

Wolffkran Holding AG

Cham

Report of the statutory auditor
to the General Meeting

on the consolidated financial statements 2023



Report of the statutory auditor

to the General Meeting of Wolffkran Holding AG

Cham

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Wolffkran Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated income statement, the consolidated cash flow statement, the consolidated equity statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 17 to 37) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Swiss law and SA-CH will always detect a material misstatement when it exists. 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 economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERT-suisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Pascal Wintermantel
Licensed audit expert
Auditor in charge

Daniel Wyss
Licensed audit expert

Winterthur, 22 May 2024

Management Report 2023

Introduction

The WOLFFKRAN Group

Established in 1854 in Heilbronn, Germany, the WOLFFKRAN Group is the oldest and most experienced tower crane manufacturer in the world. Our distinguished history is marked by a dedication to providing the highest-quality lifting solutions, with our cranes performing critical roles in construction, maritime, mining, and bespoke applications worldwide. Our enduring commitment to reliability and our drive for innovation have and continue to justify our leading position in the industry.

While our legacy remains in Heilbronn, home to our principal manufacturing site and Research & Development center, we have since opened a second manufacturing site in Luckau, south of Berlin. Germany, therefore, remains our largest presence, accounting for half of our 872-strong global workforce.

At WOLFFKRAN, our passion for cranes is equaled only by our dedication to serving our customers. With 449 employees – 50% of our workforce – our sales and service network operates across 16 locations in nine countries with one mission: to deliver the most reliable and efficient lifting service possible. Building long-term relationships, we cater to our customers' varied needs with tailored solutions from our two business segments:

New Crane Sales

Our New Crane Sales segment is focused on providing customers with long-term value. Specializing in high-quality series and custom cranes designed for operational lifespans exceeding 30 years, we aim to build lasting equity for their businesses. Recognizing the substantial investment our cranes represent, WOLFFKRAN offers comprehensive long-term service and tailored financing options, ensuring the fulfillment of our customers' unique needs and the sustained value of their investments.

Fleet Services

Our Fleet Services segment delivers all-inclusive rental solutions for customers seeking temporary access to our lifting technology. This service is ideal for customers managing their own crane operations or light-asset companies who want to avoid the financial, maintenance, and liability responsibilities associated with long-term investments. With over 750 cranes readily available in our fleet, we provide immediate support and flexible terms, ensuring rapid deployment and tailored service to meet dynamic project needs.

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2023 Business Summary

I. Resilience in Challenging Market Conditions

Net Sales by Region (in mio. EUR)	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

WOLFFKRAN has historically maintained a strong market presence in the DACH region (Germany, Austria, Switzerland) and, since 2015, also in the United Kingdom, which have traditionally represented 80% of our global sales. Despite broadening our reach to encompass additional European markets, the Middle East, Asia, and North America since 2005, most of our sales remained firmly anchored in the DACH regions and the UK.

In 2023, however, the landscape shifted. Sales outside of DACH and the UK have increased significantly, contributing to over 40% of our global sales. This was primarily due to the high demand from the USA. As a result, our net sales for the year reached 199 million EUR, a new record high, surpassing the previous record of 194 million EUR in 2022.

However, this renewed record high was achieved amidst a global construction industry grappling with escalating challenges. The war in Ukraine has fueled rising inflation, which in turn has driven up construction costs and, through higher interest rates, also financing costs. In some markets, this has led to construction expenses soaring by up to 20% over previous years. Demand for residential and commercial construction dropped globally as private investments into housing and overall consumption receded, further exacerbating the situation.

These circumstances have severely impacted WOLFFKRAN in Germany, Belgium, and Austria, where demand in certain regions dropped by as much as 50%. This has led to customers delaying or altering investment decisions regarding crane purchases and created an oversupply of rental cranes, resulting in lower utilization rates and reduced rental prices. The default of real estate developers was both the cause and result of the changed market conditions. Despite these challenges, WOLFFKRAN and our customers have maintained their financial stability, with only 0.3% of global revenues under default.

