



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

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: Martha Skeie Olsen / Geir Instanes
Dato for fastsettelse av årsregnskapet: 22.09.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 03.08.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1,3,4,1 7	230 990 000	501 498 000
Annen driftsinntekt	3,17	38 311 000	8 619 000
Sum inntekter		269 301 000	510 117 000
Kostnader			
Varekostnad	4,17	211 821 000	408 683 000
Lønnskostnad	2,16	40 078 000	96 728 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	6,7	22 547 000	29 841 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler		24 602 000	
Annen driftskostnad	2,17	11 367 000	64 638 000
Sum kostnader		310 415 000	599 890 000
Driftsresultat		-41 114 000	-89 773 000
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		1 774 000	
Annen finansinntekt		3 302 000	830 000
Sum finansinntekter		5 076 000	830 000
Nedskrivning av finansielle eiendeler	8	0	1 249 000
Rentekostnad til foretak i samme konsern		5 844 000	8 640 000
Annen rentekostnad	8	10 731 000	6 655 000
Sum finanskostnader		16 575 000	16 544 000
Netto finans		-11 499 000	-15 714 000
Ordinært resultat før skattekostnad		-52 613 000	-105 487 000
Ordinært resultat etter skattekostnad		-52 613 000	-105 487 000
Årsresultat	13	-52 613 000	-105 487 000
Overføringer og disponeringer			
Udekket tap		-52 613 000	-105 487 000



Resultatregnskap

Beløp i: NOK	Note	2021	2020
Sum overføringer og disponeringer		-52 613 000	-105 487 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	7	624 000	51 904 000
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	7	0	31 607 000
Sum immaterielle eiendeler		624 000	83 511 000
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	6	5 483 000	6 112 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	6,14	2 749 000	16 173 000
Sum varige driftsmidler		8 232 000	22 285 000
Finansielle anleggsmidler			
Investering i datterselskap	8	51 391 000	58 307 000
Lån til foretak i samme konsern	11	182 000	182 000
Investeringer i aksjer og andeler	9	526 000	526 000
Andre fordringer	2	123 000	0
Sum finansielle anleggsmidler		52 222 000	59 015 000
Sum anleggsmidler		61 078 000	164 811 000
Omløpsmidler			
Varer			
Varer	14,18	22 651 000	38 571 000
Sum varer		22 651 000	38 571 000
Fordringer			
Kundefordringer	11,14	106 267 000	71 193 000
Andre kortskitgje fordringar	11,15	54 776 000	10 145 000
Anlegg under utførelse	4,14	50 481 000	218 946 000
Sum fordringer		211 524 000	300 284 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	10	549 000	9 765 000
Sum bankinnskudd, kontanter og lignende		549 000	9 765 000



Balanse

Beløp i: NOK	Note	2021	2020
Sum omløpsmidler		234 724 000	348 620 000
SUM EIENDELER		295 802 000	513 431 000
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	12	236 755 000	208 149 000
Sum opptjent egenkapital		-236 755 000	-208 149 000
Sum egenkapital		-235 435 000	-206 829 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	16	40 000	40 000
Sum avsetninger for forpliktelser		40 000	40 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	14	2 278 000	3 055 000
Langsiktig konserngjeld	11	313 140 000	454 381 000
Sum annen langsiktig gjeld		315 418 000	457 436 000
Sum langsiktig gjeld		315 458 000	457 476 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		6 430 000	
Leverandørgjeld	11	20 467 000	35 632 000
Skyldige offentlige avgifter	10	3 671 000	6 360 000
Annen kortsiktig gjeld	11	185 210 000	220 791 000
Sum kortsiktig gjeld		215 778 000	262 783 000
Sum gjeld		531 236 000	720 259 000



Balanse

Beløp i: NOK	Note	2021	2020
SUM EGENKAPITAL OG GJELD		295 801 000	513 430 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 937385

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Brønnøysundregistrene, 18.10.2022



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 sikringsbokføring knyttet til inntekter i valuta. I 2021 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 nyttegjørt. 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

Antall årsverk i regnskapsåret

81.00

Note

2

Spesifisering av resultatregnskapet

Lønnskostnader

Lønn	Årets	Fjorårets
	29329000.00	81338000.00
Folketrygdavgift	Årets	Fjorårets



	6119000.00	8461000.00
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	3071000.00	4974000.00
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	1559000.00	1955000.00
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	40078000.00	96728000.00

Note

Ekstraordinære inntekter og kostnader

<u>Sum</u>	<u>Beløp</u>
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Note

6 og 7

Varige driftsmidler og immaterielle eiendeler

<u>Anskaffelseskost 01.01.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	93153000.00	246449000.00
<u>Tilgang i året</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	400000.00	3391000.00
<u>Avgang i året</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	-10646000.00	-243390000.00
<u>Anskaffelseskost 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	82907000.00	3058000.00
<u>Samlede av-/nedskrivn.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	74675000.00	2434000.00
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	8231000.00	624000.00
<u>Årets av-/nedskrivn.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	9210000.00	37939000.00
<u>Økonomisk levetid</u>		<u>Immaterielle eiend.</u>
		3-15 år

Anskaffelseskost - balanseførte lånekostnader, egentilvirkede anleggsmidler

Goodwill spesifisert for hvert enkelt virksomhetskjøp

Avskrivningsplan for goodwill som er lenger enn fem år - begrunnelse

Mer om varige driftsmidler/immaterielle eiendeler

Konsernregnskap



Virksomheten inngår i konsolideringen til morselskapets konsernregnsk.: Ja

Morselskapet sitt navn
Palfinger AG

Forretningskontor for morselskapet
Østerrike

Datterselskap er utelatt fra konsolideringen: Ja

Begrunnelse for at datterselskap er utelatt fra konsolideringen
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.

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
	129828000.00	24113000.00
<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>

Annen langsiktig gjeld

<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
	313140000.00	454381000.00

Kortsiktig gjeld

<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
	18089000.00	60035000.00
<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>

Pantstillelse Beløp

Note

Fordringer

Fordringer som forfaller senere enn ett år etter regnskapsårets slutt

Mer om fordringer

Note

Virkelig verdi og resultatført verdiendr. i perioden, finansielle instrumenter

Mer om finansielle instrumenter

Beskrivelse av finansielle derivater



Beholdning av egne aksjer Antall Pålydende Andel av aksjek.



Consolidated

Financial

Statement

as at December 31, 2021

PALFINGER
Annual Report 2021



CONSOLIDATED INCOME STATEMENT

EUR thousand	Note	Jan-Dec 2020	Jan-Dec 2021
Revenue	16	1,533,864	1,841,533
Cost of sales	18, 24, 25, 26	(1,154,996)	(1,393,591)
Gross profit		378,868	447,942
Other operating income	17	26,518	36,859
Research and development costs	19, 25, 26	(46,197)	(56,049)
Distribution costs	20, 25, 26	(131,358)	(147,623)
Administrative costs	21, 25, 26	(110,671)	(135,049)
Other operating expenses	22	(26,055)	(19,011)
Income from companies reported at equity	23	9,183	27,954
Earnings before interest and taxes - EBIT		100,288	155,023
Interest income	27	1,549	2,923
Interest expenses from financial liabilities	27	(10,346)	(9,002)
Other interest expenses	27	(3,078)	(1,695)
Exchange rate differences	27	(3,117)	(2,430)
Other financial result	27	(201)	(1,218)
Financial result		(15,193)	(11,421)
Earnings before income tax		85,095	143,602
Income tax	28, 68	(22,149)	(35,082)
Result after income tax		62,946	108,520
attributable to shareholders of PALFINGER AG (consolidated net profit or loss for the period)		49,789	86,563
attributable to non-controlling interests		13,157	21,955
EUR			
Earnings per share (undiluted and diluted)	45	1.32	2.31



PALFINGER ANNUAL REPORT 2021

CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Note	Jan-Dec 2020	Jan-Dec 2021
Result after income tax		62,946	108,520
Amounts that will not be reclassified to the income statement in future periods			
Remeasurement according to IAS 19	51	(799)	2,420
Deferred taxes thereon		223	(666)
		(576)	1,754
Amounts that may be reclassified to the income statement in future periods			
Unrealized gains (+) / losses (-) from foreign currency translation of foreign subsidiaries		(38,075)	13,545
Unrealized gains (+) / losses (-) from foreign currency translation of entities reported at equity/non-current assets held for sale	32	(4,221)	3,543
Realized gains (+) / losses (-) from foreign currency translation of entities reported at equity/non-current assets held for sale		-	(4,229)
Unrealized gains (+) / losses (-) from foreign currency translation of long-term loans to foreign subsidiaries (pursuant to IAS 21.15)		(12,084)	6,581
Deferred taxes thereon		1,529	(1,315)
Effective taxes thereon		1,492	(331)
Gains + (losses -) on cash flow hedges, before tax	47		
Changes in unrealized profits (+) / losses (-)		(1,094)	322
Deferred taxes thereon		91	(334)
Effective taxes thereon		264	208
Realized gains (-) / losses (+)		2,090	855
Deferred taxes thereon		115	78
Effective taxes thereon		(620)	(320)
		(50,513)	18,604
Other comprehensive income after income tax		(51,089)	20,358
Total comprehensive income		11,857	128,878
attributable to shareholders of PALFINGER AG		1,609	106,245
attributable to non-controlling interests		10,248	22,633



CONSOLIDATED BALANCE SHEET

EUR thousand	Note	12/31/2020	12/31/2021
Non-current assets			
Intangible assets	1, 2, 3, 29, 60	248,675	256,694
Property, plant and equipment	2, 30, 61	410,477	459,584
Interest in entities reported at equity	5, 23, 32	49,944	64,596
Other non-current assets	35	3,360	6,145
Deferred tax assets	9, 33, 68	30,045	25,223
Non-current financial assets	34, 56, 65	14,608	14,232
		757,109	826,474
Current assets			
Inventories	8, 36, 62	311,755	444,962
Trade and receivables	6, 37, 56, 64, 65	191,508	264,255
Contract assets from customer contracts	37, 64	37,588	27,153
Other current receivables and assets	39	39,535	77,427
Income tax receivables	28, 68	1,386	2,985
Current financial assets	13, 38, 56, 65	8,931	6,420
Cash and cash equivalents	40, 56, 65	104,198	39,834
		694,901	863,036
Non-current assets held for sale	30, 32	104,866	3,128
		799,767	866,164
Assets		1,556,876	1,692,638
Equity			
Share capital	41	37,593	34,767
Share premium	42	86,844	86,844
Treasury stock	43	-	(96,667)
Retained earnings	45, 46, 47	533,034	604,801
Currency translation reserve	44	(93,228)	(71,513)
Foreign currency translation reserve from assets held for sale		4,429	-
Total equity attributable to shareholders of PALFINGER AG		568,672	558,232
Non-controlling interests	48	47,777	55,625
		616,449	613,857
Non-current liabilities			
		-	300
Non-current financial liabilities	4, 49, 56, 65	456,071	347,580
Non-current purchase price liabilities from acquisitions	12, 50, 56, 65	24	12,864
Non-current provisions	10, 51, 66, 67	68,197	71,429
Deferred tax liabilities	33, 68	8,336	6,911
Non-current contract liabilities from customer contracts	55	3,326	3,608
Other non-current liabilities	52	101	88
		536,055	442,780
Current liabilities			
Current financial liabilities	4, 56, 65	68,682	189,398
Current purchase price liabilities from acquisitions	12, 50, 56, 65	12,088	300
Current provisions	11, 53, 67	23,153	30,858
Income tax liabilities	28, 68	6,843	15,390
Trade payables and other current liabilities	54, 56, 65	259,238	355,412
Current contract liabilities from customer contracts	55	34,368	44,642
		404,372	636,000
Equity and liabilities		1,556,876	1,692,638



