



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 994 744 429
Organisasjonsform: Aksjeselskap
Foretaksnavn: PALFINGER MARINE SAFETY AS
Forretningsadresse: Seimsvegen 116
5472 SEIMSFLOSS

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: -

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Geir Instanes
Dato for fastsettelse av årsregnskapet: 31.08.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 19.10.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1,3,4,1 7	501 498 000	448 873 000
Annen driftsinntekt	3,17	8 619 000	794 000
Sum inntekter		510 117 000	449 667 000
Kostnader			
Varekostnad	4,17	408 683 000	340 335 000
Lønnskostnad	2,16	96 728 000	124 824 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	6,7	29 841 000	37 330 000
Annen driftskostnad	2,17	64 638 000	70 833 000
Sum kostnader		599 890 000	573 322 000
Driftsresultat		-89 773 000	-123 655 000
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	8	0	97 000
Annen finansinntekt		830 000	4 543 000
Sum finansinntekter		830 000	4 640 000
Nedskrivning av finansielle eiendeler	8	1 249 000	87 415 000
Rentekostnad til foretak i samme konsern		8 640 000	8 782 000
Annen finanskostnad	8	6 655 000	7 588 000
Sum finanskostnader		16 544 000	103 785 000
Netto finans		-15 714 000	-99 145 000
Ordinært resultat før skattekostnad		-105 487 000	-222 800 000
Ordinært resultat etter skattekostnad		-105 487 000	-222 800 000
Årsresultat	13	-105 487 000	-222 800 000
Overføringer og disponeringer			
Udekket tap		-105 486 000	-222 800 000
Sum overføringer og disponeringer		-105 486 000	-222 800 000



Resultatregnskap

Beløp i: NOK	Note	2020	2019
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Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	7	51 904 000	57 836 000
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	7	31 607 000	38 393 000
Sum immaterielle eiendeler		83 511 000	96 229 000
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	6	6 112 000	19 716 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	6,14	16 173 000	19 766 000
Sum varige driftsmidler		22 285 000	39 482 000
Finansielle anleggsmidler			
Investering i datterselskap	8	58 307 000	68 307 000
Lån til foretak i samme konsern	11	182 000	1 308 000
Investeringer i aksjer og andeler	9	526 000	526 000
Sum finansielle anleggsmidler		59 015 000	70 141 000
Sum anleggsmidler		164 811 000	205 852 000
Omløpsmidler			
Varer			
Varer	14,18	38 571 000	35 776 000
Sum varer		38 571 000	35 776 000
Fordringer			
Kundefordringer	11,14	71 193 000	123 701 000
Andre kortsiktige fordringer	11,15	10 145 000	11 306 000
Anlegg under utførelse	4,14	218 946 000	200 424 000
Sum fordringer		300 284 000	335 431 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	10	9 765 000	12 906 000
Sum bankinnskudd, kontanter og lignende		9 765 000	12 906 000



Balanse

Beløp i: NOK	Note	2020	2019
Sum omløpsmidler		348 620 000	384 113 000
SUM EIENDELER		513 431 000	589 965 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	12	1 320 000	1 320 000
Sum innskutt egenkapital		1 320 000	1 320 000
Opptjent egenkapital			
Udekket tap		208 149 000	84 027 000
Sum opptjent egenkapital		-208 149 000	-84 027 000
Sum egenkapital	13	-206 829 000	-82 707 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	16	40 000	40 000
Sum avsetninger for forpliktelser		40 000	40 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	14	3 055 000	3 805 000
Øvrig langsiktig gjeld	11	454 381 000	361 691 000
Sum annen langsiktig gjeld		457 436 000	365 496 000
Sum langsiktig gjeld		457 476 000	365 536 000
Kortsiktig gjeld			
Leverandørgjeld	11	35 632 000	43 506 000
Skyldige offentlige avgifter	10	6 360 000	7 459 000
Annen kortsiktig gjeld	11	220 791 000	256 171 000
Sum kortsiktig gjeld		262 783 000	307 136 000
Sum gjeld		720 259 000	672 672 000
SUM EGENKAPITAL OG GJELD		513 430 000	589 965 000



Balanse

Beløp i: NOK	Note	2020	2019
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Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2021 892939

Enheten

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Organisasjonsform: Aksjeselskap
Foretaksnavn: PALFINGER MARINE SAFETY AS
Forretningsadresse: Seimsvegen 116
5472 SEIMSF OSS

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Brønnøysundregistrene, 02.11.2021



Organisasjonsnr: 994 744 429
PALFINGER MARINE SAFETY AS

RESULTATREGNSKAP

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PALFINGER MARINE SAFETY AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

1

Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapsloven. Det er utarbeidet etter norske regnskapsstandarder. Det utarbeides ikke konsernregnskap da selskapet med datterselskap inngår i konsernregnskapet til Palfinger AG. Salgsinntekter Inntektsføring ved salg av varer skjer på leveringstidspunktet. Tjenester inntektsføres i takt med utførelsen. For kontrakter med lang tilvirkningstid, anleggskontrakter, foretas inntektsføringen basert på løpende avregningsmetode. Kostnadsføring skjer i samme periode som tilhørende inntektsføring. Anleggskontrakter Konsernets anleggskontrakter er delt i to hovedgrupper. Den første er anleggskontrakter som består av en stor andel egenproduksjon, og den andre er anleggskontrakter med lav andel egenproduksjon. Som hovedregel brukes kost/kost. Opparbeidet verdi på prosjekter under utførelse betraktes som opptjente rettigheter overfor oppdragsgiver og klassifiseres som driftsinntekter i resultatregnskapet. Fremdriften i prosjektet kalkuleres ved andel påløpte kostnader i forhold til forventede totale kostnader på det enkelte prosjekt. Tidligere var regelen at fullføringsgraden i prosjektene ble estimert prosentvis basert på ein milepølsplan (percentage of completion; PoC). Denne regelen er nå erstattet av kost/kost, men for dei prosjektene startet med PoC som framdriftsmåling, så fortsetter disse prosjektene med det til dei er ferdig levert. Innbetalinger utover beregnet opptjent verdi er klassifisert som forskudd fra kunder. For selskapets større prosjekter benyttes terminsikring av både inntekter og kostnader for å redusere løpende valutarisiko der dette synes fornuftig og riktig. Datterselskap Datterselskapet selskaper vurderes etter kostmetoden i selskapsregnskapet. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig. Det er foretatt nedskrivning til virkelig verdi når verdifall skyldes årsaker som ikke kan antas å være forbigående og det må anses nødvendig etter god regnskapsskikk. Nedskrivninger er reversert når grunnlaget for nedskrivning ikke lenger er til stede. Utbytte og andre utdelinger er inntektsført samme år som det er avsatt i datterselskapet. Overstiger utbytte andel av tilbakeholdt resultat etter kjøpet, representerer den overskytende del tilbakebetaling av investert kapital, og utdelingene er fratrukket investeringens verdi i balansen. Klassifisering og vurdering av balanseposter Omløpsmidler og kortsiktig gjeld omfatter poster som forfaller til betaling innen ett år etter balansedagen, samt poster som knytter seg til varekretsløpet. Øvrige poster er klassifisert som anleggsmiddel/langsiktig gjeld. Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet. Anleggsmidler vurderes til anskaffelseskost, men nedskrives til virkelig verdi ved verdifall som ikke forventes å være forbigående. Anleggsmidler med begrenset økonomisk levetid avskrives planmessig. Langsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet. Fordringer Kundefordringer og andre fordringer er oppført i balansen til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av individuelle vurderinger av de enkelte fordringene. I tillegg



gjøres det for øvrige kundefordringer en uspesifisert avsetning for å dekke antatt tap. Varebeholdninger Lager av innkjøpte varer er verdsatt til laveste av anskaffelseskost og virkelig verdi. Anskaffelseskost vurderes etter FIFO- prinsippet. Egentilvirkede ferdigvarer og varer under tilvirkning er vurdert til full tilvirkningskost. Det foretas nedskrivning for påregnelig ukurans. Valuta Pengeposter i utenlandsk valuta er vurdert til kursen ved regnskapsårets slutt. Selskapet benytter seg av valutasikring av inntekter i utenlandsk valuta og anvender således sikringsbøkerføring knyttet til inntekter i valuta. I 2020 er sikringerne gjort mot Palfinger AG. Urealiserte kursgevinster / -tap er balanseført med motpost under annen egenkapital. Varige driftsmidler Varige driftsmidler balanseføres og avskrives over driftsmidlets forventede økonomiske levetid. Direkte vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader, mens påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet. Dersom gjenvinnbart beløp av driftsmiddelet er lavere enn balanseført verdi foretas nedskrivning til gjenvinnbart beløp. Gjenvinnbart beløp er det høyeste av netto salgsverdi og verdi i bruk. Verdi i bruk er nåverdien av de fremtidige kontantstrømmene som eiendelen vil generere. Immaterielle eiendeler Immaterielle eiendeler balanseføres i den grad det kan identifiseres en fremtidig økonomisk fordel knyttet til utvikling av en identifiserbar eiendel og utgiftene kan måles pålitelig. I motsatt fall kostnadsføres slike utgifter løpende. Eiendelene avskrives lineært over økonomisk levetid. Pensjoner Pensjonskostnader og pensjonsforpliktelser beregnes etter lineær opptjening basert på forventet sluttlønn. Beregningen er basert på en rekke forutsetninger herunder diskonteringsrente, fremtidig regulering av lønn, pensjoner og ytelser fra folketrygden, fremtidig avkastning på pensjonsmidler samt aktuarmessige forutsetninger om dødelighet og frivillig avgang. Pensjonsmidler er vurdert til virkelig verdi og fratrukket i netto pensjonsforpliktelser i balansen. Endringer i forpliktelsen som skyldes endringer i pensjonsplaner fordeles over antatt gjenværende opptjeningstid. Endringer i forpliktelsen og pensjonsmidlene som skyldes endringer i og avvik i beregningsforutsetningene (estimatendringer) fordeles over antatt gjennomsnittlig gjenværende opptjeningstid hvis avvikene ved årets begynnelse overstiger 10 % av det største av brutto pensjonsforpliktelser og pensjonsmidler. Skatter Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 22% på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reversere i samme periode er utlignet og nettoført. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli nyttegjort. Kontantstrømoppstilling Kontantstrømoppstillingen er utarbeidet etter den indirekte metode. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer. Bruk av estimer Ledelsen har brukt estimer og forutsetninger som har påvirket resultatregnskapet og verdsettelsen av eiendeler og gjeld, samt usikre eiendeler og forpliktelser på balansedagen under utarbeidelsen av årsregnskapet i henhold til god regnskapsskikk.

Note

12

Antall aksjer og aksjeeiere

Aksjeklasse	Ant. aksjer	Pålydende	Bokført verdi
Ordinære aksjar	6600.00	0.20	1320.00

Aksjeeiere - fritekst	Antall	Eierandel	Aksjeklasse
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Palfinger Marine GmbH	6600.00	Ordinære aksjar
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<u>Sum</u>	<u>Sum antall</u>	<u>Sum eierandel</u>
	6600.00	

Note

2

Lønn og ytelser

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	81338000.00	104167000.00
<u>Arbeidsgiveravgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	8461000.00	11896000.00
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	4974000.00	6197000.00
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	1955000.00	2564000.00
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	96728000.00	124824000.00

Note

2

Ytelser til ledende personer

Er det gitt ytelser til ledende person: Nei

Ytelser til daglig leder

<u>Ytelser</u>	<u>Lønn</u>	<u>Pensj.forpl.</u>	<u>Andre godtgj.</u>
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Selskapet har ikke utbetalt lønn til nåværende administrerende direktører, men har mottatt og kostnadsført faktura fra datterselskapet Palfinger Marine Europe BV tilsvarende NOK 2.772 til dekning av lønns- og reisekostnader.

Note

2

Ytelser til andre ledende personer**Note**

2

Ytelser til revisjon

<u>Revisjon</u>	<u>Årets</u>	<u>Fjorårets</u>
	406000.00	821000.00
<u>Andre tjenester</u>	<u>Årets</u>	<u>Fjorårets</u>



973000.00 58000.00

<u>Sum godtgjørelse til revisor</u>	<u>Årets</u>	<u>Fjorårets</u>
	1379000.00	879000.00

2019 - tidligere revisor

Note
2

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
147.00

Note
16

Obligatorisk tjenestepensjon

Er virksomheten pliktig til å ha tjenestepensjonsordning etter lov:
Ja

Oppfyller pensjonsordning lovkravene: Ja

Note
2

Lån og sikkerhetsstillelse til ledende personer og aksjeeiere

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Note

Konsern, tilknyttet selskap og datterselskap

Tilknyttet selskap/datterselskap

<u>Navn og adresse</u>	<u>Eierandel</u>	<u>Stemmeandel</u>	<u>Egenkapital</u>	<u>Resultat</u>
Palfinger Marine Europe BV	100.00%	100.00%	-126162.00	-40766.00
Palfinger Marine LSE (Qingdao) Co., Ltd	100.00%	100.00%	20618.00	-36.00
Palfinger Marine Germany GmbH	100.00%	100.00%	20661.00	1783.00
Palfinger Marine USA Inc	100.00%	100.00%	116756.00	16653.00
Palfinger Marine UK Limited	100.00%	100.00%	19229.00	3655.00
Palfinger Marine Shanghai Co., Ltd	100.00%	100.00%	9894.00	2325.00
Harding Safety S.L.	100.00%	100.00%	11275.00	1049.00
Palfinger Marine Do Brasil	3.36%	3.36%	53801.00	1917.00
Palfinger Marine Hong Kong Ltd	100.00%	100.00%	-2359.00	-301.00
Noreq BV	100.00%	100.00%	219.00	0.00
Palfinger Marine	100.00%	100.00%	16144.00	3655.00



Denmark AS				
Palfinger Marine	100.00%	100.00%	5174.00	632.00
Italy srl				
Palfinger Marine	100.00%	100.00%	15398.00	3662.00
Canada Inc				

Egenkapital og årets resultat er omregnet til henholdsvis rapporteringskurs i konsernet pr 31.12.20 og gjennomsnitts rapporteringskurs i konsernet 2020. Selskapet har ikke mottatt aksjeutbytte i 2020 Datterselskapet Heron Davits AS er innfusjonert i Palfinger Marine Safety AS i 2020.
Konsernregnskapet inngår i konsolideringen til morselskap: Ja

<u>Navn</u>	<u>Forretningskontor</u>
Palfinger AG	Østerrike

Datterselskap er utelatt fra konsolideringen: Ja

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Som morselskap I underkonsern er det ikke utarbeidet konsernregnskap ihht regnskapsloven § 3-7. Dette er omtalt i årsrapporten, styrets årsberetning under pkt «Årets resultat og redegjørelse for årsregnskapet» Morselskaps konsernregnskap vedlagt.

Note

5

Skattekostnad

Resultatført skatt på ordinært resultat

<u>Betalbar skatt</u>	<u>Årets</u>	<u>Fjorårets</u>
	0.00	0.00
<u>Endringer i utsatt skattefordel</u>	<u>Årets</u>	<u>Fjorårets</u>
	0.00	0.00

Skattepliktig inntekt

<u>Ordinært resultat før skatt</u>	<u>Årets</u>	<u>Fjorårets</u>
	-105486000.0	-222800000.0
	0	0
<u>Permanente forskjeller</u>	<u>Årets</u>	<u>Fjorårets</u>
	1347000.00	87639000.00
<u>Endring i midlertidige forskjeller</u>	<u>Årets</u>	<u>Fjorårets</u>
	-9322000.00	42271000.00
<u>Skattepliktig inntekt</u>	<u>Årets</u>	<u>Fjorårets</u>
	-113461000.0	-93140000.00
	0	

Betalbar skatt i balansen

<u>Betalbar skatt på årets resultat</u>	<u>Årets</u>	<u>Fjorårets</u>
	0.00	0.00

Note



5

Midlertidige forskjeller - utsatt skatt/skattefordel

Skatteeffekten av midlertidige forskjeller og underskudd til fremføring som har gitt opphav til utsatt skatt og utsatte skattefordeler, spesifisert på typer av midlertidige forskjeller:

<u>Anleggsmidler</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
	-15566000.00	10381000.00	25947000.00
<u>Omløpsmidler</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
	29315000.00	24735000.00	-4579000.00
<u>Gevinst- og tapskonto</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
	15623000.00	4825000.00	-10797000.00
<u>Skattemessig fremf.undersk.</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
	-370779000.0	-484391000.0	
	0	0	
<u>Andre forskjeller</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
	-126000.00	-3658000.00	
<u>Kortsiktig gjeld</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
	-5840000.00	-7090000.00	
<u>Netto forskjeller</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
	-347373000.0	-455198000.0	
	0	0	
<u>Skattered.forskj.ikke utl.</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
	-40464000.00	-40464000.00	
<u>Sum midlertidige forskj.</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
	-387837000.0	-495662000.0	
	0	0	
<u>Utsatt skattefordel 31.12.</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
	0.00	0.00	

Utsatt skattefordel er ikke balanseført som følge av usikkerhet rundt fremtidig anvendelse.

Note

10

Bankinnskudd

<u>Bundne skattetreksmidler</u>	<u>Beløp</u>
	0.00
<u>Ytterligere bundet beløp</u>	<u>Beløp</u>
	549000.00

Selskapet har avgitt en bankgaranti stor TNOK 10 000 som sikkerhet for påløpt skattetrekk. Skyldig skattetrekk pr. 31.12.2020 er TNOK 3 762 og tilsvarer 6. termin. Palfinger Marine Safety AS inngår i



konsernets konsernkontoavtale som innebærer at de deltagende konsernselskapene er solidarisk ansvarlig for de trekk som andre selskaper i konsernet har gjennomført. Per 31.12.2020 er samlet saldo på konsernkontoordningen MNOK 8 976 og fremkommer i sin helhet i Palfinger Marine Safety sin balanse.

Note

14

Pantstillelser og garantier m.v.

Garantiansvar 2020 2019 Forskuddsgaranti kunder 65 117 118 659
Skattetrekksgaranti 10 000 10 000 Sum garantiansvar 75 117 128 659

Note

6

Varige driftsmidler/anleggsmidler

Driftsløsøre, inventar o.l. er forkortet til: "Drift/inv"

Maskiner og anlegg er forkortet til: "Mask/anl"

Tomter, bygninger og annen fast eiendom er forkortet til: "T/B/AFE"

<u>Anskaff. kost 01.01.</u>	<u>Drift/inv</u>	<u>Mask/anl</u>	<u>T/B/AFE</u>	<u>Sum</u>
16490000.0	46607000.0	63485000.0		
0	0	0		
<u>Tilgang i året</u>	<u>Drift/inv</u>	<u>Mask/anl</u>	<u>T/B/AFE</u>	<u>Sum</u>
859000.00	50000.00			
<u>Avgang i året</u>	<u>Drift/inv</u>	<u>Mask/anl</u>	<u>T/B/AFE</u>	<u>Sum</u>
-5968000.0	-71000.00	-28297000.		
0			00	
<u>Anskaff. kost 31.12.</u>	<u>Drift/inv</u>	<u>Mask/anl</u>	<u>T/B/AFE</u>	<u>Sum</u>
11381000.0	45585000.0	35188000.0		
0	0	0		
<u>Akk.av-/nedskr.01.01.</u>	<u>Drift/inv</u>	<u>Mask/anl</u>	<u>T/B/AFE</u>	<u>Sum</u>
-6606000.0	-30799000.	-27304000.		
0	00	00		
<u>Akk.av-/nedskr.31.12.</u>	<u>Drift/inv</u>	<u>Mask/anl</u>	<u>T/B/AFE</u>	<u>Sum</u>
-7797000.0	-33995000.	-29076000.		
0	00	00		
<u>Bal.ført verdi 31.12.</u>	<u>Drift/inv</u>	<u>Mask/anl</u>	<u>T/B/AFE</u>	<u>Sum</u>
3584000.00	12589000.0	6113000.00		
	0			
<u>Årets av-/nedskrivn.</u>	<u>Drift/inv</u>	<u>Mask/anl</u>	<u>T/B/AFE</u>	<u>Sum</u>
-1191000.0	-3196000.0	-1772000.0		
0	0	0		

Note

13



Egenkapital

Aksjekapital er forkortet til: "Aksjekap"

Annen innskutt egenkapital er forkortet til: "A.innsk.EK"

<u>Egenkap. 31.12. forrige år</u>	<u>Aksjekap</u>	<u>Overkurs</u>	<u>A.innsk.EK</u>
	1320000.00		

<u>Egenkapital 01.01.</u>	<u>Aksjekap</u>	<u>Overkurs</u>	<u>A.innsk.EK</u>
	1320000.00		

<u>Egenkapital 31.12.</u>	<u>Aksjekap</u>	<u>Overkurs</u>	<u>A.innsk.EK</u>
	1320000.00		

Egenkapital

Opptjent egenkapital er forkortet til: "Opptj.EK"

<u>Egenkap. 31.12. forrige år</u>	<u>Opptj.EK</u>	<u>Udekket tap</u>	<u>Sum</u>
		-84028000.00	-82708000.00

<u>Egenkapital 01.01.</u>	<u>Opptj.EK</u>	<u>Udekket tap</u>	<u>Sum</u>
		-84028000.00	-82708000.00

<u>Årsresultat</u>	<u>Opptj.EK</u>	<u>Udekket tap</u>	<u>Sum</u>
		-105486000.0	-105486000.0
		0	0

<u>Andre endringer</u>	<u>Opptj.EK</u>	<u>Udekket tap</u>	<u>Sum</u>
		-17745000.00	-17745000.00

<u>Egenkapital 31.12.</u>	<u>Opptj.EK</u>	<u>Udekket tap</u>	<u>Sum</u>
		-208149000.0	-206829000.0
		0	0

Note

19

Noteopplysninger ut over minimumskravene for små foretak

Det er fremdeles usikkerhet knyttet til utviklingen av COVID-19 som har medført økt uro i finansmarkedene og kan medføre langvarig reduksjon i aktivitetsnivået i den norske og globale økonomien. En reduksjon i aktivitetsnivået vil kunne medføre økonomiske utfordringer for selskapets kunder. Tilgangen på finansiering kan videre påvirkes av uroen i økonomien. Ledelsen overvåker utviklingen og vil iverksette tiltak for å minimere den negative innvirkningen for selskapet. Den totale effekten av COVID-19 for virksomheten er pr. tidspunkt for regnskapsavleggelse usikker. Med virkning fra 01.04.2021 har Palfinger solgt livbåtfabrikken på Ølve til det nystartede selskapet Herde Kompositt AS. Alle ansatta på Ølve har fått tilbud om ansettelse i den nye selskapet. Herde Kompositt skal fremdeles produsere enkelte livbåttyper på oppdrag for Palfinger. Det er videre besluttet at anleggskontraktene heretter kjøres av datterselskapet Palfinger Marine Europe BV i Nederland. Dette gjelder både nye kontrakter og endel løpende kontrakter.



***PALFINGER MARINE
SAFETY AS***

ÅRSRAPPORT 2020



Styrets beretning 2020

Palfinger Marine Safety AS er et datterselskap av Palfinger Marine GmbH, som er marinedivisjonen til Palfinger AG. Palfinger AG er et børsnotert østerriksk industriselskap med hovedkontor i Salzburg Østerrike. Selskapet har forretningsadresse på Seimsfoss i Kvinnherad kommune.

Palfinger Marine har som ambisjon å være en av verdens ledende tilbydere av dekkstutstyr, og Palfinger Marine Safety produserer maritimt liv-redningsutstyr samt salg og service av dekkstutstyr hovedsakelig i Norge.

Selskapets virksomhet

Selskapets virksomhet består av leveranser av livbåter og daviter til markeder globalt, samt leveranser av service og reservedeler til de samme produktene med fokus på det norske markedet.

Årets resultat og redegjørelse for årsregnskapet

Palfinger Marine Safety AS inngår i konsernregnskapet til Palfinger AG. Det utarbeides således ikke konsernregnskap for Palfinger Marine Safety AS ettersom selskapet ikke lengre er et formelt konsern. Palfinger AG har sitt hovedkontor i Salzburg i Østerrike. Konsernregnskapet til Palfinger AG blir publisert på selskapets hjemmeside (www.palfinger.ag).

Selskapets omsetning i 2020 ble NOK 510 mill. (NOK 450 mill.). Driftsresultatet før av- og nedskrivninger ble et tap på NOK -60 mill. (NOK -86 mill. i tap). Resultat før skatt ble et tap på NOK -105 mill.

Samlet negativ kontantstrøm fra driften i selskapet var på NOK -116 mill. (NOK -19 mill. negativ kontantstrøm i 2019), mens driftsresultatet i selskapet utgjorde et tap på NOK -90 mill. (NOK -124 mill. i tap). Differansen skyldes endringer i tidsavgrensingsposter relatert til operasjonelle aktiviteter. De samlede investeringene i selskapet i 2020 var NOK 8 mill. (NOK 2,4 mill.)

Styret foreslår at årets underskudd på NOK -105 486 mill. disponeres som følger:

<u>Overført til udekket tap</u>	<u>105 486 mill.</u>
Sum overføringer og disponeringer	105 486 mill.

Årsregnskapet for 2020 er avlagt under forutsetning om fortsatt drift. Styret bekrefter at fortsatt drift forutsetningen er tilstede, jfr. regnskapsloven §3.3.



PALFINGER

Balanse, likviditet og kontantstrøm

Etter styrets oppfatning gir årsregnskapet en tilfredsstillende beskrivelse av selskapets stilling pr. årsskiftet. Selskapets total kapital er pr. 31.12.2020 NOK 513 mill. (NOK 590 mill.) med en egenkapitalandel på -40% (-14%). Egenkapitalen er tapt og morselskapet Palfinger AG har utstedt garanti for å sikre fortsatt drift. Selskapet har ikke ekstern rentebærende gjeld og styret arbeider for å konvertere deler av intern gjeld til egenkapital.

Finansiell risiko

Selskapets finansielle risiko er i vesentlig grad knyttet til områdene kredittrisiko, valutarisiko og renterisiko.

Kredittrisiko, som defineres som risiko for at en kunde eller annen motpart ikke er i stand til å overholde sine forpliktelser i henhold til avtaler og at stille sikkerheter ikke dekker utestående fordringer, har over tid vist seg å være meget begrenset for selskapet.

Selskapet har aktiviteter både i inn- og utland gjennom kjøp og salg av varer og tjenester, dette med fører eksponering i utenlandsk valuta (valutarisiko). For gruppens prosjekter på leveranser av utstyr benyttes terminsikring av inntekter for å redusere løpende valutarisiko. Videre er selskapets finansieringsbehov dekket igjennom finansiering i fra Palfinger AG. Selskapet har ikke langsiktig rentebærende gjeld.

Arbetsmiljø

Selskapet har i 2020 sysselsatt totalt 128,6 (153) årsverk.

Arbetsmiljøet i selskapet anses som godt. Det totale sykefraværet er lavt, men det er lokale variasjoner der produksjonsenhetene har høyere sykefravær enn administrative funksjoner.

Selskapet tilstreber likestilling på de ulike nivåer i organisasjonen. Likt arbeid blir lønnet likt uavhengig av kjønn. Videre er gruppen og dens ledelse opptatt av å jobbe for å få en jevnere fordeling mellom kjønnene blant de ansatte. Det sitter to kvinner i selskapets styre.



PALFINGER

Selskapet arbeider for at det ikke skal forekomme noen former for diskriminering blant de ansatte, uansett hvilket nivå man er på i organisasjonen.

Det har i 2020 ikke vært alvorlige skader på ansatte i virksomheten i forbindelse med utførelse av sitt arbeid.

Ytre miljø

Selskapet påvirker ikke det ytre miljø utover det som er normalt for denne type virksomhet.

Investering og produktutvikling

Palfinger Marine Safety har satset mye på produktutvikling gjennom de senere årene. I vesentlig grad dreier dette seg om nye frittfallsystemer som selskapet har utviklet for offshore markedet, og som er solgt til offshore kunder i Norge, men også i resten av verden. I tillegg så har selskapet utviklet daviter for øvrige Offshore- og Merchant markeder. I Cruisemarkedet har nysatsningen som ble påbegynt for noen år siden, resultert i betydelige kontrakter for levering i årene som kommer. Det forventes at satsningen på produktutvikling og utvikling av Palfinger Marine som divisjon og Palfinger Marine Safety vil fortsette i årene som kommer.

Covid19-pandemien

Covid19-pandemien fikk innvirkning på driften i året som gikk. Palfinger konsernet satte tidlig i verk tiltak mot smitte og tilpasning av drift. Selskapet har i tillegg fulgt retningslinjer fra de norske myndighetene. Selskapet permitterte ca halvparten av de ansatte i perioden mars-juli 2020, og hadde redusert omsetning i nedstengingsperioden.



Fremtidsutsikter

Palfinger Marine Safety eies av Palfinger Marine GmbH, som er en del av Palfingerkonsernet i Østerrike. Palfinger er en solid industriell eier med en lang investeringshorisont.

Selskapets egenkapital er tapt. Morselskapet Palfinger AG har utstedt garanti for å sikre fortsatt drift. Denne garantien sikrer at selskapet løpende kan gjøre opp sine forpliktelser. Selskapet har ikke ekstern rentebærende gjeld. Styret arbeider for å konvertere deler av intern gjeld for å styrke selskapets egenkapital.

Styret vurderer selskapets fremtidsutsikter som gode som en integrert del av Palfinger Marine. Selskapet er finansiert gjennom låneavtale med morselskapet Palfinger AG, og styret vurderer at forutsetningene for fortsatt drift er til stede og legger det til grunn for sin virksomhet.

Styret ønsker å rette en takk til alle ansatte for god innsats i året som gikk.

Seimsfoss, 31. august 2021.