On the other hand, demand for infrastructure, energy, and manufacturing projects continued to grow strongly in both 2022 and 2023, with these sectors benefiting from robust investment efforts and state support to address supply chain disruptions, geopolitical tensions, and climate change impacts.

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In the USA, WOLFFKRAN secured several contracts for large infrastructure projects, resulting in a strong uptake in sales. Traditionally, large construction sites outside the major metropolises 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, and their enhanced reliability and cost-effectiveness have helped to change the US construction industry's mindset.

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

Business Operations

II. New Crane Sales

Leveraging Size: Stable Revenue Through Larger Cranes

The New Crane Sales business segment develops, produces, and sells new cranes and provides original spare parts directly from our manufacturing plant.

(In mio. EUR)	2023	2022	% PYA
Sales - New Crane	82	82	- 1
Sales - Spare Parts	6	4	+ 51
Business Segment: New Crane Sales	87	86	+ 1

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 uptick in spare parts demand, driven by large construction projects and fleet operator requirements.

Despite stable overall revenues, the total number of cranes sold dropped from 131 units in 2022 to 90 units in 2023. This trend is primarily attributed to the rising demand for cranes with higher lifting capacities as the construction industry continues to embrace the use of precast concrete and prefabricated modules. Moreover, substantial industrial projects, a key sales driver in 2023, also required cranes with a high lifting capacity and fast operating speeds, further driving demand for ever larger cranes. Consequently, as the average crane size increased, revenue per unit sold rose by +47%, amounting to 1 million EUR.

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	2023	2022	% PYA
Germany, Austria, Switzerland	36 cranes	75 cranes	- 52
France, Belgium, Netherlands, Luxembourg	29 cranes	31 cranes	- 6
Great Britain & Ireland	3 cranes	5 cranes	- 40
USA, Canada	15 cranes	4 cranes	+ 275
Rest of Europe	5 cranes	15 cranes	- 67
Rest of World	2 cranes	1 cranes	+ 100
Total Cranes Sold	90 cranes	131 cranes	- 31
Revenue per Crane	1.0 mEUR / crane	0.7 mEUR / crane	+ 47

Regionally, the recession in the DACH region resulted in the highest absolute 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 +275% in cranes sold, with revenues showing an even more robust growth.

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Business Operations

III. Fleet Services

Balanced Performance with Slight Shifts & Substantial Investments to Meet Changing Market Demands

Fleet Services covers the entire life cycle of lifting operations, tailored for customers who operate on an asset-light basis or require additional capacity and support for their projects.

The segment offers a comprehensive package of services across various business areas, starting with crane rental – based on the custom crane configuration delivered through our Applications Engineering team – as the initial point of customer engagement. Service Operations seamlessly continue the customer journey, handling transport, erection, maintenance, and inspection, along with dismantling and the return of the cranes. Yet notably, the main source of revenue is achieved through the lease of crane operators in the UK and Czech Republic, and for specialized projects such as the Grimsel dam in Switzerland.

An increasingly significant aspect of Fleet Services is the trading of surplus assets, strategically optimizing the fleet's total lifting capacity and age structure.

(in mio. EUR)	2023	2022	% PYA
Revenues - Rental	41	44	- 6
Revenues - Service	41	42	- 1
Sales - Used Crane	25	19	+ 33
Revenues - Accessories	5	4	+ 16
Revenues - Other	0	0	- 100
Business Segment: Fleet Services	112	108	+ 3

Revenues in Fleet Services slightly increased by +3% in 2023, reaching 112 million EUR. The lower revenues from Rental and Service due to reduced demand in Europe were partially offset by increased revenues from the sale and rental of Accessories. The increase was predominantly driven by an expanded product portfolio featuring CO₂-reduced generators and intelligent lifting gear. The main driver for the higher revenues in Fleet Services, however, was the sale of Used Cranes, which increased by +33% compared to 2022.

	2023	2022	% PYA
Crane Sets - Average	755 cranes	754 cranes	+ 0
Age - Average	14.6 years	14.7 years	- 0

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Despite the high number of used cranes sold, the fleet size remained at 755 units due to substantial reinvestment in new cranes, maintaining an average fleet age of 14.6 years. With an expected lifespan of 30 years for our cranes, WOLFFKRAN aims to keep the fleet's average age within 15 to 17 years.