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CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousand	Note	Equity attributable to the shareholders of PALFINGER AG	
		Share capital	Share premium
As at 1/1/2020		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	41, 43	-	-
		-	-
As at 12/31/2020		37,593	86,844
As at 1/1/ 2021		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	41, 43	(2,827)	-
Other changes		-	-
		(2,827)	-
As at 12/31/2021		34,767	86,844



Equity attributable to the shareholders of PALFINGER AG								
Treasury Stock	Retained earnings				Currency translation adjustments	Total	Non-controlling Interests	Equity
	Other retained earnings	Remeasurement according to IAS 19	Valuation reserve according to IFRS 9					
-	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	(576)	
-	-	-	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	
-	549,814	(15,388)	(1,392)	(88,799)	568,672	47,777	616,449	
-	86,563	-	-	-	86,563	21,956	108,519	
-	-	-	-	17,286	17,286	509	17,795	
-	-	1,585	-	-	1,585	169	1,754	
-	-	-	808	-	808	-	808	
-	-	1,585	808	17,286	19,679	677	20,356	
-	86,563	1,585	808	17,286	106,243	22,633	128,876	
-	(16,917)	-	-	-	(16,917)	(9,140)	(26,057)	
-	-	-	-	-	-	500	500	
-	(274)	-	-	-	(274)	(6,147)	(6,421)	
(96,667)	-	-	-	-	(99,494)	-	(99,494)	
-	3	(1)	-	-	2	2	4	
(96,667)	(17,188)	(1)	-	-	(116,682)	(14,785)	(131,467)	
(96,667)	619,189	(13,804)	(584)	(71,513)	558,232	55,625	613,857	



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CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	Jan-Dec 2020	Jan-Dec 2021
Cash flows from operating activities		
Result before income tax	85,095	143,602
Depreciation, amortization and impairment losses (+)/ reversal of impairment losses (-) on non-current assets	88,373	89,897
Gains (-)/losses (+) on the disposal of non-current assets	17,22	375
Interest income (-)/interest expenses (+)	27	11,875
Income from companies reported at equity	23,32	(9,183)
Non-cash change in purchase price liabilities	50	325
Other adjustments for non-cash items		8,945
Increase (-)/decrease (+) in assets	48,872	(188,900)
Increase (-)/decrease (+) in provisions	8,590	11,959
Increase (+)/decrease(-) in liabilities	843	94,034
Net cash flow from operating activities	244,110	128,551
Interest received	1,308	2,129
Interest paid	(10,199)	(8,501)
Dividends received from companies using equity method	32	5,233
Cash payments for the acquisition of subsidiaries in prior years	-	(7,278)
Income taxes refund (paid)	(15,783)	(31,558)
	224,669	87,408
Cash flows from investing activities		
Proceeds from sales of Intangible assets and property, plant and equipment	3,636	3,617
Purchase for the acquisition of intangible assets and property, plant and equipment	(65,093)	(128,795)
Cash receipt from the sale of subsidiaries	-	223
Cash payments for the acquisition of subsidiaries net of cash acquired ¹⁾	-	(10,221)
Cash payments for the acquisition of subsidiaries in prior years	-	(5,534)
Cash payments for the acquisition of entities reported at equity	32	(854)
Cash receipts from the sale of securities	17	-
Cash payments for the acquisition of securities	(4)	-
Cash receipts for other assets	928	4,136
	(60,516)	(137,428)
Cash flows from financing activities		
Dividends to shareholders of PALFINGER AG	48	(13,158)
Dividends to non-controlling shareholders	48	(9,139)
Cash payments for the acquisition of non-controlling interests ¹⁾	48	(6,122)
Repayment of financing for the acquisition of investments	(3,000)	(23,783)
Capital increase minority shares	-	500
Repayment of maturing/terminated loans	(30,000)	-
Repayment of maturing/terminated promissory note loans	(21,353)	(35,000)
Repayment of current financing	(8,905)	-
Raising of short-term financing	-	89,883
Repayment of lease liabilities	(11,982)	(12,628)
Cash payments for/cash receipts from other financial liabilities	49	2,047
	(98,221)	(15,987)
Total cash flows	65,932	(66,007)
Free cash flow²⁾	173,319	(42,097)

¹⁾ See 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	Notes	2020	2021
Funds as at 1/1	40	42,037	104,198
Effects of changes in exchange rates		(3,771)	1,643
Total cash flows		65,932	(66,007)
Funds as at 12/31	40	104,198	39,834

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, 2021 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.

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, 2021 were audited by PwC Wirtschaftsprüfung GmbH, Wien, Austria. On February 23, 2022, the Executive Board of PALFINGER AG approved the consolidated financial statements as at December 31, 2021 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, 2021.



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CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

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 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 August 5, 2021 the Brazil company Palfinger Terceck Industria de Elevadores Veiculares Ltda. was merged into Madal Palfinger S.A. (BRA).

Effective as at September 25, 2021, a demerging spin-off was carried out with no concession of shares in Palfinger CIS GmbH from Palfinger Area Units into Palfinger EMEA GmbH. At the same time, 75.03% of the total shares in AO Podyomnie Maschini were split off non-proportionally from Palfinger PM Holding to the newly founded PM accipere GmbH, which resulted in a share exchange at the level of the shareholders of Palfinger PM Holding. In the next step, PM accipere GmbH was merged into Palfinger CIS GmbH as a transferring company by way of universal succession with effect from October 14, 2021. Palfinger CIS GmbH was then merged as a transferring company, effective October 14, 2021, to its parent company, Palfinger EMEA GmbH, as an acquiring company, by way of universal succession.

In October 2021, the holding company Podyomnie Maschini AO was merged into the Podyomnie Maschini AO in Russia.

With effect from December 31, 2021, Palfinger Liftgates, LLC (USA) was merged into Palfinger USA, LLC.

NEWLY FOUNDED ENTITIES

In June 2021, the US-based Palfinger USA Operations, LLC was founded as a 100-percent subsidiary of Palfinger US Holdings, LLC (US).



ACQUISITIONS 2021/2022

Non-controlling interests

In July 2021, a call option for the acquisition of 100 percent of the shares in OYT Mulder Holding S.L. was exercised. The sole asset of this holding company is, in turn, 25 percent of the shares in the Spanish PALFINGER Ibérica Maquinaria, S.L. The company is now wholly owned indirectly by PALFINGER EMEA GmbH. As a consequence, the minority share in Palfinger comércio e aluguer de máquinas, S.A., Portugal, changes to 40 percent (previous year: 55 percent).

A capital increase was agreed with Palfinger Structural Inspection GmbH on December 4, 2020. The capital increase of EUR 143 thousand was carried out on January 15, 2021. In the course of the capital increase, PALFINGER AG takes over a share that corresponds to a fully paid-in capital contribution of EUR 122 thousand. The amount plus a premium of EUR 1,378 thousand, totaling EUR 1,500 thousand, was paid in January 2021. The shares increase from 51.0 percent to 65.3 percent. A further financing option for PALFINGER from the third quarter of 2021 and a put option for the minority shareholders for the 2022 financial year were also agreed.

In addition, a further financing option of PALFINGER was agreed upon as of the third quarter of 2021, as well as a put option for the minority shareholders for the financial year 2022. The non-repayable shareholder grant of EUR 1,700 thousand, agreed with Palfinger Structural Inspection GmbH, was paid in on July 1, 2021, and is recognized in the free capital reserve. PALFINGER AG's share of the shareholder contribution is EUR 1,500 thousand. This transaction did not lead to any further change in minority interests.

Hinz Försäljnings AB

On November 30, 2020 the acquisition was signed for 100 percent of Hinz Försäljnings AB by PALFINGER EMEA GmbH Austria. With 5 service centers, 45 service partners, 71 employees and a revenue 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 recognized goodwill consists essentially of the excellent sales and service structure, and contacts with truck manufacturers and original equipment manufacturers in Sweden.

The transaction closed, and control was transferred, on January 4, 2021.

EQUIPDRAULIC

On February 10, 2021, the signing and closing took place for the acquisition of 100 percent in EQUIPDRAULIC, S.L.U. by PALFINGER EMEA GmbH. Transfer of control took place on the same date. In 2020, EQUIPDRAULIC and its 18-strong workforce generated revenue 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.

With this acquisition, PALFINGER ensures the continuation of the excellent service and distribution network in Spain's economic powerhouse and improves customer proximity. The synergies generated are reflected in the capitalized goodwill.

The purchase price allocation based on the calculated fair values was as follows at the time of acquisition:

EUR thousand	Hinz	Equipdraulic
Purchase price paid in cash	18,393	1,247
Purchase price not yet paid	-	300
Conditional consideration	10,430	422
Subtotal	28,823	1,969
Net Assets	(25,067)	(1,745)
Goodwill	3,756	224



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EUR thousand	Hinz	Equipdraulic
Non-current assets		
Intangible assets and other than goodwill	8,661	310
Property, plant and equipment	6,134	60
Other non-current financial assets	-	15
	14,795	385
Current assets		
Inventories	4,164	844
Trade and other current receivables	7,311	718
Other current receivables and assets	259	7
Income tax receivables	20	-
Cash and cash equivalents	8,370	1,049
	20,124	2,618
Non-current liabilities		
Deferred tax liabilities	2,484	100
Other non-current liabilities	-	105
	2,484	205
Current liabilities		
Current financial liabilities	-	-
Current provisions	504	-
Income tax liabilities	1,774	95
Trade payables and other current liabilities	5,090	958
	7,368	1,053
Net Assets	25,067	1,745

EUR thousand	Hinz	Equipdraulic
Net cash flow from operating activities		
Transaction expenses	(34)	(18)
Cash flows from investing activities		
Purchase price paid in cash	(18,393)	(1,247)
Cash and cash equivalents	8,370	1,049
Net cash flow from acquisition	(10,057)	(216)

Since the date of initial consolidation, the acquisitions with revenue amounting to EUR 55,448 thousand have been part of consolidated revenue and contributed EUR 3,645 thousand to the consolidated net result. Had the acquisition taken place on January 1 of the fiscal year, revenue of EUR 55,985 thousand and a consolidated net result of EUR 3,710 thousand would have been recognized.