Gunther Fleck
Styreleder




Inga Birgitte Aarseth
Styremedlem



Håkon Olai Lie
Styremedlem



Claudia Rächbauer
Styremedlem



Jens Werner Hinsch
Styremedlem/Daglig Leder

**Palfinger Marine Safety AS****Resultatregnskap**

Beløp vises i tusen kr

	Note	2020	2019
Salgsinntekt	1, 3, 4, 17	501 498	448 873
Annen driftsinntekt	3, 17	8 619	794
Sum driftsinntekter		510 117	449 666
Varekostnad	4, 17	408 683	340 335
Lønnskostnad	2, 16	96 728	124 824
Avskrivning av driftsmidler og immaterielle eiendeler	6, 7	29 841	37 330
Annen driftskostnad	2, 17	64 638	70 833
Sum driftskostnader		599 889	573 322
Driftsresultat		-89 772	-123 656
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap	8	0	97
Annen finansinntekt		830	4 543
Nedskrivning av andre finansielle anleggsmidler	8	1 249	87 415
Rentekostnad til foretak i samme konsern		8 640	8 782
Annen finanskostnad	8	6 655	7 588
Resultat av finansposter		-15 714	-99 145
Ordinært resultat før skattekostnad		-105 486	-222 800
Ordinært resultat		-105 486	-222 800
Årsresultat	13	-105 486	-222 800
Overføringer			
Avsatt annen egenkapital / udekket tap		-105 486	-222 800
Sum overføringer		-105 486	-222 800

**Palfinger Marine Safety AS****Balanse 31.12**

Beløp vises i tusen kr

	Note	2020	2019
Eiendeler			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	7	51 904	57 836
Konsesjoner, patenter o.l.	7	31 607	38 393
Sum immaterielle eiendeler		83 511	96 229
Varige driftsmidler			
Tomter, bygninger o.a. fast eiendom	6	6 112	19 716
Driftsløsøre, inventar o.a. utstyr	6, 14	16 173	19 766
Sum varige driftsmidler		22 285	39 481
Finansielle anleggsmidler			
Investeringer i dattersekskap	8	58 307	68 307
Lån til foretak i samme konsern	11	182	1 308
Investeringer i aksjer og andeler	9	526	526
Sum finansielle anleggsmidler		59 015	70 140
Sum anleggsmidler		164 811	205 851
Omløpsmidler			
Lager av varer og annen beholdning	14, 18	38 571	35 776
Fordringer			
Kundefordringer	11, 14	71 193	123 701
Andre kortsiktige fordringer	11, 15	10 145	11 306
Anlegg under utførelse	4, 14	218 946	200 424
Sum fordringer		300 284	335 431
Investeringer			
Bankinnskudd, kontanter o.l.	10	9 765	12 906
Sum omløpsmidler		348 619	384 113
Sum eiendeler		513 430	589 963




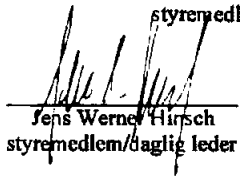
Palfinger Marine Safety AS

Balanse 31.12

Beløp vises i tusen kr

	Note	2020	2019
Egenkapital og gjeld			
Innskutt egenkapital			
Aksjekapital	12	1 320	1 320
Sum innskutt egenkapital		<u>1 320</u>	<u>1 320</u>
Opptjent egenkapital			
Udekket tap		-208 149	-84 027
Sum opptjent egenkapital		<u>-208 149</u>	<u>-84 027</u>
Sum egenkapital	13	<u>-206 829</u>	<u>-82 707</u>
Gjeld			
Avsetning for forpliktelser			
Pensjonsforpliktelser	16	40	40
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	14	3 055	3 805
Øvrig langsiktig gjeld	11	454 381	361 691
Sum annen langsiktig gjeld		<u>457 436</u>	<u>365 496</u>
Kortsiktig gjeld			
Leverandørgjeld	11	35 632	43 506
Skyldig offentlige avgifter	10	6 360	7 459
Annen kortsiktig gjeld	11	220 791	256 171
Sum kortsiktig gjeld		<u>262 783</u>	<u>307 135</u>
Sum gjeld		<u>720 259</u>	<u>672 671</u>
Sum egenkapital og gjeld		<u>513 430</u>	<u>589 963</u>

Seimfoss, 31.08.2021


Gunther Fleck
styreleder
Inga Birgitte Aarseth
styremedlem
Håkon Olai Lie
styremedlem
Claudia Kachbauer
styremedlem
Jens Werner Hirsch
styremedlem/laglig leder

**Palfinger Marine Safety AS****Kontantstrømoppstilling**

Beløp vises i tusen kr

Kontantstrøm fra operasjonelle aktiviteter	2020	2019
Resultat før skattekostnad	-105 486	-222 800
Periodens betalte skatt	0	0
Gevinst/tap ved salg av anleggsmidler	-5 303	0
Gevinst /tap ved salg av aksjer	0	0
Nedskrivning aksjer	0	87 415
Ordinære avskrivninger	29 841	37 330
Nedskrivning anleggsmidler	1 249	0
Endring i varelager, kundefordringer og leverandørgjeld	40 096	59 945
Endring i forskjell mellom kostnadsført pensjon og inn-/utbetalinger i pensjonsordninger	0	0
Endring anlegg under utførelse	-18 522	44 910
Endring netto forskudd fra kunder	3 103	46 939
Endring i andre tidsavgrensningsposter	-61 372	-72 878
Netto kontantstrøm fra operasjonelle aktiviteter	-116 394	-19 140
Kontantstrømmer fra investeringsaktiviteter		
Innbetalinger ved salg av varige driftsmidler	17 250	0
Utbetalinger ved kjøp av varige driftsmidler	-909	-34
Utbetaling ved utvikling av nye produkter	-7 083	-2 384
Innbetalinger ved salg av aksjer og andeler i andre foretak	10 000	0
Utbetalinger ved kjøp av aksjer og andeler i andre foretak	0	-24 063
Innbetalt på kortsiktige og langsiktige fordringer	1 126	2 843
Utbetalt på kortsiktige og langsiktige fordringer	0	0
Netto kontantstrøm fra investeringsaktiviteter	20 384	-23 638
Kontantstrømmer fra finansieringsaktiviteter		
Innbetalinger ved opptak av ny langsiktig gjeld	93 619	59 089
Innbetalinger ved opptak av ny kortsiktig gjeld	0	0
Utbetalinger ved nedbetaling av langsiktig gjeld	-751	-730
Utbetalinger ved nedbetaling av kortsiktig gjeld	0	0
Netto endring i kassakreditt	0	-5 566
Innbetalinger av egenkapital	0	0
Tilbakebetalinger av egenkapital	0	0
Inn-/utbetalinger av konsernbidrag og utbytte	0	0
Netto kontantstrøm fra finansieringsaktiviteter	92 869	52 793
Netto endring i kontanter og kontantekvivalenter	-3 141	10 015
Beholdning av kontanter og kontantekvivalenter pr 01.01.	12 906	2 891
Tilføre kontanter ved fusjon	0	0
Differanse tidl. år	0	0
Beholdning av kontanter og kontantekvivalenter pr 31.12.	9 765	12 906

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Noter til årsregnskapet 2020

Note 1 Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapsloven. Det er utarbeidet etter norske regnskapsstandarder. Det utarbeides ikke konsernregnskap da selskapet med datterselskap inngår i konsernregnskapet til Palfinger AG.

Salgsinntekter

Inntektsføring ved salg av varer skjer på leveringstidspunktet. Tjenester inntektsføres i takt med utførelsen. For kontrakter med lang tilvirkningstid, anleggskontrakter, foretas inntektsføringen basert på løpende avregningsmetode. Kostnadsføring skjer i samme periode som tilhørende inntektsføring.

Anleggskontrakter

Konsernets anleggskontrakter er delt i to hovedgrupper. Den første er anleggskontrakter som består av en stor andel egenproduksjon, og den andre er anleggskontrakter med lav andel egenproduksjon.

Som hovedregel brukes kost/kost. Opparbeidet verdi på prosjekter under utførelse betraktes som opptjente rettigheter overfor oppdragsgiver og klassifiseres som driftsinntekter i resultatregnskapet. Fremdriften i prosjektet kalkuleres ved andel påløpte kostnader i forhold til forventede totale kostnader på det enkelte prosjekt.

Tidligere var regelen at fullføringsgraden i prosjektene ble estimert prosentvis basert på ein milepælsplan (percentage of completion; PoC). Denne regelen er nå erstattet av kost/kost, men for dei prosjektene startet med PoC som framdriftsmåling, så fortsetter disse prosjektene med det til dei er ferdig levert.

Innbetalinger utover beregnet opptjent verdi er klassifisert som forskudd fra kunder.

For selskapets større prosjekter benyttes terminsikring av både inntekter og kostnader for å redusere løpende valutarisiko der dette synes fornuftig og riktig.

Datterselskap

Datterselskapet selskaper vurderes etter kostmetoden i selskapsregnskapet. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig. Det er foretatt nedskrivning til virkelig verdi når verdifall skyldes årsaker som ikke kan antas å være forbigående og det må anses nødvendig etter god regnskapsskikk. Nedskrivninger er reversert når grunnlaget for nedskrivning ikke lenger er til stede.

Utbytte og andre utdelinger er inntektsført samme år som det er avsatt i datterselskapet. Overstiger utbytte andel av tilbakeholdt resultat etter kjøpet, representerer den overskytende del tilbakebetaling av investert kapital, og utdelingene er fratrukket investeringens verdi i balansen.

Klassifisering og vurdering av balanseposter

Omløpsmidler og kortsiktig gjeld omfatter poster som forfaller til betaling innen ett år etter balansedagen, samt poster som knytter seg til varekretsløpet. Øvrige poster er klassifisert som anleggsmiddel/langsiktig gjeld.

Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.



Anleggsmidler vurderes til anskaffelseskost, men nedskrives til virkelig verdi ved verdifall som ikke forventes å være forbigående. Anleggsmidler med begrenset økonomisk levetid avskrives planmessig. Langsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.

Fordringer

Kundefordringer og andre fordringer er oppført i balansen til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av individuelle vurderinger av de enkelte fordringene. I tillegg gjøres det for øvrige kundefordringer en uspesifisert avsetning for å dekke antatt tap.

Varebeholdninger

Lager av innkjøpte varer er verdsatt til laveste av anskaffelseskost og virkelig verdi. Anskaffelseskost vurderes etter FIFO- prinsippet. Egentilvirkede ferdigvarer og varer under tilvirkning er vurdert til full tilvirkningskost. Det foretas nedskrivning for påregnelig ukurans.

Valuta

Pengeposter i utenlandsk valuta er vurdert til kursen ved regnskapsårets slutt. Selskapet benytter seg av valutasisikring av inntekter i utenlandsk valuta og anvender således sikringsbokføring knyttet til inntekter i valuta. I 2020 er sikringene gjort mot Palfinger AG. Urealiserte kursgevinster / -tap er balanseført med motpost under annen egenkapital.

Varige driftsmidler

Varige driftsmidler balanseføres og avskrives over driftsmidlets forventede økonomiske levetid. Direkte vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader, mens påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet. Dersom gjenvinnbart beløp av driftsmiddelet er lavere enn balanseført verdi foretas nedskrivning til gjenvinnbart beløp. Gjenvinnbart beløp er det høyeste av netto salgsverdi og verdi i bruk. Verdi i bruk er nåverdien av de fremtidige kontantstrømmene som eiendelen vil generere.

Immaterielle eiendeler

Immaterielle eiendeler balanseføres i den grad det kan identifiseres en fremtidig økonomisk fordel knyttet til utvikling av en identifiserbar eiendel og utgiftene kan måles pålitelig. I motsatt fall kostnadsføres slike utgifter løpende. Eiendelene avskrives lineært over økonomisk levetid.

Pensjoner

Pensjonskostnader og pensjonsforpliktelser beregnes etter lineær opptjening basert på forventet sluttlønn. Beregningen er basert på en rekke forutsetninger herunder diskonteringsrente, fremtidig regulering av lønn, pensjoner og ytelser fra folketrygden, fremtidig avkastning på pensjonsmidler samt aktuarmessige forutsetninger om dødelighet og frivillig avgang. Pensjonsmidler er vurdert til virkelig verdi og fratrukket i netto pensjonsforpliktelser i balansen. Endringer i forpliktelsen som skyldes endringer i pensjonsplaner fordeles over antatt gjenværende opptjeningstid. Endringer i forpliktelsen og pensjonsmidlene som skyldes endringer i og avvik i beregningsforutsetningene (estimatendringer) fordeles over antatt gjennomsnittlig gjenværende opptjeningstid hvis avvikene ved årets begynnelse overstiger 10 % av det største av brutto pensjonsforpliktelser og pensjonsmidler.

Skatter

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 22% på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reversere i samme periode er utlignet og nettoført. Netto utsatt skattefordel



balanseføres i den grad det er sannsynlig at denne kan bli nyttegjort.

Kontantstrømoppstilling

Kontantstrømoppstillingen er utarbeidet etter den indirekte metode. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer.

Bruk av estimater

Ledelsen har brukt estimater og forutsetninger som har påvirket resultatregnskapet og verdsettelsen av eiendeler og gjeld, samt usikre eiendeler og forpliktelser på balansedagen under utarbeidelsen av årsregnskapet i henhold til god regnskapsskikk.

Note 2 Lønnskostnader, antall ansatte, godtgjørelser, lån til ansatte m.m.

Beløp vises i tusen kr

Lønnskostnader	2020	2019
Lønninger	81 338	104 167
Arbeidsgiveravgift	8 461	11 896
Pensjonskostnader	4 974	6 197
Andre ytelser	1 955	2 564
Sum	96 728	124 824

Gjennomsnittlig antall ansatte i 2020 er 147 personer.

Ytelser til administrerende direktør	2020	2019
Lønninger	0	2 383
Pensjonskostnader	0	68
Andre ytelser	0	11
Ytelser til styret		
Styrehonorar	0	23
Sum	0	2 485

Selskapet har ikke utbetalt lønn til nåværende administrerende direktører, men har mottatt og kostnadsført faktura fra datterselskapet Palfinger Marine Europe BV tilsvarende NOK 2.772 til dekning av lønns- og reisekostnader.

Det er ikke gitt ytelser til administrerende direktør, andre ledende ansatte eller styret, utover det overfornevnte.

Lån til nærstående parter	2020	2019
Lån til adm.dir	0	0
Lån til ansatte	0	0
Sum	0	0

Godtgjørelse revisor	2020	2019
Kostnadsført revisjonshonorar	406	821*
Kostnadsført honorar for skattebistand	973	58*
Kostnadsført honorar for annen bistand	0	0*
Sum	1 379	879*

* - tidligere revisor

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**Note 3 Salgsinntekter**

Beløp vises i tusen kr

	2020	2019
Pr. virksomhetsområde		
LSA (tidl. equipment)	407 801	340 877
Service	66 529	74 749
Fender	27 169	33 247
Øvrige	8 619	794
	510 117	449 666
Geografisk fordeling		
Norden	79 825	112 792
Øvrig Europa	234 254	205 827
Amerika	67 316	20 531
Asia	107 519	94 916
Australia	1 745	8 838
Afrika	19 456	6 762
	510 117	449 666

Note 4 Anleggskontrakter

Beløp vises i tusen kr

	2020	2019
Anleggskontrakter i balansen		
Opptjent inntekt prosjekter under utførelse	265 071	218 171
Overført forskudd prosjekter under utførelse	-100 351	-121 597
Opptjent ikke fakturert inntekt ferdigstilte prosjekter	54 226	103 851
Bokført verdi prosjekter under utførelse	218 946	200 424
Mottatt forskudd for prosjekter under utførelse	135 890	177 219
Overført forskudd prosjekter under utførelse	-100 351	-121 597
Netto forskudd fra kunder for prosjekter under utførelse	35 540	55 621
Margin på igangværende prosjekter		
Inntektsført på igangværende prosjekter	265 071	218 171
Kostnadsført på igangværende prosjekter	-221 280	-174 456
Margin på igangværende prosjekter	43 790	43 715

Selskapet har ingen fordringer som er holdt tilbake av kunde grunnet kontraktsmessige forhold.

Palfinger Marine Safety AS har aktiviteter i inn- og utland som medfører valutarisiko for selskapet. Selskapet benytter terminsikringer i valuta som motsvares av inntekter i valuta på hvert enkelt prosjekt for å redusere eksponeringen for valutarisiko der dette synes hensiktsmessig.



Note 5 Skatt

Årets skattekostnad	2020	2019
Resultatført skatt på ordinært resultat:		
Betalbar skatt	0	0
Endring i utsatt skattefordel	0	0
Skattekostnad ordinært resultat	0	0
Skattepliktig inntekt:		
Ordinært resultat før skatt	-105 486	-222 800
Permanente forskjeller	1 347	87 639
Gevinst ved salg aksjer	0	-152
Inntektsført utbytte	0	-97
Endring i midlertidige forskjeller	-9 322	42 271
Avskåret rentefradrag	0	0
Skattepliktig inntekt	-113 461	-93 140
Betalbar skatt i balansen:		
Betalbar skatt på årets resultat	0	0
Sum betalbar skatt i balansen	0	0

Skatteeffekten av midlertidige forskjeller og underskudd til fremføring som har gitt opphav til utsatt skatt og utsatte skattefordeler, spesifisert på typer av midlertidige forskjeller:

	2020	2019	Endring
Varige driftsmidler	10 381	-15 566	25 947
Tilvirkningskontrakter	43 790	43 715	76
Varebeholdning	-11 398	-8 104	-3 294
Fordringer	-7 657	-6 296	-1 361
Gevinst – og tapskonto	4 825	15 623	-10 797
Avsetninger mv	-7 050	-5 800	-1 250
Pensjonspremie/- forpliktelse	-40	-40	0
Andre forskjeller	0	0	0
Sum	32 852	23 532	9 321
Andre forskjeller (finansielle instrumenter)	-3 658	-126	
Akkumulert fremførbart underskudd	-484 391	-370 779	
Avskåret rentefradrag til framføring	-40 464	-40 464	
Inngår ikke i beregningen av utsatt skatt	495 661	387 837	
Grunnlag for utsatt skattefordel	0	0	
Utsatt skattefordel (22 %)	0	0	

Utsatt skattefordel er ikke balanseført som følge av usikkerhet rundt fremtidig anvendelse.



Note 6 Varige driftsmidler

Beløp vises i tusen kr

	Transport- midler	Inventar	Maskiner	Bygninger	Tomter	Sum
Anskaffelseskost 01.01.2020	8 353	8 137	46 607	59 196	4 289	126 581
Årets tilgang	240	619	50	0	0	909
Omklassifisering fra immaterielle	0	0	0	0	0	0
Årets avgang	0	-5 968	-71	-27 397	-900	-34 265
Anskaffelseskost 31.12.2020	8 593	2 788	45 585	31 799	3 389	93 153
Akkumulerte avskrivninger 31.12.2020	5 604	2 193	33 995	29076	0	70 868
Bokført verdi 31.12.2020	2 989	595	12 589	2 724	3 389	22 285
Årets avskrivninger	896	295	3 196	1 772	0	6 159
Økonomisk levetid	5-10 år	3-10 år	5-20 år	20-35 år		
Avskrivningsplan	Lineær	Lineær	Lineær	Lineær		

Note 7 Immaterielle eiendeler

Beløp vises i tusen kr

	Software og programvare	FoU	Sum
Anskaffelseskost 01.01.2020	70 039	165 447	235 486
Årets tilgang	0	10 964	10 964
Omklassifisering til materielle	0	0	0
Anskaffelseskost 31.12.20	70 039	176 410	246 449
Akkumulerte avskrivninger 31.12.20	38 432	124 506	162 938
Bokført verdi 31.12.2020	31 607	51 904	83 511
Årets avskrivninger	6 786	16 896	23 682
Økonomisk levetid	3-15 år	3-10 år	
Avskrivningsplan	Lineær	Lineær	

6



Note 8 Datterselskap, tilknyttet selskap m v
Beløp vises i tusen kr

Selskapsnavn	Forretningskontor	Eierandel%	Stemmeandel%	Bokført verdi (1000)	Årets resultat	Egenkapital
Palfinger Marine Europe BV	Nederland	100 %	100 %	0	-40 766	-123 162
Palfinger Marine LSE (Qingdao) Co., Ltd	Kina	100 %	100 %	15 785	-36	20 618
Palfinger Marine Germany GmbH	Tyskland	100 %	100 %	6 433	1 783	20 661
Palfinger Marine USA Inc	USA	100 %	100 %	6 400	16 653	116 756
Palfinger Marine UK Limited	England	100 %	100 %	2 064	3 655	19 229
Palfinger Marine Shanghai Co., Ltd	Kina	100 %	100 %	6 916	2.325	9 894
Harding Safety S.L.	Spania	100 %	100 %	3 126	1 049	11 275
Palfinger Marine Do Brasil	Brasil	3,36 %	3,36 %	1 157	1.917	53 801
Palfinger Marine Hong Kong Ltd	Hong Kong	100 %	100 %	0	-301	-2 359
Noreq BV	Nederland	100 %	100 %	144	0	219
Palfinger Marine Denmark AS	Danmark	100 %	100 %	11 811	3.655	16 144
Palfinger Marine Italy srl	Italia	100 %	100 %	4 471	632	5 174
Palfinger Marine Canada Inc	Canada	100 %	100 %	0	3.662	15 398
Sum aksjer i datterselskap				58 307		

Egenkapital og årets resultat er omregnet til henholdsvis rapporteringskurs i konsernet pr 31.12.20 og gjennomsnitts rapporteringskurs i konsernet 2020.

Selskapet har ikke mottatt aksjeutbytte i 2020

Datterselskapet Heron Davits AS er innfusjonert i Palfinger Marine Safety AS i 2020.

Note 9 Aksjer og andeler i andre selskaper
Beløp vises i tusen kr

Selskap	Eierandel	Bokført verdi
Rosendal Utviklingsselskap AS	8 %	50
Rosendal Hamn Eiendom AS	12,5 %	260
Atehno AS	20 %	200
Sunnhordlandsdiagonalen AS	4,55 %	15
		526

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Note 10 Skattetreksmidler og bankinnskudd

Beløp vises i tusen kr

	2020	2019
Bundne skattetreksmidler	0	0
Depositum	549	549
Sum	549	549

Selskapet har avgitt en bankgaranti stor TNOK 10 000 som sikkerhet for påløpt skattetrekk. Skyldig skattetrekk pr. 31.12.2020 er TNOK 3 762 og tilsvarer 6. termin.

Palfinger Marine Safety AS inngår i konsernets konsernkontoavtale som innebærer at de deltagende konsernselskapene er solidarisk ansvarlig for de trekk som andre selskaper i konsernet har gjennomført.

Per 31.12.2020 er samlet saldo på konsernkontoordningen MNOK 8 976 og fremkommer i sin helhet i Palfinger Marine Safety sin balanse.

Note 11 Mellomværende med selskap i samme konsern og tilknyttet selskap

Beløp vises i tusen kr

<i>Fordringer</i>	2020	2019
Lån til foretak i samme konsern	2 503	3 706
Kundefordringer	21 610	21 088
Andre fordringer (konsernkonto)	0	90
Sum	24 113	24 884
<i>Gjeld</i>	2020	2019
Leverandørgjeld	26 302	27 740
Annen kortsiktig gjeld	0	0
Gjeld til selskap i samme konsern (konsernkonto)	33 733	45 783
Gjeld til Palfinger AG	454 381	360 762
Sum	514 417	434 286

Palfinger Marine Safety AS har en multicurrency agreement med datterselskap. Regnskapsmessig behandles dette som mellomværende for alle underkontoer.



Note 12 Aksjekapital og aksjonærinformasjon

Beløp vises i tusen kr

Aksjekapitalen består av:

	Antall	Pålydende	Balansført
Ordinære aksjer	6 600 000	0,2kr	1 320

Oversikt over aksjonærene i selskapet pr 31.12:

	Ordinære aksjer	Stemmeandel	Eierandel
Palfinger Marine GmbH	6 600 000	100 %	100 %

Palfinger Marine Safety AS med døtre inngår i Palfinger AG sitt konsernregnskap. Konsernregnskap kan hentes fra regnskapsregisteret.

Note 13 Egenkapital

	Aksjekapital	Overkurs	Annen Innskutt egenkapital	Annen egenkapital / udekket tap	Sum egenkapital
Pr. 31.12.2019	1 320	0	0	-84 028	-82 708
Årets resultat				-105 486	-105 486
Urealisert kursgevinst teminkontrakter				-18 190	-18 190
Fusjon med Heron Davits AS				445	445
Pr 31.12.2020	1 320	0	0	-208 149	-206 829

Selskapets egenkapital er tapt. Morselskapet, Palfinger AG har utstedt garanti for å sikre selskapets fortsatte drift. Denne garantien sikrer at selskapets løpende kan gjøre opp sine forpliktelser. Selskapet har ikke eksternt rentebærende gjeld. Styret arbeider for å konvertere deler av intern gjeld for å styrke selskapets egenkapital. Forutsetningen om fortsatt drift er til stede.

Note 14 Pant og garantier

Beløp vises i tusen kr

Garantiansvar	2020	2019
Forskuddsgaranti kunder	65 117	118 659
Skattetreksgaranti	10 000	10 000
Sum garantiansvar	75 117	128 659



Note 15 Valuta

Beløp vises i tusen kr

Palfinger Marine Safety AS har aktiviteter i inn- og utland gjennom kjøp og salg av varer og tjenester, dette vil naturlig nok medføre en viss valutarisiko. For selskapets større prosjekter benyttes terminsikring av både inntekter og kostnader for å redusere løpende valutarisiko der dette synes fornuftig og riktig. Selskapet benytter seg av regnskapsmessig sikringsbokføring. Ved utgangen av 2020 har selskapet balanseført TNOK -3 658 i forbindelse med inngåtte terminforretninger i EUR og USD med motpost på egenkapital. Mot egenkapital er også ført verdiendring som følge av forlengelse av inngåtte kontrakter Ikke balanseført virkelig verdi av terminforretninger utgjør TNOK 0 per 31.12.2020. Periodiseringen oppstår ved at gevinst og tap i forbindelse med sikring skal resultatføres i samme periode.

Valutagevinst / -tap knyttet til kundefordringer og leverandørgjeld pr 31.12.2020 er klassifisert som driftsinntekt / driftskostnad i resultatregnskapet

Valutasikring pr 31.12.20

Valuta	Valutabeløp	Gj.sn.kurs	NOK Beløp
EUR (salg)	47 830	10,4086	497 840

Note 16 Pensjoner

Beløp vises i tusen kr

Palfinger Marine Safety AS har etter lov om obligatorisk innskuddsbasert pensjon, pliktig innskuddsbasert pensjon. Videre har selskapet en uførepensjonsordning med fripoliseopptjening. Ordningen gir en rettighet til fremtidige utbetalinger ved uførhet eller dødsfall. Forpliktelsens størrelse er i hovedsak avhengig av antall opptjeningsår, lønnsnivå og størrelsen på ytelsene fra Folketrygden. Forpliktelsene er dekket gjennom et forsikringsselskap.

Palfinger Marine Safety har også en lukket AFP ordning som inkluderer totalt 6 pensjonister. Ordningen er en del av LO/NHO-ordningen som innebærer at alle ansatte kan velge å gå av med førtidspensjon fra og med 62 år. Denne ordningen ble i februar 2010 vedtatt avvirket og det var kun mulig å gå av med førtidspensjon etter den gamle ordningen fram til 31.12.2010. En gjenværende avsetning gjelder selskapets egenandel for personer som er førtidspensjonister i den gamle ordningen. Ved avviklingen av den gamle AFP-ordningen viste det seg å være en betydelig underdekning i ordningen. Denne underdekningen må medlemsbedriftene dekke opp gjennom fortsatt innbetaling av premier frem til og med 2015. I 2015 ble det betalt og kostnadsført kr. 51 405 i premie for den gamle AFP-ordningen.

Som erstatning for den gamle AFP-ordningen er det etablert en ny AFP-ordning. Den nye AFP-ordningen er, i motsetning til den gamle, ikke en førtidspensjonsordning, men en ordning som gir et livslangt tillegg på den ordinære pensjonen. De ansatte kan velge å ta ut den nye AFP-ordningen fra og med fylte 62 år, også ved siden av å stå i jobb, og den gir ytterligere opptjening ved arbeid fram til 67 år. Den nye AFP-ordningen er en ytelsesbasert flerforetakspensjonsordning, og finansieres gjennom premier som fastsettes som en prosent av lønn. Foreløpig foreligger ingen pålitelig måling og allokering av forpliktelse og midler i ordningen. Regnskapsmessig blir ordningen behandlet som en innskuddsbasert pensjonsordning hvor premiebetalinger kostnadsføres løpende, og ingen avsetninger foretas i regnskapet. Det er betalt premie i den nye ordningen i 2020 med 2,5 % av samlede utbetalinger mellom 1 G og 7,1 G til bedriftens arbeidstakere.

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**Note 17 - Transaksjoner med nærstående parter**
Beløp vises i tusen kr

Nærstående part	Tilknytning	Eierandel
Palfinger Marine GmbH	Morselskap	100%
Palfinger Marine Europe BV	Datterselskap	100%
Palfinger Marine LSE (Qingdao) Co., Ltd	Datterselskap	100%
Palfinger Marine Germany GmbH	Datterselskap	100%
Palfinger Marine USA Inc	Datterselskap	100%
Palfinger Marine UK Limited	Datterselskap	100%
Palfinger Marine Shanghai Co., Ltd	Datterselskap	100%
Harding Safety S.L.	Datterselskap	100%
Palfinger Marine Do Brasil	Datterselskap	3,36%
Palfinger Marine Hong Kong Ltd	Datterselskap	100%
Noreq BV	Datterselskap	100%
Palfinger Marine Denmark AS	Datterselskap	100%
Palfinger Marine Italy srl	Datterselskap	100%
Palfinger Marine Canada Inc	Datterselskap	100%
Palfinger Marine Netherlands BV	Søsterselskap	
Palfinger Marine Vietnam Co. Ltd.	Søsterselskap	
Palfinger Marine Maribor d.o.o	Søsterselskap	
Palfinger Marine Poland Sp.z.o.o	Søsterselskap	
Palfinger Poland Sp z.o.o	Søsterselskap	
Palfinger Asia Pacific pte ltd.	Søsterselskap	
Palfinger Marine Europe Dubai branch	Søsterselskap	
Palfinger Marine Czech sro	Søsterselskap	
Palfinger Marine Norway AS	Søsterselskap	
Palfinger Iberica Maquinaria SL	Søsterselskap	

Transaksjoner med nærstående parter

Selskapet har foretatt flere forskjellige transaksjoner med nærstående parter. Alle transaksjoner er foretatt som del av den ordinære virksomheten og til armlengdes priser.

Utover dette er de vesentligste transaksjoner som er foretatt som følger:

- kjøp av varer fra Palfinger Marine Netherlands for hhv TNOK 23.804 i 2020 og TNOK 63.237 i 2019
- kjøp av varer fra Palfinger Marine Vietnam for hhv TNOK 117.830 i 2020 og TNOK 52.238 i 2019
- kjøp av varer fra Palfinger Marine Maribor for hhv TNOK 142.480 i 2020 og TNOK 42.746 i 2019
- kjøp av tjenester fra Palfinger Marine Netherlands for hht TNOK 34.289 i 2020 og TNOK 35.658 i 2019



- e) kjøp av varer fra Palfinger Marine LSE (Qingdao) for hhv TNOK 10.303 i 2020 og TNOK 23.486 i 2019
f) kjøp av tjenester fra Palfinger Marine Europe BV for hhv TNOK 8.821 i 2020 og TNOK 7.703 i 2019
g) kjøp av varer fra Palfinger Marine Europe BV for hhv TNOK 8.177 i 2020 og TNOK 6.770 i 2019

Note 18 Varer

	2020	2019
Lager av råvarer og innkjøpte halvfabrikater	23 698	33 088
Lager av varer under tilvirkning	0	0
Lager av ferdigvarer	14 872	2 688
Sum	38 571	35 776
Lager vurdert til kostpris	49 969	43 880
Lager vurdert til virkelig verdi	38 571	35 776
Ukuransnedskrivning	11 398	8 104

Note 19 Andre forhold

Det er fremdeles usikkerhet knyttet til utviklingen av COVID-19 som har medført økt uro i finansmarkedene og kan medføre langvarig reduksjon i aktivitetsnivået i den norske og globale økonomien. En reduksjon i aktivitetsnivået vil kunne medføre økonomiske utfordringer for selskapets kunder. Tilgangen på finansiering kan videre påvirkes av uroen i økonomien. Ledelsen overvåker utviklingen og vil iverksette tiltak for å minimere den negative innvirkningen for selskapet. Den totale effekten av COVID-19 for virksomheten er pr. tidspunkt for regnskapsavleggelse usikker.

Med virkning fra 01.04.2021 har Palfinger solgt livbåttfabrikken på Ølve til det nystartede selskapet Herde Komposit AS. Alle ansatta på Ølve har fått tilbud om ansettelse i den nye selskapet. Herde Komposit skal fremdeles produsere enkelte livbåttypen på oppdrag for Palfinger.

Det er videre besluttet at anleggskontraktene heretter kjøres av datterselskapet Palfinger Marine Europe BV i Nederland. Dette gjelder både nye kontrakter og endel løpende kontrakter.



Til generalforsamlingen i Palfinger Marine Safety AS

Uavhengig revisors beretning

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert Palfinger Marine Safety AS' årsregnskap som består av balanse per 31. desember 2020, resultatregnskap og kontantstrømpstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening er det medfølgende årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettviseende bilde av selskapets finansielle stilling per 31. desember 2020, og av dets resultater for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Ledelsen er ansvarlig for øvrig informasjon. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke øvrig informasjon, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese øvrig informasjon med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom øvrig informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

Styrets og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

PricewaterhouseCoopers AS, Stryn Næringshage, Tinggata 3, NO-6783 Stryn
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Uavhengig revisors beretning - Palfinger Marine Safety AS



Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål med revisjonen er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:
<https://revisorforeningen.no/revisjonsberetninger>

Uttalelse om andre lovmessige krav

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til resultatdisponering er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Bergen, 31. august 2021
PricewaterhouseCoopers AS

Jan Roger Hånes
Statsautorisert revisor
(elektronisk signert)

(2)



Revisjonsberetning Palfinger Marine Safety AS

Signers:

Name	Method	Date
Hånes, Jan Roger	BANKID_MOBILE	2021-08-31 08:43

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- The electronic signatures. These are not visible in the document, but are electronically integrated.



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of the document.



Vedr. Konsernregnskap:

Som morselskap I underkonsern er det ikkje utarbeidet konsernregnskap ihht regnskapsloven § 3-7. Dette er omtalt i årsrapporten, styrets årsberetning under pkt «Årets resultat og redegjørelse for årsregnskapet»

Morselskaps konsernregnskap vedlagt.