(in mio. EUR)	2023	2022	% PYA
CAPEX - Fleet Assets	33	17	+ 91
CAPEX - Major Maintenance	2	2	- 0
Total CAPEX	35	20	+ 80

Investment in the rental fleet soared by +80% from 2022, reaching 35 million EUR. This is both the most substantial investment in the past five years and the first instance of the average age not rising year-over-year. To illustrate, the fleet's average age in 2019 was 13.0 years and has incrementally increased to 14.6 years, approaching our threshold average of 15 to 17 years.

(in mio. EUR)	2023	2022	% PYA
Revenues - Rental	41 mio. EUR	44 mio. EUR	- 6
Revenues - Service	41 mio. EUR	42 mio. EUR	- 1
Revenues - Accessories	5 mio. EUR	19 mio. EUR	+ 16
Revenues - Other	0 mio. EUR	0 mio. EUR	- 100
Total Revenues from Rental and related	87 mio. EUR	104 mio. EUR	- 16
Revenue per Crane	115 kEUR / crane	138 kEUR / crane	- 17
Utilization - Average*	62%	72%	- 10%p
Revenue per Crane, adjusted for utilization**	156 kEUR / crane	161 kEUR / crane	- 3

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

Revenues from Rental and directly related services marginally declined by -3% to 87 million EUR in 2023. A primary factor for this was the lower utilization rate, which dropped to 62% due to reduced demand, representing a -10% decrease from the previous year. Further impacting rental revenues were divestments executed ahead of schedule coupled with delayed CAPEX, both necessary adjustments as part of our strategy to adapt our fleet to evolving construction methodologies. Despite these challenges, revenue per crane increased by +13% compared to 2022, bolstered by stronger revenues from Services and Accessories, alongside a trend towards larger cranes yielding higher rental rates.

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Market Insights

IV. A Tale of Two Markets: Diverging Paths in European Construction

Construction output in Central and Western Europe shrunk by -0.6% in 2023. Heightened inflation, rising costs of construction materials, and higher interest rates notably dampened residential construction output. While these effects varied by market, WOLFFKRAN's key markets, Germany (-2.6%) and Switzerland (-2.7%), were most effected. In contrast, construction output in the United Kingdom (+2.2%) actually saw growth.

A common trend across all European markets is the downturn in construction activities related to residential housing and commercial buildings, as households bear the impact of high inflation and interest rates.

Conversely, demand for infrastructure, energy, and manufacturing construction witnessed growth in 2023, driven by national policies and a strategic shift in global supply chains moving away from Asia. The upward trend was further supported by the European Union's 750 billion EUR Recovery and Resilience Facility (RRF), alongside various national initiatives in France, Germany, the United Kingdom, and other member states, spurring further growth projected through 2024 and 2025. WOLFFKRAN's focus on large cranes puts us in a position to capitalize on this expansion, mitigating the impact of the residential construction downturn.

The forecast for construction output in Central and Western Europe anticipates a continued decline in 2024 at -3.4%, followed by a rebound in 2025. Projects contributing to the increased output in 2025 are expected to begin in 2024, with inquiries for cranes and rentals having already started to pick-up in the first quarter of 2024.

(Source: Global Construction Outlook, Q4 2023)

(in mio. EUR)	2023	2022	% PYA
Europe (incl. UK, Norway)	154	177	- 13

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.

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Market Insights

V. Milestone Year for WOLFFKRAN in North America

Construction Output in North America grew by +0.5% in 2023. The downturn of residential housing and commercial construction projects, for the same reasons as in Western Europe - high mortgage rates, increasing construction costs - was overcompensated by stronger demand for infrastructure, energy and manufacturing.

Various government funded stimulus and support packages such as the IRA (Inflation Reduction Act), IIJA (Infrastructure Investment and Jobs Act) and the CHIPS Science Act have further spurred investment and construction in these areas.