TSK

On 17 November 2021, PALFINGER acquired the shelf company Diamond 201. GmbH, which was renamed Palfinger Duisburg GmbH. On 19 November 2021, PALFINGER signed the contract for the acquisition of the operations of TSK Kran und Wechselsysteme GmbH and TSR Lacktechnik GmbH by Palfinger Duisburg GmbH. The closing took place at the beginning of January 2022.



JOINT VENTURE

On December 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 January 28, 2021.

EUR thousand	Palfinger Neptune
Proceeds of sale	422
Fair value remaining shares (50%)	422
Proceeds from sale for 100%	844
Net assets of the retired company	(789)
Profit/loss from disposal	55

INTERESTS IN ENTITIES REPORTED AT EQUITY

On December 23, 2020, PALFINGER AG, Austria, signed a purchase agreement for the acquisition of a 33 percent stake in Jetfly Airline GmbH, Austria, a charter flight company. The closing took place on April 12, 2021, after the merger-related approval by the EU Commission.

PALFINGER and SANY HEAVY INDUSTRIES have entered into a Share Sale and Purchase Agreement ("SPA") regarding the 7.5% shareholding in Sany Automobile Hoisting Machinery ("SAHM") on December 15, 2021. The transfer is for a consideration consisting of 2,826,516 Palfinger shares and a cash payment of EUR 15 million. The closing condition, i.e., the achievement of a closing price of the PALFINGER share listed on the Vienna Stock Exchange of at least EUR 34.68, was met on 16 December 2021. Upon reaching the target price, all opportunities and risks were transferred, and the investment was disposed of. The actual transfer of treasury shares is expected to take place in Q2 2022.

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

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.



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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	
	12/31/2020	12/31/2021	Jan-Dec 2020	Jan-Dec 2021
BRL	6.3753	6.3101	5.8847	6.3782
CAD	1.5633	1.4383	1.5320	1.4868
GBP	0.8990	0.8403	0.8864	0.8615
NOK	10.4703	9.9888	10.7115	10.1874
RMB	8.0225	7.1947	7.8916	7.6388
RUB	91.4671	85.3004	83.1271	87.6479
USD	1.2271	1.1326	1.1452	1.1851

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.

PALFINGER divides its business into the segment Sales & Service and segment Operations. The HOLDING unit comprises the Group's administrative expenses and strategic projects for the future.

Group management report, Performance by segment, p. 33

SEGMENT SALES & SERVICE

Segment Sales & Service comprises the sales and service units.

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.

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.



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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.101

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 markup 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 2020¹⁾

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	(47,347)	(34,768)	(6,261)	-	(88,376)
thereof impairment	(14,365)	(70)	-	-	(14,435)
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
thereof shares from companies reported at equity	24,586	25,358	-	-	49,944
Segment liabilities	558,855	376,186	951,312	(945,926)	940,427

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

Jan–Dec 2021

EUR thousand	SALES & SERVICE	OPERATIONS	HOLDING	Consolidation	Total
External revenue	1,705,105	136,428	-	-	1,841,533
Intra-group revenue	27,208	1,064,069	-	(1,091,277)	-
Total revenue	1,732,313	1,200,497	-	(1,091,277)	1,841,533
Depreciation, amortization and impairment	(38,656)	(36,425)	(13,598)	-	(88,679)
thereof impairment	(5,727)	(6,511)	-	-	(12,238)
Income from companies reported at equity	16,825	11,129	-	-	27,954
EBIT	166,465	20,331	(31,773)	-	155,023
Segment assets	1,106,248	844,316	909,527	(1,167,453)	1,692,638
thereof shares from companies reported at equity	31,926	32,670	-	-	64,596
Segment liabilities	625,503	636,577	912,074	(1,095,373)	1,078,780

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

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

■ Notes to the consolidated income statement, (16) Revenue, p. 101



INFORMATION ON GEOGRAPHICAL AREAS

Non-current assets are broken down as follows:

EUR thousand	12/31/2020	12/31/2021
Intangible assets		
Germany	29,928	30,030
France	16,295	16,291
Austria	88,261	91,167
Netherlands	3,323	4,849
Norway	53,252	48,788
Remaining foreign countries	7,920	7,671
Romania	5,889	5,689
Russia	16,880	14,413
Sweden	-	9,530
Spain	4,985	4,993
USA	7,341	7,945
United Arab Emirates	14,601	15,327
	248,675	256,694
Property, plant and equipment		
Brazil	5,205	6,405
Bulgaria	55,923	62,338
Germany	31,908	32,108
France	5,793	5,944
Austria	120,794	145,628
Italy	5,007	5,221
Canada	3,963	3,969
Korea	4,136	151
Norway	6,750	3,980
Poland	14,326	13,562
Remaining foreign countries	20,150	21,892
Romania	29,577	32,220
Russia	27,115	38,313
Sweden	-	6,595
Slovenia	30,442	30,316
Spain	5,008	4,155
USA	44,380	46,787
	410,477	459,584
Other non-current assets		
Brazil	1,872	4,423
Denmark	21	21
Germany	133	114
France	74	74
India	49	53
Austria	254	208
Remaining foreign countries	323	740
Russia	213	220
Spain	258	240
USA	163	53
	3,360	6,145



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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 2021. The new regulations did not have any material impact on the consolidated financial statements.

Standards/interpretations	Mandatory application in the EU	Endorsement Status
Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9 (published in June 2020)	January 1, 2021	endorsed in January 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	endorsed in January 2021

Various new accounting standards and interpretations have been published but are not mandatory for the reporting period ending December 31, 2021 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
IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (published in February 2021)	January 1, 2023
IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (published in May 2021)	January 1, 2023
IFRS 17 Insurance Contracts (Veröffentlichung: Mai 2017), including Amendments to IFRS 17 (published in June: Juni 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
IAS 1, IFRS Practice Statement 2: Angabe von Rechnungslegungsmethoden	January 1, 2023
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (published in February 2021)	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



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. Risks which result from climate change are taken into account in the relevant individual items. 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.

(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 (29) Intangible assets and Note (30) 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, Tail 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 (29) Intangible assets.



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(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 (31) 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 (32) 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 (37) 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 (37) 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 (36) 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 (33) 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. 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.



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(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 2021.



NOTES TO THE CONSOLIDATED INCOME STATEMENT

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

After the strong decline in revenue in 2020, the year 2021 provided an opportunity to return to the level prior to the COVID-19 crisis in almost all product lines and regions. From the middle of the year onwards, the overheated raw materials markets following the rapid overall economic recovery as well as the staff shortages, which were primarily caused by the COVID-19 crisis, turned out to be the limiting factors for PALFINGER's growth. Not only the shortage of microchips, but also a general rapid decline in delivery reliability triggered by resource and capacity bottlenecks at suppliers in all areas made it increasingly difficult to maintain supply chains and caused inefficiencies in production capacity utilization. The exceptionally high level of sick leave during the COVID-19 waves also led to further difficulties in production planning at the company's own plants and also placed a heavy burden on internal supply chains.

(16) Revenue

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

Jan–Dec 2021

EUR thousand	Sales & Service	Operations	PALFINGER Group
EMEA	1,042,914	105,685	1,148,599
NAM	363,494	6,018	369,512
LATAM	76,317	8,392	84,709
CIS	121,200	11,091	132,292
APAC	95,891	5,243	101,134
Revenue from contracts with customers (IFRS 15)	1,699,817	136,428	1,836,246
Revenue other	5,287	-	5,287
Revenue total	1,705,105	136,428	1,841,533

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 89,268 thousand (previous year: EUR 73,653 thousand) in Austria, PALFINGER's country of origin.

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

EUR thousand	2020	2021
Within one year	34,101	20,424
More than one year	3,487	6,729
Expected future revenue	37,588	27,153



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EUR thousand	Operations		Sales & Service	
	Jan–Dec 2020	Jan–Dec 2021	Jan–Dec 2020	Jan–Dec 2021
Revenue from the sale of products	90,494	136,428	1,354,925	1,634,471
Revenue from contract manufacturing and rendering of services	-	-	88,445	70,633
Revenue	90,494	136,428	1,443,370	1,705,105

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.

(17) Other operating income

EUR thousand	Jan–Dec 2020	Jan–Dec 2021
Income from the disposal of intangible assets and property, plant and equipment	1,595	2,656
Income from charges for services	1,738	2,293
Exchange rate differences	9,851	13,357
Income from reimbursements under insurance policies	2,126	6,674
Rental income	227	311
Income from the sale of advertising material	131	7
Income from business transactions with employees	699	1,276
Income from other grants	5,192	4,714
Refund other taxes	1,493	1,472
Miscellaneous other operating income	3,466	4,101
Other operating income	26,518	36,859

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 4.385 thousand (previous year: EUR 2.910 thousand).

(18) Cost of sales

EUR thousand	Jan–Dec 2020	Jan–Dec 2021
Changes in inventories and other work performed by entity and capitalized	(15,946)	(29,077)
Cost of materials and purchased services	(743,126)	(900,214)
Employee expenses	(262,918)	(308,356)
Depreciation, amortization and impairment expenses	(47,517)	(42,846)
Outgoing freight costs	(22,608)	(30,398)
Guarantees and warranties	(14,790)	(22,573)
Repair and maintenance expenses	(13,841)	(15,426)
Rentals and leases	(2,380)	(2,668)
Commission expenses	(4,227)	(2,993)
Contingent workers and other third-party services	(7,138)	(9,928)
Energy infrastructure	(6,892)	(12,873)
Travel expenses	(1,402)	(2,079)
Vehicles	(1,942)	(2,472)
Consultancy services	(2,339)	(3,573)
Administration expenses	(2,401)	(3,199)
Insurance expense	(1,490)	(1,532)
Taxes other than income tax expenses	(1,234)	(2,025)
Miscellaneous other operating expenses	(2,805)	(1,359)
Cost of sales	(1,154,996)	(1,393,591)

Cost of sales increased in the same proportion as revenue. Gross profit margin remained unchanged at 24 percent.