CONSOLIDATED FINANCIAL STATEMENTS

**PALFINGER
IS
COMPLETELY
ON TRACK.**

Felix Strohbichler, CFO





CONSOLIDATED INCOME STATEMENT

EUR thousand	Note	Jan–Dec 2019	Jan–Dec 2020
Revenue	16	1,753,849	1,533,864
Cost of sales	18, 24, 25, 26	(1,321,250)	(1,154,936)
Gross profit		432,599	378,928
Other operating income	17	17,220	26,518
Research and development costs	19, 25, 26	(38,988)	(46,197)
Distribution costs	20, 25, 26	(130,268)	(131,358)
Administrative costs	21, 25, 26	(135,130)	(110,671)
Other operating expenses	22	(15,849)	(26,055)
Income from companies reported at equity	23	19,431	9,183
Earnings before interest and taxes – EBIT		149,015	100,288
Interest income	27	792	1,549
Interest expenses from financial liabilities	27	(12,447)	(10,346)
Other interest expenses	27	(2,371)	(3,078)
Exchange rate differences	27	(1,877)	(3,117)
Other financial result	27	12	(201)
Financial result		(15,891)	(15,193)
Earnings before income tax		133,124	85,095
Income tax	28, 67	(35,302)	(22,149)
Result after income tax		97,822	62,946
attributable to shareholders of PALFINGER AG (consolidated net profit or loss for the period)		80,028	49,789
attributable to non-controlling interests		17,794	13,157
EUR			
Earnings per share (undiluted and diluted)	45	2.13	1.32



PALFINGER INTEGRATED ANNUAL REPORT 2020
 CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Note	Jan–Dec 2019	Jan–Dec 2020
Result after income tax		97,822	62,946
Amounts that will not be reclassified to the income statement in future periods			
Remeasurement according to IAS 19	51	15,439	(799)
Deferred taxes thereon		1,326	223
		(4,113)	(576)
Amounts that may be reclassified to the income statement in future periods			
Unrealized gains (+)/losses (–) from foreign currency translation of foreign subsidiaries		6,288	(38,075)
Unrealized gains (+)/losses (–) from currency translation of entities reported at equity/non-current assets held for sale	33	1,142	(4,221)
Unrealized gains (+)/losses (–) from foreign currency translation of long-term loans to foreign subsidiaries (pursuant to IAS 21.15)		3,161	(12,084)
Deferred taxes thereon		(319)	1,529
Effective taxes thereon		(307)	1,492
Gains (+)/losses (–) from cash flow hedge	47		
Changes in unrealized profits (+)/losses (–)		(1,062)	(1,094)
Deferred taxes thereon		(352)	91
Effective taxes thereon		658	264
Realized gains (–)/losses (+)		3,253	2,090
Deferred taxes thereon		(89)	115
Effective taxes thereon		1704	(620)
		11,652	(50,511)
Other comprehensive income after income tax		7,539	(51,090)
Total comprehensive income		105,361	11,857
attributable to shareholders of PALFINGER AG		87,860	1,608
attributable to non-controlling interests		17,501	10,248



CONSOLIDATED BALANCE SHEET

EUR thousand	Note	12/31/2019	12/31/2020
Non-current assets			
Intangible assets	1, 2, 3, 30, 60	280,392	248,675
Property, plant and equipment	2, 31, 61	427,673	410,477
Interests in entities reported at equity	5, 23, 33	155,112	49,944
Other non-current assets	36	3,963	3,360
Deferred tax assets	9, 34, 67	28,382	30,045
Non-current financial assets	13, 35, 56, 64	19,127	14,608
		914,649	757,109
Current assets			
Inventories	8, 37, 62	351,357	311,755
Trade receivables	6, 38, 56, 63, 64	240,417	191,508
Contract assets from customer contracts	38, 63	35,137	37,588
Other current receivables and assets	40	42,440	39,535
Income tax receivables	28, 67	10,511	1,386
Current financial assets	13, 39, 56, 64	5,064	8,931
Cash and cash equivalents	41, 56, 64	42,037	104,198
		726,963	694,901
Non-current assets held for sale	33	-	104,866
		726,963	799,767
Assets		1,641,612	1,556,876
Equity			
Share capital	42	37,593	37,593
Share premium	43	86,844	86,844
Retained earnings	45, 46, 47	496,149	533,034
Currency translation reserve	44	(40,363)	(93,228)
Foreign currency translation reserve from assets held for sale		-	4,429
Total equity of the shareholders of PALFINGER AG		580,223	568,672
Non-controlling interests	48	48,869	47,777
		629,092	616,449
Non-current liabilities			
Non-current financial liabilities	49, 56, 64	522,083	456,071
Non-current purchase price liabilities from acquisitions	12, 50, 56, 64	10,562	24
Non-current provisions	10, 51, 65, 66	61,337	68,197
Deferred tax liabilities	34, 67	11,060	8,336
Non-current contract liabilities from customer contracts	55	3,881	3,326
Other non-current liabilities	52	75	101
		608,998	536,055
Current liabilities			
Current financial liabilities	56, 64	69,715	68,682
Current purchase price liabilities from acquisitions	12, 50, 56, 64	528	12,088
Current provisions	11, 53, 66	21,186	23,153
Income tax liabilities	28, 67	9,042	6,843
Trade payables and other current liabilities	54, 56, 64	273,198	259,238
Current contract liabilities from customer contracts	55	29,853	34,368
		403,522	404,372
Equity and liabilities		1,641,612	1,556,876



PALFINGER INTEGRATED ANNUAL REPORT 2020
 CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousand	Note	Equity attributable to the shareholders of PALFINGER AG	
		Share capital	Share premium
As at 1/1/2019		37,593	86,844
Total comprehensive income			
Result after income tax			
Other comprehensive income after income tax			
Unrealized gains (+)/losses (-) from foreign currency translation	44	-	-
Remeasurement according to IAS 19	51	-	-
Gains (+)/losses (-) from cash flow hedge	47	-	-
		-	-
		-	-
Transactions with shareholders			
Dividends	46	-	-
Addition of non-controlling interests		-	-
Disposal of non-controlling interests		-	-
Other changes	43	-	-
		-	-
As at 12/31/2019		37,593	86,844
As at 1/1/2020		37,593	86,844
Total comprehensive income			
Result after income tax		-	-
Other comprehensive income after income tax			
Unrealized gains (+)/losses (-) from foreign currency translation	44	-	-
Remeasurement according to IAS 19	51	-	-
Gains (+)/losses (-) from cash flow hedge	47	-	-
		-	-
		-	-
Transactions with shareholders			
Dividends	46	-	-
Addition of non-controlling interests		-	-
Other changes		-	-
		-	-
As at 12/31/2020		37,593	86,844



Equity attributable to the shareholders of PALFINGER AG						
Retained earnings				Total	Non-controlling Interests	Equity
Other retained earnings	Remeasurement according to IAS 19	Valuation reserve according to IFRS 9	Currency translation adjustments			
454,826	(10,766)	(3,925)	(80,539)	514,033	41,693	555,726
80,028	-	-	-	80,028	17,794	97,822
-	-	-	10,176	10,176	(211)	9,965
-	(4,031)	-	-	(4,031)	(82)	(4,113)
-	-	1,687	-	1,687	-	1,687
-	(4,031)	1,687	10,176	7,832	(293)	7,539
80,028	(4,031)	1,687	10,176	87,860	17,501	105,361
(19,173)	-	-	-	(19,173)	(10,458)	(29,631)
-	-	-	-	-	2,408	2,408
(2,495)	-	-	-	(2,495)	(2,273)	(4,768)
(2)	-	-	-	(2)	(2)	(4)
(21,670)	-	-	-	(21,670)	(10,325)	(31,995)
513,184	(14,797)	(2,238)	(40,363)	580,223	48,869	629,092
513,184	(14,797)	(2,238)	(40,363)	580,223	48,869	629,092
49,789	-	-	-	49,789	13,157	62,946
-	-	-	(48,435)	(48,435)	(2,924)	(51,359)
-	(591)	-	-	(591)	15	(606)
-	-	846	-	846	-	846
-	(591)	846	(48,435)	(48,180)	(2,909)	(51,089)
49,789	(591)	846	(48,435)	1,609	10,248	11,857
(13,158)	-	-	-	(13,158)	(11,870)	(25,028)
-	-	-	-	-	528	528
(1)	-	-	(1)	(2)	2	-
(13,159)	-	-	(1)	(13,160)	(11,340)	(24,500)
549,814	(15,388)	(1,392)	(88,799)	568,672	47,777	616,449



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CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	Note	Jan-Dec 2019	Jan-Dec 2020
Cash flows from operating activities			
Earnings before income tax		133,124	85,095
Depreciation, amortization and impairment losses (+)/ reversal of impairment losses (-) on noncurrent assets		74,613	88,373
Gains (-)/losses (+) on the disposal of non-current assets	17, 22	(871)	375
Interest income (-)/interest expenses (+)	27	14,028	11,875
Income from companies reported at equity	23, 33	(19,431)	(9,183)
Non-cash change in purchase price liabilities	50	404	325
Other non-cash income (-)/expenses (+)		2,778	8,945
Increase (-)/decrease (+) of assets		(24,981)	48,872
Increase (+)/decrease (-) of provisions		6,094	8,590
Increase (+)/decrease (-) of liabilities		18,778	843
Cash flows from ordinary operations		204,534	244,110
Interest received		604	1,308
Interest paid		(11,754)	(10,194)
Dividends received from companies reported at equity	33	5,399	5,233
Income tax paid		(42,752)	(15,783)
		156,091	224,669
Cash flows from investing activities			
Cash receipts from the sale of intangible assets and property, plant and equipment		7,891	3,636
Cash payments for the acquisition of intangible assets and property, plant and equipment		(95,641)	(65,093)
Cash payments for the acquisition of subsidiaries net of cash acquired ¹⁾		316	-
Cash payments for the acquisition of entities reported at equity	33	(1,050)	-
Cash receipts from the sale of entities reported at equity	33	28,600	-
Cash receipts from the sale of securities		591	17
Cash payments for the acquisition of securities		(51)	(4)
Cash receipts for other assets		5,369	928
		(53,975)	(60,516)
Cash flows from financing activities			
Dividends to shareholders of PALFINGER AG	46	(19,172)	(13,158)
Dividends to non-controlling shareholders	48	(10,458)	(11,870)
Cash payments for the acquisition of non-controlling interests ¹⁾	48	(4,768)	-
Repayment of purchase price liabilities	50	(2,018)	-
Repayment of financing for the acquisition of investments		(14,000)	(3,000)
Non-current refinancing of redemptions and maturing current loans		30,000	-
Repayment of maturing/terminated loans		(20,000)	(30,000)
Repayment of maturing/terminated promissory note loans		(27,000)	(21,353)
Repayment of current financing		-	(8,905)
Repayment of lease liabilities		(11,880)	(11,962)
Cash payments for/cash receipts from other financial liabilities	49	(15,919)	2,047
		(95,215)	(98,221)
Total cash flows		6,841	68,992
Free cash flow²⁾		112,966	173,319

1) Same scope of consolidation.
 2) Sum total of operating cash flows and investment cash flows plus interest on borrowings minus tax-deductible interest on borrowings.



EUR thousand	Note	2019	2020
Funds as at 1/1	41	34,684	42,037
Effects of changes in exchange rates		512	(3,771)
Total cash flows		6,841	65,932
Funds as at 12/31	41	42,037	104,198

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

GENERAL INFORMATION

PALFINGER AG, with its headquarters at Lamprechtshausener Bundesstraße 8, 5101 Bergheim, Salzburg, Austria, is the listed parent company of a group of companies whose activities focus on the production and distribution of innovative lifting solutions for use on commercial vehicles and in the maritime sector.

The consolidated financial statements of PALFINGER AG as at December 31, 2020 have been compiled in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and the interpretations of the IFRS Interpretations Committee (IFRS IC) as applicable in the European Union (EU). In accordance with sec. 245a of the Business Code, these consolidated financial statements have an exempting effect under Austrian law; all additional requirements of sec. 245a (1) of the Business Code have been met.

The consolidated financial statements are prepared as at the reporting date of the parent company, PALFINGER AG. The financial year corresponds to the calendar year. The financial statements of the individual Austrian and foreign companies included in the consolidated financial statements were prepared as at the reporting date of the consolidated financial statements. SANY Automobile Holsting Machinery Co., Ltd., which was an associated company until the end of 2020, was an exception because the information required is only available after the publication of PALFINGER's relevant consolidated financial statements. For this reason, it was decided to always include the quarterly result in the consolidated financial statements, offset by one quarter in each case. Were material events to occur between the quarterly financial statements included in the consolidated financial statements and the current reporting date, they would have been taken into account accordingly.

Within the Group, accounting and valuation are based on uniform criteria. The consolidated financial statements are prepared on a going concern basis. Items are aggregated for the sake of clarity in the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows. These same items are then listed and explained separately in the notes based on the principle of materiality.

The consolidated balance sheet is classified by maturity in accordance with IAS 1. Assets and liabilities are classified as current if they are expected to be realized or settled within twelve months of the balance sheet date. The consolidated income statement has been prepared using the cost of sales method.

For the sake of clarity and comparability, all figures in the consolidated financial statements are expressed in EUR thousand as a general rule. The rounding of individual items and percentages can lead to minor differences in calculated amounts.

The consolidated financial statements and the separate financial statements of the entities included in the consolidated financial statements are published in accordance with statutory requirements. The consolidated financial statements of PALFINGER AG as at December 31, 2020 were audited by PwC Wirtschaftsprüfung GmbH, Wien, Austria. On February 25, 2021, the Executive Board of PALFINGER AG approved the consolidated financial statements as at December 31, 2020 for submission to the supervisory board. The supervisory board has the task of reviewing the consolidated financial statements and communicating whether it approves the consolidated financial statements as at December 31, 2020.



PALFINGER INTEGRATED ANNUAL REPORT 2020
CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

CONSOLIDATION POLICIES

Scope of consolidation

PALFINGER AG prepares the consolidated financial statements for the PALFINGER Group. The consolidated financial statements comprise the financial statements of PALFINGER AG and the financial statements of the entities controlled by PALFINGER AG as at December 31 of each year. Control has been established if an entity has the right to direct an investee's relevant activities, if it generates variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Associated companies and joint ventures are included in the consolidated financial statements using equity method accounting. An associated company is an entity over which PALFINGER AG may exercise significant influence by participating in its financial and operating policy decisions but over which it has neither control nor joint control. There is a rebuttable presumption that the investor holds 20 to 50 percent of voting rights. A joint venture is a joint arrangement between PALFINGER and one or more other partners under which the parties having joint control of the joint venture hold rights to the net assets of this entity.

The 7.5 percent interest in SANY Automobile Hoisting Machinery Co., Ltd., was included in the consolidated financial statements until the end of 2020 as an associated company reported at equity. The significant influence results from rights granted to PALFINGER by way of contract, such as the right to participate in material decision-making processes, including the determination of the dividend amount, veto rights on individual major decisions, the provision of technical expertise, and representation in the supervisory body. The interest in SANY Automobile Hoisting Machinery is classified as held for sale as at December 31, 2020 (see Note (33) for details).

The scope of consolidation, including PALFINGER AG as the parent company, is disclosed in the Investment overview.

REORGANIZATIONS

The following reorganizations did not have any effect on the scope of consolidation:

With effect from April 1, 2020, the sub-operation "Distribution/After Sales - Spare Part Center" was transferred by demerger from the Austrian company Palfinger Europe GmbH to be included in the Austrian company Palfinger EMEA GmbH.

On 4/15/2020, all shares in the Slovenian company Palfinger Marine d.o.o. were transferred from the Austrian company Palfinger Marine GmbH to the Austrian company Palfinger EMEA GmbH.

Furthermore, with effect from November 19, 2020, Heron Davit AS was merged with Palfinger Marine Safety AS in Norway.

With effect from December 30, 2020, Palfinger Marine d.o.o., Slovenia, was merged into Palfinger proizvodnja d.o.o., Slovenia.

NEWLY FOUNDED ENTITIES

On January 1, 2020 Palfinger North America Inc. was founded in the USA as a 100-percent subsidiary of Palfinger US Holdings Inc.

On November 11, 2020, Palfinger Taiwan Co., Ltd. was established as a 100 percent subsidiary of Palfinger Asia Pacific Pte. Ltd., Singapore.

LIQUIDATIONS

The liquidation of Fair Wind Renewable Energy Services LLC in the USA was completed on May 22, 2020.

Furthermore, the liquidation of MBB Interlift N.V. in Belgium was finalized on October 7, 2020.

The liquidations, which were carried out in 2020, led to a total deconsolidation result of EUR 2 thousand.



NON-CONTROLLING INTERESTS

In May 2020, the last part of the capital contribution of EUR 1,078 thousand to be made in accordance with the purchase agreement was paid to Palfinger Structural Inspection GmbH. 49 percent of this (EUR 528 thousand) is attributable to non-controlling interests.

A capital increase was agreed with Palfinger Structural Inspection GmbH on December 4, 2020. On January 15, 2021 capital was increased by EUR 142 thousand. In the course of the capital increase, PALFINGER AG took over a share in the company amounting to a fully paid-in capital contribution of EUR 122 thousand. The amount plus a premium of EUR 1,378 thousand, in total EUR 1,500 thousand, was paid in January 2021. The shares increase from 51 percent to 65.2 percent. In addition, a further financing option for PALFINGER from Q3 of 2021 onwards and a put option for the minority shareholders were agreed upon for the financial year 2022.

ACQUISITIONS 2020/2021

Hinz Försäljnings AB

On November 30, 2020 the acquisition of 100 percent in Hinz Försäljnings AB by PALFINGER EMEA GmbH Austria was signed. With 5 service centers, 45 service partners, 71 employees and a turnover of approximately EUR 44.0 million (2019), Hinz Försäljnings AB is the most important PALFINGER sales partner in Sweden. The company distributes the majority of PALFINGER's product range in the Northern European core market, including marine cranes and services.

The transaction closed on January 4, 2021. The value of the consideration transferred to be derived from the closing balance sheet of the target company has not yet been finally determined.

EQUIPDRALIC

On Wednesday, February 10, 2021, the signing and closing took place for the acquisition of 100 percent of EQUIPDRALIC, S.L.U. by PALFINGER EMEA GmbH. The value of the consideration transferred to be derived from the closing balance sheet of the target company has not yet been finally determined. In 2020, EQUIPDRALIC and its 18-strong workforce generated sales of just under EUR 5 million. The company will be integrated into PALFINGER Iberica. With this takeover, PALFINGER expands its presence in the economically important region of Catalonia.

JOINT VENTURE

On 12/23/2020, the transaction documents were completed for the establishment of a joint venture between Jiangyin Neptune Marine Appliance Co. Ltd., China and Palfinger Marine Netherlands BV, Netherlands, and the concomitant transfer of the shares held by Palfinger Marine Safety AS, Norway in Palfinger Marine Shanghai Co., China (which will operate under the name Palfinger Neptune Co., Ltd. in future) to the above-mentioned joint venture partners, each to receive 50 percent of the shares. Legal effectiveness of the transaction requires inspection and approval on the part of the Chinese authorities. Approval was given on 01/28/2021.

INTERESTS IN ENTITIES REPORTED AT EQUITY

PALFINGER and SANY HEAVY INDUSTRIES agreed in December 2020 on the reversal of their cross-holding to reduce complexity. The potential transaction involves the sale of the 7.5 percent share in Sany Automobile Hoisting Machinery indirectly held by PALFINGER to a company within the SANY Group and the opportunity of transferring the approximately 7.5 percent share held by Sany Germany GmbH to PALFINGER AG. It was agreed that the total capital inflows arising from the cross-holding should be the same for both companies after its reversal. There will be no significant change in the valuation of the previous share holding at PALFINGER. The potential transaction still depends, among other things, on negotiating detailed transaction documents and obtaining any official approvals necessary. The interest in SANY Automobile Hoisting Machinery is classified as held for sale as at December 31, 2020 (see Note (33) for details).

Also on 12/23/2020, PALFINGER AG, Austria, signed a purchase contract for the acquisition of a 33 per cent stake in Jetfly Airline GmbH, Austria. Effectiveness of the purchase contract is contingent on approval subject to the Merger Regulation which is expected in Q1 of 2021.

▣ Group management report, Significant changes within the PALFINGER Group, p. 67;
Consolidated financial statements, List of shareholdings, p. 191



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Consolidation method

Business combinations are accounted for using the acquisition method. The cost of a business acquisition is calculated as the sum of consideration transferred, measured at fair value as of the acquisition date, and the non-controlling interest in the acquired entity. For each business combination, PALFINGER AG measures the non-controlling interests in the acquiree either at fair value or at the corresponding share of the acquiree's identifiable net assets. Costs incurred in connection with the business combination are recorded as expense.

When the PALFINGER Group acquires a business entity, it determines the proper classification and designation of the financial assets and assumed liabilities in accordance with the terms and conditions of the contract, the economic circumstances, and the general conditions prevailing on the acquisition date.

For business combinations achieved in stages, the equity interest in the entity previously held by PALFINGER AG is remeasured at fair value as of the acquisition date, and the resulting gain or loss is recognized through profit or loss.

The agreed conditional consideration is recognized at the acquisition date fair value. Subsequent changes in the fair value of contingent consideration representing an asset or liability are recognized through profit or loss in accordance with IFRS 3.58.

Goodwill is initially measured at cost, determined as the excess of the consideration transferred plus the fair value of the previously held non-controlling interests over the Group's identifiable assets and liabilities acquired. If this consideration is less than the fair value of the net assets of the acquired subsidiary, the difference is recognized through profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated from the acquisition date to each of the Group's cash-generating units that are expected to benefit from the combination. This applies regardless of whether other assets or liabilities of the acquiree are allocated to those cash-generating units.

If goodwill is assigned to a cash-generating unit and an operation representing part of this unit is sold, the goodwill attributable to the disposed operation is taken into account as a component of the operation's carrying amount when determining the gain or loss on the disposal of this operation. The value of the disposed portion of goodwill is determined based on the relative values of the disposed operation and the portion remaining with the cash-generating unit.

The net income as well as assets and liabilities of associated companies and joint ventures are included in the consolidated financial statements using equity method accounting. Investments in associated companies or joint ventures are reported in the balance sheet at cost after adjustment for changes in the Group's share of net assets after the acquisition date and for impairment losses. Losses exceeding the Group's investments in associated companies or joint ventures are not recognized unless the Group bears the economic risk. Goodwill related to the associated company or joint venture is included in the carrying amount of this share and is neither amortized nor subjected to a separate impairment test.

Any change in the amount of the interest held in a subsidiary not resulting in loss of control is accounted for as an equity transaction.

Intra-group receivables and liabilities, expenses and income, and interim results are fully eliminated.



Foreign currency translation within the Group

The consolidated financial statements are prepared in EUR, the functional currency of PALFINGER AG.

Monetary assets and liabilities denominated in a foreign currency are translated to the functional currency at every reporting date using the exchange rate prevailing on the reporting date. All exchange rate differences are recognized in profit or loss. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate prevailing on the transaction date. Non-monetary items that are measured at fair value in a foreign currency are translated at the exchange rate applicable when the fair value is determined.

Financial statements prepared in foreign currencies are translated in accordance with IAS 21 based on the concept of the functional currency. The assets and liabilities are translated from the functional currency into euros at the average exchange rate prevailing on the balance sheet date. Goodwill arising from the acquisition of foreign subsidiaries is assigned to the acquired company and translated at the average exchange rate prevailing on the balance sheet date. The items of the income statement of the foreign consolidated companies are translated at average exchange rates for the period.

Differences arising from the foreign currency translation of the proportionate equity are recognized in other comprehensive income. These exchange rate differences are recognized in profit or loss when a foreign entity is deconsolidated. Exchange rate differences attributable to non-controlling interests are offset against non-controlling interests.

Non-current financial receivables from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future are treated as a part of the net investment in the respective foreign subsidiary. Differences arising from the foreign currency translation of such items are recognized in other comprehensive income. On disposal of the net investment, such exchange differences are reclassified from equity to profit or loss.

The following exchange rates are of particular importance for the consolidated financial statements:

1 euro equals	Reporting date rate		Average exchange rate	
	12/31/2019	12/31/2020	Jan-Dec 2019	Jan-Dec 2020
BRL	4.5157	6.3735	4.4273	5.8847
CAD	1.4598	1.5633	1.4882	1.5320
GBP	0.8508	0.8990	0.8773	0.8864
NOK	9.8638	10.4703	9.8524	10.7115
RMB	7.8205	8.0225	7.7353	7.8916
RUB	69.9563	91.4671	72.7949	83.1271
USD	1.1234	1.2271	1.1214	1.1452

SEGMENTS

The Executive Board of PALFINGER AG manages the Group based on the application-related segments Sales & Service and Operations. This segment structure follows the strategy pursued by the Executive Board as well as the organizational and management structures and separates the different customer segments and business models from each other.

Following successful integration of the segment SEA, PALFINGER has divided its business into the segment Sales & Service and segment Operations. The HOLDING unit, which as a cost center comprises the Group's administrative expenses and strategic projects for the future, remained unchanged. The previous year's figures have been adjusted.

📄 Group management report, Performance by segment, p. 98



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SEGMENT SALES & SERVICE

Segment Sales & Service comprises the sales and service units and was expanded in 2020 to include the Sales & Service units of the former segment SEA.

The segment Sales & Service already has a diversified product portfolio. In this segment, the strategy is to maintain market and technology leadership and, in regions that are still being established and are less developed, to introduce customers to existing products, further strengthen sales and service structures and expand market share.

SEGMENT OPERATIONS

The segment Operations comprises the production sites and the respective production share of a company and was expanded in 2020 to include the operations of the former segment SEA.

HOLDING UNIT

The HOLDING unit encompasses the expenses for group-wide functions related to the Group's administration as well as costs for future strategic projects incurred by the Holding company. No revenue is reported in the HOLDING unit.

Carrying amounts

The carrying amounts for the purposes of segment reporting correspond to the accounting policies applied for the IFRS consolidated financial statements. The operating result (EBIT) is reported as the segment result.

For corporate management at Group level, PALFINGER uses Capital Employed and its influencing factors and/or Return on Capital Employed (ROCE). Capital Employed (reporting date) is composed of intangible assets, property, plant and equipment, investments in entities accounted for using the equity method, non-current operating assets, and net working capital.

📄 Group management report, financial position, cash flows, and results of operations, p. 64

Transfer pricing

The transfer prices are determined in accordance with the OECD guidelines. The requirement of arm's length and transparency have priority when determining transfer prices. In order to guarantee arm's length conditions, written contracts are required for intra-group deliveries and services.

Deliveries between subsidiaries are invoiced at the cost of production on the basis of standard capacity utilization plus a mark-up derived in accordance with a standardized functional and risk analysis.

Services are subdivided into different groups and the invoiced either on a cost basis (final settlement, cost contribution arrangement, agreed flat rate) or using the cost-plus mark-up method. Whether or not a profit surcharge can be applied depends on the exact allocation and whether recurring routine functions are involved.



Jan–Dec 2019¹⁾

EUR thousand	SALES & SERVICE	OPERATIONS	HOLDING	Consolidation	Total
External revenue	1,641,544	112,305	-	-	1,753,849
Intra-group revenue	-	963,006	-	(963,006)	-
Total revenue	1,641,544	1,075,311	-	(963,006)	1,753,849
Depreciation, amortization and Impairment thereof Impairment	(34,202)	(34,828)	(5,598)	-	(74,628)
Income from companies reported at equity	11,980	7,451	-	-	19,431
EBIT	148,432	29,957	(29,374)	-	149,015
Segment assets	1,045,975	815,744	1,029,338	(1,249,445)	1,641,612
Segment liabilities	639,087	463,526	1,104,926	(1,195,019)	1,012,520

¹⁾ The previous year's figures have been adjusted.

Jan–Dec 2020

EUR thousand	SALES & SERVICE	OPERATIONS	HOLDING	Consolidation	Total
External revenue	1,443,370	90,494	-	-	1,533,864
Intra-group revenue	-	760,668	-	(760,668)	-
Total revenue	1,443,370	851,162	-	(760,668)	1,533,864
Depreciation, amortization and Impairment thereof Impairment	(47,347)	(34,768)	(6,261)	-	(88,376)
Income from companies reported at equity	7,530	1,653	-	-	9,183
EBIT	118,638	4,192	(22,542)	-	100,288
Segment assets	898,325	730,985	872,650	(945,084)	1,556,876
Segment liabilities	558,855	376,186	951,312	(945,926)	940,427

Revenue broken down by product group is as follows:

EUR thousand	Jan–Dec 2019	Jan–Dec 2020
Loader Cranes	1,008,280	955,659
Hydraulic Systems	745,569	568,205
Revenue	1,753,849	1,533,864

The loader cranes product group primarily consists of the products loader cranes, stiff boom cranes, timber/recycling, marine and wind cranes, and the related service business. The hydraulic systems product group comprises, among other things, the products tail lifts, platforms, hooklifts, truck mounted forklifts, and railway as well as marine products such as davits, boats, offshore, lifting and handling solutions, and the related service business.

No single external customer contributes more than 10 percent to external revenue.

Revenue broken down by geographical area is presented in Note (16).

¹⁾ Notes to the consolidated income statement, (16) Revenue, p. 132



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INFORMATION ON GEOGRAPHICAL AREAS

Non-current assets are broken down as follows:

EUR thousand	12/31/2019	12/31/2020
Intangible assets		
Germany	36,830	29,928
France	16,325	16,296
Austria	85,328	88,261
Netherlands	3,593	3,323
Norway	62,541	53,282
Remaining foreign countries	10,655	7,920
Romania	6,146	5,889
Russia	22,584	16,880
Spain	5,479	4,985
USA	14,375	7,341
United Arab Emirates	16,536	14,601
	280,392	248,675
Property, plant and equipment		
Brazil	6,165	5,205
Bulgaria	51,644	55,923
Germany	32,174	31,908
France	6,201	5,793
Austria	121,084	120,794
Canada	4,700	3,963
Korea	5,022	4,136
Norway	8,963	6,750
Remaining foreign countries	46,091	44,491
Romania	31,269	29,577
Russia	35,296	27,115
Slovenia	30,993	30,442
USA	48,071	44,380
	427,673	410,477
Other non-current assets		
Brazil	2,633	1,872
Denmark	20	21
Germany	213	133
France	72	74
India	55	49
Austria	416	254
Remaining foreign countries	242	323
Russia	109	213
Spain	151	258
USA	52	163
	3,963	3,380



STANDARDS AND INTERPRETATIONS TO BE APPLIED FOR THE FIRST TIME OR IN THE FUTURE

The following new, revised and/or supplemented IASB Standards and IFRS IC Interpretations must be applied for the first time in the fiscal year 2020. The new regulations did not have any material impact on the consolidated financial statements.

Standards/Interpretations	Mandatory application in the EU	Endorsement status
Amendment to IFRS 16 Leases COVID-19-Related Rent Concessions (published in May 2020)	June 1, 2020	endorsed in October 2020
Amendments to References to the Conceptual Framework in IFRS Standards (published in March 2018)	January 1, 2020	endorsed in November 2019
Amendment to IFRS 3 Business Combinations (published in October 2018)	January 1, 2020	endorsed in April 2020
Amendments to IAS 1 and IAS 8: Definition of Material (published in October 2018)	January 1, 2020	endorsed in November 2019
Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (published in September 2019)	January 1, 2020	endorsed in January 2020

Various new accounting standards and interpretations have been published but are not mandatory for the reporting period ending December 31, 2020 and have not been applied early. The effects of these new regulations on current or future reporting periods as well as foreseeable future transactions are not considered material in the Group.

They are therefore not relevant for these consolidated financial statements:

Standards/Interpretations	Mandatory application
IFRS 17 Insurance Contracts (published in May 2017), including Amendments to IFRS 17 (published in June 2020)	January 1, 2023
Amendment to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (published in January 2020) and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (published in July 2020)	January 1, 2023
Amendments to <ul style="list-style-type: none"> • IFRS 3 Business Combinations; • IAS 16 Property, Plant and Equipment; • IAS 37 Provisions, Contingent Liabilities and Contingent Assets • Annual Improvements 2018-2020 (published in May 2020) 	January 1, 2022
Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9 (published in June 2020)	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (published in August 2020)	January 1, 2021

USE OF ESTIMATES AND DISCRETIONARY DECISIONS

The preparation of the consolidated financial statements requires the use of estimates and assumptions that can influence the stated values of assets, liabilities, and financial obligations as of the balance sheet date as well as the income and expenses for the financial year. The actual values may differ from these estimates. The principle of a true and fair view is applied unconditionally in the use of all estimates. There is considerable risk associated with some of the most important assumptions regarding the future and other key sources of estimation uncertainty at the balance sheet date that it will be necessary to significantly adjust the carrying amounts of assets and liabilities within the next fiscal year; these assumptions and estimates are disclosed below.

