and Western Europe decreased by 0.6% in 2023. Heightened inflation, rising costs of construction materials, and higher interest rates notably dampened residential construction activities. Overall, Wolffkran's revenues in Central and Western Europe decreased by 13% to 154 million EUR in 2023, with the recession in Germany being the primary factor affecting both New Crane Sales and Fleet Services.



ZEISS Hightech Site, Jena, Germany

“The infrastructure boom has created interesting opportunities for us in Europe.”

Dr. Mohamed Abouelezz, Head of Business Development at WOLFFKRAM GmbH

A common trend across all European markets is the slowing of residential and commercial construction as households bear the impact of high inflation and interest rates. While these effects varied by market, Wolffkran's key markets, Germany (-2.6%) and Switzerland (-2.7%), were most affected. In contrast, the construction output in the United Kingdom (+2.2%) saw growth. This is mostly thanks to a higher volume of industrial construction compared to continental Europe.

While residential construction slowed down, demand for infrastructure, energy, and manufacturing construction grew in 2023. This was largely driven by national policies and a strategic shift in global supply chains moving away from Asia, further supported by the European Union's 750 billion EUR Recovery and Resilience Facility (RRF). In addition, various national initiatives in France, Germany, the United Kingdom, and other member states have spurred further growth, projected to continue into 2024 and 2025. Wolffkran's focus on large cranes puts us in a position to capitalize on this expansion, thus mitigating the impact of the residential construction downturn.

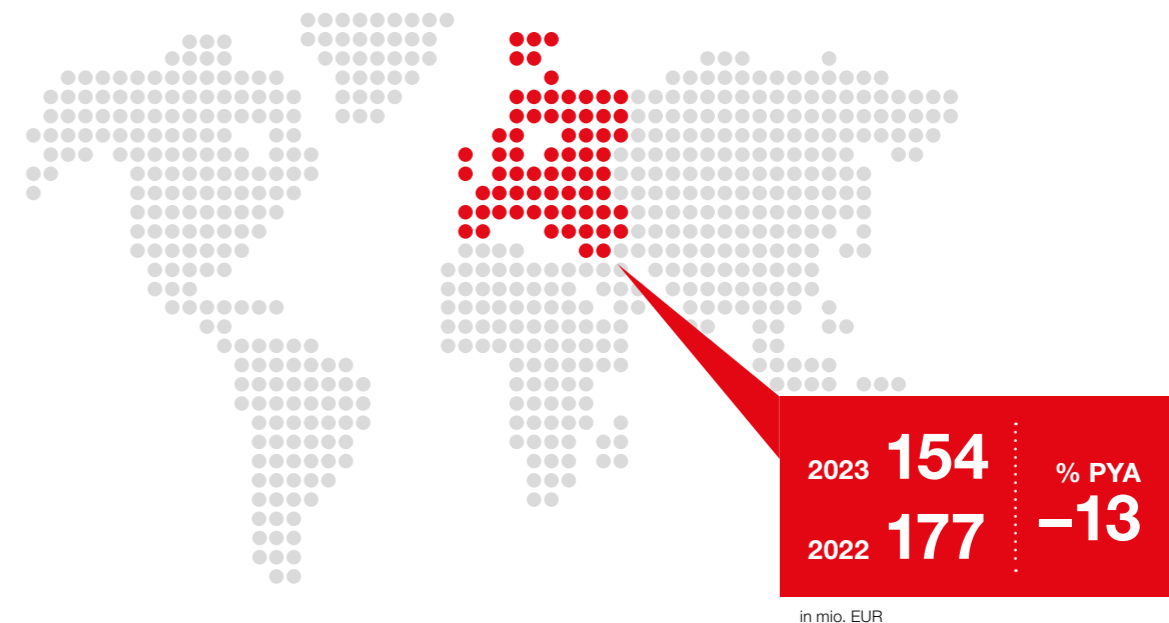
First signs of a rebound

According to the Global Construction Outlook (Q4 2023), construction output in Central and Western Europe will further decline in 2024 (-3.4%), followed by a rebound the following year. The fact that inquiries for cranes and rentals are starting to pick up in the first quarter of 2024 supports this positive outlook: projects expected to contribute to the increased output in 2025 will begin in 2024.



Cantonal Hospital Aarau, Switzerland

Net Sales Europe (incl. UK, Norway)



Reaching New Heights in North America

In 2023, our revenue in North America witnessed an impressive 164% year-on-year growth, reaching 41 million EUR. This marks the highest revenue achieved since our return to the US market in 2015. It is largely driven by investments in new manufacturing plants, chip factories as well as energy and infrastructure projects.



The Butterfly, Vancouver, Canada



BJC Campus Renewal, St. Louis, MO, USA

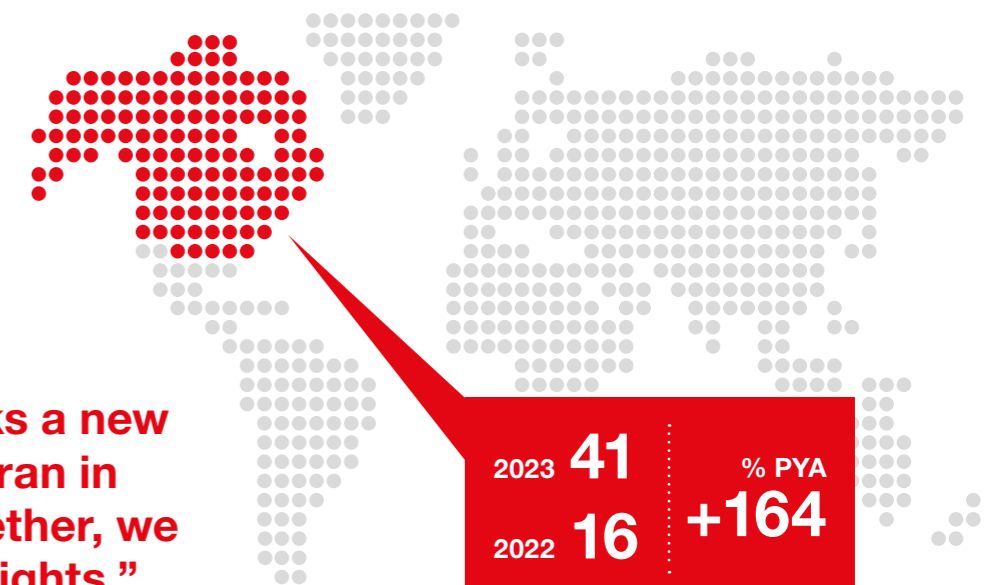
Despite the downturn in residential and commercial construction, the North American construction output grew by 0.5% in 2023. While high mortgage rates and general inflation deterred investors from residential construction, the demand for infrastructure, energy, and manufacturing flourished.

Several government-funded stimulus and support packages, such as the IRA (Inflation Reduction Act), the IIJA (Infrastructure Investment and Jobs Act), and the CHIPS and Science Act, have further spurred investment and construction in these areas. The long-term nature of these investments allows for continued projected growth in 2024 and beyond.



Hunters Point South, Long Island City, NY, USA

Net Sales North America



in mio. EUR

“The year 2023 marks a new milestone for Wolffkran in North America. Together, we are reaching new heights.”