(19) Research and development costs		
EUR thousand	Jan–Dec 2020	Jan–Dec 2021
Changes in inventories and other work performed by entity and capitalized	12,243	19,389
Cost of materials and purchased services	(2,056)	(2,071)
Employee expenses	(42,672)	(53,908)
Depreciation, amortization and impairment	(3,827)	(11,035)
Income from research grants	1,895	2,773
Consultancy services	(6,402)	(6,270)
Contingent workers and other third-party services	(2,165)	(2,678)
Travel expenses	(482)	(425)
Office and IT expenses	(1,920)	(807)
Miscellaneous other expenses	(811)	(1,018)
Research and development costs	(46,197)	(56,049)

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 21,047 thousand (previous year: EUR 14,132 thousand) are reported in the cost of sales. The total research and development costs therefore amounted to EUR 77,096 thousand (previous year: EUR 60,329 thousand).

(20) Distribution costs		
EUR thousand	Jan–Dec 2020	Jan–Dec 2021
Changes in inventories and other work performed by entity and capitalized	(41)	(2)
Cost of materials and purchased services	(950)	(2,095)
Employee expenses	(80,927)	(96,690)
Depreciation, amortization and impairment	(22,690)	(17,714)
Advertising, representation and market expenses	(7,180)	(8,429)
Travel expenses	(3,652)	(3,899)
Contingent workers and other third-party services	(2,348)	(2,283)
Vehicle fleet	(1,910)	(2,018)
Transport costs	(1,880)	(2,057)
Consultancy services	(3,539)	(4,223)
Commission expenses	(1,066)	(1,163)
Office and IT expenses	(1,625)	(2,021)
Rentals and leases	(885)	(1,088)
Repair and maintenance	(1,032)	(1,633)
Miscellaneous other operating expenses	(1,633)	(2,306)
Distribution costs	(131,358)	(147,623)



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(21) Administrative costs

EUR thousand	Jan–Dec 2020	Jan–Dec 2021
Changes in inventories and own work capitalized	21	26
Cost of materials and purchased services	(197)	(658)
Personnel expenses	(56,738)	(67,200)
Depreciation, amortization and impairment	(14,342)	(17,084)
Consultancy services	(8,024)	(13,396)
Contingent workers and other third-party services	(7,947)	(9,510)
Office and IT expenses	(8,639)	(11,029)
Travel expenses	(1,308)	(1,144)
Vehicle fleet	(731)	(833)
Advertising, representation and market costs	(1,534)	(1,831)
Rentals and leases	(885)	(793)
Taxes other than on income	(2,741)	(1,658)
Insurance	(3,947)	(4,307)
Bank charges	(1,040)	(1,028)
Repair and maintenance	(2,120)	(2,842)
Miscellaneous other expenses	(199)	(1,762)
Administrative costs	(110,671)	(135,049)

FEES CHARGED BY THE AUDITOR

The following fees for the services provided in the fiscal year 2021 by the auditors of the consolidated financial statements, PwC Wirtschaftsprüfung GmbH and the companies of the global PwC network have been recorded as expenses:

EUR thousand	Jan–Dec 2020	Jan–Dec 2021
Audit of the consolidated financial statements and related certification services (including reviews)	(743)	(800)
thereof PwC Wirtschaftsprüfung GmbH	(389)	(402)
Tax advice	(26)	(53)
Other services	(75)	(69)
Auditors Remuneration	(844)	(922)

(22) Other operating expenses

EUR thousand	Jan–Dec 2020	Jan–Dec 2021
Losses on the disposal of intangible assets and property, plant and equipment	(1,983)	(691)
Losses on receivables and impairment allowances	(3,244)	(305)
Exchange rate differences	(11,575)	(10,052)
Expenses of claims	(444)	(333)
Expenses in connection with other income	(107)	(122)
Allocation provision purchase price liabilities	(325)	(1,822)
Expenses for legal proceedings	(1,450)	(916)
Contractual and other penalties	(6)	(86)
Allocation to provision for the recovery of a grant	(1,260)	(48)
Membership fees and subscriptions	(368)	(508)
Miscellaneous other operating expenses	(5,294)	(4,128)
Other operating expenses	(26,055)	(19,011)



(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 2020	Jan–Dec 2021
Share in the net result for the period	9,183	13,961
Income from disposal	-	9,764
Gain on exchange from the recycling of currency translation gains from OCI	-	4,229
Income from companies reported at equity	9,183	27,954

The income from disposal and gain on exchange rates from the recycling of currency translation gains from OCI relate to the disposal in Sany Automobile Hoisting Machinery.

(24) Cost of materials and purchased services

EUR thousand	Jan–Dec 2020	Jan–Dec 2021
Cost of materials	(691,307)	(827,435)
Cost of purchased services	(55,322)	(77,602)
Cost of materials and purchased services	(746,629)	(905,037)

Regarding impairment losses on inventories included in the cost of materials, please refer to Note (36) 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 2020	Jan–Dec 2021
Wages and salaries	(339,365)	(409,018)
Expenses for severance payments	(5,069)	(6,634)
Pension expenses	(3,533)	(3,014)
Expenses for statutory social security contributions, payroll-related levies and mandatory contributions	(74,948)	(85,191)
Other social expenses	(20,340)	(22,298)
Employee expenses	(443,255)	(526,155)

Expenses for severance payments include expenses from defined contribution plans amounting to EUR 1,634 thousand (previous year: EUR 1,518 thousand). This includes the cost of services to company employee pension funds in the amount of EUR 1,634 thousand (previous year: EUR 1,518 thousand).

Pension expenses include expenses from defined contribution plans amounting to EUR 2,726 thousand (previous year: EUR 2,960 thousand).

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

EUR thousand	Jan–Dec 2020	Jan–Dec 2021
Depreciation and amortization	(73,941)	(76,441)
Impairment losses	(14,435)	(12,237)
Depreciation of property, plant and equipment, investment property, amortization of intangible assets and impairment expenses	(88,376)	(88,679)

Regarding the development of depreciation, amortization and impairment, please refer to Notes (29) Intangible assets, (30) Property, plant and equipment and (31) Leases.

The impairments in 2021 relate to the brands INMAN and Velmarsh as well as capitalized development costs. In fiscal year 2021, 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 2020	EUR thousand	Financial instruments according to IFRS 9	
		Total	Financial asset at amortized cost
Interest income	1,549	1,549	-
Interest expenses from financial liabilities	(10,346)	-	(9,060)
Other interest expenses	(3,078)	-	-
Net interest income	(11,875)	1,549	(9,060)
Income from the disposal of financial assets	16	-	-
Loss from the disposal of financial assets	(77)	-	-
Write-ups of financial assets	03	-	-
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	(15,193)	(1,969)	(8,159)

Jan-Dec 2020	EUR thousand	Financial instruments according to IFRS 9	
		Total	Financial asset at amortized cost
Interest income	2,923	2,258	-
Interest expenses from financial liabilities	(9,002)	-	(7,943)
Other interest expenses	(1,695)	-	-
Net interest income	(7,774)	2,258	(7,943)
Write-ups of financial assets	968	934	-
Impairment of financial assets	(2,185)	(2,170)	-
Exchange rate differences	(2,430)	(1,623)	-
Net profit or loss	(3,648)	(2,859)	-
Financial result	(11,422)	(601)	(7,943)

For details on exchange rate differences in the net financial result, see p. 143



Financial Instruments according to IFRS 9			Non-current provisions acc. to IAS 19	Leases pursuant to IFRS 16
Fair Value through OCI	Fair Value through P&L/ Other Derivatives	Purchase price allocation		
-	-	-	-	-
-	-	-	(16)	(1,271)
-	(643)	(1,225)	(1,209)	-
-	(643)	(1,225)	(1,225)	(1,271)
16	-	-	-	-
(77)	-	-	-	-
03	-	-	-	-
-	-	-	-	-
-	(643)	-	-	-
(58)	(643)	-	-	-
(58)	(1,286)	(1,225)	(1,225)	(1,271)

Financial Instruments according to IFRS 9			Non-current provisions acc. to IAS 19	Leases pursuant to IFRS 16
Fair Value through OCI	Fair Value through P&L/ Other Derivatives	Purchase price allocation		
-	643	-	-	21
-	-	-	-	(1,059)
-	-	(1,060)	(635)	-
-	643	(1,060)	(635)	(1,037)
-	34	-	-	-
-	(15)	-	-	-
-	(807)	-	-	-
-	(789)	-	-	-
-	(145)	(1,060)	(635)	(1,037)



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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 2020	Jan–Dec 2021
Effective tax expense (–) / income (+)	(25,186)	(35,926)
thereof from previous years	(470)	702
thereof from the use of previously unused tax loss carry forwards	542	1,121
Deferred income tax expense (–) / income (+)	3,037	844
thereof from previous years	(491)	(287)
thereof from the recognition of tax loss carry-forwards from previous years	-	-
thereof due to tax rate changes	150	(3)
thereof from the adjustment of tax loss carry-forwards	(48)	(2,310)
Income tax	(22,149)	(35,082)



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 2020	Jan–Dec 2021
Earnings before income tax	85,095	143,602
Tax rate of the Group	25.0%	25.0%
Calculated tax expense	21,274	35,900
Adjustment to foreign tax rates	(-382)	(-2,119)
Tax reduction due to		
Research and education allowances	(-540)	(-750)
Investment grants and other government aid	(-136)	(-714)
Tax rate changes	(-232)	(-235)
Tax-free income from investments reported at equity	(-2,296)	(-6,988)
Reversal of non-taxable provisions	-	(-1,527)
Other tax-reducing factors	(-4,193)	(-761)
Recognition and use of loss carry-forwards from previous years	(-837)	(-1,868)
Taxes not related to an accounting period	(-824)	(-1,645)
Currency conversion	-	(-22)
Reversal of allowances on deferred taxes	(-192)	(-41)
Measurements of investments and intra-group measurements of receivables	(-7,381)	(-4,851)
	(-16,631)	(-19,401)
Tax increase due to		
Tax rate changes	157	145
Non-capitalized loss carry-forwards	7,817	13,661
Allowances on loss carry-forwards	48	-
Non-tax-deductible expenses	2,154	2,833
Allocation non-taxable provisions	40	415
Minimum taxes	2	110
Taxes not related to an accounting period	1,970	2,047
Non-deductible withholding taxes	1,090	796
Measurements of investments and intra-group measurements of receivables	3,992	-
Different tax rate	26	-
Other tax-increasing factors	170	59
Allowances for deferred taxes	422	635
	17,888	20,701
Income tax	22,149	35,082



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NOTES TO THE CONSOLIDATED BALANCE SHEET

(29) Intangible assets

The development of intangible assets is shown below:

EUR thousand	Goodwill
Acquisition cost	
As at 1/1/2019	229,742
Additions	-
Disposals	-
Reclassifications	-
Foreign currency translation	(12,852)
As at 12/31/2019	216,890
As at 1/1/2020	216,890
Change in scope of consolidation	3,998
Additions	-
Investment promotion	-
Disposals	-
Reclassifications	-
Foreign currency translation	7,682
As at 12/31/2020	228,569
Accumulated depreciation, amortization and impairment	
As at 1/1/2019	82,235
Amortization	-
Disposals	-
Foreign currency translation	-
Foreign currency translation	(4,764)
As at 12/31/2019	77,471
As at 1/1/2020	77,471
Amortization	-
Impairment losses	-
Disposals	-
Foreign currency translation	3,736
As at 12/31/2020	81,207
Carrying amounts	
As at 12/31/2019	139,419
As at 12/31/2020	147,363