(1) Purchase price allocations

Purchase price allocations made in the course of business acquisitions require assumptions as to the existence and measurement of the assets acquired (in particular intangible assets) and liabilities and contingent liabilities assumed. Assumptions – in particular regarding cash flows and the discount rate – are used when determining fair values in the course of the purchase price allocation.



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(2) Impairment of non-financial assets

The impairment tests performed by PALFINGER with respect to goodwill, intangible assets with indefinite useful lives and unfinished capitalized development projects are based on calculations of value in use, for the purpose of which a discounted cash flow method was applied. The recoverable amount depends highly on the discount rates used under the discounted cash flow model and the expected future cash inflows. Impairment losses on non-financial assets are reported in accordance with the cost of sales structure. More details on the impairment of non-financial assets are provided in Note (30) Intangible assets and Note (31) Property, plant and equipment.

(3) Development costs

Development costs are capitalized in accordance with the presented accounting policies. The initial capitalization of costs is based on the management's assessment that technical and economic feasibility has been demonstrated. As a rule, this is the case if a product development project has reached a certain milestone in an existing project management model. For the purpose of determining the amounts to be capitalized, the management makes assumptions regarding the volume of future cash flows expected from the project, the discount rates to be applied, and the period in which the flow of future benefits is expected. The capitalized development costs relate primarily to development activities in the areas of Cranes, Platforms, Tall Lifts, Services, Railway Systems, Offshore Cranes, Davits, and Boats. The impairment test is based on the use of the individual asset regardless of the profit expectations of the unit as a whole. Further details on capitalized development costs can be found under Note (30) Intangible assets.

(4) Determination of the duration and interest rate of leases – the Group as lessee

The Group determines the duration of the lease based on the non-cancelable base term of the lease as well as by factoring in the periods arising from an option to extend the lease if it is sufficiently certain that the Group will exercise such an option, or the periods arising from an option to terminate the lease if it is sufficiently certain that the Group will not exercise such an option. The Group has entered into multiple leases that include options to extend and terminate the lease. It makes discretionary decisions when assessing whether there is sufficient certainty that the option to extend or to terminate the lease will be exercised or not exercised, i.e. it considers all relevant factors representing an economic incentive for the Group to exercise the option to extend or to terminate the lease. These discretionary decisions must be scrutinized and re-evaluated as circumstances change, which can result in an adjustment of the lease term and thus to adjustments to the lease liability and the right-of-use. After the provision date, the Group determines the term of the lease once again if a significant event or a change in circumstances has occurred that lies within its control and has an influence on whether it will exercise the option to extend or terminate the lease (e.g. carrying out key tenant's improvements or a material adjustment of the underlying asset). In the case of building leases, the renewal options are generally applied in full because it does not make economic sense to change properties at short notice. In addition, options to extend vehicle leases are not included in the term of the lease, since as a rule the Group leases vehicles for a period of not more than five years and consequently does not exercise options to extend such leases. Furthermore, periods associated with an option to terminate a lease are only included in the term of the lease if it is sufficiently certain that the option will not be exercised. If the exchange of a right-of-use is associated with high costs or expense, it is considered sufficiently certain as a rule that the option to extend the lease will be exercised.

Please refer to Note (32) Leases for details regarding potential future lease payments for periods occurring after the date on which the option to extend or terminate a lease is exercised that are not factored into the lease term.

Lease payments are discounted using the interest rate on which the lease is based, providing it can be readily determined. Otherwise – and this is generally the case in the Group – the lessee's marginal borrowing rate is discounted. This marginal borrowing rate is the interest rate the respective lessee would have to pay to borrow funds to purchase an asset of comparable value for a comparable term with comparable collateral in a comparable economic environment.



(5) Interests in entities reported at equity

Assumptions and estimates are made with respect to the assessment of impairment in the case of interests in entities reported at equity. The recoverability of interest in entities held in connection with SANY (Sany Palfinger SPV Equipment, and Palfinger Sany International Mobile Cranes Sales) reported at equity depends on the development of the Chinese economy, the success of the internationalization strategy, and the economic development of the sales markets of Palfinger Sany International Mobile Cranes Sales. In China, the recoverability of these interests is influenced primarily by the development of the construction industry. Increasing urbanization, the resulting necessary infrastructure projects, the increase in wage costs, and the increased profitability of the automation of lifting, loading, and unloading operations will play a vital role in this regard. In the international markets, there are various political and macroeconomic risks that might have an impact on the recoverability of interest held in connection with the partnership with SANY (also see in this regard Scope of consolidation). The shares held in entities reported at equity in connection with SANY (Sany Palfinger SPV Equipment Co., Palfinger Sany International Mobile Cranes Sales GmbH) are joint ventures; management of the companies is exercised jointly and no property rights exist. The carrying amounts and further details regarding interests in entities reported at equity can be found in Note (33) Interests in entities reported at equity.

(6) Measurement of receivables

In addition to the standardized measurement of receivables based on an analysis of historical data and an assessment of future developments, taking into account the number of days overdue and country risk, the likelihood of receiving payment is assessed for the application of specific valuation allowances on receivables. Previous experience with specific customers, their creditworthiness, and any collateral provided are taken into account here. Impairment losses on receivables and contract assets are presented in Note (38) Trade receivables and contract assets from contracts with customers. Uncollectible receivables are de-recognized.

(7) Revenue recognition from contract manufacturing and rendering of services

Revenue from contract manufacturing and the rendering of services is reported based on the percentage of completion method. When applying this method, PALFINGER estimates the percentage of services already rendered by the balance sheet date in proportion to the overall scope of the orders and the order costs yet to be incurred. Further details on revenue recognition from contract manufacturing and the rendering of services can be found under Note (16) Revenue and Note (38) Trade receivables and contract assets from contracts with customers.

(8) Measurement of inventories

A standardized obsolescence measurement method has been implemented in order to account for the risk of obsolescence. In addition to actual and planned consumption, minimum inventories, and inventory range specifications, this method also takes into account alternative uses of materials. Furthermore, the economic benefit of inventories on hand is also reviewed on a case-by-case basis and, if necessary, additional allowances are recorded on the basis of long-term storage, limited distribution channels, or defects in quality. In addition, a systematic review of finished goods is carried out with a view to achieving loss-free measurement, which is basically characterized by the expected sales prices, currency developments, the date of sale, and the costs yet to be expected. Further details on allowances for inventories can be found under Note (37) Inventories.

(9) Deferred tax assets

Deferred tax assets are recognized for all unused tax loss carry-forwards to the extent that it is likely that taxable income will be available for this purpose so that the loss carry-forwards can in fact be used. In the case of loss carry-forwards not subject to expiration, their usability within the next five years is taken as the decisive factor. Important discretionary decisions must be made by the management with respect to the anticipated time of occurrence and the amount of future taxable income as well as future tax planning strategies when determining the amount of the deferred tax assets that can be capitalized. Further details regarding deferred taxes can be found in Note (34) Deferred tax assets and liabilities.

(10) Pensions, severance payments and anniversary bonuses

Expenses for defined benefit plans and statutory obligations upon the termination of employment as well as entitlements to anniversary bonuses are determined on the basis of actuarial calculations. The actuarial assessment is based on assumptions regarding discount rates, future increases in wages and salaries, mortality, and future increases in pension payments.



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All assumptions are reviewed at the end of every reporting period. PALFINGER management uses long-term market interest rates when determining an adequate discount rate. The mortality rate is based on publicly available mortality tables for the corresponding country. Future increases in wages and salaries as well as pensions are based on the future inflation rates expected for the country in question. Further details regarding the assumptions used are presented in Note (51) Non-current provisions.

(11) Provisions for guarantee and warranty expenses

When forming provisions for guarantee and warranty expenses, guarantee and warranty obligations are taken into consideration using a standardized method. This method is significantly influenced by the timing of warranty claim, specific product replacement campaigns, reimbursement rates for suppliers, the development of the revenue subject to warranty, and assumptions regarding gross profit margins on the basis of the warranty process implemented. Provisions for guarantee and warranty expenses are presented in Note (53) Current provisions.

(12) Purchase price liabilities from acquisitions

Purchase price liabilities from business acquisitions include purchase price portions not yet payable that depend on the future development of the earnings of the acquired entities. Therefore, a change in the expected underlying values can lead to an adjustment of the carrying amounts recognized in profit or loss. These estimates are based on the PALFINGER Group's strategic corporate planning for the medium term. Details are provided in Note (50) Purchase price liability from acquisitions and in Note (56) Financial Instruments.

(13) Cash flow hedge

With respect to the accounting treatment of cash flow hedges for future cash flows, it is assumed that these cash flows are highly likely to occur. Hedge accounting is discontinued if the expected transaction is no longer expected to occur. Details can be found in Note (56) Financial Instruments.

(14) Changes in estimates

No material changes were made to estimates in fiscal year 2020.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

(15) Impact of COVID-19 on the results of operations

The COVID-19 crisis caused a decline in sales across all product lines and regions, particularly in Q2 of 2020. All projects were analyzed and a comprehensive liquidity optimization and structural cost reduction program was implemented (focus on consulting services, travel expenses, marketing expenses, investment projects, etc.). Personnel costs were reduced using the short-time work model for employees in Austria. Various models and support programs were also used as far as possible for locations in other countries. At-equity results were also negatively impacted by the economic environment.

(16) Revenue

Jan–Dec 2019			
EUR thousand	Sales & Service	Operations	PALFINGER Group
EMEA	984,230	91,365	1,075,595
NAM	399,683	6,143	405,826
LATAM	57,707	3,691	61,398
CIS	109,428	10,529	119,957
APAC	84,770	577	85,347
Revenue from contracts with customers (IFRS 15)	1,635,818	112,305	1,748,123
Revenue other	5,726	-	5,726
Revenue total	1,641,544	112,305	1,753,849



Jan–Dec 2020			
EUR thousand	Sales & Service	Operations	PALFINGER Group
EMEA	875,938	71,273	947,211
NAM	317,496	3,711	321,207
LATAM	47,333	4,474	51,807
CIS	87,257	9,305	96,562
APAC	110,278	1,731	112,009
Revenue from contracts with customers (IFRS 15)	1,438,302	90,494	1,528,796
Revenue other	5,068	-	5,068
Revenue total	1,443,370	90,494	1,533,864

The split up by geographical area is based on the location of customers' registered offices. Other revenue consists primarily of income from the rental business. Revenue was generated in the amount of EUR 73,654 thousand (previous year: EUR 84,547 thousand) in Austria, PALFINGER's country of origin.

Revenue decreased in the European Union during 2020 due to the COVID-19 crisis, especially in Austria, Germany, France, and Italy.

Expected future revenues for unfulfilled (or partially unfulfilled) rendering of service obligations from existing contracts as at the reporting date amount to:

EUR thousand	2019	2020
Within one year	23,663	34,101
More than one year	11,474	3,487
Expected future revenue	35,137	37,588

EUR thousand	Operations		Sales & Service	
	Jan–Dec 2019	Jan–Dec 2020	Jan–Dec 2019	Jan–Dec 2020
Revenue from the sale of products	112,305	90,494	1,555,387	1,354,925
Revenue from contract manufacturing and rendering of services	-	-	86,157	88,445
Revenue	112,305	90,494	1,641,544	1,443,370

Revenue from service rendering business originates from the Megarme companies and service companies in the segment Sales & Service and relate to service work implemented as the implementation of contracts progresses.



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(17) Other operating income

EUR thousand	Jan–Dec 2019	Jan–Dec 2020
Income from the disposal of intangible assets and property, plant and equipment	1,917	1,595
Income from charges for services	1,843	1,738
Exchange rate differences	6,635	9,851
Insurance recoveries	607	2,126
Rental income	255	227
Income from the sale of advertising material	429	131
Income from business transactions with employees	914	699
Income from other grants	563	5,192
Refund other taxes	264	1,493
Miscellaneous other operating income	3,792	3,466
Other operating income	17,220	26,518

For information on exchange rate differences, please refer to Note (56) Financial Instruments, item 3 Foreign currency risk. Other grants include COVID-19 support funding amounting to EUR 2.910 thousand.

(18) Cost of sales

EUR thousand	Jan–Dec 2019	Jan–Dec 2020
Changes in inventories and own work capitalized	16,275	(15,946)
Cost of materials and purchased services	(890,201)	(743,126)
Personnel expenses	(298,176)	(262,915)
Depreciation, amortization and impairment	(49,831)	(47,517)
Outgoing freight costs	(24,220)	(22,608)
Guarantees and warranties	(13,454)	(14,790)
Repairs and maintenance	(16,918)	(13,841)
Rentals and leases	(2,509)	(2,380)
Commissions	(4,423)	(4,227)
Contingent workers and other third-party services	(10,114)	(7,135)
Energy infrastructure	(8,093)	(6,892)
Travel expenses	(6,589)	(1,402)
Vehicle fleet	(2,993)	(1,942)
Consultancy services	(2,817)	(2,339)
Office and IT expenses	(3,358)	(2,401)
Insurance	(1,354)	(1,490)
Taxes other than on income	(18)	(1,234)
Miscellaneous other expenses	(2,512)	(2,663)
Cost of sales	(1,321,250)	(1,154,396)

Cost of sales decreased in the same proportion as revenue. Gross profit margin remained unchanged at 24.7 percent.



(19) Research and development costs

EUR thousand	Jan–Dec 2019	Jan–Dec 2020
Changes in inventories and own work capitalized	15,487	12,243
Cost of materials and purchased services	(572)	(2,056)
Personnel expenses	(39,864)	(42,672)
Depreciation, amortization and impairment	(2,016)	(3,827)
Income from research grants	1,376	1,895
Consultancy services	(6,753)	(6,402)
Contingent workers and other third-party services	(2,472)	(2,155)
Travel expenses	(1,691)	(482)
Office and IT expenses	(1,634)	(1,920)
Miscellaneous other expenses	(849)	(811)
Research and development costs	(38,988)	(46,197)

Research and development costs include research costs, non-capitalizable development costs as well as product management.

The depreciation, amortization and impairment of the development costs in the amount of EUR 14,132 thousand (previous year: EUR 11,346 thousand) are reported in the cost of sales. The total research and development costs therefore amounted to EUR 60,329 thousand (previous year: EUR 50,334 thousand).

(20) Distribution costs

EUR thousand	Jan–Dec 2019	Jan–Dec 2020
Changes in inventories and own work capitalized	(145)	(41)
Cost of materials and purchased services	(1,526)	(960)
Personnel expenses	(81,916)	(80,927)
Depreciation, amortization and impairment	(9,681)	(22,690)
Advertising, representation and market costs	(14,001)	(7,180)
Travel expenses	(8,640)	(3,652)
Contingent workers and other third-party services	(1,831)	(2,345)
Vehicle fleet	(2,709)	(1,910)
Transport costs	(2,037)	(1,880)
Consultancy services	(2,917)	(3,534)
Commission expenses	(1,137)	(1,066)
Office and IT expenses	(1,547)	(1,625)
Rentals and leases	(639)	(885)
Repair and maintenance	(415)	(1,032)
Miscellaneous other expenses	(1,127)	(1,633)
Distribution costs	(130,265)	(131,358)



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(21) Administrative costs

EUR thousand	Jan–Dec 2019	Jan–Dec 2020
Changes in inventories and own work capitalized	778	21
Cost of materials and purchased services	683	1497
Personnel expenses	(70,971)	(56,738)
Depreciation, amortization and impairment	(13,100)	(14,342)
Consultancy services	(15,694)	(8,024)
Contingent workers and other third-party services	(8,323)	(7,947)
Office and IT expenses	(7,829)	(8,639)
Travel expenses	(4,029)	(1,308)
Vehicle fleet	(1,094)	(731)
Advertising, representation and market costs	(2,833)	(1,534)
Rentals and leases	(1,243)	1865
Taxes other than on income	(2,953)	(2,741)
Insurance	(3,886)	(3,947)
Bank charges	(1,258)	(1,040)
Repair and maintenance	(2,158)	(2,120)
Miscellaneous other expenses	1409	(199)
Administrative costs	(138,130)	(110,671)

FEES CHARGED BY THE AUDITOR

The following fees for the services provided in the fiscal year 2020 by the auditors of the consolidated financial statements, PwC Wirtschaftsprüfung GmbH (previous year: Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.) and the companies of the global PwC network (previous year: Ernst & Young) have been recorded as expenses:

EUR thousand	Jan–Dec 2019	Jan–Dec 2020
Audit of the consolidated financial statements and related certification services (including reviews)	1904	(743)
thereof PwC Wirtschaftsprüfung GmbH (previous year: Ernst & Young)	1255	(389)
Tax advice	(202)	126
Other services	(35)	(75)
Fees charged by the auditor	(1,141)	(944)

(22) Other operating expenses

EUR thousand	Jan–Dec 2019	Jan–Dec 2020
Losses on the disposal of intangible assets and property, plant and equipment	(1,065)	(1,963)
Losses on receivables and impairment allowances	(2,941)	(3,244)
Exchange rate differences	(4,480)	(11,575)
Losses	(67)	(444)
Expenses in connection with other income	(123)	(107)
Allocation provision purchase price liabilities	(404)	(325)
Expenses for legal disputes	(549)	(1,450)
Contractual and other penalties	(269)	(6)
Allocation to provision for the recovery of a grant	-	(1,280)
Miscellaneous other operating expenses	(5,871)	(5,661)
Other operating expenses	(15,842)	(26,065)

(23) Income from companies reported at equity

The income from associated companies and joint ventures reported at equity is composed as follows:



EUR thousand	Jan–Dec 2019	Jan–Dec 2020
Share in the net result for the period	17,630	9,183
Income from disposal	76	-
Gain on exchange from the recycling of currency translation gains from OCI	1,725	-
Income from companies reported at equity	19,431	9,183

The income from disposal and gain on exchange from the recycling of currency translation gains from OCI in 2019 relate to the disposal of 2.5 percent in SANY Automobile Hoisting Machinery.

(24) Cost of materials and purchased services

EUR thousand	Jan–Dec 2019	Jan–Dec 2020
Cost of materials	(825,693)	(691,307)
Cost of purchased services	(66,694)	(65,322)
Cost of materials and purchased services	(892,387)	(756,629)

Regarding impairment losses on inventories included in the cost of materials, please refer to Note (37) Inventories. The cost of materials mainly relates to metal components such as sheet, plate, piping and profile sections as well as bought-in components and electrical and hydraulic components.

(25) Personnel expenses

EUR thousand	Jan–Dec 2019	Jan–Dec 2020
Wages and salaries	(384,808)	(339,365)
Expenses for severance payments	(4,097)	(5,069)
Pension expenses	(4,333)	(3,533)
Expenses for statutory social security contributions, payroll-related levies and mandatory contributions	(75,567)	(74,948)
Other social costs	(22,072)	(20,340)
Personnel expenses	(490,877)	(443,255)

Expenses for severance payments include expenses from defined contribution plans amounting to EUR 1,518 thousand (previous year: EUR 1,405 thousand). This includes the cost of services to company employee pension funds in the amount of EUR 1,518 thousand (previous year: EUR 1,405 thousand).

Pension expenses include expenses from defined contribution plans amounting to EUR 2,960 thousand (previous year: EUR 3,331 thousand).

(26) Depreciation of property, plant and equipment, investment property, amortization of intangible assets and impairment expenses

EUR thousand	Jan–Dec 2019	Jan–Dec 2020
Depreciation and amortization	(74,628)	(73,941)
Impairment losses	-	(14,435)
Depreciation of property, plant and equipment, investment property, amortization of intangible assets and impairment expenses	(74,628)	(88,376)

Regarding the development of depreciation, amortization and impairment, please refer to Notes (30) Intangible assets, (31) Property, plant and equipment and (32) Leases.

The impairments in 2020 relate to the brands MBB, American Roll-off, Hidro Grubert and ETI as well as capitalized development costs. In fiscal year 2020, it was decided to no longer use these brands and instead replace them with the uniform Palfinger brand.



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(27) Net interest income and other financial result

Net interest income and other financial result are composed as follows:

Jan–Dec 2019	Financial instruments according to IFRS 9		
	Total	Financial asset at amortized cost	Financial liabilities at amortized cost
EUR thousand			
Interest income	792	792	-
Interest expenses from financial liabilities	(12,447)	-	(11,051)
Other interest expenses	(2,371)	-	-
Net interest income	(14,026)	792	(11,051)
Valuation of financial liabilities	-	-	-
Income from the disposal of financial assets	54	-	-
Loss from the disposal of financial assets	(41)	-	-
Write-ups of financial assets	-	-	-
Impairment of financial assets	(1)	-	-
Exchange rate differences	(1,877)	(659)	657
Net profit or loss	(1,865)	(659)	657
Financial result	(15,891)	133	(10,394)

1) Changes in previous year figures due to changes in allocation logic.

Jan–Dec 2020	Financial instruments according to IFRS 9		
	Total	Financial asset at amortized cost	Financial liabilities at amortized cost
EUR thousand			
Interest income	1,549	1,549	-
Interest expenses from financial liabilities	(10,345)	-	(9,060)
Other interest expenses	(3,078)	-	-
Net interest income	(11,874)	1,549	(9,060)
Valuation of financial liabilities	-	-	-
Income from the disposal of financial assets	16	-	-
Loss from the disposal of financial assets	(77)	-	-
Write-ups of financial assets	3	-	-
Impairment of financial assets	(143)	(143)	-
Exchange rate differences	(3,117)	(3,375)	901
Net profit or loss	(3,318)	(3,518)	901
Financial result	(18,193)	(1,969)	(8,159)

2) For details on exchange rate differences in the net financial result, see p. 177



Financial Instruments according to IFRS 9				
Fair value through OCI	Fair value through P&L/other derivatives	Purchase price allocation ¹⁾	Non-current provisions acc. to IAS 19 ²⁾	Leases pursuant to IFRS 16
-	-	-	-	-
-	-	(1,050)	(1,321)	(1,396)
-	-	(1,050)	(1,321)	(1,396)
-	-	-	-	-
54	-	-	-	-
(1)	-	(40)	-	-
-	-	-	-	-
(1)	-	-	-	-
-	(1,875)	-	-	-
52	(1,875)	(40)	-	-
52	(1,875)	(1,090)	(1,321)	(1,396)

Financial Instruments according to IFRS 9				
Fair value through OCI	Fair value through P&L/other derivatives	Purchase price liabilities	Non-current provisions according to IAS 19	Leases pursuant to IFRS 16
-	-	-	-	-
-	-	-	(16)	(1,271)
-	(643)	(1,225)	(1,209)	-
-	(643)	(1,225)	(1,225)	(1,271)
-	-	-	-	-
15	-	-	-	-
(1,271)	-	-	-	-
3	-	-	-	-
-	(643)	-	-	-
(58)	(643)	-	-	-
(58)	(1,286)	(1,225)	(1,225)	(1,271)



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(28) Income tax

The tax rate applicable to the parent company PALFINGER AG remains unchanged at 25 percent compared to 2019.

EUR thousand	Jan-Dec 2019	Jan-Dec 2020
Effective tax expense (-)/Income (+)	(37,562)	(25,186)
thereof from previous years	(3,135)	(470)
thereof from the use of previously unused tax loss carry forwards	491	542
Deferred income tax expense (-)/Income (+)	2,260	3,037
thereof from previous years	3,430	(491)
thereof from the recognition of tax loss carry-forwards from previous years	104	-
thereof due to tax rate changes	(122)	150
thereof from the adjustment of tax loss carry-forwards	(308)	(48)
Income tax	(35,302)	(22,149)

The difference between the calculated tax expense and the effective tax expense for the fiscal year according to the consolidated income statement is calculated as follows:

EUR thousand	Jan-Dec 2019	Jan-Dec 2020
Earnings before income tax	133,124	85,095
Tax rate of the Group	25.0%	25.0%
Calculated tax expense	33,281	21,274
Adjustment to foreign tax rates	(355)	(382)
Tax reduction due to		
Research and education allowances	(98)	(540)
Investment grants and other government aid	(300)	(136)
Tax rate changes	(251)	(232)
Tax-free income from investments reported at equity	(4,858)	(2,396)
Reversal of non-taxable provisions	(325)	-
Other tax-reducing factors	(1,531)	(4,193)
Recognition and use of loss carry-forwards from previous years	(491)	(837)
Taxes not related to an accounting period	13,897	(824)
Reversal of allowances on deferred taxes	-	(192)
Measurements of investments and intra-group measurements of receivables	(6,413)	(7,381)
	(18,164)	(16,631)
Tax increase due to		
Tax rate changes	741	157
Non-capitalized loss carry-forwards	5,737	7,817
Allowances on loss carry-forwards	308	48
Non-tax-deductible expenses	5,653	2,154
Allocation non-taxable provisions	773	40
Minimum taxes	2	2
Taxes not related to an accounting period	3,580	1,970
Non-deductible withholding taxes	1,522	1,090
Measurements of investments and intra-group measurements of receivables	2,007	3,992
Different tax rate	17	26
Other tax-increasing factors	28	170
Allowances for deferred taxes	172	422
	20,540	17,888
Income tax	35,302	22,149



NOTES TO THE CONSOLIDATED BALANCE SHEET

(29) Impact of COVID-19 on the financial position

If certain indicators or triggering events are evident, IAS 36 requires a non-routine impairment test to be carried out. In the first half year of 2020, PALFINGER considered the negative influence of the COVID-19 pandemic on the earnings forecasts for each segment to be significant, and consequently it formed an indicator for an impairment test. The approved detailed planning 2020 to 2024 was reviewed in terms of its validity for the impairment test that was carried out. In particular, the short- and medium-term earnings and cash flow forecasts were classified as critical and the planned cash flows were adjusted accordingly, taking particular account of the COVID-19 pandemic based on management's current estimates.

The impairment tests carried out for the segments (groups of cash-generating units) did not result in any need for adjustment.

Furthermore, in Q3 of 2020, indicators of asset impairment losses were identified in the cash generating units Sales & Service APAC, Sales & Service Marine and Group Operations. The approved detailed planning 2020 to 2024 was reviewed in terms of its validity for the impairment test that was carried out. In particular, the short- and medium-term earnings and cash flow forecasts were classified as critical and the planned cash flows were adjusted accordingly, taking particular account of the COVID-19 pandemic based on management's current estimates. However, there was no need for an allowance in any of the cash-generating units.

Due to the COVID-19 pandemic and lockdowns at several locations during the first half of 2020, capital expenditures in property, plant and equipment were partially postponed, resulting in a decrease in property, plant and equipment.

During the COVID-19 crisis, receivables management and receivables monitoring were stepped up. As a result, the age structure of receivables was significantly improved and the volume reduced. No significant defaults were recorded, nor was correspondingly increased risk of default identified.

As a consequence of the COVID-19 pandemic and the subsequent economic crisis, comprehensive liquidity optimization programs were implemented in March 2020, along with other actions. The actions implemented have increased liquidity reserves and significantly reduced net debt. The liquidity released as a result was used for the early redemption of a bilateral loan and a promissory note tranche of EUR 41 million. The redemption profile was thus smoothed and the financing portfolio optimized in 2020.

There were no material deferrals or rent-free periods on leases as a result of the COVID-19 pandemic.

During the COVID-19 pandemic, fiscal accompaniment and support actions were offered for entities in many countries. PALFINGER mainly made use of interest-free tax deferrals or the postponement of tax due dates for income taxes, which had a positive impact on PALFINGER's cash flow in 2020. Regarding Group-wide transfer prices, there were no significant adjustments in view of the COVID-19 pandemic. No significant effects on the usability of tax loss carry-forwards were identified. The change in tax rates for value-added tax and similar taxes had no direct impact on PALFINGER's business operations. In terms of income tax, no significant changes in tax rates were observed in the countries in which PALFINGER is subject to taxation.



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(30) Intangible assets

The development of intangible assets is shown below:

EUR thousand	Goodwill
Acquisition cost	
As at 1/1/2019	226,548
Acquisitions	-
Additions	-
Disposals	-
Reclassifications	-
Foreign currency translation	3,194
As at 12/31/2019	229,742
As at 1/1/2020	229,742
Acquisitions	-
Additions	-
Disposals	-
Reclassifications	-
Foreign currency translation	(12,852)
As at 12/31/2020	216,890
Accumulated depreciation, amortization and impairment	
As at 1/1/2019	81,504
Amortization	-
Disposals	-
Foreign currency translation	731
As at 12/31/2019	82,235
As at 1/1/2020	82,235
Amortization	-
Impairment losses	-
Disposals	-
Foreign currency translation	(4,764)
As at 12/31/2020	77,471
Carrying amounts	
As at 12/31/2019	147,507
As at 12/31/2020	139,419



Intangible assets with indefinite useful lives	Development costs	Brands, customer base and order backlog	Other intangible assets	Prepayments	Total
27,687	116,669	82,975	30,568	11	484,458
-	2,689	-	-	-	2,689
-	15,755	-	2,272	29	18,056
-	(10,306)	-	(61)	-	(10,367)
-	-	-	1,242	(11)	1,231
547	387	1,469	71	-	5,668
28,234	125,194	84,444	34,092	29	501,735
28,234	125,194	84,444	34,092	29	501,735
-	-	-	-	-	-
-	12,420	-	2,881	40	15,341
-	(4,824)	-	(407)	-	(5,231)
-	-	-	116	(29)	87
(2,249)	(2,527)	(5,531)	(842)	-	(24,001)
25,985	130,263	78,913	35,840	40	487,931
7,671	42,934	53,294	21,748	-	207,154
-	11,346	5,488	2,999	-	19,833
-	(7,759)	-	(60)	-	(7,819)
159	140	1,113	32	-	2,175
7,830	46,661	59,895	24,719	-	221,343
7,830	46,661	59,895	24,719	-	221,343
-	11,193	4,849	3,136	-	19,178
11,426	2,939	-	-	-	14,365
-	(3,705)	-	(283)	-	(3,988)
(959)	(1,255)	(4,015)	(646)	-	(11,642)
18,297	55,833	60,729	26,926	-	239,256
20,404	78,533	24,549	9,373	29	280,392
7,688	74,430	18,184	8,914	40	248,675



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GOODWILL

In January 2020, a reorganization of the reporting structure took place. The segment SEA was integrated into the new GPO structure. As a consequence, goodwill was reallocated to the segments Sales & Service and Operations.

This reallocation as at December 31, 2019 was made in proportion to the value-in-use determined in accordance with IAS 36.87. Accordingly, 76.9 percent of the existing goodwill of EUR 74.9 million was reallocated to the new segment Sales & Services and 23.1 percent to the segment Operations and subjected to the impairment test in accordance with IAS 36.

The goodwill resulting from business mergers in the new structure relates to the following groups of cash-generating units, and reporting for 2019 has been adjusted according to the new structure. By way of comparison, the amounts prior to the reorganization are given here again for 2019:

EUR thousand	12/31/2019
Sales & Service LAND	54,170
Operations LAND	18,396
SEA	74,941
Goodwill	147,507

EUR thousand	12/31/2019	12/31/2020
Sales & Service	111,793	105,624
Operations	35,714	33,795
Goodwill	147,507	139,419



INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

Intangible assets with indefinite useful lives result from business combinations and are comprised as follows:

EUR thousand	12/31/2019	12/31/2020
Sales & Service		
MBB brand	5,840	-
American Roll-off brand	613	-
ETI brand	5,071	-
Hidro-Grubert brand	166	-
INMAN brand	1,626	1,244
Velmesh brand	2,391	1,829
	15,707	3,073
Operations		
Nimet brand	4,697	4,615
	4,697	4,615
Intangible assets with indefinite useful lives	20,404	7,688

As management intends the continued use of the brands INMAN, Velmesh and Nimet resulting from business combinations to be indefinite and a useful life cannot therefore be determined, these intangible assets have been assigned an indefinite useful life.

In fiscal year 2020, it was decided to no longer use the brands MBB, American Roll-off, Hidro Grubert and ETI and instead to replace them with the uniform Palfinger brand. These brands were therefore completely written off in fiscal year 2020. The depreciation amounts to EUR 5,840 thousand for MBB, EUR 582 thousand for American Roll-off, EUR 140 thousand for Hidro Grubert and EUR 4,864 thousand for ETI and is reported under distribution costs. The recoverability of the other recognized intangible assets with indefinite useful lives was confirmed when impairment tests were carried out.

The recoverable sum for the groups of cash-generating units is determined based on a value-in-use calculation using cash flow projections covering a five-year period. The cash flows are then extrapolated using a growth rate. The growth rates used for 2020 were 1.06 percent for Sales & Service (previous year: 0.8 percent) and 1.12 percent for Operations (previous year: 0.8 percent). A medium-term plan was drawn up in 2020.



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Management determined the values attributable to each of the key assumptions as follows.