Michael Herget, President at WOLFFKRAN Inc.

Continued Growth in India and the MENA Region

Construction output in the Middle East and North Africa (MENA) grew by 2.1% in 2023. Meanwhile, India's construction sector experienced a significant increase of 9.6% compared to the previous year – mainly due to a demographic shift.



Holy Mosque, Mecca, Saudi Arabia



University of Birmingham, Dubai, UAE



Museum of the Future, Dubai, UAE

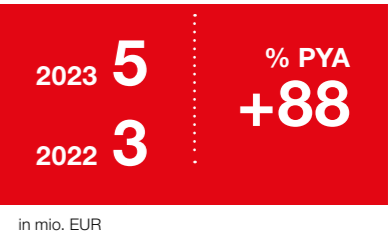
In both India and the MENA region, the percentage of the population aged 30 and under has doubled over the past 20 years. This demographic shift has had a positive impact on the construction industry: new homes, schools, hospitals, and power plants have to be built to meet the growing demands of this new generation. Noteworthy megaprojects like the innovative urban hub NEOM in Saudi Arabia further contribute to this momentum.

As a result, Wolffkran's revenue outside North America and Europe increased from 3 to 5 million EUR in 2023. The Global Construction Outlook (Q4 2023) underlines that demand will continue to grow in 2024 and beyond.

“The demographic ‘youth bulge’ in the MENA region and India has spurred construction in all sectors.”

Duncan Salt, CEO at WOLFFKRAN Holding AG

Net Sales Rest of the World



UPLIFTing Efficiency Across Operations

In 2023, Wolffkran launched UPLIFT. The transformational program includes over 120 projects aiming at making Wolffkran operations more efficient and productive. By the end of the year, the first implemented UPLIFT projects resulted in savings of 5 million EUR – and laid the groundwork for even more comprehensive efficiency improvements in 2024.



Hybrid Power Unit

The UPLIFT program includes both savings and topline initiatives. To maintain a continuous and sustainable project pipeline, new projects are regularly assessed and integrated into the project portfolio. The program is slated to run until December 2025.

Key drivers of the savings achieved with UPLIFT in 2023



Home Plant Concept

Reorganized crane component production between the two German manufacturing plants, streamlined the entire process, and consolidated capacities for additional growth.



Supply Chain Optimization

Outsourced semifinished good manufacturing, renegotiated supplier terms and conditions, and insourced crane painting.



Product Improvement Projects

Simplified and standardized different crane components, reducing work times and inventory levels.



Shared Services

Further centralized and digitized shared corporate service areas.



Sales & Service

Improved margins through revenue assurance for erection and dismantling services, extended the WOLFF Onsite product portfolio with CO₂-friendly generators and intelligent lifting gear.

Two New WOLFFs in the Pack

The year 2023 saw the launch of two new flat-top WOLFF Clear tower crane models. Both cranes introduce a new patented jib design and feature several design enhancements that improve safety and operational efficiency. They are also the first to incorporate the award-winning WOLFF HiSPS anti-sway technology.



The WOLFF Clear line stands for maximum efficiency through minimal complexity to make transport and assembly more cost- and time-efficient. Developed for medium-sized construction projects, the two new WOLFF Clear models have a maximum lifting capacity of 12 tonnes.

WOLFF 6523 Clear:
simplifying assembly
and dismantling



The **WOLFF 6523 Clear** crane, launched in summer 2023, represents a significant upgrade over its predecessor and integrates the latest advancements in flat-top crane design. It introduces a novel jib connection method using a mandrel and wedge at the flat ends of sections rather than the traditional pin-secured lateral connection. This innovation not only simplifies assembly and dismantling but also provides for smoother jib transitions, thereby improving the movement of the trolley along the jib and making load positioning more efficient.

WOLFF 7021 Clear:
compact design,
highly competitive



Released just before the year's end, the **WOLFF 7021 Clear** crane caters to diverse construction needs. Available in both a non-climbable eco version and a climbable version with a splittable tower top, it offers cost-effective configurations tailored to customer requirements. Design improvements like the fast-connectable ballast frame with

the hoist winch reduce assembly time and cost. A key feature is its compact design, allowing the entire slewing part with a full 70-meter jib to be transported on just three semi-trailers. With an unmatched tip load capacity of 2.3 tonnes at full working radius, the WOLFF 7021 is highly competitive in its class.

WOLFF HiSPS: Innovation Beyond Steel Design

In 2023, Wolffkran continued its commitment to more efficient and safer crane operations through digitalization. The year marked the release of the pioneering WOLFF High-Speed Positioning System (HiSPS). The electronic assistance system enables virtually sway-free movement and precise load positioning.

A first in the tower crane industry, the award-winning and patent-pending system utilizes two sensors on the hook block and the trolley to detect rope movement. They are linked to the control unit that precisely adjusts the crane's speed and movement to align the trolley with the hook block and the load, effectively eliminating the pendulum effect of the load caused by crane movement or wind.

Intuitive crane control

Ultimately, WOLFF HiSPS marks a shift in crane operations towards controlling load movement rather than crane movement. As the system gains traction in the market, we are developing an intuitive solution for moving loads (not the crane) via radio controls. This technology is laying the groundwork for a future pick-and-place system connecting multiple radio controls to a single crane.



WOLFF HiSPS...

- significantly reduces the risk of accidents and damage from swaying loads.
- minimizes lift cycle times by reducing the waiting time until the load stabilizes.
- makes operation more efficient by facilitating easier manual handling of the hook block and load placement on the ground.
- saves hook positions so the crane automatically returns to these locations as needed. This:
 - ensures precise load positioning even with limited visibility and
 - makes repetitive tasks in storage yards and other industrial environments more feasible.

Building a New Tomorrow: Wolffkran's ESG Strategy

Wolffkran is firmly committed to Environmental, Social, and Governance (ESG) principles and strongly dedicated to integrating sustainable practices across our operations. We strive to exceed regulatory compliance by assuming responsibility for our ESG impacts and engaging closely with our stakeholders to improve ESG performance.



Our apprentices visiting the bauma exhibition in Munich

Offsetting the annual carbon footprint of our German manufacturing facilities, installing a comprehensive photovoltaic system at our Luckau site, and aiming for net-zero emissions by 2026 in our UK operations: These are just a few of our ESG initiatives that highlight our environmental efforts.

Collaboration drives sustainability. That's why we actively work with our customers to minimize the environmental footprint of our cranes on-site. This includes offering innovative solutions like the energy storage system AMPD Entainers or the WOLFF Hybrid Generator. Both are designed to reduce emissions and enhance energy efficiency.



Employee wellbeing

At Wolffkran, we know that significant value arises from supporting our employees. Our commitment is reflected in our proactive engagement in Health and Safety and Equality, Diversity, and Inclusion initiatives within the workplace.



Partnering with local organizations

Beyond internal efforts, our UK team fosters community involvement by partnering with local organizations such as the Sheffield and Rotherham Wildlife Trust. We also offer internship programs, engage with local schools, and support various charitable activities, all aimed at generating a positive social impact and embodying the principles of Corporate Social Responsibility.



Committed to high ethical standards

In terms of governance, Wolffkran strictly adheres to – and strives to surpass – relevant legal and regulatory standards. This commitment to high ethical standards ensures we prevent malpractice, sustain our economic viability, and continue providing value to our stakeholders and local communities.