Intangible assets with indefinite useful lives	Development costs	Brands, customer base and order backlog	Other intangible assets	Prepayments	Total
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
25,985	130,263	78,913	35,840	40	487,931
-	-	8,961	11	-	12,969
-	19,441	-	4,434	63	23,938
-	-	-	(20)	-	-
-	(5,750)	(1,190)	(4,407)	-	(11,347)
-	-	-	387	(40)	347
1,171	1,908	3,235	425	-	14,421
27,156	145,861	89,919	36,671	63	528,239
-	-	-	-	-	-
-	-	-	-	-	-
7,830	46,661	59,895	24,719	-	221,340
-	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)	-	(11,639)
18,297	55,833	60,729	26,926	-	239,256
18,297	55,833	60,729	26,926	-	239,256
3,285	12,109	3,683	3,332	-	22,410
-	8,938	3,285	-	-	12,223
-	(5,578)	(1,182)	(4,399)	-	(11,159)
1,034	991	2,757	298	-	8,815
22,616	72,293	69,272	26,158	-	271,545
7,688	74,430	18,184	8,914	40	248,675
4,540	73,568	20,647	10,513	63	256,649



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GOODWILL

The goodwill resulting from business combinations relates to the following groups of cash-generating units:

EUR thousand	12/31/2020	12/31/2021
Sales & Service	105,624	112,602
Operations	33,795	34,761
Goodwill	139,419	147,363

INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

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

EUR thousand	12/31/2020	12/31/2021
Sales & Service		
INMAN brand	1,244	-
Velmarsh brand	1,829	-
	3,073	-
Operations		
Nimet brand	4,615	4,540
	4,615	4,540
Intangible assets with indefinite useful lives	7,688	4,540

As management intends the continued use of the brand Nimet resulting from business combinations to be indefinite and a useful life cannot therefore be determined, this intangible asset has been assigned an indefinite useful life.

In the 2021 financial year, it was decided to no longer use the INMAN and Velmarsh brands and to replace them with the uniform PALFINGER brand. These brands were therefore completely written off in the 2021 financial year. The depreciation amounts to EUR 1,330 thousand for INMAN and EUR 1,955 thousand for Velmarsh and is reported under selling expenses. The recoverability of the other recognized intangible assets with an indefinite useful life was confirmed when performing impairment tests.

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 2021 were 1.27 percent for Sales & Service (previous year: 1.06 percent) and 1.28 percent for Operations (previous year: 1.12 percent). A medium-term plan was drawn up in 2021.



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

Assumption:	Method used to determine value:
Unit sales volumes	The unit figures are based on the Sales & Operations Planning process, which is well integrated in the organization. In this process, the sales and production plan is coordinated in monthly cycles on the basis of the available resources. In cycle 9 (September), the basis for the unit figures for the budget of the following year is established. These unit numbers are partly risk-adjusted on the basis of the delivery performance of the previous periods in order to move from motivated sales and production planning to stable budget values. Business models that are not driven by unit numbers (e.g., service) were taken into account based on past experience and management's expectations for the future.
Sales price	The growth rates per product line/sales region taken into account are already known at the time of planning, because price increases have a relatively long lead time. The price development can therefore be planned with relative accuracy.
Contribution margins	These are based on sales prices budgeted for 2022, expected cost increases for human resources and material price changes predicted by purchasing.
Structural costs	Limits for all GPO functions are defined on the basis of run rates, forecasts and known project plans.
CAPEX	The investment volume in relation to consolidated revenue increased significantly following the crisis year 2020 in order to process the backlog of orders and invest in the future.

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	
	2020	2021
Operations	9,5	8,4
Sales & Service	9,4	8,8

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.

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 2021, PALFINGER capitalized internally generated intangible assets in the form of development costs in the amount of EUR 19,441 thousand (previous year: EUR 12,420 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 9 thousand with the largest items relating to the product lines AWP (EUR 6,170 thousand), Boats & Davits (EUR 2,428 thousand) and Special Solutions (EUR 300 thousand).



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(30) Property, plant and equipment

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

EUR thousand	Land and buildings
Acquisition cost	
As at 1/1/2020	273,728
Additions	6,617
Disposals	(3,078)
Reclassifications	8,416
Foreign currency translation	(10,757)
As at 12/31/2020	274,926
As at 1/1/2021	274,926
Changes in scope of consolidation	6,069
Additions	37,709
Investment promotion	(16)
Disposals	(7,620)
Reclassifications	9,846
Foreign currency translation	3,907
As at 12/31/2021	324,820
Accumulated depreciation, amortization and impairment	
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	95,191
As at 1/1/2021	96,191
Changes in scope of consolidation	-
Depreciation	10,462
Impairment losses	14
Disposals	(6,738)
Write-ups	(14)
Reclassifications	(1,714)
Foreign currency translation	1,663
As at 12/31/2021	99,865
Carrying amounts	
As at 12/31/2020	178,735
As at 12/31/2021	224,956



Right-of-use assets	Undeveloped land	Plant and machinery	Other equipment, operating and office equipment	Prepayments and assets under construction	Total
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)	(87)
(1,681)	-	(12,797)	(4,939)	(1,878)	(32,052)
76,368	1,689	274,340	138,732	33,084	799,139
76,368	1,689	274,340	138,732	33,084	799,139
1,011	-	(172)	(113)	50	6,845
8,255	-	11,895	14,974	45,079	117,911
-	-	-	(617)	(2,083)	(2,083)
(21,117)	-	(13,513)	(14,211)	(1)	(56,462)
-	-	16,389	3,433	(34,858)	(5,190)
1,275	-	4,324	3,172	434	13,112
65,793	1,689	293,263	145,369	41,704	872,639
-	-	-	-	-	-
10,964	84	173,942	85,254	1,296	363,205
11,384	-	17,881	15,998	-	54,763
-	-	-	-	-	70
(2,224)	-	(2,572)	(7,245)	-	(13,679)
-	-	1,104	(1,152)	-	-
(435)	-	(8,311)	(3,117)	(380)	(15,697)
19,689	84	182,044	89,738	916	388,662
19,689	84	182,044	89,738	916	388,662
-	-	(170)	(99)	-	(269)
11,743	-	15,886	15,939	-	54,031
-	-	-	-	-	14
(5,523)	-	(11,527)	(11,596)	-	(35,383)
-	-	(5)	(30)	-	(49)
-	-	(44)	44	-	(1,714)
508	-	3,595	1,988	10	7,764
26,418⁰	84⁰	189,778⁰	95,985⁰	926	413,055
56,679	1,605	92,296	48,994	32,168	410,477
39,375	1,605	103,486	49,384	40,778	459,584



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The additions mainly relate to the expansion of production capacities in Austria, Bulgaria, Russia as well as replacement investments.

Land and buildings include land values of developed properties amounting to EUR 46,897 thousand (previous year: EUR 33,005 thousand). Prepayments and assets under construction as at balance sheet date include assets under construction with acquisition and manufacturing costs amounting to EUR 32,610 thousand (previous year: EUR 29,072 thousand).

In 2012, an option contract was signed that entitles PALFINGER to acquire five and ten years respectively after repurposing 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 2021, government grants amounting EUR 2.717 thousand were recognized in accordance with IAS 20 as a reduction of acquisition or production costs.

Non-current assets held for sale amounting to EUR 3,128 thousand relate to two properties in Korea and Russia, which will be sold in 2022 and affect the Operations segment. The property in Korea is valued at the agreed sales price less costs to sell. The resulting devaluation amounts to EUR 911 thousand. The property in Russia is valued at the carrying amount and no profit or loss is recorded.

As at December 31, 2021, no property, plant and equipment (previous year: none) has been pledged as collateral for debt.

(31) 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 2020

in TEUR	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	(553)	(27)	-	(479)	(1,059)
Foreign currency translation	(1,222)	(4)	-	(20)	(1,246)
As at 12/31/2020	51,527	688	100	4,364	56,679

Rights of use 2021

in TEUR	Land and buildings	Equipment and machinery	Operating and office equipment	Vehicles	Total
As at 1/1/2021	51,527	688	100	4,364	56,679
Additions	5,258	95	735	3,179	9,267
Depreciation, amortization and impairment	(8,829)	(294)	(161)	(2,461)	(11,745)
Disposals	(15,318)	(47)	-	(229)	(15,594)
Foreign currency translation	758	3	-	7	768
As at 12/31/2021	33,396	445	674	4,860	39,375



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

Leases	2020	2021
EUR thousand		
As at 1/1	59,615	57,602
Exchange rate difference	(1,556)	971
Additions	11,225	9,267
Disposals	(918)	(15,732)
Interest expenses	1,218	1,060
Payments	(11,982)	(12,628)
As at 12/31	57,602	40,540
of which current	10,884	10,317
of which non-current	46,718	30,223

The consolidated income statement contains the following amounts from leases.

EUR thousand	2020	2021
Depreciation on right-of-use assets	(11,384)	(11,744)
Interest expenses for lease liabilities	(1,218)	(1,060)
Expense for leases for which the underlying asset is of low value, accounted for according to IFRS 16.6	(417)	(578)
Expenses for current leases, accounted for according to IFRS 16.6	(1,152)	(1,131)
Income from the subleasing of right-of-use assets	119	138
Recognized in profit or loss	(14,052)	(14,375)

The total cash outflows for leases in the fiscal year 2021 were EUR 14,337 thousand (previous year: EUR 13,552 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 option

	12/31/2020	12/31/2021
Up to 5 years	3,300	4,573
Up to 10 years	7,739	7,572

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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(32) 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	2020	2021
As at 1/1	155,112	49,944
Additions	0	917
Increase in capital	-	366
Share in the net result for the period	9,183	13,961
Dividends	(5,264)	(4,135)
Foreign currency translation	(4,221)	3,543
Reclassification	(104,866)	0
As at 12/31	49,944	64,596

The reclassification in 2020 relates to the 7.5 percent interest in SANY Automobile Hoisting 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 income from disposal of the shares in SANY Automobile Hoisting Machinery in 2021 in the amount of EUR 9,727 thousand and the gain on exchange from the recycling of currency translation gains from OCI in amount of EUR 4,228 thousand were recognized in the income from companies reported at equity.

The additions relate to the newly founded joint venture Palfinger Neptune Co. Ltd., China and Jetfly Airline GmbH, Austria.