Assumption:	Method used to determine value:
Unit sales volumes	Unit sales volumes were adjusted by the regional sales organizations based on the strategic plan in fall 2019 to reflect the current environment and lower visibility. Business models that are not unit-driven (e.g. service) were taken into account based on past experience and management's expectations for the future.
Sales price	The average annual growth rate per product line / sales region taken into account over the five-year planning period is based on empirical data from the past.
Contribution margins	Based on the budgeted margins for the year 2021 in percent per product line / sales region or the operations plants.
Structural costs	Management forecasts these costs based on the current corporate structure, adjusted for inflation increases, experience regarding individual salary adjustments and planned strategic initiatives.
CAPEX	The investment volume in relation to Group sales has remained stable at between 4,5 and 5 percent over the last few years. A CAPEX ratio of 5 percent has been used for the medium-term planning on which the impairment test is based.

The discount rates applied correspond to the weighted average cost of capital customary in the market and adjusted to the specific risks on the basis of capital market data available externally and - in comparison to the corresponding discount rates in the previous year - are as follows:

In percent	Pre-tax discount rate	
	2019	
Operations LAND	9,9	
Sales & Service LAND	9,9	
SEA	9,9	

In percent	Pre-tax discount rate	
	2019	2020
Operations	9,9	9,5
Sales & Service	9,9	9,4



Due to the increased uncertainties caused by the COVID-19 pandemic, more sensitivity analyses were performed. A sensitivity analysis showed that if the discount factor were increased by two percentage points, the carrying amounts in all CGUs would still be covered and there would be no need for adjustment. In addition, the sensitivity analysis showed that if EBITs were reduced by 20 percent while all other parameters remained constant, the carrying amounts in all CGUs would still be covered and there would be no need for adjustment. In addition, the sensitivity analysis showed that if the growth rate in the perpetual annuity ceases to apply, the carrying amounts are still covered. If the gross margin in the value-in-use calculations had been 2 percentage points lower than management's estimates, there would also be no need for adjustment.

There was no need for impairment loss adjustment identified for cash-generating units that do not include goodwill or intangible assets with indefinite useful lives. There are estimation uncertainties in the assumptions on which the calculation of the value-in-use for the cash-generating units is based. The gross profit margins are determined using the values that are incorporated into the rolling planning based on the experience of the current year. Corporate planning is therefore based on past results as well as current assessments of future market developments.

DEVELOPMENT COSTS

In the fiscal year 2020, PALFINGER capitalized internally generated intangible assets in the form of development costs in the amount of EUR 12,420 thousand (previous year: EUR 15,755 thousand).

Due to a deterioration in the expected sales figures, impairment tests were carried out for capitalized development costs. The impairment losses resulting from this are EUR 2,939 thousand with the largest items relating to the product lines special solutions (EUR 1,635 thousand), tail lift (EUR 468 thousand), boats & davits (EUR 356 thousand) and AWP (EUR 310 thousand).



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(31) Property, plant and equipment

The development of property, plant and equipment is shown below:

EUR thousand	Land and buildings
Acquisition cost	
As at 1/1/2019	250,108
IFRS 16 initial application	-
Additions	6,100
Disposals	(209)
Reclassifications	15,709
Foreign currency translation	2,020
As at 12/31/2019	273,728
As at 1/1/2020	273,728
Additions	6,617
Disposals	(3,078)
Reclassifications	8,416
Foreign currency translation	(10,757)
As at 12/31/2020	274,926
Accumulated depreciation, amortization and impairment	
As at 1/1/2019	81,964
Depreciation	9,212
Disposals	(62)
Reclassifications	-
Foreign currency translation	551
As at 12/31/2019	91,665
As at 1/1/2020	91,665
Depreciation	9,500
Impairment losses	70
Disposals	(1,638)
Reclassifications	48
Foreign currency translation	(3,454)
As at 12/31/2020	96,191
Carrying amounts	
As at 12/31/2019	182,063
As at 12/31/2020	178,735



Right-of-use assets	Undeveloped land	Plant and machinery	Other equipment, operating and office equipment	Prepayments and assets under construction	Total
-	1,829	252,964	123,766	30,787	609,454
66,374	-	-	-	-	66,374
5,412	-	16,495	19,799	34,025	81,831
(2,180)	-	(9,666)	(10,100)	(53)	(22,089)
-	(140)	11,357	3,078	(31,235)	(1,231)
501	-	2,706	1,051	380	6,658
70,107	1,689	273,856	137,594	33,904	790,878
70,107	1,689	273,856	137,594	33,904	790,878
11,225	-	6,468	14,012	21,212	59,534
(3,283)	-	(3,313)	(9,030)	(430)	(19,134)
-	-	10,126	1,095	(19,724)	(877)
(1,681)	-	(12,797)	(4,939)	(1,878)	(32,052)
76,368	1,689	274,340	138,732	33,084	799,139
-	84	161,639	75,054	1,315	320,066
11,044	-	18,288	16,250	-	54,794
(90)	-	(7,522)	(7,421)	-	(15,095)
-	-	(279)	279	-	-
10	-	1,816	1,092	(19)	3,450
10,964	84	173,942	88,254	1,296	363,205
10,964	84	173,942	88,254	1,296	363,205
11,384	-	17,881	15,998	-	54,763
-	-	-	-	-	70
(2,224)	-	(2,572)	(7,245)	-	(13,579)
-	-	1,104	(1,152)	-	-
(435)	-	(8,311)	(3,117)	(380)	(15,897)
19,689	84	182,044	89,738	916	389,662
59,143	1,605	99,914	52,340	32,608	427,673
56,679	1,605	92,296	48,994	32,168	410,477



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The additions mainly relate to the expansion of production capacities in Austria, Bulgaria, Romania, Slovenia and Poland as well as replacement investments.

Land and buildings include land values of developed properties amounting to EUR 33,005 thousand (previous year: EUR 34,983 thousand). Prepayments and assets under construction as at balance sheet date include assets under construction with acquisition and manufacturing costs amounting to EUR 29,072 thousand (previous year: EUR 30,161 thousand).

In 2012, an option contract was signed that entitles PALFINGER to acquire five and ten years respectively after re-purposing of the land (i.e. the first time was in October 2018) a further approx. 19,000 m² adjoining the site of the new Group headquarters. The price for exercising the option to acquire these additional plots of land amounts to EUR 4,353 thousand plus an inflation compensation fee up until the exercise date.

In the reporting period, as in the previous year no borrowing costs were capitalized on qualifying assets.

In the fiscal year 2020, no government grants (previous year: none) were recognized as a reduction of acquisition or production costs in accordance with IAS 20.

As at December 31, 2020, no property, plant and equipment (previous year: none) has been pledged as collateral for debt.

(32) Leases

The right-of-use accounted for in accordance with IFRS 16 is shown in the balance sheet under property, plant and equipment. The leasing liabilities are shown in the balance sheet under non-current and current financial liabilities. The following changes are recorded for the right-of-use reported under property, plant and equipment:

Rights of use 2019					
EUR thousand	Land and buildings	Equipment and machinery	Operating and office equipment	Vehicles	Total
As at 1/1/2019	-	-	-	-	-
Adjustments IFRS 16	60,489	1,280	334	4,271	66,374
As at 1/1/2019	60,489	1,280	334	4,271	66,374
Additions	2,763	423	-	2,226	5,412
Depreciation, amortization and impairment	(8,304)	(568)	(163)	(2,009)	(11,044)
Disposals	(1,789)	(45)	-	(296)	(2,090)
Foreign currency translation	484	1	-	6	491
As at 12/31/2019	53,643	1,091	171	4,238	59,143

Rights of use 2020					
EUR thousand	Land and buildings	Equipment and machinery	Operating and office equipment	Vehicles	Total
As at 1/1/2020	53,643	1,091	171	4,238	59,143
Additions	8,062	96	104	2,963	11,225
Depreciation, amortization and impairment	(8,403)	(468)	(175)	(2,338)	(11,384)
Disposals	(653)	(27)	-	(479)	(1,159)
Foreign currency translation	(1,222)	(4)	-	(20)	(1,246)
As at 12/31/2020	51,327	688	100	4,364	56,679



The following changes are recorded for the current and non-current lease liabilities:

Leases	2019	2020
EUR thousand		
As at 1/1	-	-
Adjustments IFRS 16	66,282	-
As at 1/1	66,282	99,615
Exchange rate difference	631	(1,555)
Additions	5,412	11,225
Disposals	(2,196)	(919)
Interest expenses	1,366	1,218
Payments	(11,880)	(11,952)
As at 12/31	59,615	57,602
of which current	11,196	10,884
of which non-current	48,419	46,718

The consolidated income statement contains the following amounts from leases.

EUR thousand	2019	2020
Depreciation on right-of-use assets	(11,044)	(11,384)
Interest expenses for lease liabilities	(1,366)	(1,218)
Expense for leases for which the underlying asset is of low value, accounted for according to IFRS 16.6	(581)	(417)
Expenses for current leases, accounted for according to IFRS 16.6	(3,170)	(1,152)
Income from the subleasing of right-of-use assets	478	119
Recognized in profit or loss	(15,683)	(14,052)

The total cash outflows for leases in the fiscal year 2020 were EUR 13,552 thousand (previous year: EUR 15,631 thousand).

The right-of-use reported for leasing activities mainly relate to rents for various office, production and warehouse buildings, land and company vehicles. The contract terms depend on the underlying right-of-use and include renewal and termination options. The lease payments for such options are included in the lease liability if renewal is reasonably certain or it is unlikely that the right to terminate the contract will be exercised.

The potential future cash outflows from non-exercised renewal options in the next five and ten years relate to options on land and building leases.

Lease payments from non exercised options	12/31/2019	12/31/2020
Up to 5 years	9,030	9,371
Up to 10 years	9,021	9,221

As at December 31, 2020, the exercise of the renewal options is not reasonably certain.

There are no significant residual value guarantees or restrictions on right-of-use assets.



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(33) Interests in entities reported at equity

The group of companies included in the consolidated financial statements reported at equity is shown in the overview of shareholdings.

EUR thousand	2019	2020
As at 1/1	140,689	155,112
Capital increase	1,050	-
Share in the net result for the period	17,630	9,183
Dividends	(5,399)	(5,264)
Foreign currency translation	1,142	(4,221)
Reclassification	-	(104,866)
As at 12/31	155,112	49,944

The reclassification in 2020 relates to the 7.5 percent interest in SANY Automobile Holding Machinery in the segment Operations and Sales & Service, which is classified as held for sale in accordance with IFRS 5. See also the Note on page 123. The reclassified shares were measured at their carrying amount of EUR 104,866 thousand and no profit or loss was recorded.

The following tables contain summarized financial information on associated companies and joint ventures reported at equity that are material for the Group; in each case, the figures refer to 100 percent and not to PALFINGER's share in the companies.

EUR thousand	Palfinger France S.A.S.		SANY Automobile Holding Machinery Co., Ltd.		Sany Palfinger SPV Equipment Co., Ltd. ¹⁾	
	Jan-Dec 2019	Jan-Dec 2020	Oct 2019- Sept 2019	Oct 2019- Sept 2020	Jan-Dec 2019	Jan-Dec 2020
Revenue	175,970	187,146	1,791,226	2,281,144	63,230	63,986
Total comprehensive income						
Result after income tax	11,915	13,107	108,570	162,765	4,958	3,824
Other comprehensive income after income tax	-	-	8,160	(35,790)	247	(1,275)
	11,915	13,107	116,730	126,975	5,205	2,548

EUR thousand	Palfinger France S.A.S.		SANY Automobile Holding Machinery Co., Ltd.		Sany Palfinger SPV Equipment Co., Ltd. ¹⁾	
	12/31/2019	12/31/2020	9/30/2018	9/30/2019	12/31/2019	12/31/2020
Non-current assets	5,438	5,976	330,691	469,447	8,555	8,080
Current assets	90,985	98,194	1,529,440	1,363,731	75,740	79,849
Non-current liabilities	2,147	2,159	14,362	81,619	(34)	(34)
Current liabilities	51,596	54,739	1,446,841	1,202,565	36,123	37,199
Net assets	42,680	47,272	398,928	548,994	48,206	50,763



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EUR thousand	Palfinger France S.A.S.		SANY Automobile Holding Machinery Co., Ltd.		Sany Palfinger SPV Equipment Co., Ltd. ²⁾	
	2019	2020	2019	2020 ¹⁾	2019	2020
Shares/Voting rights	49%	49%	7.5%	7.5%	50%	50%
Carrying amount as of 1/1	16,440	19,093	100,367	108,068	21,483	24,085
Impairment loss	-	-	-	-	-	-
Share in the net result for the period	5,839	6,422	8,143	(518)	2,479	1,912
Foreign currency translation	-	-	612	(2,684)	123	(638)
Dividends	(3,186)	(4,017)	(1,054)	-	-	-
Reclassification	-	-	-	(104,866)	-	-
Carrying amount as at 12/31	19,093	21,498	108,068	-	24,085	25,359
thereof goodwill	-	-	65,336	-	-	-
thereof downstream sales	(1,820)	(1,440)	-	-	(15)	(22)
thereof pro-rata net assets	20,913	22,938	29,920	-	24,103	25,381
thereof receivable	-	-	12,812	-	-	-

1) As at the balance sheet date, the company had cash and cash equivalents of EUR 279 thousand (previous year: EUR 2,818 thousand) and no financial liabilities, as well as depreciation and amortization of EUR 471 thousand (previous year: EUR 567 thousand), interest income of EUR 153 thousand (previous year: EUR 327 thousand) and a tax expense of EUR -1,911 thousand (previous year: EUR -98 thousand).

2) The share in the net result for the period includes EUR 12,726 thousand derecognized as a receivable in connection with the purchase contract for 10 percent in 2014.

Palfinger France S.A.S. is a dealership for PALFINGER products in France. Sany Palfinger SPV Equipment Co., Ltd. is a manufacturing and distribution company in China.

The following table contains summarized financial information on associated companies and joint ventures reported at equity that are not material for the Group; the figures refer to PALFINGER's share in the companies.

EUR thousand	Associated companies		Joint ventures	
	2019	2020	2019	2020
Carrying amounts of shares	3,042	3,087	824	-
Total comprehensive income				
Result after income tax	1,106	1,748	62	(1,455)
Other comprehensive income after income tax	256	(537)	151	(362)
	1,362	1,211	213	(1,817)



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(34) Deferred tax assets and liabilities

EUR thousand	12/31/2019	12/31/2020
Non-current assets		
Intangible assets – different useful lives	1,073	288
Intangible assets – tax-deductible goodwill	196	164
Property, plant and equipment – different useful lives	882	808
Property, plant and equipment – IFRS 16 effect	222	109
Non-current financial assets – impairment losses on untaxed financial assets	25,887	27,122
Other non-current assets	137	308
	28,397	28,183
Current assets		
Inventories – elimination of intercompany profits, tax-related measurement differences in manufacturing costs	8,079	7,372
Trade receivables – tax-related measurement differences in impairment allowances	1,538	1,457
Other current assets – untaxed severance payments	481	444
	10,098	9,273
Non-current liabilities		
Non-current financial liabilities – Lease liabilities	3,303	4,476
Non-current provisions - different approaches provisions for personnel IAS 19	10,096	10,543
of which deferred taxes recognized directly in other comprehensive income	4,952	5,178
Other non-current liabilities	678	205
of which deferred taxes recognized directly in other comprehensive income	163	7
	14,077	15,224
Current liabilities		
Current financial liabilities – essentially lease financing	7,896	9,633
of which deferred taxes recognized directly in other comprehensive income	0	487
Current provisions – essentially Warranty provisions recognized at different rates	2,442	2,646
Trade payables and other current liabilities	1,341	1,376
	11,679	13,685
Deferred tax assets	64,251	66,335



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EUR thousand	12/31/2019	12/31/2020
Non-current assets		
Intangible assets – acquisitions, development costs	(29,418)	(25,330)
Property, plant and equipment – different useful lives	(6,133)	(5,547)
Property, plant and equipment - IFRS 16 effect	(11,099)	(13,425)
Non-current financial assets	(3,195)	(1,394)
of which deferred taxes recognized directly in other comprehensive income	(1,442)	41
	(49,845)	(45,697)
Current assets		
Inventories – tax-related measurement differences in manufacturing costs	(233)	(255)
Trade receivables – Contract manufacturing (POC)	(4,001)	(1,804)
Other current assets – tax-related measurement differences	(1,865)	(1,822)
of which deferred taxes recognized directly in other comprehensive income	(33)	(297)
	(6,099)	(3,882)
Non-current liabilities		
Non-current financial liabilities – Tax-related measurement differences	(25)	(78)
Non-current provisions	(146)	(145)
of which deferred taxes recognized directly in other comprehensive income	(15)	(9)
	(171)	(223)
Current liabilities		
Current financial liabilities	(118)	-
Current provisions – essentially Warranty provisions recognized at different rates	(266)	(345)
Trade payables and other current liabilities	(116)	(707)
	(500)	(1,052)
Deferred tax liabilities	(56,616)	(50,844)

EUR thousand	12/31/2019	12/31/2020
Deferred tax assets	64,251	66,335
Deferred tax liabilities	(56,616)	(50,844)
Deferred tax assets on loss carry forwards	9,687	6,218
Deferred taxes	17,322	21,709
thereof deferred tax assets accounted for	28,382	30,045
thereof deferred tax liabilities accounted for	(11,060)	(8,336)

The deferred tax expense and income reported in the consolidated statement of comprehensive income (Income statement or statement of comprehensive income) in accordance with IAS 12.81 g) ii) is calculated as follows:

EUR thousand	2019	2020
As at 1/1	15,203	17,322
Charged/Credited		
due to profit or loss	2,260	3,037
due to other result	534	1,350
directly in equity	-	-
Acquisition of subsidy	(675)	(1)
As at 12/31	17,322	21,708



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The tax loss carry-forwards are composed as follows:

EUR thousand	Non-capitalized loss carry-forwards		Capitalized loss carry-forwards	
	12/31/2019	12/31/2020	12/31/2019	12/31/2020
One year	2,903	1,975	-	-
Two years	2,362	2,412	-	234
Three years	3,067	2,428	157	1,158
Four years	1,254	3,921	694	608
Five years	1,668	6,075	4,206	801
More than five years	52,386	61,280	26,095	16,312
Loss carry-forwards subject to expiry	63,680	78,091	31,182	19,113
Loss carry-forwards not subject to expiry	92,016	78,839	8,991	5,968
	155,676	153,930	40,143	24,711

No deferred tax assets are used in the Group for tax loss carry-forwards in the amount of EUR 153,930 thousand (previous year: EUR 155,676 thousand), as their effectiveness as final tax relief is not yet sufficiently assured in respect to medium-term planning.

For temporary differences in the amount of EUR 431,623 thousand (previous year: EUR 408,043 thousand) from investments in subsidiaries and joint ventures, there are deferred tax liabilities as at December 31, 2020 amounting to EUR 61,345 thousand (previous year: EUR 66,893 thousand). In accordance with IAS 12.39, no deferred tax liabilities are recognized, because PALFINGER is able to control the timing and these temporary differences will not reverse in the foreseeable future.

The capitalization of deferred taxes amounting to EUR 503 thousand (previous year: EUR 1,772 thousand) on loss carry-forwards and interest carry-forwards totalling EUR 2,023 thousand (previous year: EUR 8,056 thousand) is made in the amount of the taxable temporary differences that exist with respect to the same tax authority and the same taxable entity. The resulting future taxable income is expected to be offset against losses or interest carry-forwards. For all other capitalized deferred taxes on loss and interest carry-forwards, it is assumed based on the taxable results forecast by planning calculations that these loss and interest carry-forwards can be used before they expire.

Deferred taxes on temporary differences and tax loss carry-forwards amounting to EUR 5,715 thousand (previous year: EUR 7,485 thousand) are capitalized without being offset by deferred tax liabilities to the corresponding amount. The companies concerned expect positive tax income in the future following losses in the current fiscal year or in the previous year. PALFINGER assumes that the future taxable income of the companies will be sufficient to probably realize these deferred tax assets.

(35) Non-current financial assets

Non-current financial assets are broken down as follows:

EUR thousand	12/31/2019	12/31/2020
Loans	3,259	12,968
Financial receivables from related parties	14,172	-
Securities	1,407	1,407
Deposits at banks	212	160
Other shareholdings	77	74
Non-current financial assets	19,127	14,608

Securities consist of shares in investment funds and bonds for the legally obligatory security of provisions for personnel.



The loans include accounts receivable from the estate of Hubert Palfinger Senior amounting to EUR 18,143 thousand (previous year: EUR 17,902 thousand) (of which EUR 10,628 thousand is non-current and EUR 7,515 thousand is current). As at the balance sheet date, collateral amounting to EUR 18,000 thousand was provided in the form of a declaration of commitment from Hubert Palfinger and Hannes Palfinger (see also Note (57)). The amount exceeding the collateral amounting to EUR 143 thousand was impaired in 2020. The receivable accrues interest at arm's length rates

(36) Other non-current assets

The non-current assets are broken down as follows:

EUR thousand	12/31/2019	12/31/2020
Reimbursement rights and other receivables	3,698	2,985
Accrued expenses	253	375
Miscellaneous other non-current assets	12	-
Other non-current assets	3,963	3,360

Reimbursement rates relate, among other things, to surrender rights for life insurance policies that do not meet the requirements for offsetting against pension provisions in accordance with IAS 19.

(37) Inventories

The inventories are composed as follows:

EUR thousand	12/31/2019	12/31/2020
Raw materials, consumables and supplies	139,883	129,270
Work in progress	102,777	92,552
Finished goods and merchandise	107,291	87,751
Prepayments	1,406	2,182
Inventories	351,357	311,755

Inventories amounting to EUR 648 thousand (previous year: EUR 533 thousand) are measured at net realizable value.

In fiscal year 2020, impairment losses on inventories amounting to EUR 5,103 thousand (previous year: EUR 4,077 thousand) and reversals of impairment losses from inventories deemed obsolete amounting to EUR 975 thousand (previous year: EUR 645 thousand) were reported in cost of sales.

(38) Trade receivables and contract assets from customer contracts

The trade receivables are broken down as follows:

EUR thousand	12/31/2019	12/31/2020
Receivables from contract manufacturing and rendering of services	35,137	37,588
Invoiced receivables	240,417	191,508
Total	275,554	229,096



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Since 2014, PALFINGER AG and selected Austrian and German subsidiaries of the PALFINGER Group have had a factoring contract with an Austrian bank. This contract was extended in 2019 to include selected Spanish, Portuguese and Romanian subsidiaries. In 2020, a factoring program similar to the one implemented in Europe was introduced in the USA. Five companies are covered by the program. An Austrian banking group was appointed to implement the US program. Within the framework of the factoring contract, trade receivables are sold monthly on a revolving basis up to a maximum volume of EUR 90,000 thousand (previous year: EUR 90,000 thousand), or USD 50,000 thousand. Receivables sold in connection with the factoring contract as at balance sheet date December 31, 2020 amount to EUR 39,236 thousand (previous year: EUR 49,282 thousand) and are derecognized in full in accordance with IFRS 9 due to the transfer of risks and opportunities. PALFINGER continues to bear a risk from credit risk-related defaults up to a contractually defined amount. As at the reporting date of December 31, 2020, the resulting maximum risk of loss amounts to EUR 805 thousand (previous year: EUR 1,020 thousand) and corresponds to the maximum deductible. The total risk from the portfolio of receivables is covered on the balance sheet by the allowances and the provision for the default reserve.

The recognition of the expected loss as an expense primarily reflects the effect on profit or loss for the reporting period.

Trade receivables include receivables in accordance with IFRS 15 amounting to EUR 190,462 thousand (previous year: EUR 239,124 thousand).

Trade receivables are normally due within 120 days, while contract assets from customer contracts usually have payment schedules with milestone payments. Receivables from contract manufacturing and rendering of services, which are subject to revenue recognition over time in accordance with IFRS 15, are reported separately in the balance sheet under the item "Contract assets from customer contracts" due to the provisions of IFRS 15.

The Group uses the simplified approach according to IFRS 9 to measure expected credit losses. As a result, the credit losses expected over the duration are used for all trade receivables and contract assets.

For the purpose of measuring expected credit losses, trade receivables were aggregated on the basis of common risk characteristics and days overdue. Contract assets relate to work in progress that has not yet been invoiced and have essentially the same risk parameters as trade receivables. The Group therefore assumes that the expected loss rates for trade receivables represent a reasonable approximation of the loss rates for contract assets.

The development of contract assets from customer contracts is shown below:

EUR thousand	2019	2020
As at 1/1	49,623	35,693
Addition due to PoC progress	161,268	82,235
Progress billings	(175,683)	(78,525)
Accumulated adjustment	100	206
Foreign currency translation	385	(1,801)
As at 12/31	35,693	37,808
Recorded impairment	(556)	(220)
Contract assets incl. impairments	35,137	37,588



The risk from expected loss rates is accounted for by an allowance amounting to EUR 13,569 thousand (previous year: EUR 13,506 thousand). The allowance relates primarily to trade receivables and contract assets from customer contracts. The development of the valuation allowance is shown below:

EUR thousand	Specific valuation allowances on receivables		General specific valuation allowances on receivables	
	2019	2020	2019	2020
As at 1/1	6,689	8,426	4,357	5,080
Allocation	2,334	3,097	4,734	3,196
Use	(2,597)	(1,119)	(245)	(269)
Reversal	(331)	(530)	(3,989)	(2,739)
Reclassification	(123)	(12)	123	5
Foreign currency translation	116	(1,116)	100	(448)
As at 12/31	8,426	8,744	5,080	4,825

(39) Current financial assets

Current financial assets are broken down as follows:

EUR thousand	12/31/2019	12/31/2020
Derivative financial instruments	1,285	1,365
Receivables from related parties	3,730	-
Other financing receivables	49	7,566
Current financial assets	5,064	8,931

(40) Other current receivables and assets

Other current receivables and assets are broken down as follows:

EUR thousand	12/31/2019	12/31/2020
Receivables relating to social security and other taxes	14,814	14,813
Other receivables	17,611	16,660
Accrued expenses and compensation payments	9,993	8,024
Receivables from entities reported at equity	22	38
Other current receivables and assets	42,440	39,535

Other receivables include receivables from the factor resulting from the sale of trade receivables (see also Note (38) for more information) as well as receivables from public authorities.

(41) Cash and cash equivalents

Cash and cash equivalents are current financial resources and are broken down as follows:

EUR thousand	12/31/2019	12/31/2020
Cash-in-hand	238	124
Deposits at banks	41,799	104,074
Cash and cash equivalents	42,037	104,198

As at December 31, 2020, there are restrictions on the disposal of cash and cash equivalents amounting to EUR 6.2 million (previous year: EUR 5.7 million).



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(42) Share capital

The share capital is divided into 37,593,258 no-par value shares (previous year: 37,593,258); all shares issued have been fully paid. As in the previous year, PALFINGER did not hold any treasury shares as at December 31, 2020.

(43) Share premium

The share premium relates to appropriated and unappropriated additional paid-in capital.

(44) Currency translation reserve

In 2019, as a result of the sale of 2.5 percent holding in SANY Automobile Hoisting Machinery, a gain from foreign currency translation of EUR 1,725 thousand was reclassified from OCI to Income from companies reported at equity. The foreign currency translation of the consolidated companies as well as that of the companies reported at equity are included in the reserve. The change in currency conversion reserve is broken down below according to currency:

EUR thousand	2019	2020
AED	238	(1,026)
BRL	130	(5,570)
GBP	62	(97)
NOK	590	(3,104)
RMB	(940)	(3,449)
RUB	8,910	(18,510)
USD	2,792	(12,568)
Other	(1,158)	(4,110)
Currency translation reserve	10,176	(48,434)

(45) Earnings per share

In accordance with IAS 33, earnings per share are calculated by dividing consolidated net result by the weighted average number of shares outstanding. The weighted average number of shares outstanding in fiscal year 2020 amounted to 37,593,258 shares (previous year: 37,593,258 shares).

Based on the consolidated net result of EUR 49,789 thousand (previous year: EUR 80,028 thousand), undiluted earnings per share amount to EUR 1.32 (previous year: EUR 2.13). The diluted earnings per share are the same as the undiluted earnings per share.

(46) Retained earnings

As at December 31, 2020, there are no puttable non-controlling interests, unchanged from the previous year.

DIVIDEND PER SHARE

The following dividends were resolved and paid to PALFINGER AG's shareholders:

	Total EUR thousand	Number of shares	Dividend per share
Dividend resolved for the fiscal year 2019 (Annual General Meeting of August 5, 2020)	13,158	37,593,258	0.35
Dividend resolved for the fiscal year 2018 (Annual General Meeting of March 20, 2019)	19,173	37,593,258	0.51



The net profit for 2020 reported in the annual financial statement of PALFINGER AG in accordance with the Austrian Commercial Code (UGB) is distributed as follows:

EUR thousand	
Net profit 2020 of PALFINGER AG	58,571
Retained profits brought forward from 2019	305,528
Total net profit	364,099
Proposed dividend (EUR 0.45 per share)	16,917
Remaining accumulated profit	347,182

The dividend to be proposed by the Executive Board and Supervisory Board to the Annual General Meeting on April 7, 2021 will be EUR 0.45 per share.

(47) Valuation reserve according to IFRS 9

As in the previous year, the valuation reserve according to IFRS 9 only includes reserves from cash flow hedges and gains and losses from the effective portion of cash flow hedges. The accumulated gain or loss on a hedging instrument allocated to the reserve is not transferred to the income statement until the hedged transaction affects profit or loss. The development of the cash flow hedging reserve is shown below (after tax):

EUR thousand	2019	2020
As at 1/1	(3,925)	(2,238)
Changes in unrealized profits (+)/losses (-)		
Interest rate swaps	(1,061)	(569)
Currency forwards	292	(169)
	(769)	(738)
Changes in realized gains (+)/losses (-)		
Interest rate swaps	1,094	1,161
Currency forwards	1,362	423
	2,456	1,584
Change	1,687	846
As at 12/31	(2,238)	(1,392)

(48) Non-controlling interests

The table below shows summarized financial information before intra-group eliminations for each subsidiary with material non-controlling interests:

12/31/2019	Andrés N. Bertotto (Hidro-Grubert)	EPSILON Kran GmbH	Palfinger Ibérica Group	Nimet Sri	Guilma Palfinger S.A.S.
EUR thousand					
Net assets					
Non-current assets	2,584	9,242	12,950	37,416	7,061
Current assets	5,995	64,433	36,227	14,282	31,239
Non-current liabilities	500	1,270	4,783	1,055	1,974
Current liabilities	3,731	35,645	20,481	19,088	17,163
	4,348	36,760	23,913	31,555	19,163
Non-controlling interests					
Shares/voting rights	30%	35%	25%	40%	35%
Carrying amount	930	13,054	6,555	12,191	6,652



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12/31/2020

EUR thousand	Andrés N. Bertotto (Hidro-Grubert)	EPSILON Kran GmbH	Palfinger Iberica Group	Nimet Sri	Guima Palfinger S.A.S.
Net assets					
Non-current assets	1,640	13,120	11,172	35,468	6,300
Current assets	9,292	52,386	29,069	14,382	25,809
Non-current liabilities	248	1,070	4,279	813	1,978
Current liabilities	5,483	33,696	8,955	16,477	11,556
	5,201	30,740	27,007	32,560	18,576
Non-controlling interests					
Shares/voting rights	30%	35%	25%	40%	35%
Carrying amount	1,169	10,948	7,434	12,599	6,447

Jan–Dec 2019

EUR thousand	Andrés N. Bertotto (Hidro-Grubert)	EPSILON Kran GmbH	Palfinger Iberica Group	Nimet Sri	Guima Palfinger S.A.S.
Cash flow					
Cash flows from operating activities	1,641	36,300	5,851	22,388	9,868
Cash flows from investing activities	(307)	(29,736)	(4,744)	(7,054)	(8,682)
Cash flows from financing activities	(566)	(6,563)	(1,158)	(15,260)	(933)
Non-controlling interests					
Profit/loss attributable	764	8,494	1,483	4,255	2,434
Share of other comprehensive income	(940)	(36)	-	(318)	(46)
Dividends	364	4,760	555	3,715	1,065

Jan–Dec 2020

EUR thousand	Andrés N. Bertotto (Hidro-Grubert)	EPSILON Kran GmbH	Palfinger Iberica Group	Nimet Sri	Guima Palfinger S.A.S.
Cash flow					
Cash flows from operating activities	1,213	18,510	15,459	11,422	2,125
Cash flows from investing activities	(187)	1,466	(35)	(2,961)	2,059
Cash flows from financing activities	(51)	(19,977)	(15,097)	(8,506)	(4,237)
Non-controlling interests					
Profit/loss attributable	827	6,295	1,442	2,005	1,178
Share of other comprehensive income	(457)	(2)	-	(222)	17
Dividends	131	8,400	564	1,376	1,399

The net assets of EPSILON Kran GmbH are restricted to the extent that a transfer of shares may only take place with the consent of the minority shareholder and that deviation from the existing agreement regarding a linear maximum distribution in relation to the equity ratio is subject to mutual agreement.