“We are committed to integrating sustainable practices across all operations.”

Niall Conroy, Sustainability Program Manager at WOLFFKRAN Ltd.

Growing Sustainably in 2024

Outlook

Our focus will remain on evolving our international presence, developing the first autonomous crane by 2028, and providing our customers with comprehensive lifting and financing solutions. As we enter 2024, Wolffkran operates in more countries than ever, with additional expansions planned in both major and regional markets.



Oceanside, California, USA



Wolffkran and Zamil Group join forces to build WOLFF tower cranes in Saudi Arabia.

Shown from left to right: Duncan Salt (CEO, Wolffkran Holding AG), Adib Al Zamil (CEO, Zamil Group), Dr. Peter Schiefer (Owner and Member of the Board, Wolffkran Holding AG)

In 2023, Wolffkran demonstrated its ability to expand its customer base against a recessionary background through a strong focus on customer service. While we anticipate that European demand will take time to recover, investments in manufacturing, energy, and infrastructure projects will remain the main global drivers until 2026. The resulting need for larger cranes is reflected in our current production figures and fleet investments. With our robust service ethic filling the gap of diminished market offerings paired with rising demand, we anticipate utilization to increase in the UK and Austria by the end of Q2 2024, with Germany following in Q3 and Q4. However, it might take until the second half of 2025 for the demand in Europe to return to pre-recession (2021) levels.

Flexible offerings will be crucial

Price for value will remain a key aspect of construction in 2024. However, with many industries facing limited liquidity, offering rental and alternative financing solutions tailored to our customers' needs will be a crucial factor in making the difference for success.



WOLFF Onsite hybrid power unit being installed at a customer's site

Forging growth in Saudi Arabia

In Saudi Arabia, we opened our most recent rental and service company in 2023, with plans to grow our fleet to 400 cranes by the end of 2030. In addition, Wolffkran and Zamil Group signed a joint venture agreement to build, sell, and rent cranes in Saudi Arabia. Starting with a selected range of components, this strategic partnership will reduce shipping and manufacturing costs.

Targeting tertiary markets

Through Pathfinder, a project born from the UPLIFT program, Wolffkran targets tertiary markets in Eastern Europe, Central America, and North Africa. By offering competitive rental terms on end-of-life cranes to local distributors, Wolffkran will accelerate their growth and establish long-term partnerships grounded in the reliability of our cranes. Pathfinder mirrors our expansion into Czechia and subsequent acquisition of Lokus Konstruktiva AS, promising immediate revenue uplift and sustained growth.

Out-of-the-box lifting gear and power generation

WOLFF Onsite, our provider of lifting accessories and green power solutions, is set to advance our market position significantly in 2024. Fulfillment pods are being developed to facilitate this expansion, with plans to extend services to six countries throughout the year. Offering complementary out-of-the-box lifting gear and power generation solutions, this strategic move broadens our reach and evolves our services while reinforcing our commitment to sustainability and excellent customer service.

Profitability and Extraordinary Effects

In 2023, total revenues reached 234 mio. EUR (+8%, 2022: 217 mio. EUR), while net sales grew to 199 mio. EUR (+2%, 2022: 194 mio. EUR). Own work capitalized increased to 31 mio. EUR (+60%, 2022: 19 mio. EUR), driving the renewal of the rental fleet. Other income of 4.3 mio. EUR included insurance payments, sale of raw materials, non-crane assets sold, and rental income from the letting of the plant property in Lukhovitsy, Russia. Changes in inventories of semifinished and finished goods were negligible in 2023 (2022: +1.5 mio. EUR).

Cost of materials and purchased services grew to 88.1 mio. EUR (+12%, 2022: 78.8 mio. EUR). This includes the material cost to produce new cranes (either for sales to customer or for Wolffkran's rental fleet), the cost of manufacturing or purchasing of spare parts and accessories, as well as residual book values expensed for used cranes sold. The direct distribution expenses are mainly related to service revenues that were -1% lower than in 2022, while expenses decreased to 19.5 mio. EUR (-3%, 2022: 20.2 mio. EUR). Successful cost-reduction initiatives and decreasing market prices have been the main drivers of this development.

Production volume amounted to 129 slewing parts and was lower than in the previous year (2022: 146 slewing parts), which was driven by larger cranes and a higher number of tower elements and other components being produced. After the end of COVID-19, supply chain issues remained, while labor shortages improved as Germany entered a recession. The factories in Germany, Heilbronn and Luckau, achieved the same production hours as in 2022, while -8% of capacity were lost due to the shut-down of the plant in Lukhovitsy in 2022. The missing capacity was compensated through the expansion of subcontracting, which will also drive volume growth in future years.

Gross profit increased to 126.2 mio. EUR (+7%, 2022: 118.1 mio. EUR), as margins for New Crane Sales improved.

Personnel expenses, including temporary agency workers, increased to 69.4 mio. EUR (+7%, 2022: 64.6 mio. EUR). By the end of Q4/2023, 872 FTE were working for the Group (785 FTE fix / 87 FTE temporary agency workers). The increase in personnel expenses was driven by pay increases and high inflation across Europe and North America.



ODE, Amsterdam, Netherlands

Other operational expenses grew to 26.3 mio. EUR (+12%, 2022: 23.5 mio. EUR), which included higher losses from foreign exchange differences of -2.0 mio. EUR compared to 2022. Net of these effects, the other operational expenses decreased compared to 2022. Cost reduction initiatives and lower expenses for trade exhibitions, notably bauma 2022, have been the main drivers for this.

Operating earnings before interest, income tax, depreciation, and amortization (EBITDA) was 30.5 mio. EUR (+2%, 2022: 30.0 mio. EUR). Higher personnel and operational expenses reduced the gross profit, which still performed better compared to 2022.

Depreciation and impairment of fixed assets and intangible assets amounted to 21.9 mio. EUR (+4%, 2022: 21.1 mio. EUR). While ordinary depreciation remained stable, there was extraordinary depreciation related to assets scrapped and receiving insurance payments.

Finance income, mainly coming from foreign exchange gains, was +3.3 mio. EUR (+30%, 2022: +2.5 mio. EUR). Finance expenses of 6.6 mio. EUR (+45%, 2022: 4.6 mio. EUR) were driven by higher interest rates, as well as higher debt to cover increased net working capital requirements.

Operating earnings before income tax (EBT) was 5.1 mio. EUR (-23%, 2022: 6.6 mio. EUR).

Balance Sheet & Cash Flow

Total assets increased to 302 mio. EUR in 2023 (+8%, 2022: 278 mio. EUR). Higher investments into the rental fleet grew total fixed assets to 163 mio. EUR (+5%, 2022: 156 mio. EUR), while investments in new crane developments, specifically autonomous crane technology, grew intangible assets to 9.7 mio. EUR (+23%, 2022: 7.9 mio. EUR).

Working capital, consisting of trade receivables, other receivables, inventories, accrued income, and prepaid expenses, increased further to 102 mio. EUR above the already high level of 2022 (+7%, 2022: 95 mio. EUR).

Cash reserves at the end of 2023 reached 20.7 mio. EUR up from 2022 (+70%, 2022: 12.2 mio. EUR).