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 Palfinger SPV Equipment Co., Ltd. ¹⁾	
	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021
Revenue	187,146	211,748	63,986	79,260
Total comprehensive income				
Profit (loss)	13,107	10,759	3,824	8,266
Other comprehensive income after income tax	-	-	(1,276)	6,356
	13,107	10,759	2,548	14,622

EUR thousand	Palfinger France S.A.S.		Sany Palfinger SPV Equipment Co., Ltd. ¹⁾	
	12/31/2020	12/31/2021	12/31/2020	12/31/2021
Non-current assets	5,976	7,415	8,080	10,277
Current assets	98,194	104,663	79,849	105,639
Non-current liabilities	2,159	15,870	(34)	(37)
Current liabilities	54,739	43,416	37,199	50,485
Net assets	47,272	52,792	50,763	65,468



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EUR thousand	Palfinger France S.A.S.		Sany Palfinger SPV Equipment Co., Ltd. ¹⁾	
	2020	2021	2020	2021
Shares/voting rights	49%	49%	50%	50%
Carrying amount as of 1/1	19,093	21,498	24,085	25,359
Impairment loss	-	-	-	-
Share in the net result for the period	6,422	5,272	1,912	4,133
Foreign currency translation	-	-	(638)	3,178
Dividends	(4,017)	(3,390)	-	-
Reclassification	-	-	-	-
Carrying amount as at 12/31	21,498	23,380	25,359	32,670
thereof goodwill	-	-	-	-
thereof downstream sales	(1,440)	(2,202)	(22)	(65)
thereof pro-rata net assets	22,938	25,581	25,381	32,715

¹⁾ As at the balance sheet date, the company has cash and cash equivalents of EUR 1,922 thousand (previous year: EUR 279 thousand) and no financial liabilities, as well as depreciation and amortization of EUR 406 thousand (previous year: EUR 471 thousand), interest income of EUR 143 thousand (previous year: EUR 153 thousand) and a tax expense of EUR - 406 thousand (previous year: EUR - 1,511 thousand).

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	
	2020	2021	2020	2021
Carrying amounts of shares	3,087	6,367	-	2,179
Total comprehensive income				
Result after income tax	1,748	2,513	-1,455	2,043
Other comprehensive income after income tax	-537	228	-362	136
	1,211	2,741	-1,817	2,179



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(33) Deferred tax assets and liabilities

EUR thousand	12/31/2020	12/31/2021
Non-current assets		
Intangible assets – different useful lives	288	2,500
Intangible assets – tax-deductible goodwill	164	203
Property, plant and equipment – different useful lives	808	797
Property, plant and equipment - IFRS 16 effect	109	155
Non-current financial assets – impairment losses on untaxed financial assets	27,122	24,763
Other non-current assets	(308)	3
	28,183	28,422
Current assets		
Inventories – elimination of intercompany profits, tax-related measurement differences in manufacturing costs	7,372	8,907
Trade receivables – tax-related measurement differences in impairment allowances	1,457	2,263
Other current assets – untaxed severance payments	444	475
	9,273	11,645
Non-current liabilities		
Non-current financial liabilities – Lease liabilities	4,476	4,738
Non-current provisions - different approaches provisions for employee IAS 19	10,543	9,755
Other non-current liabilities	205	335
	15,224	14,829
Current liabilities		
Current financial liabilities – essentially lease financing	9,633	4,914
Current provisions – essentially Warranty provisions recognized at different rates	2,647	3,057
Trade payables and other current liabilities	1,376	4,472
	13,655	12,443
Deferred tax assets	66,335	67,339

EUR thousand	12/31/2020	12/31/2021
Non-current assets		
Intangible assets – acquisitions, development costs	(25,330)	(27,953)
Property, plant and equipment – different useful lives	(5,547)	(6,910)
Property, plant and equipment - IFRS 16 effect	(13,426)	(9,355)
Non-current financial assets	(1,384)	(3,974)
	(45,687)	(48,192)
Current assets		
Inventories – tax-related measurement differences in manufacturing costs	(256)	(445)
Trade receivables – Contract manufacturing (POC)	(1,804)	(1,638)
Other current assets – tax-related measurement differences	(1,822)	(1,161)
	(3,882)	(3,244)
Non-current liabilities		
Non-current financial liabilities – Tax-related measurement differences	(78)	(96)
Non-current provisions	(145)	(230)
	(223)	(327)
Current liabilities		
Current financial liabilities	-	(46)
Current provisions – essentially Warranty provisions recognized at different rates	(345)	(288)
Trade payables and other current liabilities	(707)	(294)
	(1,052)	(628)
Deferred tax liabilities	(50,844)	(52,391)



EUR thousand	12/31/2020	12/31/2021
Deferred tax assets	66,335	67,339
Deferred tax liabilities	(50,844)	(52,391)
Deferred tax assets on loss carry forwards	6,218	3,364
Deferred taxes	21,709	18,312
thereof deferred tax assets accounted for	30,045	25,223
thereof deferred tax liabilities accounted for	(8,336)	(6,911)

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	2020	2021
As at 1/1	17,322	21,708
Charged/Credited		
due to profit or loss	3,037	844
due to other result	1,350	(1,657)
directly in equity	-	-
Acquisition of subsidy	(1)	(2,583)
As at 12/31	21,708	18,312

The tax loss carry-forwards are composed as follows:

EUR thousand	Non-capitalized loss carry-forwards		Capitalized loss carry-forwards	
	12/31/2020	12/31/2021	12/31/2020	12/31/2021
One year	1,975	1,209	-	48
Two years	2,412	5,795	234	449
Three years	2,428	3,789	1,158	1,006
Four years	3,921	7,380	608	593
Five years	6,075	6,857	801	263
More than five years	61,280	71,893	16,312	99
Loss carry-forwards subject to expiry	78,091	96,922	19,113	2,458
Loss carry-forwards not subject to expiry	75,839	108,929	5,598	9,026
	153,930	205,851	24,711	11,484

Within the Group, no related deferred tax assets of EUR 49,456 thousand (previous year: EUR 37,235 thousand) are recognized for tax loss carryforwards of EUR 205,851 thousand (previous year: EUR 153,930 thousand) because their effectiveness as a final tax relief in the context of medium-term planning is not yet sufficiently assured. Of this, non-capitalized deferred taxes essentially relate to the tax group in the USA at EUR 20,150 thousand (previous year: EUR 11,526 thousand) and the companies included in the tax consolidation in Norway at EUR 12,417 thousand (previous year: EUR 12,123 thousand). Substantial indications of sufficient taxable income as a result of losses in previous financial years cannot be proven with sufficient certainty as of the reporting date.

For temporary differences in the amount of EUR 554,324 thousand (previous year: EUR 431,623 thousand) from investments in subsidiaries and joint ventures, there are deferred tax liabilities as at December 31, 2021 amounting to EUR 79,913 thousand (previous year: EUR 61,345 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 129 thousand (previous year: EUR 503 thousand) on loss carry forwards and interest carry-forwards totaling EUR 586 thousand (previous year: EUR 2,023 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



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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.

For tax losses of EUR 11,484 thousand (previous year: EUR 24,712 thousand) and temporary differences, deferred taxes on temporary differences and tax loss carryforwards of EUR 3,235 thousand (previous year: EUR 5,715 thousand) are capitalized without these being offset by deferred tax liabilities in the corresponding amount. After losses in the current financial year or in the previous year, the companies concerned expect positive taxable income in the future. PALFINGER assumes that the companies' future taxable income will probably be sufficient to be able to realize these deferred tax assets. Of this amount, deferred taxes of EUR 2,280 thousand (previous year: EUR 728 thousand) are attributable to loss carryforwards in Brazil, as sufficient positive taxable income can be expected on the basis of planning calculations and taxable profits have already been achieved in previous taxation periods.

(34) Non-current financial assets

Non-current financial assets are broken down as follows:

EUR thousand	12/31/2020	12/31/2021
Loans	12,968	4,908
Financial receivables from related parties	-	7,697
Securities	1,407	1,409
Deposits at banks	160	141
Other shareholdings	74	76
Non-current financial assets	14,608	14,232

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

In the previous year, the loans included a receivable from the estate of Hubert Palfinger senior in the amount of EUR 18,000 thousand (of which EUR 10,629 thousand was non-current and EUR 7,371 thousand current). Due to the transfer of the claim to the default guarantors Hubert Palfinger and Hannes Palfinger, the claim as of December 31, 2021 in the amount of EUR 12,296 (of which EUR 7,697 thousand is non-current and EUR 4,599 thousand is current) is reported as a financial receivable from Related Parties (see also Note (57)).

(35) Other non-current assets

The non-current assets are broken down as follows:

EUR thousand	12/31/2020	12/31/2021
Reimbursement rights and other receivables	2,985	5,399
Accrued expenses	375	746
Other non-current assets	3,360	6,145

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.



(36) Inventories

The inventories are composed as follows:

EUR thousand	12/31/2020	12/31/2021
Raw materials, consumables and supplies	129,270	218,965
Work in progress	92,552	130,372
Finished goods and merchandise	87,751	88,510
Prepayments	2,182	7,115
Inventories	311,755	444,962

Inventories amounting to EUR 612 thousand (previous year: EUR 648 thousand) are measured at net realizable value.

In the fiscal year 2021, impairment losses on inventories amounting to EUR 2,983 thousand (previous year: EUR 5,103 thousand) and reversals of impairment losses from inventories deemed obsolete amounting to EUR 2,585 thousand (previous year: EUR 975 thousand) were reported in cost of sales.

(37) Trade receivables and contract assets from customer contracts

The trade receivables are broken down as follows:

EUR thousand	12/31/2020	12/31/2021
Receivables from contract manufacturing and rendering of services	37,588	27,153
Invoiced receivables	191,508	264,255
Trade receivables and contract assets from customer contracts	229,096	291,408

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 (previous year: USD 50,000 thousand). Receivables sold in connection with the factoring contract as at balance sheet date December 31, 2021 amount to EUR 47,986 thousand (previous year: EUR 39,236 thousand). The receivables were not fully derecognized as all opportunities and risks associated with the receivables sold were neither transferred nor retained. The assessment of the risks resulting from the receivables sold is basically based on the default risk and the late payment risk. Up to a contractually defined amount, PALFINGER continues to bear a risk from credit risk-related defaults. As at the reporting date 31 December 2021, the resulting maximum risk of loss amounts to EUR 956 thousand (previous year: EUR 805 thousand) and corresponds to the maximum retention. The overall risk from the receivables portfolio 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 262,985 thousand (previous year: EUR 190,462 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.