The net assets of Guima Palfinger S.A.S. are restricted to the extent that deviation from the existing agreement regarding a minimum distribution as a percentage of the annual profit is subject to mutual agreement.

In the case of the remaining immaterial non-controlling interests, distribution agreements also exist or distributions can only be resolved with the mutual agreement of the minority shareholders.



(49) Financial liabilities

EUR thousand	12/31/2019	Durations
Promissory note loans	331,254	1 - 9 years
Equity financing and bilateral loans	140,311	1 - 6 years
Lease liabilities	48,419	1 - 23 year
Other non-current financial liabilities	2,099	-
Non-current financial liabilities	522,083	

EUR thousand	12/31/2020	Durations
Promissory note loans	285,000	1 - 8 year
Equity financing and bilateral loans	122,567	1 - 5 year
Lease liabilities	46,718	1 - 22 year
Other non-current financial liabilities	1,786	-
Non-current financial liabilities	456,071	

EUR thousand	12/31/2019	12/31/2020
Promissory note loans	-	24,000
Equity financing and bilateral loans	13,000	23,783
Lease liabilities	11,196	10,884
Other current financial liabilities	45,519	10,015
Current financial liabilities	69,715	68,682

Deferred interest expenses are included in the current financial liabilities.

The average interest rate represents the interest burden as at December 31, 2020 after taking into account interest rate hedges as a percentage in relation to the carrying amount of the financial liabilities as at December 31, 2020 and amounts to 1.33 percent (previous year: 1.69 percent).

(50) Purchase price liabilities from acquisitions

The development of purchase price liability from acquisitions is shown below:

EUR thousand	2019	2020
As at 1/1	11,086	11,090
Allocation	404	325
Interest effect	1,050	1,225
Redemption	(2,506)	(628)
Addition	1,056	-
As at 12/31	11,090	12,112

There was still a liability for the disproportionate dividend for 2018 amounting to EUR 1,355 thousand that was paid out in 2019 and that is included in the redemption of purchase price liabilities.

The purchase price liability from the acquisition of 20 percent in Palfinger Boats B.V. was settled for EUR 623 thousand in the first quarter of 2019. The amount is included in the redemption of the purchase price liabilities.

In addition, since 2016 there has been a contingent consideration for the acquisition of the MYCSA Group (Palfinger Ibérica), which is due in 2021 and depends on future earnings before interest and taxes of the units. The maximum amount of the payment for this contingent consideration is unlimited.



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A purchase price liability for the acquisition of Palfinger Structural Inspection GmbH amounting to EUR 1,056 thousand was incurred in the fiscal year 2019. EUR 528 thousand of that was settled in 2019 and 2020 is included in the repayment of the purchase price liabilities.

For the Level 3 carrying amounts, the following valuation method and inputs were used to determine fair values:

Purchase price liabilities	Valuation method	Inputs
MYCSA Group	Discounted cash flow method	Risk-adjusted Interest rate, results of corporate planning in EUR

Sensitivity analysis for significant inputs in determining fair values as at December 31, 2020 and 2019:

EUR thousand	Change in assumption	In the event of an increase		In the event of a decrease	
		2019	2020	2019	2020
Interest rate	+/- 1 %	(117)	(27)	119	27
Forecasted result	+/- 10%	302	n/a	(302)	n/a

(51) Non-current provisions

Non-current provisions are broken down as follows:

EUR thousand	12/31/2019	12/31/2020
Pension provisions	12,683	12,914
Provisions for severance payments	30,278	30,885
Anniversary bonus provisions	8,923	9,023
Other non-current provisions	9,453	15,375
Non-current provisions	61,337	68,197

PENSION PROVISIONS

On the basis of individual contractual provisions, PALFINGER is obligated to grant a retirement allowance to some employees from the date they retire. The amount of this pension is determined based on the length of service and the level of remuneration at the time of retirement.

The evaluation was based on the following parameters:

	Age of retirement		Interest rate (p.a.)		Pension increase (p.a.)	
	2019	2020	2019	2020	2019	2020
Germany	63-65 years	63-65 years	0.25% - 1.00%	0.04% - 0.56%	1.5%	1.5%
France	62-63 years	65 years	0.50%	0.27%	2.6%	2.5%
Austria	65 years	65 years	0.75% - 1.00%	0.36% - 0.50%	1.7%	1.7%

The change in the interest rate is based on reassessment due to the changed market conditions.

As at December 31, 2020, the average duration of the defined benefit obligations from pension commitments is 14.19 years (previous year: 13.70 years). For the fiscal year 2021, expected contributions to pension obligations amount to EUR 209 thousand (previous year: EUR 209 thousand).

The calculation of the pension provisions as at December 31, 2020 is based on actuarial principles in accordance with the calculation rules of IAS 19. The obligation is measured using the projected unit credit method.

The calculated retirement age in Austria is based on the earliest possible age for retirement according to the 2004 pension reform (Austrian Budget Accompanying Act 2003 - BBG 2003), taking into account the transitional regulations. In the case of female beneficiaries, the calculated retirement age is gradually increased in accordance with the "Federal Constitutional Law on Different Age Limits for Male and Female Social Security Recipients". The calculation is based on the calculation principles for pension insurance AVÖ-2018-P for salaried employees.

The mathematical retirement age in Germany is based on the earliest possible retirement age under German statutory pension insurance; the 2018 G mortality tables are applied.

Because the pension obligations are adjusted to the consumer price index, the pension plans are exposed to the risk of inflation. In addition, there are interest rate risks and risks due to changes in life expectancy for retirees. The pension obligations are partly covered by reinsurance policies, which means that there is a low counterparty risk for insurance companies.

PROVISIONS FOR SEVERANCE PAYMENTS

Severance payments are one-time settlements that must be paid to employees on termination of employment, or on a regular basis when employees retire. The amount depends on the number of years of service and the level of remuneration. Provisions for severance payments are calculated using actuarial principles.



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The evaluation is based on the following parameters:

	Interest rate (p.a.)		Salary increases (p.a.)		Staff turnover allowance (p.a.)	
	2019	2020	2019	2020	2019	2020
Austria	0.5% - 1.00%	0.32% - 0.56%	3.0%	3.0%	based on length of service 0.13% to 0.54%	based on length of service 0.23% bis 1.08%
Slovenia	0.75% - 1.00%	0.53% - 0.56%	3.0%	3.0%	2.0%	2.0%
Bulgaria					age-related 5.0% to 20.0%	age-related 5% to 20%
UAE and Qatar	3.25%	1.5% - 2.0%	3.0%	3.0%	based on length of service 5.0% to 10.0%	based on length of service 5.0% to 10.0%

The change in the interest rate is based on reassessment due to the changed market conditions.

As at December 31, 2020, the average duration of the defined benefit obligations from severance payments is 13.29 years (previous year: 13.65 years). For the fiscal year 2021, expected contributions to severance payments amount to EUR 1,537 thousand (previous year: EUR 1,605 thousand).

Employees whose employment status is governed by Austrian law and began before January 1, 2003 are entitled to a severance payment under the following conditions: if employment status has lasted for an uninterrupted period of three years, in the event of termination by the employer and in the event of early resignation for good cause; and in the event of termination of employment upon reaching the statutory retirement age, providing employment lasted for an uninterrupted period of at least ten years. The amount of the severance payment depends on the amount of the remuneration at the time of termination and the length of service.

For employees in Austria whose employment commenced on or after January 1, 2003, this obligation has been replaced by a contribution-based system. Payments are made to the external employee pension fund, are reported as expenses and amount to 1.53 per cent of remuneration.

The pension provisions and severance payments are shown below:

EUR thousand	Pensions		Severance payments	
	12/31/2019	12/31/2020	12/31/2019	12/31/2020
Net present value of the obligation	13,421	13,669	30,278	30,885
Fair value of plan assets	(738)	(756)	-	-
Provision	12,683	12,914	30,278	30,885

EUR thousand	Pensions		Severance payments	
	2019	2020	2019	2020
Net present value of the obligation as at 1/1	12,499	13,421	26,339	30,278
Service cost	211	217	1,560	1,818
Interest expenses	199	85	502	227
Gains (-)/Losses (+) from re-measurements	1,461	433	3,992	386
Effective payments	(930)	(479)	(2,181)	(1,689)
Reclassification	(21)	-	21	-
Foreign currency translation	2	(8)	45	(135)
Net present value of the obligation as at 12/31	13,421	13,669	30,278	30,885



Plan assets consist of a pension fund at a reputable insurance company.

EUR thousand	2019	2020
Fair value of plan assets as at 1/1	714	738
Expected return on plan assets	9	3
Gains (+)/losses (-) from re-measurements	14	22
Foreign currency translation	1	(6)
Fair value of plan assets as at 12/31	738	755

The actual sum amounted to EUR 25 thousand (previous year: EUR 23 thousand).

Net cost for pensions and severance payment commitments are broken down as follows:

EUR thousand	Pensions		Severance payments	
	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2020
Personnel expenses				
Service cost	(211)	(217)	(1,560)	(1,818)
Interest expenses				
Interest expenses	(190)	(82)	(502)	(227)
Net cost	(401)	(299)	(2,062)	(2,045)

Re-measurements are broken down as follows:

EUR thousand	Pensions		Severance payments	
	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2020
Experience adjustments	(191)	(202)	92	(678)
Changes in demographic assumptions	-	100	62	(342)
Changes in financial assumptions	1,652	535	3,838	1,406
Return on plan assets	(14)	(22)	-	-
Gains (-)/losses (+) from re-measurements	1,447	411	3,992	386

Realistic changes in the following actuarial parameters, which are deemed to be essential for calculating pension costs and the expected defined benefit claims as at the reporting date with all other parameters remaining constant, would give rise to the following change in the net present value of the obligation:

Change in the net present value of the obligation

EUR thousand	+1%		(1)%		+1%		(1)%	
	2019	2020	2019	2020	2019	2020	2019	2020
Interest rate	(1,639)	(1,710)	2,023	2,038	(3,620)	(3,659)	4,370	4,412
Pension increase/salary increase	1,807	1,731	(1,518)	(1,523)	4,099	4,120	(3,484)	(3,507)



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ANNIVERSARY BONUS PROVISIONS

Provisions for anniversary bonuses derived from collective bargaining arrangements and/or works agreements are calculated using the same parameters as for the provision for severance payments.

Changes in anniversary bonus provisions are shown below:

EUR thousand	2019	2020
As at 1/1	7,354	8,923
Allocation	1,807	381
Interest effect	121	63
Use	(359)	(344)
As at 12/31	8,923	9,023

OTHER NON-CURRENT PROVISIONS

The development of other non-current provisions is shown below:

EUR thousand	2019	2020
As at 1/1	3,489	9,453
Allocation	5,767	5,596
Interest effect	581	901
Use	(1,800)	(2,750)
Reversal	(2)	(199)
Foreign currency translation	(202)	(101)
As at 12/31	9,453	15,875

Other non-current provisions include other non-current provisions for personnel amounting to EUR 15,037 thousand (previous year: EUR 9,122 thousand). A new long-term bonus agreement for managers and members of the executive board members has been in place since fiscal year 2018 that is expected to be paid out in 2023 upon achievement of agreed key performance indicators.

(52) Other non-current liabilities

Other non-current liabilities relate primarily to liabilities to employees and deferred income.

(53) Current provisions

The development of current provisions is shown below:

EUR thousand	Provision for guarantee and warranty expenses		Other current provisions	
	2019	2020	2019	2020
As at 1/1	14,002	13,971	7,607	7,215
Allocation	3,363	3,028	3,281	13,385
Use	(2,935)	(2,054)	(4,408)	(10,747)
Reversal	(718)	(1,112)	(97)	(42)
Reclassification	-	-	-	6
Foreign currency translation	259	(214)	832	(333)
As at 12/31	13,971	13,689	7,215	9,484

The other non-current provisions include provisions for personnel amounting to EUR 3,821 thousand (previous year: EUR 2,765 thousand). These mainly comprise obligations for medical care for employees in the USA and short-term severance claims.



In addition, other current provisions include provisions for anticipated losses from customer contracts in the amount of EUR 1,166 thousand (previous year: EUR 753 thousand).

(54) Trade payables and other current liabilities

The trade payables and other current liabilities are broken down as follows:

EUR thousand	12/31/2019	12/31/2020
Trade payables	159,792	146,491
Liabilities to entities reported at equity	1,762	840
Liabilities to employees	47,773	39,049
Liabilities relating to social security and other taxes	21,776	25,462
Other liabilities	42,094	47,395
Trade payables and other current liabilities	273,197	259,237

The liabilities to employees amounting to EUR 39,049 thousand (previous year: EUR 47,773 thousand) include accruals for unused vacation, performance bonuses and flexi-time credit as well as liabilities from wage and salary expenses.

Other liabilities amounting to EUR 47,395 thousand (previous year: EUR 42,094 thousand) relate to customers with credit balances, liabilities to the factor arising from incoming payments for trade receivables sold (see also Note (38)) and other miscellaneous liabilities.

At the end of 2017, PALFINGER launched a reverse factoring program with individual suppliers to finance their receivables from PALFINGER. Suppliers are permitted to instruct contract banks to pay receivables in advance. The program was expanded in 2020. In such agreements, PALFINGER is not released from its initial obligation and the terms of contract are not significantly modified as a result of quantitative and qualitative reviews. Therefore, the amount stated in the consolidated balance sheet has not been changed. The liability continues to be reported under trade payables as well as in cash flows from operating activities. As at December 31, 2020 the program was used for trade payables amounting to EUR 41,939 thousand (previous year: EUR 21,159 thousand).

(55) Contract liabilities from customer contracts

Contractual liabilities from customer contracts include payments received on account of orders and deferred revenue. The change in contract assets from customer contracts is shown below:

EUR thousand	2019	2020
As at 1/1	28,400	33,734
Addition	27,747	32,608
Recognized as revenue	(22,468)	(25,376)
Accumulated adjustment	(3)	-
Foreign currency translation	58	(2,272)
As at 12/31	33,734	37,694



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(56) Financial instruments

The reconciliation of the carrying amounts for each category according to IFRS 9 is shown below:

EUR thousand	Carrying amount 12/31/2019	No financial instrument/ recognition according to IFRS 10	Measured according to IFRS 16
Non-current assets			
Non-current financial assets	19,127	-	-
thereof Level 1 fair value	-	-	-
thereof Level 2 fair value	-	-	-
Current assets			
Trade receivables	240,417	-	-
thereof Level 3 fair value	-	-	-
Contract assets from customer contracts	35,137	35,137	-
Current financial assets	5,064	-	-
thereof Level 2 fair value	-	-	-
Other current receivables and assets	42,440	25,009	-
Cash and cash equivalents	42,037	-	-
Assets	384,222	60,146	-
Non-current liabilities			
Non-current financial liabilities	473,664	-	-
thereof Level 2 fair value	-	-	-
Non-current purchase price liabilities from acquisitions	10,562	-	-
thereof Level 3 fair value	-	-	-
Other non-current liabilities	75	77	-
Non-current leasing liabilities	48,419	-	48,419
Non-current contract liabilities from customer contracts	3,881	3,881	-
Current liabilities			
Current financial liabilities	58,519	-	-
thereof Level 2 fair value	-	-	-
Current purchase price liabilities from acquisitions	528	-	-
Trade payables and other current liabilities	273,198	69,549	-
Current lease liabilities	11,196	-	11,196
Current contract liabilities from customer contracts	29,853	29,853	-
Liabilities	908,895	103,360	59,615



At amortized cost		Measured according to IFRS 9		Carrying amount of financial instruments 12/31/2019
Financial asset at amortized cost	Financial liabilities at amortized cost	At fair value	At fair value	
		Recognized in other comprehensive income	Recognized in profit or loss	
		Hedging Derivatives/ Fair value OCI	At fair value through profit or loss/ Other derivatives	
17,643	-	-	1,484	19,127
			1,407	
			77	
156,927	-	31,495	-	240,417
		31,495	-	
		-	-	-
3,779	-	716	569	5,064
		716	569	
17,431	-	-	-	17,431
42,037	-	-	-	42,037
239,812	-	82,211	2,053	324,076
	472,385	1,279	-	473,664
		1,279	-	
	23	-	10,539	10,562
			10,539	
	(2)	-	-	-
	-	-	-	48,419
	-	-	-	
	56,349	1,217	953	58,519
		1,217	953	
	528	-	-	528
	203,649	-	-	203,649
	-	-	-	11,196
	-	-	-	-
	732,932	2,486	11,492	806,536



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EUR thousand	Carrying amount 12/31/2020	No financial instrument/ recognition according to IFRS 10	Measured according to IFRS 16
Non-current assets			
Non-current financial assets	14,608	-	-
thereof Level 1 fair value	-	-	-
thereof Level 2 fair value	-	-	-
Current assets			
Trade receivables	191,508	-	-
thereof Level 3 fair value	-	-	-
Contract assets from customer contracts	37,588	37,588	-
Current financial assets	8,931	-	-
Other current receivables and assets	39,535	23,034	-
Cash and cash equivalents	104,198	-	-
Assets	396,368	60,622	-
Non-current liabilities			
Non-current financial liabilities	409,353	-	-
thereof Level 2 fair value	-	-	-
Non-current purchase price liabilities from acquisitions	24	-	-
Other non-current liabilities	101	101	-
Non-current leasing liabilities	46,718	-	46,718
Non-current contract liabilities from customer contracts	3,326	3,326	-
Current liabilities			
Current financial liabilities	57,798	-	-
thereof Level 2 fair value	-	-	-
Current purchase price liabilities from acquisitions	12,085	-	-
thereof Level 3 fair value	-	-	-
Trade payables and other current liabilities	259,238	64,511	-
Current lease liabilities	10,884	-	10,884
Current contract liabilities from customer contracts	34,368	34,368	-
Liabilities	833,898	102,306	57,602

The fair value of currency forwards is determined by calculating the present value of cash flows on the basis of current yield curves for the respective currencies from observable market data as well as on the current exchange rates on the valuation date. In the case of interest rate swaps, the fair value is determined by calculating the present value of the cash flows based on current yield curves of the respective currencies from observable market data. Securities are valued at the current exchange rate on the valuation date.



At amortized cost		Measured according to IFRS 9			Carrying amount of financial instruments 12/31/2020
		At fair value		Recognized in profit or loss	
Financial asset at amortized cost	Financial liabilities at amortized cost	Recognized in other comprehensive income	Hedging Derivatives/Fair value OCI	At fair value through profit or loss / Other derivatives	
13,128	-	-	-	1,480	14,608
				1,406	
				74	
89,873	-	-	101,635	-	191,508
			101,635		
-	-	-	-	-	-
7,566	-	-	1,030	335	8,931
15,501	-	-	-	-	16,501
104,198	-	-	-	-	104,198
231,266	-	-	102,665	1,815	335,746
-	408,267	-	1,086	-	409,353
			1,086		
-	24	-	-	-	24
-	-	-	-	-	-
-	-	-	-	-	46,718
-	-	-	-	-	-
-	55,794	-	-	2,004	57,798
				2,004	
-	-	-	-	12,088	12,088
				12,088	
-	194,727	-	-	-	194,727
-	-	-	-	-	10,884
-	-	-	-	-	-
-	658,812	-	1,086	14,082	731,592

Material risks of non-performance relating to financial assets and liabilities are accounted for on the basis of ratings as a deduction from the calculated value. The carrying amount of current assets and liabilities corresponds to their market value, as they are either due in the short term or are subject to variable interest rates. Default risks are accounted for by means of appropriate valuation allowances. The carrying amounts of the non-current financial liabilities amounting to EUR 409,353 thousand (previous year: EUR 473,664 thousand) also roughly correspond to the market values (Level 2) amounting to EUR 417,799 thousand (previous year: EUR 481,333 thousand). The market values were calculated on the basis of observable current yield curves for the respective currencies using the discounted cash flow method. Interest rate swaps held for interest rate hedging purposes are accounted for at market value.

Income from the disposal of securities in the fiscal year 2020 amounted to EUR 0 thousand (previous year: EUR 54 thousand) and is reported as other financial result (see Note (27) net Interest income and other financial result).



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The development of Level 3 fair values is shown below:

EUR thousand	2019	2020
As at 1/1	10,440	10,539
Accrued interest	1,050	1,225
Redemption	(1,355)	-
Increase through profit and loss	404	324
As at 12/31	10,539	12,088

Result in the income statement

EUR thousand	Jan–Dec 2019	Jan–Dec 2020
Other interest expenses	(1,050)	(1,225)
Other operating expenses/income	(404)	(324)
Unrealized gain/loss for financial instruments held on the balance sheet date	(1,454)	(1,549)

As at December 31, 2020, the Level 3 fair values consist of the liability related to the contingent purchase price liability from the acquisition of MYCSA Group.

Capital management

The objective of PALFINGER's capital management is to ensure financial flexibility, scope for value-enhancing investments, and retention of sound balance sheet ratios. A strong equity structure secures the trust of investors, lenders and the market and provides a solid basis for positive business development.

PALFINGER's net debt is managed centrally in coordination with the Corporate Treasury department. The main tasks of the Corporate Treasury department include liquidity management and securing long-term liquidity in support of business operations, efficient use of banking and financial services, and limiting financial risks while at the same time optimizing income and costs.

PALFINGER manages its capital structure taking into account changes in the economic environment, fixed strategic projects and internal targets in terms of equity ratio and gearing ratio. For long-term guidance, an equity ratio of more than 40 percent and a gearing ratio (the ratio of net debt to equity) of less than 70 percent are regarded as benchmarks. At the end of 2020, the equity ratio was 39.6 percent (previous year: 38.3 percent) and the gearing ratio stood at 64.4 percent (previous year: 83.6 percent). The net debt amounting to EUR 397,088 thousand (previous year: EUR 525,647 thousand) comprises non-current and current financial assets and cash as well as non-current and current financial liabilities (including leases in accordance with IFRS 16). Equity corresponds to the equity reported in accordance with IFRS amounting to EUR 616,449 thousand (previous year: EUR 629,092 thousand).

In order to maintain capital structure, a steady dividend policy is pursued based on the consolidated net result of the previous year. In accordance with PALFINGER's long-term dividend policy of distributing around one third of net profit to its shareholders, a dividend of EUR 0.71 (previous year: EUR 0.51) per share was proposed for fiscal year 2019. Due to the uncertain impact of the COVID-19 crisis on PALFINGER, the 32nd Annual General Meeting on 5 August 2020 reduced the original proposal for the appropriation of profits by approximately 50 per cent and settled on EUR 0.35 per share.



Financial risks

In accordance with PALFINGER's Corporate Treasury guidelines, the main focus is on limiting financial risks. Due to the increased internationalization of the PALFINGER Group, the concentration of risks within the Group has been reduced. All the relevant parameters are periodically monitored and actively managed. PALFINGER's operations involve interest rate and currency risks as well as financing risk. In addition to operational measures, derivative financial instruments such as currency forwards and interest rate and currency swaps are used to limit and manage these risks. No derivative financial instruments are employed for speculative purposes. Each of the risks is discussed in detail below.

1. LIQUIDITY RISK

Liquidity risk describes the necessity of having sufficient funds available at all times in order to meet payment obligations and to ensure further growth of the business. The objective therefore lies in analyzing exposure to liquidity risk as well as consistently safeguarding liquidity by means of liquidity planning, arranging sufficient lines of credit, and the sufficient diversification of lenders.

Managing liquidity risk is the core task of Corporate Treasury, which uses efficient cash management systems for this purpose. Company-wide cash reporting ensures the transparency necessary to facilitate the systematic management of financial resources. Medium-to-long-term planning allows PALFINGER to identify any financial need that may arise and coordinate this with its banking partners. Efficient management and distribution of the required liquidity are ensured thanks to the Group's internal financing structure and the use of cash pooling solutions in Europe, America, and Russia.

The existing promissory note loan contracts and credit arrangements contain contractual agreements stipulating the observance of financial covenants that provide for compliance with a consolidated equity ratio of at least 25 percent in accordance with IFRS. Noncompliance with this financial covenant entitles the lender to terminate the particular financing agreement. At the end of 2020, equity ratio was 39.6 percent (previous year: 38.3 percent) and therefore far above the externally stipulated threshold value.

An additional action to ensure liquidity is the maintenance of long-term undrawn credit lines at banking partners. The existing financing agreements are distributed across several core banking partners and currently have terms of up to two years. Owing to the uncertain developments of the COVID-19 pandemic and the possible negative economic effects caused as a consequence, the unused approved financing lines were temporarily increased by EUR 100 million in 2020 to over 40 percent of PALFINGER's net debt.



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The contractual remaining term to maturity of undiscounted cash flows are as follows:

2019

EUR thousand	< 1 year	1-5 years	> 5 years	12/31/2019
Trade payables and other liabilities				
Trade payables	161,360	-	-	161,360
Other liabilities for financial instruments	42,288	-	-	42,288
	203,648	-	-	203,648
Financial liabilities				
Lease liabilities	63,715	356,711	135,430	555,856
Liabilities from cash flow hedges	11,215	34,505	20,592	66,312
Liabilities from derivatives held for trading	1,183	1,659	418	3,260
Non-current purchase price liabilities from acquisitions	1,298	-	-	1,298
	528	12,090	-	12,618
Undiscounted cash flows	281,587	404,966	186,440	842,982

2020

EUR thousand	< 1 year	1-5 years	> 5 years	12/31/2020
Trade payables and other liabilities				
Trade payables	147,129	-	-	147,129
Other liabilities for financial instruments	47,597	-	-	47,597
	194,726	-	-	194,726
Financial liabilities				
Lease liabilities	61,601	373,481	49,114	484,196
Liabilities from cash flow hedges	10,990	32,406	19,134	62,530
Liabilities from derivatives held for trading	1,963	956	239	3,158
Non-current purchase price liabilities from acquisitions	1,485	-	-	1,485
	12,088	24	-	12,112
Undiscounted cash flows	282,883	406,867	68,487	788,207

2. CREDIT RISK

Credit risk refers to the risk of default or non-payment by contractual partners. The Group counters this risk by establishing internal limits for contractual partners - determined through solvency analyses - and taking out adequate insurance. Credit risk is limited to the amounts of the uninsured receivables reported in the balance sheet.

All overdue receivables are written down using standardized flat rates for specific valuation allowances on receivables. For the purpose of measuring expected credit losses, trade receivables and contract assets were aggregated on the basis of common credit risk characteristics and days overdue.

Trade receivables are derecognized when they are no longer reasonably expected to be realized.

Under a factoring agreement, trade receivables are sold monthly on a revolving basis up to a maximum volume of EUR 90,000 thousand (see comments in Note (38) for more information).



The values of trade receivables and contract assets are shown below:

EUR thousand	Carrying amount	Gross carrying amount	Allowance	12/31/2019
				expected loss rates
Receivables not yet due	172,264	174,401	2,137	1%
Receivables due				
Overdue less than 30 days	55,774	56,155	381	1%
Overdue more than 30 days but less than 60 days	19,974	20,122	148	1%
Overdue more than 60 days but less than 90 days	8,104	8,748	644	7%
Overdue more than 90 days but less than 120 days	4,562	4,783	221	5%
Overdue more than 120 days	14,876	24,355	9,479	39%
	103,290	114,163	10,873	
Trade receivables and contract assets	275,554	288,564	13,010	

EUR thousand	Carrying amount	Gross carrying amount	Allowance	12/31/2020
				expected loss rates
Receivables not yet due	173,689	175,125	1,426	1%
Receivables due				
Overdue less than 30 days	30,830	31,446	616	2%
Overdue more than 30 days but less than 60 days	9,907	10,113	206	2%
Overdue more than 60 days but less than 90 days	3,619	3,902	283	7%
Overdue more than 90 days but less than 120 days	2,506	2,792	286	10%
Overdue more than 120 days	8,536	18,906	10,370	55%
	55,398	67,159	11,761	
Trade receivables and contract assets	229,087	242,284	13,187	

The remaining allowances relate to other receivables.

Close attention is paid to good credit ratings when investing financial resources at banks. Credit risk is limited in the amounts reported in the balance sheet.

3. FOREIGN CURRENCY RISK

Foreign currency risk arises as a result of exchange rate fluctuations. The value of a financial instrument may be affected by changes in the exchange rate.

Internationalization of the Group leads to payment transactions in various currencies. Surpluses in foreign exchange positions are minimized by adding value at local level (natural hedge). Any resulting material foreign exchange exposure is hedged by means of appropriate hedging instruments. Some foreign currency cash flows from ongoing operations are hedged using currency forwards (cash flow hedges).

The Group's internal supply of finished products and components in countries with currencies other than the euro creates a risk that is not covered by natural hedges. This aspect is continuously analyzed to provide a basis for establishing a hedging strategy that is evaluated in regular meetings.

Financial transactions may only be entered into if they are based on appropriate underlying transactions. Speculative transactions (i.e. transactions unrelated to cash flows from operations) are prohibited.

Foreign exchange differences at financial statement level are reported in EBIT and/or the net financial result, depending on their origin.



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Foreign exchange differences have the following effects on the income statement:

EUR thousand	Jan-Dec 2019	Jan-Dec 2020
Foreign currency gains	6,635	9,851
Foreign currency losses	(4,480)	(11,575)
Exchange rate differences in the result from entities reported at equity	110	(316)
Earnings before Interest and taxes – EBIT	2,265	(2,040)
Exchange rate differences in the net financial result	(1,878)	(3,117)
Result from exchange rate differences	387	(5,157)

Sensitivity analysis currency risk:

Transactions that are carried out in a currency other than the respective functional currency may have an effect on foreign currency risks. In the case of fair value and cash flow hedges, changes in the value of the underlying transaction and hedging transaction caused by changes in the exchange rate are nearly entirely balanced out in the same period in the income statement. Accordingly, these financial instruments are not associated with currency risks having the potential to affect net income or equity.

The effects of a hypothetical foreign exchange movement on net income or equity are described within the framework of a sensitivity analysis. This analysis assumes that the major exchange rates increase or decrease by 10 percent against the euro on the balance sheet date with all other variables remaining constant. The table below shows the effects of a 10 percent appreciation or depreciation of the most important currencies against the euro:

12/31/2019 EUR thousand	+10%		Total effect	-		Total effect
	recognized in profit or loss	recognized directly in equity		recognized in profit or loss	recognized directly in equity	
AED	(85)	-	(85)	104	-	104
AUD	-	-	-	-	-	-
BRL	(201)	(1,007)	(1,208)	246	1,230	1,476
CAD	(173)	46	(127)	212	(56)	156
CNY	79	-	79	(96)	-	(96)
CZK	44	-	44	(54)	-	(54)
DKK	(65)	-	(65)	79	-	79
GBP	(104)	(199)	(304)	127	244	371
HKD	(10)	-	(10)	13	-	13
HRK	(149)	-	(149)	183	-	183
INR	(306)	-	(306)	374	-	374
JPY	21	-	21	(25)	-	(25)
KRW	(501)	(330)	(830)	612	403	1,015
VND	67	-	67	(82)	-	(82)
NOK	295	(6,090)	(5,795)	(361)	7,443	7,082
PLN	38	-	38	(47)	-	(47)
RON	(768)	-	(768)	939	-	939
RUB	(469)	(780)	(1,249)	573	953	1,526
SGD	(218)	-	(218)	266	-	266
USD	(2,343)	(2,991)	(5,334)	2,864	3,656	6,520
Foreign currency sensitivities	(4,848)	(11,351)	(16,198)	5,927	13,873	19,800



12/31/2020	+10%					
EUR thousand	recognized in profit or loss	recognized directly in equity	Total effect	recognized in profit or loss	recognized directly in equity	Total effect
AED	(41)	-	(41)	50	-	50
ARS	-	-	-	-	-	-
AUD	-	-	-	-	-	-
BRL	(120)	(713)	(833)	147	872	1,018
CAD	(234)	43	(191)	286	(53)	233
CNY	(55)	-	(55)	67	-	67
CHF	37	-	37	(45)	-	(45)
DKK	60	-	60	(74)	-	(74)
GBP	(24)	(199)	(223)	31	231	260
HKD	(22)	-	(22)	27	-	27
HRK	(158)	-	(158)	193	-	193
INR	(477)	-	(477)	583	-	583
JPY	(75)	-	(75)	92	-	92
KRW	(480)	(320)	(800)	587	391	977
VND	50	-	50	(61)	-	(61)
NOK	50	(5,611)	(5,561)	(61)	6,858	6,797
PLN	143	-	143	(175)	-	(175)
RON	(504)	-	(504)	616	-	616
RUB	(383)	(596)	(979)	468	729	1,197
SEK	-	(1,507)	(1,507)	-	1,842	1,841
SGD	(131)	-	(131)	161	-	161
USD	(2,813)	(3,109)	(5,923)	3,438	3,800	7,239
Foreign currency sensitivities	(5,177)	(12,002)	(17,180)	6,329	14,670	20,996

The calculation is made on the basis of the primary and derivative financial instruments denominated in non-functional foreign currencies on the balance sheet date before taxes. Foreign currency effects from intra-group accounts receivable and payable are reported in profit or loss, while any effects from non-current intra-group receivables that are a part of the net investment in foreign operations (IAS 21.15) as well as any changes in the cash flow hedging reserve are recognized directly in equity. Foreign currency translation effects caused by the translation of the financial statements of international subsidiaries into the Group currency, i.e. the euro, are not taken into account.