(in mio. EUR)	2023	2022	% PYA
North America	41	16	+ 164

Revenues in North America witnessed a +164% year-on-year growth, reaching 41 million EUR, marking the highest revenue achieved since our return to the US market in 2015. The driving factors behind this growth in 2023, as well as projected for 2024 and beyond, include investments in the construction of manufacturing plants, chip factories, and energy and infrastructure projects.

Market Insights

IV. Demographic Drives: The Surge in MENA and Indian Construction

Construction output in the MENA region (Middle East and North Africa) saw a growth of +2.1% in 2023, while India's construction sector experienced a significant increase of +9.6% compared to the previous year.

A common factor across these regions driving construction output is the demographic shift towards a young population that has doubled over the past 20 years requiring both residential and infrastructure development, ranging from power plants to hospitals, and educational institutions to sports stadiums.

Noteworthy mega-development projects like NEOM in Saudi Arabia further contribute to this momentum.

Forecasts for 2024 underline that demand will continue to grow.

(in mio. EUR)	2023	2022	% PYA
Rest of the World	5	3	+ 88

WOLFFKRAN grew its revenues outside North America and Europe mostly in Asia and MENA from 3 to 5 million EUR in 2023.

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General Course of Business

VII. Profitability & Extraordinary Effects

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 Luchowizy, Russia. The Changes in Inventories of semi- /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 material cost to produce new cranes (either for sales to customer or for WOLFFKRAN'S rental fleet), cost for manufacturing or purchasing 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 being the main driver.

Production volume of 129 ea. slewing parts 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 an issue, 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 was lost due to the shutdown of the plant in Luchowizy 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 the Q4/2023 872 FTE were working for the group (785 FTE fix / 87 FTE temporary agency workers). The increase of personnel expenses was driven by pay increases driven by the high inflation across Europe and North America.

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 which was in 2022 already, being the main driver.

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Operating earnings before interest, income tax, depreciation and amortization (EBITDA) was 30.5 mio. EUR (+2%, 2022: 30.0 mio. EUR). Higher personnel expenses and operational expenses reduced the better gross profit still resulting in a better performance than in the year 2022.

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

Finance income mainly coming from FX gains were +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).

General Course of Business

VIII. Balance Sheet & Cashflow

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 the investments into new crane developments and 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 and 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. Cashoutflow 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.

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Transformation

IX. UPLIFTING Action: Driving Efficiency Across Operations

In 2023, WOLFFKRAN launched the transformation program UPLIFT to significantly enhance our operations' efficiency and productivity.

The program encompasses both savings and topline initiatives and currently includes some 120 projects. Implemented projects have yielded a total savings of 5 million EUR in 2023 and laid the ground for comprehensive efficiency improvements in 2024. To maintain a continuous and sustainable project pipeline, new projects are regularly assessed and integrated into the portfolio. The program is slated to run until December 2025.

Key drivers of the savings achieved in 2023 included:

Home Plant Concept - The reorganization of crane component production between the two German manufacturing plants, streamlining the entire process and consolidation capacities for additional growth.

Supply Chain Optimization - Outsourcing of semi finished good manufacturing, renegotiation of supplier terms and conditions, as well as insourcing of painting.

Product Improvement Project - Simplification and standardization of different crane families, reducing work times and inventory levels.

Shared Services - Further centralization and digitalization of shared service functions.

Sales & Service - Improved margins through revenue assurance for services, as well as extension of the WOLFF Onsite product portfolio with CO2 friendly generators and intelligent lifting gear.

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Research & Development

X. Safety and Efficiency Redefined: Two New WOLFFs Designed for Crane Professionals

2023 saw the launch of two new flat-top WOLFF models with a maximum lifting capacity of 12 tonnes in the 224 mt-class, targeting medium-sized commercial and residential projects in Europe. Both cranes introduce a new patented jib design and feature numerous design enhancements that improve safety and operational efficiency. They are also the first to incorporate the patent-pending WOLFF HiSPS anti-sway technology showcased at the bauma exhibition in October 2022.

The **WOLFF 6523 Clear**, launched in summer 2023, represents a significant upgrade over its predecessor, integrating the latest advancements from the 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 enhancing efficiency in load positioning.