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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	2020	2021
As at 1/1	35,693	37,808
Addition due to PoC progress	82,235	75,078
Progress billings	(78,525)	(86,838)
Accumulated adjustment	206	(227)
Foreign currency translation	(1,801)	1,742
As at 12/31	37,808	27,563
Recorded Impairment	(220)	(410)
Contract assets incl. Impairments	37,588	27,153

The risk from expected loss rates is accounted for by an allowance amounting to EUR 12,294 thousand (previous year: EUR 13,569 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	
	2020	2021	2020	2021
As at 1/1	8,426	8,744	5,080	4,825
Change in Scope	-	268	-	(1)
Allocation	3,097	844	3,196	3,644
Use	(1,119)	(1,662)	(269)	(540)
Reversal	(530)	(1,506)	(2,739)	(2,942)
Reclassification	(12)	12	5	(12)
Foreign currency translation	(1,118)	418	(448)	202
As at 12/31	8,744	7,118	4,825	5,176

(38) Current financial assets

Current financial assets are broken down as follows:

EUR thousand	12/31/2020	12/31/2021
Derivative financial instruments	1,365	376
Receivables from associated companies	-	1,391
Receivables from related parties	-	4,599
Other financing receivables	7,566	54
Current financial assets	8,931	6,420

Financing to entities reported at equity includes a short-term loan to Jetfly Airline GmbH in the amount of EUR 1,360 thousand (previous year: EUR 0 thousand). The receivables from related parties exist against Hubert and Hannes Palfinger (see also note (57)).



(39) Other current receivables and assets

Other current receivables and assets are broken down as follows:

EUR thousand	12/31/2020	12/31/2021
Receivables relating to social security and other taxes	14,813	22,057
Other receivables	16,660	41,000
Accrued expenses and compensation payments	8,024	14,128
Receivables from entities reported at equity	38	242
Other current receivables and assets	39,535	77,427

Other receivables include receivables from the factor resulting from the sale of trade receivables (see also Note (37) for more information) as well as receivables from public authorities. Other receivables include EUR 15,143 thousand from SANY HEAVY INDUSTRIES from the sale of the shares in Sany Automobile Hoisting Machinery (see also the scope of consolidation, page 91).

(40) Cash and cash equivalents

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

EUR thousand	12/31/2020	12/31/2021
Cash on hand	124	150
Deposits at banks	104,074	39,684
Cash and cash equivalents	104,198	39,834

As at December 31, 2021, there are restrictions on the disposal of cash and cash equivalents amounting to EUR 6.0 million (previous year: EUR 6.2 million).

(41) 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.

The development of the shares in circulation is as follows:

Shares	2020	2021
As at 1/1	37,593,258	37,593,258
Addition of own shares	-	(2,826,516)
As at 12/31	37,593,258	34,766,742

(42) Share premium

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



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(43) Treasury Shares

As at December 31, 2021, the number of treasury shares amounted to 2,826,516 shares (previous year: 0 units).

The actual transfer of treasury shares is expected to take place in Q2 2022.

The Executive Board was authorized by the Annual General Meeting on April 7, 2021 in accordance with Sec. 65 para. 1 sentence 8 as well as para. 1a and 1b of the Austrian Stock Corporation Act to acquire no-par value shares of the company representing up to 10 percent of the company's share capital for a period of 30 months from September 20, 2021, both through the stock exchange as well as off-exchange for a minimum consideration of EUR 10 per share and a maximum consideration of EUR 100 per share. The Executive Board of PALFINGER AG can decide to acquire shares on the stock exchange, but the Supervisory Board must be informed of this decision after it has been taken. Off-market acquisition of shares is subject to the prior approval of the Supervisory Board. In the case of an off-market acquisition of shares, this can also be executed with the exclusion of the right to sell on a pro rata basis. Trading in treasury shares is excluded as a purpose for acquiring shares. The authorization may be exercised in whole or in part or in several installments and in pursuit of several purposes by the company, by a subsidiary, or by third parties for the account of the company.

The Executive Board is authorized for a period of five years in accordance with Sec. 65 para. 1b of the Stock Corporation Act, with the consent of the Supervisory Board, to provide for the sale or use of treasury shares other than selling them on the stock exchange or by public offer, while applying the provisions relating to the exclusion of shareholders' subscription rights. The authorization may be exercised in whole or in part or in several installments and in pursuit of several purposes by the company, by a subsidiary, or by third parties for the account of the company.

(44) Currency translation reserve

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	2020	2021
AED	(1,026)	471
BRL	(5,570)	322
GBP	(97)	58
NOK	(3,104)	1,207
RMB	(3,449)	(642)
RUB	(18,510)	5,439
USD	(12,568)	10,530
Other	(4,110)	(99)
Currency translation reserve	(48,434)	17,286

(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 2021 amounted to 37,477,102 shares (previous year: 37,593,258 shares).

Based on the consolidated net result of EUR 86,563 thousand (previous year: EUR 49,789 thousand), undiluted earnings per share amount to EUR 2.31 (previous year: EUR 1.32). The diluted earnings per share are the same as the undiluted earnings per share.



(46) Retained earnings

The accumulated results fell by EUR -274 thousand (previous year: EUR 0 thousand) due to the exercise of the call option for a further 25 percent in the PALFINGER Iberica Group.

DIVIDEND PER SHARE

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

In TEUR	Total EUR thousand	Number of shares	Dividend per share
Dividend resolved for the fiscal year 2020 (Annual General Meeting of April 7, 2021)	16,917	37,593,258	0.45
Dividend resolved for the fiscal year 2019 (Annual General Meeting of August 5, 2020)	13,158	37,593,258	0.35

The net profit for 2021 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 2021 of PALFINGER AG	-934
Retained profits brought forward from 2020	250,817
Total net profit	249,883
Proposed dividend (EUR 0.77 per share)	28,947
Remaining accumulated profit	220,936

The dividend to be proposed by the Executive Board and Supervisory Board to the Annual General Meeting on March 24, 2022 will be EUR 0.77 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	2020	2021
As at 1/1	(2,238)	(1,392)
Changes in unrealized profits (+)/losses (-)		
Interest rate swap contracts	(569)	(334)
Currency forward contracts	(169)	529
	(738)	195
Changes in realized gains (+)/losses (-)		
Interest rate swap contracts	1,161	(180)
Currency forward contracts	423	793
	1,584	613
Change	846	808
As at 12/31	(1,392)	(584)



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(48) Non-controlling interests

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

12/31/2020

EUR thousand	Andrés N. Bertotto (Hidro-Grubert)	EPSILON Kran GmbH	Palfinger Ibérica 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	18,575
Non-controlling interests					
Shares/voting rights	30%	35%	25%	40%	35%
Carrying amount	1,169	10,948	7,434	12,599	6,447

12/31/2021

EUR thousand	Andrés N. Bertotto (Hidro-Grubert)	EPSILON Kran GmbH	Palfinger comércio e aluguer de máquinas, S.A.	Nimet Sri	Guima Palfinger S.A.S.
Net assets					
Non-current assets	2,777	12,627	645	37,911	6,528
Current assets	14,798	72,372	7,688	32,211	33,534
Non-current liabilities	199	1,037	436	785	1,533
Current liabilities	9,645	46,284	2,647	22,646	16,168
	7,732	37,677	5,249	46,691	22,360
Non-controlling interests					
Shares/voting rights	30%	35%	40%	40%	35%
Carrying amount	1,941	13,878	2,099	18,257	7,772

Jan-Dec 2020

EUR thousand	Andrés N. Bertotto (Hidro-Grubert)	EPSILON Kran GmbH	Palfinger Ibérica 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



Jan–Dec 2021

EUR thousand	Andrés N. Bertotto (Hidro-Grubert)	EPSILON Kran GmbH	Palfinger comércio e aluguer de máquinas, S.A.	Nimet Sri	Guima Palfinger S.A.S.
Cash flow					
Cash flows from operating activities	2,356	31,757	357	18,027	5,326
Cash flows from investing activities	(1,314)	(12,844)	(70)	(7,425)	(1,997)
Cash flows from financing activities	(362)	(18,911)	(665)	(10,092)	(3,176)
Non-controlling interests					
Profit/loss attributable	1,237	9,215	1,022	6,555	2,220
Share of other comprehensive income	147	16	-	(225)	153
Dividends	613	6,802	150	672	1,049

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.

The minorities in the Palfinger Iberica Group were acquired in the 2021 financial year and there is now a minority interest in the individual company Palfinger comércio e aluguer de máquinas, S.A. in Portugal of 40 percent (previous year: 55 percent).

(49) Financial liabilities

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

EUR thousand	12/31/2021	Durations
Promissory note loan	203,000	1 - 7 years
Equity financing and bilateral loans	113,783	1 - 4 years
Lease liabilities	30,223	1 - 21 years
Other non-current financial liabilities	574	-
Non-current financial liabilities	347,580	

EUR thousand	12/31/2020	12/31/2021
Promissory note loans	24,000	73,543
Equity financing and bilateral loans	23,783	98,678
Lease liabilities	10,884	10,317
Other current financial liabilities	10,016	6,860
Current financial liabilities	68,682	189,398



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Deferred interest expenses are included in the current financial liabilities.

The average interest rate represents the interest burden as at December 31, 2021 after taking into account interest rate hedges as a percentage in relation to the carrying amount of the financial liabilities as at December 31, 2021 and amounts to 1.13 percent (previous year: 1.33 percent).

(50) Purchase price liabilities from acquisitions

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

EUR thousand	2020	2021
As at 1/1	11,090	12,112
Allocation	325	1,270
Interest effect	1,225	1,059
Redemption	(528)	(12,420)
Addition	-	11,143
As at 12/31	12,112	13,164

The contingent consideration from 2016 for the acquisition of the MYCSA Group (Palfinger Ibérica) was settled in the third quarter of 2021. The Amount is included in the redemption of the purchase price liabilities.

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 in 2020.

The additions relate to new acquisitions in the fiscal year 2021. There are contingent considerations for Hinzi and Equipdraulic, which depend on future earnings before interest and taxes of the units and will be due in 2023. The maximum amount of the payment for the contingent consideration for the acquisition of Hinzi is unlimited.

The carrying amount at the reporting date was EUR 11,555 thousand for Hinzi (previous year: 0 TEUR) and EUR 1,285 thousand for Equipdraulic (previous year: 0 TEUR).

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 SEK
Equipdraulic	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, 2021 and 2020:

Change in fair value

EUR thousand	Change in assumption	In the event of an increase		In the event of a decrease	
		2020	2021	2020	2021
Interest rate	+/- 1 %	(27)	(149)	27	137
Forecasted result	+/- 10%	0	1,155	0	(1,155)



(51) Non-current provisions

Non-current provisions are broken down as follows:

EUR thousand	12/31/2020	12/31/2021
Pension provisions	12,914	10,772
Provisions for severance payments	30,885	32,407
Anniversary bonus provisions	9,023	9,427
Other non-current provisions	15,375	18,824
Non-current provisions	68,197	71,429

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.)	
	2020	2021	2020	2021	2020	2021
Germany	63-65 years	63-65 years	0.04% - 0.56%	0.46% - 0.98%	1.5%	1.5%
France	65 years	65 years	0.27%	0.84%	2.5%	2.5%
Austria	65 years	65 years	0.36% - 0.60%	0.76% - 1.00%	1.7%	1.7%

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

As at December 31, 2021, the average duration of the defined benefit obligations from pension commitments is 13.18 years (previous year: 14.19 years). For the fiscal year 2022, expected contributions to pension obligations amount to EUR 214 thousand (previous year: EUR 209 thousand).