4. INTEREST RATE RISK

Fluctuating interest rates have an influence on the value of financial instruments (in particular when interest rates are locked in for a longer term) as well as on net interest (income or expenses) resulting from these financial instruments. This influence describes interest rate risk in its two forms: fair value risk and net interest risk.

Fair value risk has the effect of a devaluation financial assets or an appreciation of financial liabilities. Changes in value have a more pronounced effect when interest rates are locked in for long periods of time than with variable interest.

Net interest risk has the effect of higher interest expenses for financial liabilities and lower interest income on financial assets. This risk mainly relates to financial instruments for which variable (short-term) interest rates have been agreed.

Variable-rate financing is hedged with interest rate swaps amounting to EUR 70.0 million (previous year: EUR 90.0 million).

The sensitivity analysis is carried out based on PALFINGER's financial liabilities bearing interest at variable rates. A hypothetical change in variable interest rates of 100 basis points or one percentage point per year would lead to a change in PALFINGER's interest expenses of EUR 458 thousand (previous year: EUR 901 thousand). A hypothetical increase in interest rates of 100 basis points would lead to an increase in other comprehensive income of EUR 397 thousand (previous year: EUR 2,211 thousand), whereas a decrease of 100 basis points would lead to a decrease in other comprehensive income of EUR 3,605 thousand (previous year: EUR 2,354 thousand).



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Protective actions

HEDGING OF FUTURE CASH FLOWS

PALFINGER AG's currency risks result primarily from accounts receivable from Group companies and accounts payable to Group companies denominated in foreign currencies as well as from the international project business. Most of this exposure is reduced by means of Intra-group foreign currency netting or is hedged with currency forwards and currency swaps. PALFINGER's hedging activities are guided exclusively by the underlying transaction. The credit risk with respect to both PALFINGER as well as the counter-parties has no impact on the fair value of currency forwards or currency swaps and therefore is likewise not a source of hedge ineffectiveness.

The supply of finished products and components primarily from EMEA to NAM, LATAM, APAC, and CIS exposes PALFINGER to risk – in particular in USD, BRL and RUB – that is not hedged by natural hedges. These risk positions are analyzed, monitored and limited by implementing an appropriate hedging strategy. These hedging strategies are discussed at regular meetings with the CFO and adjusted as necessary.

Project-related currency risk, in particular in the Marine and Offshore sector, is transferred to the central treasury department and hedged on a project-to-project basis if invoicing in the local currency is not an option.

The sale of foreign currencies using currency forwards constitutes a hedge of operating cash inflows in foreign currencies. The result of the underlying transaction is balanced out by the inverse result of the currency forward. Outstanding hedges are measured and analyzed with respect to their risk on an ongoing basis (mark-to-market valuation). The hedging of foreign currency risks relates in each case to cash flows that are expected within a maximum of twelve months or are aligned with the project term.

The existing interest rate swaps hedge against the risk of interest rate changes in the case of loans bearing interest at variable rates. Negative impacts on the financial result due to unforeseeable interest rate fluctuations are limited by such interest rate hedges.

Interest rate risk is managed for the entire PALFINGER Group by the Corporate Treasury department. In recent years, the need for more financing has increased the effect fluctuations in interest rates have on the PALFINGER Group's financial result. For this reason, hedging against interest rate risks has become increasingly important. Exposure to variable rates is limited by deploying derivative financial instruments (interest rate swaps), which exchange the variable rate for a fixed rate.

Changes in the fair value of interest rate swaps classified as a cash flow hedge are recognized in other comprehensive income as revaluation reserve. When interest rate payments are made on the hedged underlying transaction, the revaluation reserve is reclassified from other comprehensive income and recognized in profit or loss as net interest income.

in thousands	Notional value in contract currency		Mark-to-market valuation (EUR)		Maximum duration/maturity
	12/31/2019	12/31/2020	12/31/2019	12/31/2020	
Currency forwards					
sell CAD/buy NOK	CAD 740	CAD 740	(22)	25	18.06.2021
sell EUR/buy NOK	EUR 56,852.1	EUR 52,172	(29)	(51)	22.10.2021
sell EUR/buy SEK	EUR 0	EUR 16,337	-	237	04.01.2021
sell GBP/buy NOK	GBP 135	GBP 135	6	1	19.03.2021
sell USD/buy EUR	USD 34,145	USD 31,950	43	730	18.06.2021
sell USD/buy NOK	USD 8,890	USD 6,080	309	317	20.05.2022
			307	1,259	
Interest rate swaps	EUR 90,000	EUR 20,000	(2,104)	(1,315)	31.12.2026
Cash flow hedge			(1,797)	(56)	



The fair value of the hedges is reported as a cash flow hedge in accordance with IFRS 9. Valuation gains or losses as of the balance sheet date are to be reported accordingly in equity. As soon as the underlying transactions have been realized, the cumulative gains or losses are reversed from other comprehensive income and recognized in the income statement under exchange losses or gains in other income and expenses.

Amounts recorded in other comprehensive income as well as amounts that have been realized for cash flow hedges can be found in the consolidated statement of comprehensive income. Further details can be found in Note (47) Valuation reserve according to IFRS 9.

SAFEGUARDING OF FINANCIAL RESOURCES

Derivative financial instruments that the Group employs for the safeguarding of financial resources and the hedging of foreign currency risks that do not meet the requirements for hedge accounting in accordance with IFRS 9 in terms of documentation and effectiveness are classified as fair value recognized in profit or loss. Changes in the fair value of these financial instruments are recognized in profit or loss in the income statement.

In thousands	Notional value in contract currency		Mark-to-market valuation (EUR)		Maximum duration/maturity
	12/31/2019	12/31/2020	12/31/2019	12/31/2020	
sell AED/buy EUR	AED 45,500	AED 47,500	126	85	10.06.2021
sell CNY/buy EUR	CNY 0	CNY 8,000	-	(16)	11.03.2021
sell DKK/buy EUR	DKK 9,500	DKK 0	2	-	-
sell GBP/buy EUR	GBP 400	GBP 700	(138)	(8)	11.03.2021
sell JPY/buy EUR	JPY 360,000	JPY 475,000	127	6	10.06.2021
sell NOK/buy EUR	NOK 430,000	NOK 559,000	(402)	(1,332)	11.03.2021
sell PLN/buy EUR	PLN 15,900	PLN 38,000	(115)	240	10.06.2021
sell USD/buy EUR	USD 6,500	USD 2,400	19	(1)	10.06.2021
			(384)	(1,026)	
Interest rate swaps	EUR 0	EUR 50,000	-	(643)	
Currency swaps			(384)	(1,669)	

Changes in value from currency swaps amount to EUR -642 thousand (previous year: EUR -1,428 thousand) and are included in the net financial result under exchange rate differences in the amount of EUR -642 thousand (previous year: EUR -1,428 thousand).

Changes in value from interest rate swaps amount to EUR -643 thousand (previous year: EUR 0 thousand) and are included in the net financial result under interest expenses in the amount of EUR -643 thousand (previous year: EUR 0 thousand).

Other financial obligations

There are no contingent assets and contingent liabilities as at December 31, 2020 and December 31, 2019.



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NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

The Indirect method is used for the presentation of cash flows from operating activities in the consolidated statement of cash flows. Cash and cash equivalents corresponds to cash-in-hand and short-term financial resources.

Cash flow from operating activities increased during the fiscal year just ended despite a significant downturn in the earnings situation due to actions taken for more efficient use of working capital in comparison with 2019.

Other non-cash income and expenses includes exchange rate differences and measurement effects.

Cash flow from investing activities changed compared to the previous year mainly due to investments postponed as a consequence of COVID-19 and the income missing from the sale of shares.

Additions of intangible assets and property, plant and equipment include non-cash capital expenditures in the amount of EUR 1,911 thousand (previous year: EUR 3,796 thousand).

The reconciliation of changes in cash flows from financing activities is shown below:

EUR thousand	Promissory note loans	Equity financing	Lease liabilities	Other financing	Total
As at 1/1/2019	357,975	103,350	66,282	114,454	642,061
New lease contracts	-	-	5,412	-	5,412
Lease contract disposals	-	-	(2,196)	-	(2,196)
Changes in cash flows from financing activities					
Issue of promissory note loans	-	-	-	-	-
Raising of loans for the acquisition of investments	-	-	-	-	-
Repayment of financing for the acquisition of investments	-	(14,000)	-	-	(14,000)
Non-current refinancing of redemptions and maturing current loans	-	-	-	30,000	30,000
Repayment of maturing/terminated loans	-	-	-	(20,000)	(20,000)
Repayment of current bridge financing loans for the acquisition of investments	-	-	-	-	-
Repayment of maturing/terminated promissory note loans	(27,000)	-	-	-	(27,000)
Repayment of maturing/terminated lease liabilities	-	-	(11,880)	-	(11,880)
Raising of short-term financing	-	-	-	-	-
Repayment of current financing	-	-	-	-	-
Cash payments for/cash receipts from other financial liabilities	-	-	-	(15,919)	(15,919)
	(27,000)	(14,000)	(11,880)	(5,919)	(58,799)
Acquisition/change in scope of consolidation	-	-	-	-	-
Foreign currency translation	420	-	631	(423)	628
Accrued interest	(141)	-	1,366	-	1,225
As at 12/31/2019	331,254	89,350	89,615	108,112	588,331



EUR thousand	Promissory note loans	Equity financing	Lease liabilities	Other financing	Total
As at 1/1/2020	331,254	89,350	59,615	108,112	588,331
New lease contracts	-	-	11,225	0	11,225
Lease contract disposals	-	-	(918)	0	(918)
Changes in cash flows from financing activities					
Issue of promissory note loans	-	-	-	-	-
Raising of loans for the acquisition of investments	-	-	-	-	-
Repayment of financing for the acquisition of investments	-	(3,000)	-	-	(3,000)
Non-current refinancing of redemptions and maturing current loans	-	-	-	-	-
Repayment of maturing/terminated loans	-	-	-	(30,000)	(30,000)
Repayment of current bridge financing loans for the acquisition of investments	-	-	-	-	-
Repayment of maturing/terminated promissory note loans	(21,353)	-	-	-	(21,353)
Repayment of maturing/terminated lease liabilities	-	-	(11,982)	-	(11,982)
Raising of short-term financing	-	-	-	-	-
Repayment of current financing	-	-	-	(8,905)	(8,905)
Cash payments for/cash receipts from other financial liabilities	-	-	-	2,047	2,047
	(21,353)	(3,000)	(11,982)	(35,858)	(73,193)
Acquisition/change in scope of consolidation	-	-	-	-	-
Foreign currency translation	(657)	-	(1,556)	(2,523)	(4,736)
Accrued interest	(244)	-	1,218	(20)	954
As at 12/31/2020	309,000	86,350	57,602	68,711	521,663

The total column in the table above corresponds to the sum of current and non-current financial liabilities, excluding derivative financial instruments.

OTHER DISCLOSURES

(57) Disclosures of business transactions with related parties

At PALFINGER, related parties are grouped into associated companies and joint ventures, key management, and other related parties. Associated companies and joint ventures can be found in the list of shareholdings. The Supervisory Board and Executive Board of PALFINGER AG are subsumed under the term "key management". Information on the remuneration of the Executive Board is included in Note (58) Disclosures regarding governing bodies and employees. Other related parties primarily include companies that are controlled by the key management.

All transactions with associated companies and joint ventures result from the ordinary exchange of goods and services. Transactions carried out with the Supervisory Board result from their remuneration as members of the Supervisory Board in accordance with the resolution adopted at the Annual General Meeting on August 5, 2020. Transactions carried out with other related parties relate primarily to the delivery of goods and rentals.

Transactions with related parties are carried out at typical arm's length terms and conditions.

The following table shows transactions with associated companies and joint ventures disclosed in full. Transactions with Executive Board members are not included in the table below; for more information, please refer to the Note entitled "Disclosures regarding governing bodies and employees".



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EUR thousand	Associated companies		Joint ventures		Supervisory Board		Other	
	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020
Receivables	10,674	8,938	653	1,416	-	-	18,456	315
Liabilities	87	266	2,755	1,978	180	264	471	16,225
Revenue	98,088	99,314	12,018	2,507	-	-	4,865	2,205
Other operating income	108	64	280	121	-	-	604	54
Purchased services	(5)	(3)	(414)	(734)	(166)	(264)	(1,275)	(1,823)
Cost of materials	(9)	(2)	(1,978)	(2,490)	-	-	-	-
Interest income	-	-	6	4	-	-	251	327
Allowances	(93)	-	-	-	-	-	(373)	-

Receivables from associated companies and joint ventures include trade receivables in the amount of EUR 9,964 thousand (previous year: EUR 11,298 thousand).

Of the liabilities to associated companies and joint ventures amounting to EUR 2,244 thousand (previous year: EUR 2,843 thousand), EUR 638 thousand (previous year: EUR 1,568 thousand) resulted from the provision of goods and services.

For a receivable from the estate of Hubert Palfinger Senior in the amount of EUR 18,143 thousand (previous year: EUR 17,902 thousand), collateral in the amount of EUR 18,000 thousand existed as at the balance sheet date in the form of personal letters of undertaking from Hubert Palfinger and Hannes Palfinger (see also Note (35)). The amount exceeding the collateral amounting to EUR 143 thousand was impaired in 2020. The receivable accrues interest at arm's length rates.

PALFINGER AG leases its corporate headquarters in Berghelm near Salzburg, Austria, from a company belonging to Palfinger Privatstiftung, which is a private foundation. The lease agreement was entered into for a period of 20 years, whereby the lease may be terminated by PALFINGER AG after the 20 years have expired at the end of each year with a twelve-month period of notice. The rent was determined based on an independent assessment of the current market value. PALFINGER AG has a right of first refusal on the purchase of this real estate.

(58) Disclosures regarding governing bodies and employees

EMPLOYEES

The average number of company employees including apprentices and interns for the Group in fiscal year 2020 is 10,903 people (previous year: 11,035 people). As at the balance sheet date, the number of employees in the PALFINGER Group is 10,824 people (previous year: 11,126 people).

SUPERVISORY BOARD

The following individuals were either appointed or delegated by the Works Council to serve as members of the Supervisory Board in fiscal year 2020:

- Hubert Palfinger, Chair¹⁾
- Gerhard Rauch, 1st Deputy Chair¹⁾
- Hannes Palfinger, 2nd Deputy Chair¹⁾
- Heinrich Dieter Klener
- Hannes Bogner²⁾
- Eilyn Shenglin Cai
- Isabel Diaz Rohr
- Johannes Kúcher (Works Council)²⁾
- Alois Weiss (Works Council)
- Erwin Asen (Works Council)

¹⁾ Member of the Audit, Nomination and Remuneration Committees.
²⁾ Member of the Audit Committee.



EXECUTIVE BOARD

- Andreas Klausner, Chief Executive Officer
- Felix Strohbichler, Chief Financial Officer
- Martin Zehnder, Chief Operating Officer

The regular current remuneration of the Executive Board consists of several components and can be broken down as follows:

EUR thousand	Non-performance-related		Performance-based	
	Jan-Dec 2019 ¹⁾	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2020 ²⁾
Andreas Klausner	638	622	642	231
Felix Strohbichler	438	427	341	172
Martin Zehnder	494	479	415	210
Current remuneration	1,570	1,528	1,398	613

¹⁾ Remuneration in kind for motor vehicles was adjusted to the cost rate in the previous year.

²⁾ Corresponds to the amount of the provision.

There are liabilities amounting to EUR 613 thousand (previous year: EUR 1,209 thousand) for the current performance-based remuneration of the members of the Executive Board.

In addition, non-current performance-based remuneration is shown below:

In the second quarter of 2018, a new bonus agreement was entered into with the Executive Board based on a long-term increase in enterprise value. The new agreement lasts until 2022, and the bonus is expected to be paid out in 2023. In February 2020, an adjustment was made to the parameters for calculating enterprise value. For this purpose, provisions were recognized in profit or loss amounting to EUR 3,725 thousand in the fiscal year 2020 (previous year: EUR 3,589 thousand).

EUR 12 thousand (previous year: EUR 10 thousand) is recognized as service costs for benefits payable after termination of employment. This relates to individual contractual pension commitments for Wolfgang Pilz.

Expenses for severance payments and pensions at PALFINGER AG amount to EUR 168 thousand (previous year: EUR 173 thousand) for members of the Executive Board and senior executives and EUR 677 thousand (previous year: EUR 1,317 thousand) for the remaining employees.

Expenses for severance payments include payments made to contribution-based pension plans in the amount of EUR 41 thousand (previous year: EUR 41 thousand) for members of the Executive Board.

(59) Significant events after the balance sheet date

The PALFINGER Group was the target of a global cyberattack in January 2021. Following an interruption to operations lasting around 10 days, production and assembly plants were gradually restarted. Based on current evaluations, it is anticipated that there will be no material impact on fiscal year 2021. In addition, no events of particular significance occurred after the end of fiscal year 2020 that would have led to a different presentation of the Group's financial position, financial performance or cash flows.



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ACCOUNTING POLICIES

The accounting policies applied during the preparation of the consolidated financial statements of the PALFINGER Group are discussed below.

Note	Balance sheet item	Accounting policies	Standard
(60) Intangible assets			
	Intangible assets with indefinite useful lives	<p>Amortized cost</p> <p>Straight-line depreciation over useful life:</p> <p style="padding-left: 20px;">In general 2–15 years</p> <p style="padding-left: 20px;">Capitalized customer relationships 5–10 years</p> <p>An impairment test is conducted whenever there is any indication of impairment. If the reasons for an impairment loss no longer apply, the impairment loss is reversed accordingly up to the amortized cost.</p>	<p>IAS 36</p> <p>IAS 38</p>
	Intangible assets with indefinite useful lives and intangible assets under development	<p>Impairment-only approach: Periodic amortization charges are not recognized; instead, an impairment test is carried out once a year and whenever there is any indication of impairment. If the reasons for an impairment loss no longer apply, the impairment loss is reversed accordingly up to the amortized cost.</p>	<p>IAS 36</p> <p>IAS 38</p>
	Goodwill	<p>Impairment-only approach (see above)</p> <p>In order to carry out impairment tests, goodwill is allocated to cash-generating units. The essential standard applied for determining whether a production unit qualifies as a cash-generating unit is the assessment of its technical and economic independence for the generation of income. The Group's impairment test of the cash-generating unit is carried out by comparing the current carrying amount (including the allocated goodwill) with the higher of either the fair value minus costs to sell, or the value-in-use.</p> <p>When determining the recoverable amount, assumptions regarding future development and estimates are made that might not occur as predicted.</p> <p>Value-in-use is calculated as the present value of associated estimated future cash flows before tax for the next four to five years on the basis of data from medium-term corporate planning. Medium-term corporate planning is prepared every second to third year. In the years in which no medium-term corporate planning is carried out, the estimated cash flows are adjusted on the basis of a deviation analysis. The most recent strategic corporate planning was carried out at the end of 2019. After the detailed planning period, a perpetual annuity is calculated based on the assumptions of the previous year. The discount rate is derived from the weighted average cost of capital customary for the market and adjusted to the specific risks on the basis of externally available capital market data. When determining the weighted average cost of capital, externally available capital market data are used.</p> <p>If the calculated amount is less than the carrying amount, an impairment loss amounting to the difference is allocated primarily to reduce the goodwill. Any additional impairment loss is then to be allocated to the remaining assets of the cash-generating units in proportion to their carrying amounts.</p> <p>The impairment test is carried out for the entire capitalized goodwill. If non-controlling interests are recognized at their fair values in the course of a business acquisition, the impairment loss is distributed over the individual groups of shareholders. The distribution takes place on the basis of the same logic that is also applied when distributing the earnings of the particular subsidiary among the shareholders.</p> <p>In accordance with IAS 36, once goodwill has been written down due to an impairment loss, the impairment loss may not be reversed in later periods.</p>	<p>IFRS 3</p> <p>IAS 36</p>
	Research and development	<p>Research expenses are recognized in profit and loss as soon as they are incurred.</p> <p>Development expenses incurred with the intention of a major further development for a product or a process are capitalized if the product or process is feasible both from a technological and economic point of view, the development is marketable, the expenses can be measured reliably, and PALFINGER has sufficient resources to complete the development project. All other development expenses are recognized in profit and loss when they are incurred.</p> <p>Capitalized development expenses for completed projects are reported at cost minus accumulated depreciation, amortization and impairment. As long as a development project is not yet completed, the recoverability of the accumulated capitalized amounts is tested annually or more frequently if circumstances indicate that an impairment loss might have occurred.</p>	<p>IAS 36</p> <p>IAS 38</p>



Note	Balance sheet item	Accounting policies	Standard
(61) Property, plant and equipment			
		Amortized cost	IAS 16
		In addition to direct costs, production costs also include an appropriate share of material and production overheads as well as borrowing costs in the case of qualifying assets. General administrative expenses are not capitalized.	IAS 36
		Straight-line depreciation over useful life:	
		Own buildings and investments (in third-party buildings)	20–50 years
		Plants and machinery	3–15 years
		Operating and office equipment	3–10 years
		In the case of asset disposals, the difference between the carrying amounts and the net realizable value is recognized in profit and loss as either other operating income or other operating expenses.	
		An impairment test is carried out whenever there is any indication of impairment. If the reasons for an impairment loss no longer apply, the impairment loss is reversed accordingly up to the amortized cost.	
Government grants		Investment grants are presented as reductions of acquisition or manufacturing costs. Grants for research are recognized as income in research and development costs. A government grant is not recognized until there is reasonable assurance that the conditions attached to it will be fulfilled, and that the grant will be received.	IAS 20
Leases as lessee		Assets (rights to use leased assets) and liabilities are recognized in the balance sheet in accordance with IFRS 16. Lease liabilities are recognized at the present value of the outstanding lease payments and right-of-use assets at the amount of the recognized lease liability, adjusted for advance payments and accrued lease payments. Low-value leased assets (printers, laptops, cellular phones, and other office equipment) and short-term leases with a term of less than twelve months are not capitalized, but instead recognized as expense proportionately over time. In addition, IFRS 16 is not applied to intangible assets. Lease agreements can include both lease components and non-lease components. The Group allocates the contractually stipulated compensation based on the relative stand-alone selling price of the lease components and the aggregated stand-alone selling price of the non-lease components to the individual lease components. For leases of land, the Group practices not allocating to non-lease and lease components and instead, accounting for each lease component, and as a consequence all related non-lease components, as a single lease component.	IFRS 16
Borrowing costs		Capitalization upon acquisition or production of a qualifying asset.	IAS 23
(62) Inventories			
		Acquisition or production cost (see (61) Property, plant and equipment) or lower net realizable value at the balance sheet date	IAS 2
		Raw materials, consumables and supplies	
		as well as merchandise:	moving average price method
		Work in progress and finished goods:	standard production costs, reviewed regularly and adjusted if necessary
(63) Contract assets from customer contracts			
		Revenue is realized based on the percentage of completion, which is determined using the cost-to-cost method or the milestone method. When applying the cost-to-cost method, revenue and order results are recognized based on the manufacturing costs actually incurred in relation to the expected total costs. Reliable estimates of the total costs of the contracts, the selling prices, and the actual costs incurred are available on a monthly basis. When applying the milestone method, the percentage of completion is determined on the basis of certain defined milestone events. For technological and financial risks that might occur during the remainder of the project, a separate estimate is made for each contract and a corresponding amount is recognized as part of the expected total costs. Expected losses are immediately realized as expense if the total contract costs are likely to exceed the contract revenue.	IFRS 15



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Note	Balance sheet item	Accounting policies	Standard
(64) Financial Instruments			
		<p>Financial assets are measured at fair value when they are initially recognized. In the case of financial investments that are not recognized at fair value in profit or loss, transaction costs that are directly attributable to the acquisition of the assets are also taken into account.</p> <p>Fair value is determined based on the market information available on the balance sheet date. The values listed may differ from the values realized later in light of varying factors of influence.</p> <p>The fair value of financial assets and liabilities reflects the effects of the risk of non-performance on the part of the counterparty. When determining the fair value of a financial asset, the banks' credit risks are taken into account based on their ratings. When determining the fair values of financial liabilities, the company's own credit risk is taken into account on the basis of the ratings made by the banks.</p> <p>Market values are available for all derivative financial instruments and securities. The fair values of all other financial instruments are determined based on the discounted expected cash flows.</p> <p>Acquisitions or disposals of financial assets are recognized at the trade date.</p> <p>Impairment losses for all financial instruments are recognized in profit or loss. If the reason for impairment no longer applies, the impairment losses are reversed in the income statement.</p>	<p>IFRS 7</p> <p>IFRS 9</p> <p>IFRS 13</p> <p>IAS 32</p>
	Securities and other shareholdings	"Fair value through profit or loss"; Measurement subsequent to initial recognition at fair value.	
	Loans	"At amortized cost"; Measurement subsequent to initial recognition at amortized cost applying the effective interest method minus any impairment loss.	
	Receivables	"At amortized cost"; Measurement subsequent to initial recognition at amortized cost, less any impairment losses recorded in allowance accounts "Fair value through OCI"; Refers to trade receivables in receivables portfolios where it is still uncertain which receivables will be sold to the factor and when. PALFINGER applies the simplified impairment model for trade receivables and contract assets from customer contracts, taking into account lifetime expected losses. General specific valuation allowances on receivables are recognized based on an assessment matrix, which is based on the results of an analysis of the losses occurring over the past five years as well as an assessment of future developments and takes into account days overdue and country risk. The likelihood of receiving payment is assessed for specific valuation allowances on receivables. Previous experience with specific customers, their creditworthiness, and any collateral provided are taken into account here. <u>Uncollectible receivables are de-recognized.</u>	
	Cash and cash equivalents	Mark-to-market	
	Liabilities	At amortized cost; Measurement subsequent to initial recognition at amortized cost applying the effective interest method.	
	Purchase price liabilities from acquisitions	Deferred purchase price liabilities from acquisitions are measured at amortized cost. Contingent purchase price liabilities from acquisitions are measured at fair value. The fair value is calculated internally using generally accepted calculation models based on market interest rates in line with the respective maturities. Specifically, the amount payable is derived from strategic corporate planning and discounted to the balance sheet date.	
	Derivative financial instruments	Derivative financial instruments that do not fulfill the criteria in IFRS 9 for hedge accounting are classified as fair value through profit or loss in accordance with IFRS 9 and recognized at fair value in profit or loss.	
	Cash flow hedge	In order to minimize the risk of fluctuations with respect to payments received in the future, expected foreign currency income and interest risks are hedged in the PALFINGER Group using currency forwards and interest swaps. In order to offset the effects of the hedged transaction and the hedging instrument in the income statement on an accrual basis, the special provisions on hedge accounting in IFRS 9 are applied. The fair values resulting on the balance sheet date after accounting for deferred taxes are recognized in other comprehensive income and reported under reserves in accordance with IFRS 9. The reserve is recognized as reversed in profit or loss in proportion to the future proceeds generated in the corresponding fiscal year.	



Note	Balance sheet item	Accounting policies	Standard
(65) Long-term personnel obligations			IAS 19
	Defined benefit plans	<p>Defined benefit plans relate to pension commitments in Austria, France, Norway and Germany as well as severance obligations in Austria, Slovenia, Bulgaria, South Korea, Qatar and the United Arab Emirates.</p> <p>Provisions for pensions and similar obligations as well as severance payments and service anniversary bonuses are valued by an actuary as at the respective balance sheet date in the form of an actuarial report using the projected unit credit method. The discount rate matching the maturity is determined based on the yield of senior fixed-interest corporate bonds, i.e. a rating of AA or higher.</p> <p>In accordance with IAS 19, remeasurements are recognized in other comprehensive income if they relate to provisions for pensions and other post-employment benefits or to severance payments.</p>	
	Defined contribution plans	<p>Defined contribution plans have been introduced at various Group companies on the basis of statutory obligations. In addition, individual pension agreements have been entered into. Contributions are recognized as expenses in the period for which they are paid.</p>	
	Other long-term employment benefits provisions	<p>Other long-term employment benefits relate primarily to collective bargaining commitments for the payment of anniversary bonuses depending on years of service for the employees of Austrian and Slovenian companies and to bonus agreements entered into with the members of the Executive Board and other executives.</p> <p>In accordance with IAS 19, remeasurements are recognized in profit or loss as provisions for anniversary bonuses under personnel expenses.</p>	
(66) Other provisions			
		<p>Provisions are recognized at the expected settlement amount; non-current provisions are recognized at present value.</p>	IAS 37
(67) Income tax			
		<p>Tax receivables and tax liabilities are netted when they relate to the same tax authority and the company has a right to offset the items.</p> <p>Deferred taxes are recognized according to the liability method. The respective country's applicable tax rate is applied for calculating the deferred taxes. Deferred tax assets are only recognized if it is likely that the corresponding tax advantages will actually be realized.</p> <p>Deferred tax is calculated using the tax rate expected to apply on the balance sheet date when the temporary differences reverse. As a general rule, changes in taxes result in tax expenses and/or tax income. Taxes on items recognized in other comprehensive income are recognized in other comprehensive income. Taxes on items recognized directly in equity are recognized directly in equity.</p>	IAS 12
(68) Revenue recognition			
	Sale of products	<p>Revenue from the sale of series products is recognized when control of the goods is transferred to the customer in accordance with the terms and conditions of delivery. Revenue is recognized at that point in time provided that both revenue and cost can be reliably determined, the consideration is likely to be received, and the performance obligation has been fulfilled. The performance obligation is normally fulfilled upon transfer of ownership in accordance with the INCOTERMS.</p> <p>Some contracts have multiple components, meaning that in addition to governing the sale of series products, they also include additional performance obligations such as extended warranties and service type warranties, service and maintenance, or commissioning. In accordance with IFRS 15, the consideration is allocated to the components according to their relative standalone selling prices.</p> <p>Contract manufacturing and rendering of services</p> <p>In the project business, revenue from customer-specific contract manufacturing orders was recognized in the past according to the percentage of completion (PoC) method. IFRS 15 defines criteria for recognizing revenue over a specified time period. Almost all project business contracts meet the criteria for satisfying a performance obligation over a specified time period because the assets produced have no alternative use and PALFINGER has a right to payment for the performance completed at any time during the term of the respective contract. PALFINGER's project business consists of railway systems projects in the EMEA region as well as projects involving offshore cranes, winches, davits and boats.</p> <p>In the case of contracts for the provision of long-term services, revenue is recognized over a specified time period because the customer receives the benefits from the services while they are being performed.</p> <p>Significant financing components with terms longer than twelve months are accounted for separately from revenue. Installment plans are set up for this purpose in most cases.</p> <p>Significant costs incurred during the phase of contract formation are only capitalized for contracts with terms longer than twelve months. At present, no significant costs are incurred during the phase of contract formation. Variable consideration and repurchase commitments only apply in rare cases.</p>	IFRS 15



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FAIR VALUE MEASUREMENT

PALFINGER measures financial instruments such as derivatives, contingent purchase price obligations as well as liabilities from puttable non-controlling interests at fair value on a recurring basis. The fair values of financial instruments accounted for at amortized cost are quoted in the Note "Financial Instruments".

Fair value is defined as the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the valuation date. When measuring fair value, it is assumed that the transaction in the course of which the asset is sold, or the liability transferred, takes place either on the principal market for the asset or liability or, if there is no principal market, on the most advantageous market. PALFINGER measures fair value by taking into account all assumptions that the market participants would use as a basis for pricing. The assumption is that the market participants act in their own best economic interest.

The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits through the highest and best use of the asset.