Released just before the year's end, the **WOLFF 7021 Clear** 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.

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Digitalization

XI. Innovation Beyond Steel Design: Introducing WOLFF HiSPS

In 2023, WOLFFKRAN continued its commitment to enhancing the safety and efficiency of crane operations with a focus on digitalization. The year marked the release of the pioneering WOLFF High-Speed Positioning System (HiSPS), an electronic assistance system that enables virtually sway-free movement and precise positioning of loads. A first in the tower crane industry, this award-winning system utilizes two sensors on the hook block and the trolley to detect rope movement. They are linked to a 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.

WOLFF HiSPS significantly reduces the risk of accidents and damage from swaying loads while also minimizing lift cycle times by reducing the waiting periods required for the load to stabilize. Additional features improve operational efficiency by facilitating easier manual handling of the hook block and load placement on the ground.

Furthermore, the HiSPS includes the capability to store hook positions, allowing the crane to automatically return to these locations as needed. This feature ensures precise load positioning even when visibility is limited and enhances the crane's suitability for repetitive material handling tasks in storage yards and other industrial environments.

Ultimately, WOLFF HiSPS marks a shift in crane operations towards controlling the load's movement rather than the crane's movement. As the system gains traction in the market, the development of an intuitive control concept for moving loads (not the crane) via radio controls is actively progressing. This development is the foundation for a future pick-and-place system connecting multiple radio controls to a single crane.

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Environmental, Social and Governance

XII. Building a Better Tomorrow: WOLFFKRAN's ESG Strategy

WOLFFKRAN is firmly committed to Environmental, Social, and Governance (ESG) principles, with a strong dedication to integrating sustainable practices across our operations.

We strive to not only meet but exceed regulatory compliance by assuming responsibility for our ESG impacts and engaging closely with our stakeholders to improve our ESG performance.

Our environmental efforts are highlighted by initiatives such as offsetting the annual carbon footprint of our German manufacturing facilities, installing a comprehensive photovoltaic (PV) system at our site in Luckau, and aiming for Net-Zero emissions with offsets by 2026 in our UK operations.

Recognizing the importance of collaboration in driving sustainability, we actively work with our customers to minimize the environmental footprint of our cranes on site. This includes offering innovative solutions like the AMPD Enertainers and the WOLFF Hybrid Generator, which are designed to reduce emissions and enhance energy efficiency.

At WOLFFKRAN, we acknowledge the significant value that arises from attentively supporting our employees and the communities where we operate. Our commitment is reflected in our proactive engagement in Health and Safety (H&S) and Equality, Diversity, and Inclusion (EDI) initiatives within the workplace.

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 in the UK, all aimed at generating a positive social impact and embodying the principles of Corporate Social Responsibility (CSR).

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.

Risk Management

XIII. Risk Management

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 appropriately 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.

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Outlook

XIV. Strategic Insights: Building Growth in 2024

In 2024 our focus remains on growing our international footprint, developing the first autonomous crane by 2028, and providing our customers with comprehensive lifting and financing related solutions. As we enter 2024, WOLFFKRAN operates in more countries than ever, with additional expansions planned in both major and regional markets.

In Saudi Arabia, we have opened our most recent rental and service company, with plans to grow our fleet to 400 cranes by the end of 2030. In addition, WOLFFKRAN and Al 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.

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 a.s., promising immediate revenue uplift and sustained growth.

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 not only broadens our reach but also enhances our service offerings, while reinforcing our commitment to sustainability and excellent customer service.

In 2023, WOLFFKRAN demonstrated its ability to expand its customer base even 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 for the next two years until 2026. The need for larger cranes, necessitated by the modern construction methods of such projects, 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, we assume that it will take until the second half of 2025 for the demand in Europe to return to pre-recession (2021) levels.

Price for value will remain a key aspect in 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.