Interest-bearing liabilities increased to 139 mio. EUR (+15%, 2022: 120 mio. EUR) to finance the higher working capital demand, as well as investments into the rental fleet.

Equity reached 116 mio. EUR (+5%, 2022: 111 mio. EUR).

Cashflow from operating activities reached 14.3 mio. EUR (-27%, 2022: 19.6 mio. EUR) driven by higher working capital requirements. Cash outflow for investing activities increased to -15.2 mio. EUR (+48%, 2022: -10.3 mio. EUR) as investments into the rental fleet grew to 35.4 mio. EUR (+80%, 2022: 19.7 mio. EUR).

Cashflow from financing activities also grew to +9.2 mio. EUR (2022: -17.3 mio. EUR) driven by lease financing and additional utilization of new and existing working capital lines.



EDR Drydock,
Antwerp, Belgium

Risk Assessment

The Wolffkran Group has implemented a risk management system. Based on an ongoing identification of risk, the material risks for the individual companies are assessed with reference to the likelihood of their occurrence and their implications. By responding with appropriate measures resolved upon by the board of directors, these risks are avoided, reduced, or overcome. Risks borne internally are monitored rigorously. Any action that may be necessary because of this has been taken. Any necessary provisions and value adjustments are made promptly or at the latest in the quarterly, half-yearly or annual accounts.



Bishopsgate,
London, UK

Responsibilities within the Management Board

Dr. Peter Schiefer
Member of the Board

Duncan Salt
CEO

Tim Eichenhofer
CFO

Business Development

Commercial Management

Global Sales

HR

Marketing

Finance

IT

Legal & Taxes

Ralf Koch
COO

Thomas Heidrich
CTO (until 03/2024)

Manufacturing

Procurement

Product Management

Research & Development

Research & Development

Product Management

Financial Statements

Consolidated Balance Sheet 2023

Assets (in kEUR)	Notes	2023	%	2022	%
Current assets					
Cash and cash equivalents	2.1	20,696	7	12,206	4
Trade receivables	2.2	43,501	14	41,074	15
Other receivables		12,014	4	9,656	3
Inventories	2.3	39,445	13	41,317	15
Accrued income and prepaid expenses		6,599	2	2,748	1
Total current assets		122,255	41	107,001	38
Non-current assets					
Financial assets	2.4	245	0	280	0
Investments in associates	1.3	805	0	740	0
Investments	1.4	1	0	1	0
Tangible fixed assets	2.5	163,221	54	155,918	56
Intangible assets	2.6	9,730	3	7,884	3
Deferred tax assets	3.5	5,422	2	6,350	2
Total non-current assets		179,424	59	171,172	62
Total assets		301,678	100	278,173	100

Liabilities (in kEUR)	Notes	2023	%	2022	%
Current liabilities					
Trade payables	3.1	17,226	6	16,972	6
Current interest-bearing liabilities	3.6	41,344	14	25,485	9
Prepayments received	3.3	1,665	1	2,832	1
Other current liabilities		7,253	2	5,731	2
Deferred income and accrued expenses		5,303	2	7,687	3
Total current liabilities		72,792	24	58,706	21
Non-current liabilities					
Long-term interest-bearing liabilities	3.6	97,247	32	94,537	34
Provisions for other liabilities and charges	3.2	9,020	3	8,783	3
Deferred tax liabilities	3.5	6,272	2	5,556	2
Total non-current liabilities		112,539	37	108,876	39
Equity					
Share capital		1,037	0	1,037	0
Retained earnings		115,310	38	109,554	39
Total equity		116,347	39	110,591	40
Total liabilities		301,678	100	278,173	100

Consolidated Income Statement 2023

Income statement (in kEUR)	Notes	2023	%	2022	%
Net sales from sales of goods and services	4.2	198,848	100	194,245	100
Changes in inventories of semi-/finished goods		-137	0	1,489	1
Own work capitalized	4.4	30,774	15	19,241	10
Other operating income		4,348	2	2,133	1
Total revenues	7.0	233,832	118	217,108	112
Cost of materials and purchased services		-88,134	-44	-78,815	-41
Direct distribution costs	4.5	-19,509	-10	-20,166	-10
Gross profit	7.0	126,189	63	118,127	61
Personnel expenses		-65,226	-33	-60,757	-31
Temporary agency workers		-4,157	-2	-3,879	-2
Other operational expenses	4.6	-26,261	-13	-23,532	-12
Operating earnings before interest, income tax, depreciation, and amortization (EBITDA)	7.0	30,546	15	29,960	15
Depreciation and impairment of fixed assets	2.5	-20,004	-10	-18,998	-10
Amortization and impairment of intangible assets	2.6	-1,852	-1	-2,111	-1
Operating earnings before interest and income tax (EBIT)		8,689	4	8,851	5
Finance income	4.7	3,304	2	2,535	1
Finance expenses	4.7	-6,636	-3	-4,587	-2
Value adjustment on financial assets	4.7	-266	0	0	0
Income from associates and joint ventures	4.7	0	0	-205	0
Operating earnings before income tax (EBT)		5,090	3	6,593	3
Income tax expenses	3.5	-2,659	-1	-2,974	-2
Net income		2,432	1	3,619	2

Consolidated Cash Flow Statement 2023

Cash flow statement (in kEUR)	Notes	2023	2022
Net income		2,432	3,619
Finance expenses non-operating		6,636	4,587
Depreciation and impairment of fixed asset items	2.5	22,123	21,109
(Profit)/Loss on sales of used cranes from rental crane fleet	2.5	-8,088	-5,978
(Profit)/Loss on sales on disposal of other fixed assets	2.5	-740	24
Other cash expenses/income		0	1,127
Net exchange differences		-1,753	-3,356
Changes in provisions including deferred taxes	3.2	1,359	623
Cash flow before change of working capital		21,969	21,755
Decrease/(Increase) on inventories	2.3	2,112	-3,798
Decrease/(Increase) on trade receivables	2.2	-1,770	-5,402
(Decrease)/Increase on trade payables		91	5,550
(Decrease)/Increase on other receivables and accrued income and prepaid expenses		-5,782	-4,994
(Decrease)/Increase on other liabilities, prepayments received, deferred income and accrued expenses		-2,302	6,494
Cash flow from operating activities		14,319	19,605
Purchases of rental crane fleet assets	2.5	-35,437	-19,669
Proceeds from sale of rental crane fleet assets	2.5	25,103	18,905
Purchases of land and buildings	2.5	-252	-2,710
Proceeds from sale of land and buildings	2.5	0	1
Purchases of other tangible fixed assets	2.5	-2,255	-2,904
Proceeds from sale of other tangible fixed assets	2.5	1,089	37
Purchases of intangible fixed assets	2.5	-3,175	-3,911
Proceeds from sale of intangible fixed assets	2.6	0	0
(Purchases)/Proceeds from investments		-284	0
(Purchases)/Proceeds from other financial assets		35	0
Cash flow from investing activities		-15,178	-10,251

Cash flow statement (in kEUR)