When determining fair value, PALFINGER applies valuation methods appropriate in the circumstances and for which sufficient data are available to measure the fair value, using observable inputs whenever possible.

The fair values accounted for or stated are categorized on the basis of the lowest level of input applied as follows:

- Level 1 - quoted prices in active markets for identical assets or liabilities that the company can access at the measurement date.
- Level 2 - inputs other than quoted market prices included in Level 1 that are to be observed for the asset or liability, either directly or indirectly.
- Level 3 - inputs that are not observable for the asset or liability.



LIST OF SHAREHOLDINGS

Company, registered office	Parent company ²⁾	Direct investment ²⁾ (in percent)		Indirect investment ²⁾ (in percent)		FC ³⁾
		2019	2020	2019	2020	
Consolidated entities						
PALFINGER AG, Berghelm (AT)						EUR
Andrés N. Bertotto S.A.I.C. (Hidro-Grubert), Río Tercero (AR)	PAM	70.00	70.00	70.00	70.00	ARS
Elesa centro de montaje y servicios S.A, Madrid (ES)	PIB	100.00	100.00	75.00	75.00	EUR
EPSILON Kran GmbH, Salzburg (AT)	EMEA	65.00	65.00	65.00	65.00	EUR
Equipment Technology, LLC, Oklahoma City (US)	PUSH	100.00	100.00	100.00	100.00	USD
FairWind Renewable Energy Services, LLC, Lawton (US)	PUSH	51.00	-	51.00	-	USD
Guilma Palfinger S.A.S., Caussade (FR)	EMEA	65.00	65.00	65.00	65.00	EUR
Harding Safety Spain SL, Cádiz (ES)	PALM AS	100.00	100.00	100.00	100.00	EUR
Heron Davits AS, Selmsfoss (NO)	PALM AS	100.00	-	100.00	-	EUR
Holding Company Podyomnie Mashini AO, Archangel (RU)	VMS/PMH	100.00	100.00	75.03	75.03	RUB
INMAN AO, Ishimbay (RU)	PCIS	100.00	100.00	100.00	100.00	RUB
Madal Palfinger S.A., Caxias do Sul (BR)	PAM	99.85	99.85	99.85	99.85	BRL
MBB Interlift N.V., Erembodegem (BE)	PTL DE	100.00	-	100.00	-	EUR
Mega Repairing Machinery Equipment LLC, Dubai (AE)	PSYSU	100.00	100.00	100.00	100.00	AED
Megarme General Contracting Company LLC, Abu Dhabi (AE)	PSYSU	100.00	100.00	100.00	100.00	AED
Megarme Inspection & Engineering Services LLC, Dubai (AE)	PSYSU	100.00	100.00	100.00	100.00	AED ⁴⁾
Nimet Srl, Lazuri (RO)	PPT	60.00	60.00	60.00	60.00	RON
Noreq BV, Houten (NL)	PALM AS	100.00	100.00	100.00	100.00	EUR
Omaha Standard, LLC, Council Bluffs (US)	PUSH	100.00	100.00	100.00	100.00	USD
Palfinger Americas GmbH, Salzburg (AT)	PAUG	100.00	100.00	100.00	100.00	EUR
Palfinger Area Units GmbH, Salzburg (AT)	PAG	100.00	100.00	100.00	100.00	EUR
Palfinger Asia Pacific Pte. Ltd., Singapore (SG)	PAUG	100.00	100.00	100.00	100.00	EUR
Palfinger Canarias Maquinaria S.L., Las Palmas de Gran Canaria (ES)	PIB	100.00	100.00	75.00	75.00	EUR
Palfinger CIS GmbH, Salzburg (AT)	PAUG	100.00	100.00	100.00	100.00	EUR
Palfinger comércio e aluguer de máquinas S.A., Samora Correia (PT)	PIB	60.00	60.00	45.00	45.00	EUR
Palfinger Crane Rus OOO, St. Petersburg (RU)	PCIS	100.00	100.00	100.00	100.00	RUB
Palfinger Cranes India Pvt. Ltd., Chennai (IN)	PAUG/PAP	100.00	100.00	100.00	100.00	INR
Palfinger Danmark AS, Middelfart (DK)	EMEA	100.00	100.00	100.00	100.00	DKK
Palfinger EMEA GmbH, Berghelm (AT)	PAG	100.00	100.00	100.00	100.00	EUR
Palfinger Equipment (Nantong) Co., Ltd., Nantong (CN)	PAP	100.00	100.00	100.00	100.00	CNY
Palfinger Europe GmbH, Salzburg (AT)	EMEA	100.00	100.00	100.00	100.00	EUR
Palfinger GmbH, Airing (DE) ⁵⁾	PP/PEU	100.00	100.00	100.00	100.00	EUR
Palfinger Gru Idrauliche S.r.l., Bolzano (IT)	PEU	100.00	100.00	100.00	100.00	EUR
Palfinger Hayons S.A.S., Sully en Gouffern (FR)	EMEA	100.00	100.00	100.00	100.00	EUR
Palfinger Ibérica Maquinaria S.L., Madrid (ES)	EMEA	75.00	75.00	75.00	75.00	EUR
Palfinger Japan K.K., Yokohama (JP)	PAP	100.00	100.00	100.00	100.00	JPY
Palfinger Kama Cylinders OOO, Neftekamsk (RU)	PCIS	51.00	51.00	51.00	51.00	RUB
Palfinger Korea Co., Ltd., Seongnam-si (KR)	PAP	100.00	100.00	100.00	100.00	KRW
Palfinger Liftgates, LLC, Cerritos (US)	PUSH	100.00	100.00	100.00	100.00	USD
Palfinger Marine Canada Inc., Langley (CA)	PALM AS	100.00	100.00	100.00	100.00	CAD



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Company, registered office	Parent company ¹⁾	Direct investment ²⁾ (in percent)		Indirect investment ³⁾ (in percent)		FC ⁴⁾
		2019	2020	2019	2020	
Palfinger Marine Czech s.r.o., Slaný (CZ)	PALM EU	100.00	100.00	100.00	100.00	CZK
Palfinger Marine d.o.o., Maribor, Maribor (SI)	EMEA	100.00	-	100.00	-	EUR
Palfinger Marine DK AS, Murkebo (DK)	PALM AS	100.00	100.00	100.00	100.00	DKK
Palfinger Marine Do Brasil Ltda., Rio de Janeiro (BR)	PALMA	100.00	100.00	100.00	100.00	BRL
Palfinger Marine Doha WLL, Doha (QA)	PSYSU	100.00	100.00	100.00	100.00	QAR
Palfinger Marine Europe B.V., Schiedam (NL)	PALM AS	100.00	100.00	100.00	100.00	EUR
Palfinger Marine Germany GmbH, Dägelling (DE)	PALM AS	100.00	100.00	100.00	100.00	EUR
Palfinger Marine GmbH, Salzburg (AT)	PAG	100.00	100.00	100.00	100.00	EUR
Palfinger Marine Hong Kong Limited, Hong Kong (CN)	PALM AS	100.00	100.00	100.00	100.00	HKD
Palfinger Marine Italy Srl, Livorno (IT)	PALM AS	100.00	100.00	100.00	100.00	EUR
Palfinger Marine Korea Ltd., Sachson-gi (KR)	PALMA	100.00	100.00	100.00	100.00	KRW
Palfinger Marine LSE (Qingdao) Co., Ltd., Qingdao (CN)	PALM AS	100.00	100.00	100.00	100.00	CNY
Palfinger Marine Montagens Industriais do Brasil Ltda., Porto Alegre (BR)	PALM BR	99.00	99.00	99.00	99.00	BRL
Palfinger Marine Netherlands B.V., Hadenwijk (NL)	PALMA	100.00	100.00	100.00	100.00	EUR
Palfinger Marine Norway AS, Bergen (NO)	PALMA	100.00	100.00	100.00	100.00	NOK
Palfinger Marine Panama Inc., Ciudad de Panama (PA)	PALM US	100.00	100.00	100.00	100.00	PAB
Palfinger Marine Poland sp.z.o.o., Gdynia (PL)	PALMA	100.00	100.00	100.00	100.00	PLN
Palfinger Marine Rus OOO, St. Petersburg (RU)	PALMA	100.00	100.00	100.00	100.00	RUB
Palfinger Marine Safety AS, Selmasfoss (NO)	PALMA	100.00	100.00	100.00	100.00	NOK
Palfinger Marine Shanghai Co., Ltd., Shanghai (CN)	PALM AS	100.00	100.00	100.00	100.00	CNY
Palfinger Marine UK Limited, Gosport Hampshire (UK)	PALM AS	100.00	100.00	100.00	100.00	GBP
Palfinger Marine USA Inc., New Iberia (US)	PALM AS	100.00	100.00	100.00	100.00	USD
Palfinger Marine Vietnam Co., Ltd., Hung Yen (VN)	PM NL	100.00	100.00	100.00	100.00	USD
Palfinger North America, Inc., Council Bluffs (US)	PUSH	-	100.00	-	100.00	EUR
Palfinger Platforms GmbH, Krefeld (DE) ⁵⁾	PTL DE/PEU	100.00	100.00	100.00	100.00	EUR
Palfinger Platforms Italy s.r.l., Bolzano (IT)	PSUG	100.00	100.00	100.00	100.00	EUR
Palfinger PM Holding GmbH, Salzburg (AT)	PCS	75.03	75.03	75.03	75.03	EUR
Palfinger Poland sp.z.o.o., Solec Kujawski (PL)	EMEA	100.00	100.00	100.00	100.00	PLN
Palfinger Produktionstechnik Bulgaria EOOD, Cherven Brjag (BG)	EMEA	100.00	100.00	100.00	100.00	EUR
Palfinger proizvodna tehnologija Hrvatska d.o.o., Delnice (HR)	EMEA	100.00	100.00	100.00	100.00	HRK
PALFINGER proizvodnja d.o.o., Maribor (SI)	EMEA	100.00	100.00	100.00	100.00	EUR
Palfinger S. Units GmbH, Salzburg (AT)	PAG	100.00	100.00	100.00	100.00	EUR
Palfinger Structural Inspection GmbH, Vienna (AT)	PAG	51.00	51.00	51.00	51.00	EUR
Palfinger systems units GmbH, Salzburg (AT)	PAG	100.00	100.00	100.00	100.00	EUR
Palfinger Tall Lifts GmbH, Ganderkesee-Hoykenkamp (DE) ⁶⁾	EMEA	100.00	100.00	100.00	100.00	EUR
Palfinger Tall Lifts Limited, Welwyn Garden City (UK)	EMEA	100.00	100.00	100.00	100.00	GBP
Palfinger Tall Lifts s.r.o., Bratislava (SK)	PTL DE	100.00	100.00	100.00	100.00	EUR
Palfinger Taiwan Co., Ltd., Taipei City (TW)	PAP	-	100.00	-	100.00	TWD
Palfinger Trading (Shanghai) Co., Ltd., Shanghai (CN)	PAP	100.00	100.00	100.00	100.00	CNY
Palfinger US Holdings, Inc., Council Bluffs (US)	PAM	100.00	100.00	100.00	100.00	USD
Palfinger, Inc., Niagara Falls (CA)	PAM	100.00	100.00	100.00	100.00	USD
Palfinger-Tercek Industria de Elevadores Veiculares Ltda, Caxias do Sul (BR)	MP	100.00	100.00	99.85	99.85	BRL
Palfinger USA, LLC, Tiffin (US)	OSP	100.00	100.00	100.00	100.00	USD
Podyomnie Mashini AO, Vellikye Lukl (RU)	PMH	100.00	100.00	75.03	75.03	RUB
SMZ OOO, Archangal (RU)	PMH/KPM	100.00	100.00	75.03	75.03	RUB
Velmesh-S OOO, Vellikye Lukl (RU)	PMH/KPM	100.00	100.00	75.03	75.03	RUB



Company, registered office	Parent company ¹⁾	Direct investment ²⁾ (in percent)		Indirect investment ³⁾ (in percent)		FC ⁴⁾
		2019	2020	2019	2020	
Entities reported at equity						
Associated companies						
Crane Center Kamaz OOO, Nabereschrye Tschelny (RU)	PCIS	49.00	49.00	49.00	49.00	RUB
Palfinger France S.A.S., Étoile sur Rhône (FR)	EMEA	48.94	48.94	48.94	48.94	EUR
SANY Automobile Hoisting Machinery Co., Ltd., Changsha (CN)	PAP	7.50	7.50	7.50	7.50	CNY
STEPA Farmkran Gesellschaft m.b.H., Elisabethen (AT)	EMEA	45.00	45.00	45.00	45.00	EUR
Joint ventures						
Palfinger Sany International Mobile Cranes Sales GmbH, Salzburg (AT)	PSUG	50.00	50.00	50.00	50.00	EUR
PALFINGER SANY Cranes OOO, Moscow (RU)	PSV	100.00	100.00	50.00	50.00	RUB
Sany Palfinger SPV Equipment Co., Ltd., Nantong (CN)	PAP	50.00	50.00	50.00	50.00	CNY
Other shareholdings						
Rosendal Hamn Elgedom AS, Rosendal (NO)	PALM AS	3.00	3.00	3.00	3.00	NOK
Rosendal Utviding AS, Rosendal (NO)	PALM AS	8.50	8.50	8.50	8.50	NOK
Sunnhordlandsregionen AS, Valen (NO)	PALM AS	4.54	4.54	4.54	4.54	NOK
Athero AS, Stord (NO)	PALM AS	6.20	6.20	6.20	6.20	NOK

1) Parent company:

EMEA = Palfinger EMEA GmbH, Bergheim (AT)
 HKPM = Holding Company Podyornie Maschini AO, Archange (RU)
 MP = Madel Palfinger S.A., Caxias do Sul (BR)
 OSP = Omaha Standard, LLC, Council Bluffs (US)
 PAG = PALFINGER AG, Bergheim (AT)
 PALM AS = Palfinger Marine Safety AS, Selmsfoss (NO)
 PALM BR = Palfinger Marine Do Brasil Ltda., Rio de Janeiro (BR)
 PALM EU = Palfinger Marine Europe B.V., Schiedam (NL)
 PALM US = Palfinger Marine USA Inc., New Iberia (US)
 PALMA = Palfinger Marine GmbH, Salzburg (AT)
 PAM = Palfinger Americas GmbH, Salzburg (AT)
 PAP = Palfinger Asia Pacific Pte. Ltd., Singapore (SG)
 PAUG = Palfinger Area Units GmbH, Salzburg (AT)
 PCIS = Palfinger CIS GmbH, Salzburg (AT)

PEU = Palfinger Europe GmbH, Salzburg (AT)
 PIB = Palfinger Iberica Maquinaria S.L., Madrid (ES)
 PM = Podyornie Maschini AO, Veliiky Luki (RU)
 PM NL = Palfinger Marine Netherlands B.V., Barneveld (NL)
 PM NO = Palfinger Marine Norway AS, Bergen (NO)
 PMH = Palfinger PM Holding GmbH, Salzburg (AT)
 PP = Palfinger Platforms GmbH, Krefeld (DE)
 PPT = Palfinger Produktionstechnik Bulgaria EOOD, Cherven Brjag (BG)
 PSUG = Palfinger S. Units GmbH, Salzburg (AT)
 PSV = Palfinger Sany International Mobile Cranes Sales GmbH, Salzburg (AT)
 PSYSU = Palfinger systems units GmbH, Salzburg (AT)
 PTL DE = Palfinger Tail Lifts GmbH, Ganderkesee (DE)
 PUSH = Palfinger US Holdings, Inc., Council Bluffs (US)
 VMS = Veimash-S OOO, Veliiky Luki (RU)

2) From the point of view of the controlling company
 3) From the point of view of PALFINGER AG

4) Curr. = functional currency

5) Section 264 (3) HGB and/or Section 264b HGB was applied for these entities.

6) Company not consolidated due to negligible importance

Bergheim, February 25, 2021

Executive Board of PALFINGER AG

Andreas Klausner
Chief Executive Officer

Felix Strohbichler
Chief Financial Officer

Martin Zehnder
Chief Operations Officer





STATEMENT & REPORTS

**THE MOST
IMPORTANT
LESSON LEARNED
WAS THAT
TOGETHER, WE
CAN MASTER
ALL CHALLENGES.**

Andreas Klauser, CEO



PALFINGER INTEGRATED ANNUAL REPORT 2020
STATEMENT OF ALL MANAGEMENT

STATEMENT OF ALL MANAGEMENT

We confirm to the best of our knowledge that the consolidated financial statements for the year ended December 31, 2020, give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group as required by the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). We also confirm, to the best of our knowledge, that the Group management report, including the non-financial statement, for the year ended December 31, 2020, gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces

In addition, we confirm to the best of our knowledge that the separate financial statements for the year ended December 31, 2020, give a true and fair view of the assets, liabilities, financial position, and profit or loss of PALFINGER AG as required by the Austrian Commercial Code (Unternehmensgesetzbuch, UGB) and that the management report for the year ended December 31, 2020, gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Bergheim, February 25, 2021

Executive Board of PALFINGER AG

Andreas Klauser
Chief Executive Officer

Felix Strohbichler
Chief Financial Officer

Martin Zehnder
Chief Operations Officer



AUDITOR'S REPORT

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(TRANSLATION)

AUDIT OPINION

We have audited the consolidated financial statements of

PALFINGER AG, Bergheim bei Salzburg,

and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2020, the separate consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year then ended, and the notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as at December 31, 2020, and of its financial performance and cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs) and the additional regulations of section 245a Austrian Company Code.

BASIS FOR OPINION

We conducted our audit in accordance with Regulation (EU) No. 537/2014 (hereinafter EU Regulation) and Austrian Generally Accepted Standards on Auditing. Those standards require the application of the International Standards on Auditing (ISAs). 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 Austrian Generally Accepted Accounting Principles and professional requirements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of the auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

OTHER MATTER

The consolidated financial statements of PALFINGER AG, Bergheim bei Salzburg, for the financial year ended December 31, 2019 were audited by another auditor who issued an auditor's report containing an unqualified audit opinion dated February 7, 2020 on these consolidated financial statements.

Our audit opinion is not qualified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the financial year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



We have structured key audit matters as follows:

- Description
- Audit approach and key observations
- Reference to related disclosures

1. Reallocation of goodwill due to changes in the segment reporting in the Segment SEA resulting from the new GLOBAL PALFINGER ORGANIZATION (GPO)

DESCRIPTION

As a result of the Global Palfinger Organization (GPO) introduced in the financial year 2019 and the changes to the internal reporting structure in the Segment "SEA" as at January 1, 2020, the previous business segment "SEA" was incorporated into the business segments "Sales & Services" and "Operations".

Following the reorganization of the reporting structure, goodwill previously allocated to the Segment "SEA" had to be reallocated as at January 1, 2020. In accordance with IAS 36.87, the reallocation was performed proportionately based on the values in use determined in the impairment test as at December 31, 2019. As a result, 76.9% of the existing goodwill amounting to EUR 74.9 million was allocated to the Segment "Sales & Service" and 23.1% to the Segment "Operations" and tested for impairment in accordance with IAS 36 as at December 31, 2019.

For the consolidated financial statements, the risk exists that goodwill previously recorded in the Segment "SEA" has not been allocated adequately to the new segments.

AUDIT APPROACH AND KEY OBSERVATIONS

We critically assessed how the changes to the reporting structure have been implemented on Executive Board and management level following the introduction of the GPO. Further, we assessed the new segment structure in the context of how goodwill in the Segments "Sales & Service" and "Operations" will be monitored and controlled in the future, and verified the methodology applied as well as the mathematical accuracy of the relative proportions determined for the reallocation of goodwill to the two new segments.

The methodology applied for reallocating goodwill, including determining the relative proportions required in this context in accordance with IAS 36.87 is adequate. The disclosures in the notes required by IAS 36 are complete and adequate.

REFERENCE TO RELATED DISCLOSURES

Further information on this key audit matter can be found in the notes to the consolidated financial statements as at December 31, 2020 under note 30 – "Intangible assets", subsection "GOODWILL".

2. Recoverability of the carrying amounts of cash generating units

DESCRIPTION

The Group carries out an impairment test in accordance with IAS 36 at least once a year and whenever there is any indication for impairment.

An impairment loss is recognized to the extent that the carrying amount of the individual asset or the cash generating unit exceeds the recoverable amount. The recoverable amount of an asset or a cash generating unit is the higher of the fair value less costs of disposal or the value in use. When evaluating whether there are any indications for impairment, external and internal sources of information are to be taken into account.

The Group determines the value in use by means of a discounted cash flow model. In addition to forecasted future cash flows, particularly the discount rate before taxes is also to be classified as such that it requires significant discretionary decisions. As even slight changes in the cash flows of perpetual annuity as well as in the discount rate may have a significant impact on the recoverable amount, there are major estimation uncertainties with regard to determining the value in use. In particular, the impact of the COVID-19 pandemic had to be taken into account in the consolidated financial statements as at December 31, 2020.



Therefore, for the consolidated financial statements, there is the risk that an existing impairment has not been recognized or has not been determined at the appropriate amount. Moreover, there is the risk that the respective disclosures in the notes are not adequate.

AUDIT APPROACH AND KEY OBSERVATIONS

We involved our internal valuation experts in assessing whether the assumptions on future cash flows included in the valuation model and the assumptions on material valuation parameters used for the respective cash generating units are appropriate.

We examined whether the assumptions used in the future cashflows are in line with the budget prepared by the Executive Board and approved by the Supervisory Board, and we analyzed and critically assessed the essential drivers for the future development (such as revenue, expenses, investments, changes in working capital). In particular, we examined whether the impact of the COVID-19 pandemic was taken into account in an appropriate manner. We assessed the forecast quality of past budgets by comparing historic targets to the actual materialized values and by following up on material deviations. We checked the assumptions regarding the discount rate and the growth rate by involving our internal valuation experts. We further checked the mathematical accuracy of the valuation model. We assessed whether the disclosures in the notes to the consolidated financial statements on the impairment tests are appropriate. This included, in particular, the sensitivity analyses performed to assess the risk of possible deviations from revenue and earnings assumptions as well as from the discount and growth rates used.

The valuation model used by the Company is suitable to carry out an impairment test as required by IFRS (IAS 36). The assumptions and valuation parameters used in the valuation – also taking into account the impact of the COVID-19 pandemic – are reasonable. The disclosures required by IAS 36 are complete and adequate.

REFERENCE TO RELATED DISCLOSURES

Further information on this key audit matter can be found in the notes to the consolidated financial statements as at December 31, 2020 under note 29 – "Impact of COVID-19 on the financial position" as well as note 30 – "Intangible assets" in subsection – "INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES".

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the management report for the Group and our auditor's report 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



RESPONSIBILITIES OF MANAGEMENT AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs) and the additional regulations of section 245a Austrian Company Code, and for such internal control as management 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, management 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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 the EU Regulation and with Austrian Generally Accepted Standards on Auditing, which require the application of ISAs, 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.

As part of an audit in accordance with the EU Regulation and with Austrian Generally Accepted Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide the Audit Committee with a statement that we have complied with all relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Comments on the Management Report for the Group

Pursuant to Austrian Generally Accepted Accounting Principles, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the management report for the Group was prepared in accordance with the applicable legal regulations. Regarding the consolidated non-financial statement contained in the management report for the Group, it is our responsibility to examine whether it has been prepared, to read it and to consider whether it is, based on our knowledge obtained in the audit, materially inconsistent with the consolidated financial statements or otherwise appears to be materially misstated.

Management is responsible for the preparation of the management report for the Group in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian standards on auditing for the audit of the management report for the Group.

OPINION

In our opinion, the management report for the Group was prepared in accordance with the applicable legal regulations, comprising the details in accordance with section 243a UGB, and is consistent with the consolidated financial statements.

STATEMENT

Based on the findings during the audit of the consolidated financial statements and due to the obtained understanding concerning the Group and its circumstances no material misstatements in the management report for the Group came to our attention.



PALFINGER INTEGRATED ANNUAL REPORT 2020
AUDITOR'S REPORT

Additional Information in Accordance with Article 10 of the EU Regulation

We were elected as statutory auditor at the ordinary general meeting dated August 5, 2020. We were appointed by the Supervisory Board on November 3, 2020. We have audited the Company since December 31, 2020.

We confirm that the audit opinion in the "Report on the Consolidated Financial Statements" section is consistent with the additional report to the Audit Committee referred to in Article 11 of the EU Regulation.

We declare that no prohibited non-audit services (Article 5 para. 1 of the EU Regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

RESPONSIBLE ENGAGEMENT PARTNER

Responsible for the proper performance of the engagement is Mr. Peter Pessenlehner, Austrian Certified Public Accountant.

Vienna, February 25, 2021

PwC Wirtschaftsprüfung GmbH

signed:

Peter Pessenlehner

Austrian Certified Public Accountant

This report is a translation of the original report in German, which is solely valid. Publication and sharing with third parties of the consolidated financial statements together with our auditor's report is only allowed if the consolidated financial statements and the management report for the Group are identical with the German audited version. This auditor's report is only applicable to the German and complete consolidated financial statements with the management report for the Group. For deviating versions, the provisions of section 281 para. 2 UGB apply.



INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT FOR THE FINANCIAL YEAR 2020

(TRANSLATION)

We have performed a limited assurance engagement of the consolidated non-financial statement for the financial year 2020 of PALFINGER AG, Bergheim bei Salzburg, and its subsidiaries (the "Group") for the year ended December 31, 2020.

MANAGEMENT'S RESPONSIBILITY

The Management is responsible for the preparation of the consolidated non-financial statement in accordance with the requirements of section 267a UGB as well as the GRI Standards: Core option. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the consolidated non-financial statement for the financial year 2020 that is free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion based on our procedures performed and evidence obtained.

We performed our engagement in accordance with the professional standards applicable in Austria with regard to KFS/PG 13 "Other assurance engagements", KFS/PE28 "Selected issues in connection with the assurance of non-financial statements and non-financial reports pursuant to sections 243b UGB and 267a UGB as well as sustainability reports" and the International Standards on Assurance Engagements (ISAE) 3000 (Revised) "Assurance engagements other than audits or reviews of historical financial information". These standards require that we comply with our ethical requirements, including rules on independence, and that we plan and perform our procedures by considering the principle of materiality to be able to express a limited assurance conclusion based on the assurance obtained. As provided under section 275 para. 2 UGB (liability provision regarding the audit of financial statements of small and medium-sized companies), our responsibility and liability towards the Company and any third parties arising from the assurance engagement are limited to a total of EUR 2 million.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The selection of the procedures lies in the sole discretion of the auditor and comprised the following:

- Critical assessment of the Group's analysis of materiality considering the concerns of external stakeholders by interviewing the responsible employees and inspecting relevant documents
- Obtaining an overview of the policies pursued by the Group, including due diligence processes implemented as well as the processes used to ensure an accurate presentation in the consolidated non-financial statement by interviewing the Company's management and inspecting internal guidelines, procedural instructions and management systems in connection with non-financial matters/disclosures
- Obtaining an understanding of reporting processes by interviewing the relevant employees and inspecting selected documentations
- Evaluating the reported disclosures by performing analytical procedures regarding non-financial performance indicators, interviewing relevant employees and inspecting selected documentations. All interviews as well as audit activities were conducted virtually due to the ongoing COVID-19 pandemic and the respective coronavirus protective measures
- Examining the consolidated non-financial statement regarding its completeness in accordance with the requirements of section 267a UGB as well as the GRI Standards: Core option
- Evaluating the overall presentation of the disclosures and non-financial information



PALFINGER INTEGRATED ANNUAL REPORT 2020
AUDITOR'S REPORT

The following is not part of our engagement:

- Examining the processes and internal controls particularly regarding their design, implementation and effectiveness
- Performing procedures at individual locations as well as measurements or individual evaluations to check the reliability and accuracy of data received
- Examining the prior-year figures, forward-looking information or data from external surveys
- Checking the correct transfer of data and references from the (consolidated) financial statements to the non-financial report; and
- Examining the information and disclosures on the website or further references on the Internet

Neither an audit nor a review of financial statements is objective of our engagement. Furthermore, the disclosure and solution of criminal acts, as e.g. embezzlement or other kinds of fraud, and wrongful doings, nor the assessment of the effectiveness and profitability of the management are objectives of our engagement.

CONCLUSION

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial statement for the financial year 2020 is not prepared, in all material aspects, in accordance with the requirements of section 267a UGB as well as the GRI Standards: Core option.

Vienna, February 25, 2021

PwC Wirtschaftsprüfung GmbH

signed:

Peter Pessenlehner

Austrian Certified Public Accountant

· GRI 102-56



REPORT OF THE SUPERVISORY BOARD

In fiscal year 2020, the Supervisory Board performed all duties assigned to it by law and by the company's Articles of Association. Four Supervisory Board meetings were held on February 18, June 8, September 29, and December 14, 2020, and attended by the Executive Board. Moreover, the Executive Board informed the Supervisory Board regularly, both in writing and verbally, about the course of business and the position of the company and of the Group companies. The Chair of the Supervisory Board was in regular contact with the Executive Board - including outside the Supervisory Board meetings - to discuss the company's strategy, business development and risk situation.

In addition to current developments and planning, the Supervisory Board dealt with the following key issues during the fiscal year 2020: the effects of the COVID-19 and the actions implemented by the Executive Board, the strategy in the individual segments, product lines and regions, the organizational changes and ongoing developments in the course of implementing the GPO, the evolution of the distribution network, major investment decisions, the collaboration with Sany and the possibility of a reversal of the cross-holding, the developments in Group-wide risk management as well as concomitant economic, ecological and social risks.

In addition, four Audit Committee meetings were held in 2020, at which the Audit Committee focused on the implementation of a procedure for the selection of a new auditor, the 2019 annual financial statements, the internal control system, risk management, IFRS and reporting topics, the internal audit and cooperation with the auditor.

The Nomination Committee discussed the following topics in particular: the collaboration and working methods of the Executive Board, nominations for the appointment of an additional member and the appointment of a member to fill a vacancy made available during the Annual General Meeting 2020.

In 2020, the Remuneration Committee focused on the preparation of the Remuneration Policy, the Remuneration Report, the remuneration of the members of the Executive Board and the revision of a long-term incentive program for the management team.

For details of the members and working methods of the Supervisory Board and its committees, please refer to Corporate Governance Report 2020.

PALFINGER AG's financial statements for the year ended December 31, 2020, and the 2020 management report including the non-financial explanations according to section 267a UGB were audited by PwC Wirtschaftsprüfung GmbH. The audit revealed that the accounting records, the financial statements, and the management report of PALFINGER AG comply with the applicable legal regulations and the provisions of the Articles of Association. The final findings of the audit did not give rise to any objections, thus allowing an unqualified auditor's opinion to be issued for 2020. The same applies to the 2020 consolidated financial statements. The consolidated financial statements prepared in accordance with IFRS (as adopted by the European Union) were supplemented by the Group management report and additional information in accordance with section 245a of the Austrian Commercial Code (UGB).

The Supervisory Board has approved the financial statements for the year ended December 31, 2020, including the management report and corporate governance report for fiscal year 2020. The 2020 financial statements of PALFINGER AG are therefore adopted in accordance with section 96 (4) of the Austrian Stock Corporation Act (AktG). The Supervisory Board has approved the consolidated financial statements and the Group management report for 2020 prepared in accordance with section 244 et seq. of the Austrian Commercial Code (UGB). The Supervisory Board has evaluated and approved the proposal of the Executive Board with respect to the distribution of profits for fiscal year 2020.

The evaluation of the company's compliance with the rules of the Austrian Corporate Governance Code in fiscal year 2020 was carried out by PwC Wirtschaftsprüfung GmbH. It was confirmed that the declaration made by PALFINGER AG on compliance with the Corporate Governance Code reflects the actual circumstances.

The Supervisory Board would like to express its thanks and recognition to the members of the Executive Board and all employees of PALFINGER for their outstanding commitment and excellent achievements in fiscal year 2020.

Bergheim, Thursday, February 25, 2021

Hubert Palfinger



PALFINGER INTEGRATED ANNUAL REPORT 2020
GENERAL INFORMATION

GENERAL INFORMATION

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The English translation of the PALFINGER Report is for convenience. Only the German text is binding. The rounding of individual items and percentages in this report can lead to minor differences in calculated amounts.

This report contains forward-looking statements made on the basis of all information available at the date of its preparation. These are usually identified by words such as "expect", "plan", "anticipate", "believe", etc. Actual outcomes and results may be different from those predicted. Likewise, in some cases, changes in non-financial performance indicators of previous years may result from the application of stricter internal control loops for the purpose of improving data quality.

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