Wolffkran Holding AG, Cham

Management Structure

XV. Responsibilities within the Management Board

Dr. Peter Schiefer

Delegate of the Board

Duncan Salt

CEO

Business Development
Commercial Management
Global Sales
HR
Marketing

Tim Eichenhofer

CFO

Finance
IT
Legal & Taxes

Ralf Koch

COO

Manufacturing
Procurement
Product Management
Research & Development

Thomas Heidrich
until 03/2024

CTO

Research & Development
Product Management

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)					
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

Wolffkran Holding AG, Cham

Consolidated Income Statement 2023

(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 & 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
Loss of liquidation of investment	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 Cashflow Statement 2023

(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
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

(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.

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 state otherwise, are presented in thousand Euro (kEUR), rounded to the nearest thousand. As a result, there may be rounding differences in the ending balances.

The notes below 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.

Wolffkran Holding AG, Cham

Notes to the consolidated financial statement 2023

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.

Subsidiary		Share Capital		Participation & 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%
Wolff Onsite Ltd, GB - St. Albans	GBP	1	1	100%	100%
Wolffkran SAS,FR - Paris	EUR	100'000	100'000	100%	100%
OOO Wolffkran, RUS - Luchowizy	RUB	20'000'000	20'000'000	100%	100%
Wolffkran Lokus a.s., CZ - Prague	CZK	2'100'000	2'100'000	100%	100%
Wolffkran Norge AS,NO - Dramen	NOK	1'000'000	1'000'000	50%	50%

The subsidiaries listed above are integrated using the full consolidation method (purchase cost). All transactions and balances between Group companies are eliminated on consolidation, including unrealised 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 capitalised 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 not have a significant influence are recognized at cost less economically necessary impairments necessary for business reasons.

Wolffkran Holding AG, Cham

Notes to the consolidated financial statement 2023

1.3 Investments in associates

Associate		Share Capital		Participation & 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 & Voting Rights in %	
		12/2023	12/2022	12/2023	12/2022
Wolffkran Arabia LLC, UAE - Dubai	EUR	300'000	300'000	5%	5%

1.5 Foreign currency translation

The consolidated financial statements are presented in Euro. 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	2023	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

Wolffkran Holding AG, Cham

Notes to the consolidated financial statement 2023

Total	20'696	12'206
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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 realisable value incl. supplier discounts. The cost of self-produced finished goods and work in progress comprises raw materials, direct labour, 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 & non-invoiced services	4'850	3'909
Semi-finished & 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.

Notes to the consolidated financial statement 2023

2.5 Tangible fixed assets and leasing liabilities

Tangible fixed assets consist on the one side of production plants for the production of tower 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) which 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 amortised on a straight-line basis over their estimated useful lives. The following useful lives are applied:

Land	Acquisition cost
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 bears substantially 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 & Buildings include built 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 & 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 used cranes (2022: 42 used cranes) were sold and 15 used cranes (2022: 3 used cranes) were scrapped.

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

Notes to the consolidated financial statement 2023

2.6 Intangible assets and goodwill

Licences, patents and IT projects:

Licenses, patents, trademarks and similar rights acquired and IT projects are capitalised 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 and
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. Capitalised 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 2 for information on how goodwill is initially determined. Goodwill is carried at cost, amortized over its useful live of generally 5 years and reviewed for impairment annually.