	Notes	2023	2022
Proceeds from new borrowings	3.6	36,320	6,400
Repayments of borrowings	3.6	-21,499	-10,846
Proceeds from new leasing liabilities	3.6	13,883	11,949
Repayments of leasing liabilities	3.6	-10,890	-17,924
Finance expenses non-operating	4.7	-6,636	-4,587
Dividends paid		-2,000	-2,317
Cash flow from financing activities		9,177	-17,324
Effects of exchange rate changes on cash and cash equivalents in foreign currency	1.5	171	397
Net (decrease)/increase in cash and cash equivalents		8,489	-7,573
Cash and cash equivalents at beginning of year	2.1	12,206	19,780
Cash and cash equivalents at end of year	2.1	20,696	12,206
Net (decrease)/increase in cash and cash equivalents		8,489	-7,573

Consolidated Equity Statement 2023**Equity statement (in kEUR)**

	Share capital	Retained earnings	Cumulative translation adjustment	Total equity
Balance at 12/2021	1,037	85,398	19,688	106,123
Dividends		-2,317		-2,317
Profit for the year		3,619		3,619
Cumulative translation adjustment			3,166	3,166
Balance at 12/2022	1,037	86,700	22,854	110,591
Dividends		-2,000		-2,000
Profit for the year		2,432		2,432
Cumulative translation adjustment			5,325	5,325
Balance at 12/2023	1,037	87,132	28,179	116,347

The retained earnings include 1,631 kEUR of statutory or legal reserves that may not be distributed.

Notes to the Consolidated Financial Statements

1.0 Accounting Principles

The consolidated financial statements of the Wolffkran Group have been prepared for the first time in compliance with the professional recommendations on financial reporting (core and non-core Swiss GAAP FER) and the provisions of Swiss law and give a true and fair view of the net assets, financial position and results of financial position, and results of operations. The previous year's figures have been reviewed accordingly, i.e. as of January 1, 2022, a reconciliation from the Swiss Code of Obligations to Swiss GAAP FER was carried out, and no revaluation reserve was necessary. The change of the accounting standard did not result in any changes to the financial statement.

The basis for the consolidation is formed by the financial statements of the Group companies as at 31 December 2023, which were drawn up on the basis of uniform valuation principles in accordance with the group accounting manual.

The basic principles and rules are observed for the valuation of assets in the consolidated statements and are applied in accordance with the acquisition cost principle (historical values) under the premise of the continuation of business (going concern). The consolidated financial statements are therefore based on economic values and give a true and fair view of the net assets, financial position, and results of operations.

The consolidated financial statements are rounded, especially the consolidated cash flow statement and notes, except where stated otherwise, and are presented in thousand Euro (kEUR), rounded to the nearest thousand. As a result, there may be rounding differences in the ending balances.

The following notes include a description of the accounting policy applied as well as further detailed information.

1.1 Cash Flow Statement

Cash and cash equivalents form the basis for the presentation of the cash flow statement. Cash flow from operating activities is presented using the indirect method.

1.2 Consolidated Companies

The consolidated financial statements include the annual financial statements of Wolffkran Holding AG and the Group companies in which Wolffkran Holding AG directly or indirectly holds more than 50% of the voting rights or exercises control over the financial and operating policies. All Group companies have a reporting date of 31 December.

The subsidiaries listed in the following table are integrated using the full consolidation method (purchase cost). All transactions and balances between Group companies are eliminated on consolidation, including unrealized gains and losses on transactions between Group companies. For the purposes of capital consolidation, the acquisition costs of investments are offset against the proportionate share of the share values of the equity at the date of acquisition. Any goodwill, i.e. the difference between the fair value of the acquired net assets and the higher acquisition costs, is capitalized and not impaired as long as the goodwill is recoverable. A negative goodwill is recognized in the income statement in the periods expected to be benefited. Investments in joint ventures and associates and in associated companies in which Wolffkran has a significant influence (this influence can generally be recognized by the fact that the Group holds between 20% and 50% of the voting rights in a company and exercises control over the financial and operating policies) are accounted for using the equity method. To determine the pro rata equity, financial statements or reconciliations are used. The 50% investment in WOLFFKRAN Norge AS is not fully consolidated due to the non-controlling voting rights; the equity method is applied. Minority interests in companies in which Wolffkran does not have a significant influence are recognized at cost less economically necessary impairments necessary for business reasons.

Subsidiary

		Share capital		Participation and voting rights in %	
		12.2023	12.2022	12.2023	12.2022
WOLFFKRAN International AG, CH – Cham	CHF	1,100,000	1,100,000	100%	100%
WOLFFKRAN AG, CH – Cham	CHF	1,000,000	1,000,000	100%	100%
WOLFFKRAN Schweiz AG, CH – Elsau	CHF	1,000,000	1,000,000	100%	100%
WOLFFKRAN ISS AG, CH – Cham	CHF	100,000	100,000	100%	100%
WOLFFKRAN Holding GmbH, D – Heilbronn	EUR	25,000	25,000	100%	100%
WOLFFKRAN GmbH, D – Heilbronn	EUR	26,000	26,000	100%	100%
WOLFFKRAN Werk Brandenburg GmbH, D – Luckau	EUR	25,000	25,000	100%	100%
WOLFFKRAN Austria GmbH, A – Lanzendorf	EUR	100,000	100,000	100%	100%
WOLFFKRAN Belgium BVBA, B – Bornem	EUR	548,800	548,800	100%	100%
WOLFFKRAN Inc., USA – Maspeth	USD	100,000	100,000	100%	100%
WOLFFKRAN Ltd, GB – Sheffield	GBP	1	1	100%	100%
WOLFFKRAN Onsite Ltd, GB – St. Albans	GBP	1	1	100%	100%
WOLFFKRAN SAS, FR – Paris	EUR	100,000	100,000	100%	100%
OOO WOLFFKRAN, RUS – Lukhovitsy	RUB	20,000,000	20,000,000	100%	100%
WOLFFKRAN Lokus a.s., CZ – Prag	CZK	2,100,000	2,100,000	100%	100%
WOLFFKRAN Norge AS, NO – Dramen	NOK	1,000,000	1,000,000	50%	50%

1.3 Investments in Associates

Associate		Share capital		Participation and voting rights in %	
		12.2023	12.2022	12.2023	12.2022
Trowis GmbH, D – Chemnitz	EUR	29,000	25,000	35%	25%

Trowis GmbH is not fully consolidated due to the non-controlling voting rights; the equity method is applied.

1.4 Investments

Investments		Share capital		Participation and voting rights in %	
		12.2023	12.2022	12.2023	12.2022
WOLFFKRAN Arabia LLC, UAE – Dubai	AED	300,000	300,000	5%	5%

1.5 Foreign Currency Translation

The consolidated financial statements are presented in Euros. The balance sheets of Wolffkran companies are translated at the year-end rate, the income statements and the cash flow statements are translated at average

rates. Exchange differences arising from the translation are taken to shareholders' equity.

The following foreign currency rates are applied:

1 EUR	Year-end rates		Average rates	
	12.2023	12.2022	12.2023	12.2022
CHF	0.931	0.989	0.971	1.002
GBP	0.867	0.885	0.869	0.854
USD	1.099	1.070	1.082	1.053
RUB	99.192	75.655	91.719	68.653
CZK	24.685	24.159	23.977	24.500

2.0 Notes to the Balance Sheet: Assets

2.1 Cash and Cash Equivalents

Cash and cash equivalents are stated at nominal value. Amounts in foreign currencies are translated at the respective year-end rate. All cash balances are available within 90 days or less.

(in kEUR)	2023	2022
CHF	3,094	1,544
EUR	5,636	5,624
GBP	2,471	2,611
USD	7,206	1,133
RUB	190	176
CZK	2,099	1,118
Total	20,696	12,206

2.2 Accounts Receivables

Trade receivables are recognized at nominal value. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

(in kEUR)	2023	2022
Third party	43,076	41,650
Associates	1,602	431
Bad debt reserve	-1,177	-1,007
Total	43,501	41,074

2.3 Inventories

Inventories are stated at the lower of cost and net realizable value including supplier discounts. The cost of self-produced finished goods and work in progress comprises raw materials, direct labor, other direct costs, and related

production overheads. For slow moving products and spare parts, a provision is recognized. Individual value adjustments are also made if necessary.

(in kEUR)	2023	2022
Raw material and consumables	12,202	14,793
Work in progress and non-invoiced services	4,850	3,909
Semi-finished and finished products	23,331	23,903
Provision on stock	-1,263	-1,295
Prepayments	324	6
Total	39,445	41,317

2.4 Financial Assets

Non-current financial receivables are valued at acquisition cost less any impairment.

2.5 Tangible Fixed Assets and Leasing Liabilities

Tangible fixed assets consist on the one side of production plants for the production of saddle jib and luffing cranes (top-slewing) as well as machinery, equipment, vehicles, etc. for the operational business and on the other side of tower and luffing cranes mainly of the WOLFF brand as well as to a minimal extent of smaller cranes from various manufacturers (self-erecting cranes) that are hired out to third parties (rental fleet). In addition, significant value-

enhancing rental repair and maintenance work is capitalized, and the income statement is relieved accordingly (own work capitalized).

Tangible fixed assets for operational and rental purposes are valued at acquisition cost and are amortized on a straight-line basis over their estimated useful lives. The following useful lives are applied:

	Acquisition cost
Land	
Buildings	50 years
Crane fleet	14 years
Machinery, fittings, and equipment	5 to 15 years
IT equipment	3 to 5 years
Vehicles	4 to 6 years

The economic ownership of a leased asset is transferred to the lessee if the lessee substantially bears all the risks and rewards of ownership of the leased asset (finance lease). Where the Group is a lessee in this type of arrangement, the related asset is recognized at the lower of the present value of the lease payments and the fair value. The corresponding amount is recognized as a finance lease liability and reduced by lease payments net of finance charges. The interest element of lease payments is charged to profit or loss, as finance costs over the period of the lease. All other leases are treated as operating leases. Where the Group is a lessee, payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease term.

Land and buildings include land of 17,858 kEUR (previous year: 17,370 kEUR).

Included in the Rental crane fleet are construction-in-progress cranes of 8 kEUR (previous year: 0 kEUR), as well as leased cranes of 81,141 kEUR (previous year: 72,841 kEUR).

Included in Machinery and equipment are mainly production machinery for 2,205 kEUR (previous year: 4,192 kEUR). In 2023, Wolffkran disposed of 50 used cranes (2022: 45 used cranes), of which 35 (2022: 42) were sold and 15 (2022: 3) were scrapped.

The revenue resulting from these sales amounted to 25,103 kEUR (previous year: 18,905 kEUR)

2.6 Intangible Assets and Goodwill

Licenses, patents, and IT projects: Licenses, patents, trademarks and similar rights acquired, and IT projects are capitalized at acquisition cost and in general written off over a period of 5 years.

Research and development costs: Research costs are expensed as incurred.

The directly attributable costs for the development of new or significantly improved (crane) products for commercial use are only recorded if all the following criteria are met:

1. The costs apportionable to the development can be reliably determined.
2. The completion is proven to be technically and commercially feasible.
3. The future economic benefit is probable.
4. The intention and ability to complete and use or sell the product development exists.

Directly attributable costs include employee costs along with an appropriate portion of relevant overheads costs. Capitalized development costs are written off on a linear basis over their estimated useful life of 4 to 10 years (see note 4.5).

Goodwill: See Note 1.2 for information on how goodwill is initially determined. Goodwill is carried at cost, amortized over its useful life of generally 5 years, and reviewed for impairment annually.

Other intangible fixed assets include internally generated licenses (2023: 9.253 kEUR, 2022: 7.108 kEUR) and software (2023: 476 kEUR, 2022: 775 kEUR).

2022 (in kEUR)	Land and buildings	Rental fleet cranes	Leased rental fleet cranes	Machinery, furniture, fittings, and equipment	Leased machinery, furniture, fittings, and equipment	Assets under construction	Total tangible assets	Total intangible assets	Investments	Investments in associates /	Loans to associates / minor joint ventures	Total financial assets investments	Total
Acquisition value 1.1.	44,994	98,142	128,012	21,241	5,534	1,779	299,701	20,182	6	4,673	3,108	7,786	327,669
Change in consolidation	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions	2,710	7,719	11,950	1,520	522	862	25,283	3,911	0	0	0	0	29,194
Disposals	-2	-10,011	-9,231	-340	0	-2	-19,587	-14	0	0	0	0	-19,601
Reclassifications	490	12,010	-11,090	783	108	-2,516	-214	214	0	0	0	0	0
Net exchange differences	911	5,600	4,197	146	-59	0	10,794	555	0	163	131	294	11,643
Acquisition value 31.12.	49,102	113,460	123,837	23,350	6,105	124	315,976	24,848	6	4,836	3,239	8,080	348,905
Depreciation and amortization YTD 1.1.	-6,360	-65,146	-53,309	-14,612	-3,590	0	-143,017	-14,570	-6	-3,966	-2,828	-6,799	-164,386
Change in consolidation	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation and amortization	-988	-7,405	-7,587	-2,319	-699	0	-18,998	-2,111	0	0	0	0	-21,109
Depreciation, extraordinary	0	0	0	0	0	0	0	0	0	0	0	0	0
Disposals	2	3,474	2,841	281	0	0	6,598	14	0	0	0	0	6,612
Reclassifications	0	-8,203	8,203	-1	0	0	0	0	0	0	0	0	0
Net exchange differences	-67	-3,451	-1,144	-27	47	0	-4,641	-298	0	-130	-131	-262	-5,200
Depreciation YTD 31.12.	-7,413	-80,730	-50,996	-16,677	-4,242	0	-160,059	-16,964	-6	-4,096	-2,959	-7,061	-184,084
Net asset value 31.12.	41,689	32,730	72,841	6,673	1,862	123	155,918	7,884	0	740	280	1,020	164,821
2023													
Acquisition value 1.1.	49,102	113,460	123,837	23,350	6,105	124	315,976	24,848	6	4,836	3,239	8,080	348,905
Change in consolidation	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions	252	11,283	24,154	973	0	1,282	37,945	3,175	0	284	245	529	41,649
Disposals	0	-9,321	-14,511	-98	-2,475	-4	-26,408	0	0	0	-280	-280	-26,688
Reclassifications	984	104	-104	383	-1,307	-60	0	0	0	0	0	0	0
Net exchange differences	-55	8,572	6,889	-91	21	-7	15,329	1,265	0	244	186	430	17,023
Acquisition value 31.12.	50,283	124,098	140,265	24,518	2,343	1,335	342,841	29,288	6	5,363	3,391	8,760	380,889
Depreciation and amortization YTD 1.1.	-7,413	-80,730	-50,996	-16,677	-4,242	0	-160,058	-16,964	-6	-4,096	-2,959	-7,061	-184,084
Change in consolidation	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation and amortization	-1,162	-8,079	-7,994	-2,202	-568	0	-20,005	-1,852	0	0	0	0	-21,856
Depreciation, extraordinary	0	0	0	0	0	0	0	0	0	-266	0	-266	-266
Disposals	0	4,085	2,732	150	2,077	0	9,044	0	0	0	0	0	9,044
Reclassifications	-887	-2	0	-289	1,177	0	-1	1	0	0	0	0	0
Net exchange differences	161	-5,886	-2,865	7	-17	0	-8,601	-743	0	-196	-187	-383	-9,727
Depreciation YTD 31.12.	-9,301	-90,611	-59,124	-19,011	-1,573	0	-179,620	-19,558	-6	-4,558	-3,146	-7,710	-206,888
Net asset value 31.12.	40,982	33,487	81,141	5,507	770	1,335	163,221	9,730	0	805	245	1,050	174,001