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

Notes to the consolidated financial statement 2023

2022	Land & 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 / Joint Ventures	Loans to Associates / Minor Investments	Total
Acquisition value 1.01.	44'994	98'142	128'012	21'241	5'534	1'779	299'701	20'182	6	4'673	3'108	327'669
Change in Consolidation	0	0	0	0	0	0	0	0	0	0	0	0
Additions	27'10	7'719	11'950	1'520	522	862	28'283	3'911	0	0	0	29'194
Disposals	-2	-10'011	-9'231	-340	0	-2	-19'587	-14	0	0	0	-19'601
Reclassifications	490	12'010	-11'090	783	108	-2'516	-214	214	0	0	0	0
Net exchange differences	911	5'600	4'197	146	-59	0	10'794	555	0	163	131	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	348'905
(in kEUR)												
Depreciation & Amortization YTD 1.01.	-6'360	-65'146	-53'309	-14'612	-3'590	0	-143'017	-14'570	-6	-3'966	-2'828	-6'799
Change in Consolidation	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation & Amortization	-988	-7'405	-7'587	-2'319	-699	0	-18'988	-2'111	0	0	0	0
Depreciation, extraordinary	0	0	0	0	0	0	0	0	0	0	0	0
Disposals	2	3'474	2'841	281	0	0	6'588	14	0	0	0	6'612
Reclassifications	0	-8'203	8'203	-1	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
Depreciation YTD 31.12.	-7'413	-80'730	-50'996	-16'677	-4'242	0	-160'059	-16'964	-6	-4'096	-2'959	-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	164'821
(in kEUR)												
2023	Land & 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 / Joint Ventures	Loans to Associates / Minor Investments	Total
Acquisition value 1.01.	49'102	113'460	123'837	23'350	6'105	124	315'976	24'848	6	4'836	3'239	348'905
Change in Consolidation	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	41'649
Disposals	0	-9'321	-14'511	-98	-2'475	-4	-28'408	0	0	0	-280	-26'688
Reclassifications	984	104	-104	383	-1'307	-60	0	0	0	0	0	0
Net exchange differences	-55	8'572	6'889	-91	21	-7	15'329	1'265	0	244	186	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	380'889
(in kEUR)												
Depreciation & Amortization YTD 1.01.	-7'413	-80'730	-50'996	-16'677	-4'242	0	-160'058	-16'964	-6	-4'096	-2'959	-184'084
Change in Consolidation	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation & Amortization	-1'162	-8'079	-7'994	-2'202	-568	0	-20'005	-1'852	0	0	0	-21'856
Depreciation, extraordinary	0	0	0	0	0	0	0	0	0	-266	0	-266
Disposals	0	4'085	2'732	150	2'077	0	9'044	0	0	0	0	9'044
Reclassifications	-887	-2	0	-289	1'177	0	-1	1	0	0	0	0
Net exchange differences	161	-5'886	-2'865	7	-17	0	-8'601	-743	0	-196	-187	-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	-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	174'001

Wolffkran Holding AG, Cham

Notes to the consolidated financial statement 2023

3.0 Notes 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 comp.	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 7kEUR (2021: 8kEUR) are short term provisions. All other are long term.

(in kEUR)	2022	Usage	Release	Additions	2023
Retirement and service comp.	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 4kEUR (2022: 7kEUR) are short term provisions. All other are long term.

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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

Notes to the consolidated financial statement 2023

3.4 Post-employment benefit 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 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	
		31.12.2023	31/12/2022			within personnel expenses	
	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 assets							
Total	0	0	0	0	0	2'128	1'537

3.5 Income Taxes

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 utilised against future taxable income.

Income Taxes (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%)

Income Taxes (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
Utilisations	-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.

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Notes to the consolidated financial statement 2023

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

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 amount 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).

15 mio. EUR, newly added during 2023, are reflected under "less than 1 year" but are expected to be expanded beyond.

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	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%

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Notes to the consolidated financial statement 2023

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

The assets are secured through a retention of title and mortgages.

3.7.2 Purchase order commitments

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

3.7.3 Lease commitments not recorded on the balance

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
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.

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Notes to the consolidated financial statement 2023

4.0 Notes to the Income Statement

4.1 Revenue Recognition

Revenue arises from the sale of goods, from 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 the rental and service 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.

Net Sales by 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%

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Notes to the consolidated financial statement 2023

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 is not exclusively done by the own organisation. (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 hospit.	4'330	16%	4'409	19%
Office equipment, postage, stationary, ITC	1'879	7%	1'695	7%
Charges & legal and professional fees	2'997	11%	2'756	12%
Rent & 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.

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Notes to the consolidated financial statement 2023

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 fin. 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 fin. activities	0	0
Total finance costs	-6'636	-4'587
Financial Result	-3'599	-2'257

4.8 Earnings per share

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

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Notes to the consolidated financial statement 2023

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.

Not consolidated affiliates

(in kEUR)

	2023	2022
Revenues	5'023	3'848
Various Expenses	414	270

6.0 Number of employees (FTE) as of 31.12.

	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, Change 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 & 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 Wolffkran OOO 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.