3.0 Note to the Balance Sheet: Liabilities

3.1 Trade Payables

Trade payables are recognized based on goods and invoice receipts.

(in kEUR)	2023	2022
Third parties	17,226	16,907
Associates	0	65
Total	17,226	16,972

3.2 Provisions

Provisions for product warranties, legal disputes, onerous contracts, or other claims are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group, and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

(in kEUR)	2021	Usage	Release	Additions	2022
Retirement and service compensation	8,187	0	-332	+305	8,160
Legal obligations and costs	8	0	-	-1	7
Archiving costs	67	0	-	+2	69
Employee anniversaries	198	0	-	-7	191
General warranty	450	-41	-	-53	356
Other provisions	0	0	-	-	0
Total	8,911	-41	-332	246	8,783

Legal obligations and costs of 7 kEUR (2021: 8 kEUR) are short term provisions. All other are long term.

(in kEUR)	2022	Usage	Release	Additions	2023
Retirement and service compensation	8,160	-358	-	+609	8,411
Legal obligations and costs	7	-	-4	-	4
Archiving costs	69	-	-	+17	86
Employee anniversaries	191	-18	-	-	173
General warranty	356	-38	-	+18	336
Other provisions	0	-	-	+10	10
Total	8,783	-413	-4	+654	9,020

Legal obligations and costs of 4 kEUR (2022: 7 kEUR) are short term provisions. All other are long term.

3.3 Prepayments Received for Customer Contracts

Prepayments for customer contracts are recognized when the prepayment has been received.

(in kEUR)	2023	2022
Prepayments received	1,665	2,832

3.4 Post-Employment Benefits Plans

In the Swiss Group companies, the obligations for pension provision are covered through autonomous foundations with defined contribution plans, which are financed by employer and employee contributions in accordance with the articles of association. The coverage rate of the two foundations were 101.75% (2022: 102.37%), with an interest of 1% (2022: 2.2%) and 100% (2022: 100%) and 1.75% (2022: 1.75%), respectively.

In the UK, USA, France, Austria, Belgium, United Arab Emirates, and Czech Republic, as well as the majority of personnel in Germany, pension provision is covered through personal and stakeholder pension schemes, into which the employee and employer makes contributions. The investment decision is made on an individual basis and is based upon defined contributions.

A minor part of the personnel in Germany is still subject to a defined benefit plan that covers the pension provisions (8.411 kEUR, see Note 3.2).

All pension contributions are paid over to the pension providers immediately, which fulfils and discharges the liability. In the other countries, the obligations are covered through insurance premiums, or provisions for pensions are set aside on the basis of actuarial calculations.

(Figures for Switzerland are based on the latest available data, October 2023 and December 2022, respectively.)

Economic benefit / economic obligation and pension expenses	Surplus/deficit	Economic share of the Group		Change vs. previous year or taken to the income statement in the FY	Contributions concerning the current period	Pension benefit expenses within personnel expenses	
		31.12.2023	31.12.2022			2023	2022
(in kEUR)	31.12.2023	31.12.2023	31.12.2022			2023	2022
Patronage funds/ patronage pension institutions (Germany)	–	–	–	–	–	521	54
Pension institutions without excess/insufficient cover (or surplus/deficit) UK, FR, USA, BE, AT, CZ	–	–	–	–	–	1,017	938
Pension institutions with surplus CH	–	–	–	–	–	590	545
Pension institutions with deficit	–	–	–	–	–	–	–
Pension institutions without own asset	–	–	–	–	–	–	–
Total	0	0	0	0	0	2,128	1,537

3.5 Income Tax

Tax expense recognized in profit or loss comprises the sum of current tax and deferred tax. Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have

been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be able to be utilized against future taxable income.

(in kEUR)	2023	2022
Current income taxes	1,483	1,107
Deferred income taxes	1,176	1,867
Total net taxes	2,659	2,974
Effective tax rate	52.2%	45.1%

Deferred income taxes are calculated for every company using the effective applicable tax rate. Deferred taxes on consolidation entries are measured at the average Group tax rate (20%)

(in kEUR)	2023	2022
Recognized tax claims from tax loss carryforwards	433	1,289
Unrecognized tax claims from tax loss carryforwards	1,291	69
Total tax claims from tax loss carryforwards	1,724	1,358
Recognized tax claims from tax loss carryforwards at 1.1.	1,289	2,611
Change in scope of consolidation	0	0
Additions	353	0
Utilizations	–403	–324
Reassessment	–613	–1,110
Other adjustments	–192	112
Recognized tax claims from tax loss carryforwards at 31.12.	433	1,289

The net change of recognized tax claims from tax loss carryforwards increased the income tax expenses of the reporting period by 856 kEUR.

3.6 Interest-Bearing Liabilities

(in kEUR)	2023	2022
Less than 1 year	14,660	13,416
Between 1 and 5 years	45,140	47,469
Over 5 years	6,274	2,114
Total leasing liabilities	66,074	62,999
Less than 1 year	26,684	12,069
Between 1 and 5 years	32,873	30,628
Over 5 years	12,961	14,327
Total other interest-bearing liabilities	72,518	57,024
Total interest-bearing liabilities	138,592	120,023

In 2023, Wolffkran added additional 15 mio. EUR in credit lines and repaid one credit line of 10 mio. EUR, reducing interest costs.

The total of working capital lines amounts to 39 mio. EUR, of which 24 mio. EUR with a term of “until further notice”

are reflected with a maturity “between 1 and 5 years”, as they are expected to be extended (substance over form). Related to the interest-bearing liabilities, real estate and cranes serve as a security (Swiss GAAP FER 6.7).

All financial parameters are within the agreed covenants.

Interest-bearing liabilities interest conditions

(in %)	2023	2022
Less than 1 year	2.5–5.8	1.1–6.2
Between 1 and 5 years	1.8–10.7	1.1–6.2
Over 5 years	2.9–7.7	1.1–6.2
Total leasing liabilities	1.8–10.7	1.1–6.2
Less than 1 year	0.6–9.3	0.6–9.3
Between 1 and 5 years	0.6–6.5	0.6–4.0
Over 5 years	0.6–4.4	0.6–4.0
Total other interest-bearing liabilities	0.6–6.5	0.6–9.3
Total interest-bearing liabilities	0.6–10.7	0.6–10.7

3.7 Off-Balance Sheet Transactions

Contingent liabilities and other off-balance sheet liabilities will be valued and disclosed at each balance sheet date. If contingent liabilities and other off-balance sheet

liabilities give rise to a cash outflow without any beneficial cash inflow and this cash outflow is probable and can be estimated, a provision will be set aside.

3.7.1 Assets Used to Secure Own Liabilities and Assets Under Reservation of Ownership

(in kEUR)	2023	2022
Trade receivables	0	0
Inventories	0	0
Tangible fixed assets	35,112	35,600
Leased cranes	81,141	72,841
Total assets used to secure own liabilities and assets under reservation of ownership	116,253	108,441

3.7.2 Purchase Order Commitments

The residual amount of the liabilities not recorded in the balance sheet from sale-like leasing transactions and

other leasing obligations, unless these expire or may be terminated within twelve months of the balance sheet date.

(in kEUR)	2023	2022
Purchase order commitments	14,559	15,049

3.7.3 Lease Commitments Not Recorded on the Balance

(in kEUR)	2023	2022
Less than 1 year	6,910	3,562
Between 1 and 5 years	22,864	7,425
Over 5 years	8,404	33
Total leasing liabilities	38,177	11,021

Contingent liabilities: The Group has provided guarantees to related parties (443 kEUR, WOLFFKRAN Norge AS), aval insurance providers (3,455 kEUR), and leasing providers (10,000 kEUR) to facilitate its business. In addition, customers and leasing companies have received buy-back guarantees in the amount of 25,228 kEUR.

4.0 Notes to the Income Statement

4.1 Revenue Recognition

Revenue arises from the sale of goods, rental, and the rendering of services.

Sale of goods is recognized when the Group has transferred to the buyer the significant risks and rewards of ownership. The transfer of the benefits and risks is determined by the international trade terms on which the business transaction is based (Incoterms).

Revenues from rental and services are determined in the period when the service is performed if the amount of the revenues can be reliably determined and if there is sufficient probability that the economic benefits will flow to the Group.

Accruals for bad debt are now recognized as part of net sales, which previously were listed under other operating expenses.

4.2 Business Segment Information

Net sales from sales of goods and services per segment

(in kEUR)	2023		2022	
Sales – New Crane	81,571	41%	82,413	42%
Sales – Spare Parts	5,568	3%	3,680	2%
Business segment: New Crane Sales	87,139	44%	86,092	44%
Revenues – Rental	41,105	21%	43,598	22%
Revenues – Service	41,203	21%	41,775	22%
Sales – Used Crane	25,103	13%	18,905	10%
Revenues – Accessories	4,843	2%	4,177	2%
Revenues – Other	0	0%	28	0%
Business segment: Fleet Services	112,254	56%	108,483	56%
Provisions for doubtful debt	-546	-0.3%	-330	-0.2%
Total net sales	198,848	100%	194,245	100%

4.3 Regional Information

Net sales from sales of goods and services per region

(in kEUR)	2023		2022	
North America	40,878	21%	15,512	8%
Europe (incl. UK, Norway)	153,703	77%	176,508	91%
Rest of the world	4,813	2%	2,555	1%
Provisions for doubtful debt	-546	-0.3%	-330	-0.2%
Total net sales	198,848	100%	194,245	100%

4.4 Own Work Capitalized

Own work capitalized consists of mainly the own manufactured cranes. In addition, it includes the capitalized part of rental fleet repair and maintenance work and the capitalized development costs. Repair and maintenance are not exclusively done by the own organization (see note 2.5 and 2.6).

4.5 Direct Distribution Cost

(in kEUR)	2023		2022	
Transportation costs	7,008	36%	6,821	34%
Other external services	12,501	64%	13,334	66%
Provisions	0	0%	10	0
Total direct distribution costs	19,509	100%	20,166	100%

4.6 Other Operational Expenses

(in kEUR)	2023		2022	
Heating, light, and power	1,903	7%	1,714	7%
Travel and subsistence, corporate hospitality	4,330	16%	4,409	19%
Office equipment, postage, stationary, ITC	1,879	7%	1,695	7%
Charges and legal and professional fees	2,997	11%	2,756	12%
Rent and operating lease	4,362	17%	2,581	11%
Repairs and maintenance	2,457	9%	2,703	11%
Other staff costs	2,001	8%	2,023	9%
Marketing	549	2%	1,620	7%
Insurance	1,972	8%	1,834	8%
Gains/Losses on foreign exchange	1,460	6%	-496	-2%
Other taxes	328	1%	278	1%
Other operating costs	2,024	8%	2,415	10%
Total other operational expenses	26,261	100%	23,532	100%

Accruals for bad debt are now recognized as part of net sales, which previously were listed under other operating expenses.

4.7 Financial Result

(in kEUR)	2023	2022
Interest income on short-term bank deposits		
Interest income on loans	11	11
Interest income – bank	23	7
Interest income – other	199	2
Net foreign exchange gains on financial activities	3,070	2,515
Total finance income	3,304	2,535
Loss of liquidation of investment	0	-205
Value adjustment on financial assets	-266	0
Total result from investments	-266	-205
Interest expense on bank borrowings	-2,834	-1,302
Interest expense on leasing liabilities	-3,705	-3,019
Interest expense – other	-97	-266
Net foreign exchange losses on financial activities	0	0
Total finance costs	-6,636	-4,587
Financial result	-3,599	-2,257

4.8 Earnings per Share

(in EUR)	2023	2022
Number of shares at 1.1.	1,600,000	1,600,000
Number of shares at 31.12.	1,600,000	1,600,000
Average number of shares	1,600,000	1,600,000
Net profit	2,431,703	3,618,976
Earnings per share	1.52	2.26

5.0 Transactions with Affiliates

Business transactions with affiliated parties and companies are based on customary contractual forms and conditions.

All transactions are included in the consolidated financial statements for 2023 and 2022. These are deliveries of goods and raw materials, loans, and services from related parties and persons and to related parties and companies.

(in kEUR)	2023	2022
Revenues	5,023	3,848
Various expenses	414	270

6.0 Number of Employees (FTE) as of 31.12.

(in FTE)	2023		2022	
Employees	785	90%	771	92%
Temporary agency workers	87	10%	69	8%
Total	872		840	

7.0 Financial Measurements Not According to Swiss GAAP FER

The measurements total revenues, gross profit and EBITDA are non-Swiss GAAP FER measurements.

Total revenues is the total of net sales, other operating income, changes in inventories, and own work capitalized.

Gross profit is the total of total revenues, cost of materials and purchased services, and direct distribution costs.

EBITDA is operating earnings before interest and income tax (EBIT) with the deductions for depreciation of fixed assets and amortization for intangible assets added back.

8.0 Post Balance Sheet Events

Industriekapital AG, the 100% owner of Wolffkran Group, is planning to split OOO WOLFFKRAN out of the consolidated Wolffkran Group during 2024. The estimated effect is –3.1 mio. EUR on equity and –0.4 mio. EUR on EBT.

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