The calculation of the pension provisions as at December 31, 2021 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.)		expected rates of salary increases (p.a.)		Staff turnover allowance (p.a.)	
	2020	2021	2020	2021	2020	2021
Austria	0.32% - 0.56%	0.60% - 0.95%	3.0%	3.0%	based on length of service 0.23% bis 1.08%	based on length of service 0.41% bis 0.50%
Slovenia	0.53% - 0.56%	0.93%	3.0%	3.0%	2.0%	2.0%
Bulgaria	0.27%	0.71%	5.0%	5.0%	age-related 5% to 20%	age-related 5% to 20%
UAE and Qatar	1.5% - 2.0%	2.0% - 2.5%	3.0%	2.0% - 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, 2021, the average duration of the defined benefit obligations from severance payments is 12.56 years (previous year: 13.29 years). For the fiscal year 2022, expected contributions to severance payments amount to EUR 1,581 thousand (previous year: EUR 1,537 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	
	12/31/2020	12/31/2021	12/31/2020	12/31/2021
Net present value of the obligation	13,669	11,556	30,885	32,407
Fair value of plan assets	(755)	(784)	-	-
Provision	12,914	10,772	30,885	32,407

EUR thousand	Pensions		Severance payments	
	2020	2021	2020	2021
Net present value of the obligation as at 1/1	13,421	13,669	30,278	30,885
Service cost	217	205	1,818	3,934
Interest expenses	85	45	227	132
Gains (-)/losses (+) from re-measurements	433	(1,641)	386	(758)
Effective payments	(479)	(392)	(1,689)	(1,857)
Settlements	-	(334)	-	(13)
Foreign currency translation	(8)	4	(135)	84
Net present value of the obligation as at 12/31	13,669	11,556	30,885	32,407



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

EUR thousand	2020	2021
Fair value of plan assets as at 1/1	738	755
Expected return on plan assets	3	2
Gains (+)/losses (-) from re-measurements	22	22
Foreign currency translation	(8)	5
Fair value of plan assets as at 12/31	755	784

The actual sum amounted to EUR 24 thousand (previous year: EUR 25 thousand).

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

EUR thousand	Pensions		Severance payments	
	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021
Employee expenses				
Service cost	(217)	(205)	(1,818)	(3,934)
Interest expenses				
Interest expenses	(82)	(43)	(227)	(132)
Net expenses	(299)	(248)	(2,045)	(4,066)

Re-measurements are broken down as follows:

EUR thousand	Pensions		Severance payments	
	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021
Experience adjustments	(202)	(547)	(678)	1,204
Changes in demographic assumptions	100	-	(342)	(568)
Changes in financial assumptions	535	(1,094)	1,406	(1,394)
Return on plan assets	(22)	(22)	-	-
Gains (-)/losses (+) from re-measurements	411	(1,663)	386	(758)

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%	
	2020	2021	2020	2021	2020	2021	2020	2021
Interest rate	(1,710)	(774)	2,038	1,067	(3,659)	(3,400)	4,412	4,070
Pension increase/salary increase	1,731	906	(1,523)	(694)	4,120	3,704	(3,507)	(3,179)

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.



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Changes in anniversary bonus provisions are shown below:

EUR thousand	2020	2021
As at 1/1	8,923	9,023
Allocation	381	554
Interest effect	63	33
Use	(344)	(183)
As at 12/31	9,023	9,427

OTHER NON-CURRENT PROVISIONS

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

EUR thousand	2020	2021
As at 1/1	9,453	15,375
Allocation	5,596	2,920
Interest effect	901	860
Usage	(275)	(325)
Reversal	(199)	(22)
Foreign currency translation	(101)	16
As at 12/31	15,375	18,824

Other non-current provisions include other non-current provisions for personnel amounting to EUR 18,237 thousand (previous year: EUR 15,037 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	
	2020	2021	2020	2021
As at 1/1	13,971	13,669	7,215	9,484
Allocation	3,028	10,580	13,385	7,803
Usage	(2,004)	(1,711)	(10,747)	(7,793)
Reversal	(1,112)	(1,221)	(42)	(364)
Reclassification	-	-	6	-
Foreign currency translation	(214)	255	(333)	156
As at 12/31	13,669	21,572	9,484	9,286

The other non-current provisions include provisions for personnel amounting to EUR 2,443 thousand (previous year: EUR 3,821 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 3,345 thousand (previous year: EUR 1,166 thousand).



(54) Trade payables and other current liabilities

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

EUR thousand	12/31/2020	12/31/2021
Trade payables	146,491	214,065
Liabilities to entities reported at equity	840	1,935
Liabilities to employees	39,049	59,686
Liabilities relating to social security and other taxes	25,462	27,437
Other liabilities	47,395	52,289
Trade payables and other current liabilities	259,237	355,412

The liabilities to employees amounting to EUR 59,686 thousand (previous year: EUR 39,049 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 52,289 thousand (previous year: EUR 47,395 thousand) relate to customers with credit balances, liabilities to the factor arising from incoming payments for trade receivables sold (see also Note (37)) 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, 2021 the program was used for trade payables amounting to EUR 53,400 thousand (previous year: EUR 41,939 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	2020	2021
As at 1/1	33,734	37,694
Addition	32,608	35,927
Change in the basis of consolidation	-	172
Recognized as revenue	(26,376)	(26,514)
Accumulated adjustment	-	-
Foreign currency translation	(2,272)	971
As at 12/31	37,694	48,250



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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 12/31/2020	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	-	-
thereof Level 2 fair value			
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	12,088	-	-
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



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At amortized cost		Measured according to IFRS 9			Carrying amount of financial instruments 12/31/2020
Financial asset at amortized cost	Financial liabilities at amortized cost	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		
13,128	-	-	1,480	14,608	
			1,406		
			74		
89,873	-	101,635	-	191,508	
		101,635			
-	-	-	-	-	
7,566	-	1,030	335	8,931	
		1,030	335		
16,501	-	-	-	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	14,092	731,592	



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EUR thousand	Carrying amount 12/31/2021	No financial instrument/ recognition according to IFRS 10	Measured according to IFRS 16
Non-current assets			
Non-current financial assets	14,232	-	-
thereof Level 1 fair value			
thereof Level 2 fair value			
Current assets			
Trade receivables	264,255	-	-
thereof Level 3 fair value			
Contract assets from customer contracts	27,153	27,153	-
Current financial assets	6,420	-	-
thereof Level 2 fair value			
Other current receivables and assets	77,427	36,490	-
Cash and cash equivalents	39,834	-	-
Assets	429,320	63,643	-
Non-current liabilities			
Non-current financial liabilities	300	300	-
thereof Level 2 fair value	317,357	-	-
Non-current purchase price liabilities from acquisitions	12,864	-	-
thereof Level 3 fair value	12,840	-	-
Other non-current liabilities	88	88	-
Non-current leasing liabilities	30,223	-	30,223
Non-current contract liabilities from customer contracts	3,608	3,608	-
Current liabilities			
Current financial liabilities	179,081	-	-
thereof Level 2 fair value			
Current purchase price liabilities from acquisitions	300	-	-
Trade payables and other current liabilities	355,412	87,123	-
Current lease liabilities	10,317	-	10,317
Current contract liabilities from customer contracts	44,642	44,642	-
Liabilities	953,892	135,461	40,540

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 12/31/2021
Financial asset at amortized cost	Financial liabilities at amortized cost	Recognized in other comprehensive Income	At fair value	Recognized in profit or loss	
		Hedging Derivatives/ Fair value OCI	At fair value	At fair value through profit or loss/ Other derivatives	
12,746	-	-	-	1,485	14,232
				1,409	
				76	
127,128	-	137,127	-	-	264,255
-	-	137,127	-	-	-
-	-	-	-	-	-
6,044	-	-	-	376	6,420
-	-	-	-	-	-
40,937	-	-	-	-	40,937
39,834	-	-	-	-	39,834
226,688	-	137,127	-	1,862	365,677
-	-	-	-	-	-
-	317,338	19	-	-	317,357
-	24	19	-	-	-
-	-	-	-	12,840	12,864
-	-	-	-	12,840	12,840
-	-	-	-	-	-
-	-	-	-	-	30,223
-	-	-	-	-	-
-	176,020	854	-	2,208	179,081
-	-	854	-	2,208	-
-	300	-	-	-	300
-	268,289	-	-	-	268,289
-	-	-	-	-	10,317
-	-	-	-	-	-
-	761,971	873	-	15,048	818,431

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 317,357 thousand (previous year: EUR 409,352 thousand) also roughly correspond to the market values (Level 2) amounting to EUR 322,162 thousand (previous year: EUR 417,799 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 2021 amounted to EUR 0 thousand (previous year: EUR 0 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	2020	2021
As at 1/1	10,539	12,088
Additions	-	10,843
Accrued interest	1,225	1,059
Redemption	-	(12,420)
Increase through profit and loss	324	1,270
As at 12/31	12,088	12,840

Result in the income statement

EUR thousand	Jan-Dec 2020	Jan-Dec 2021
Other interest expenses	(1,225)	(1,059)
Other operating expenses/income	(324)	(1,270)
Unrealized gain/loss for financial instruments held on the balance sheet date	(1,549)	(2,329)

As at December 31, 2021, the Level 3 fair values consist of the liability related to the contingent purchase price liability from the acquisition of Hinz und Equipdraulic.

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 2021, the equity ratio was 36.27 percent (previous year: 39.60 percent) and the gearing ratio stood at 77.64 percent (previous year: 64.42 percent). The net debt amounting to EUR 476,569 thousand (previous year: EUR 397,088 thousand) comprises noncurrent 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 613,807 thousand (previous year: EUR 616,449 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 0.77 (previous year: EUR 0.45) per share was proposed for fiscal year 2021.



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 2021, equity ratio was 36.27 percent (previous year: 39.60 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 one year.

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

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	61,601	373,481	49,114	484,196
Lease liabilities	10,990	32,406	19,134	62,530
Liabilities from cash flow hedges	1,963	956	239	3,158
Liabilities from derivatives held for trading	1,485	-	-	1,485
Purchase price liabilities from acquisitions	12,088	24	-	12,112
Undiscounted cash flows	282,853	406,867	68,487	758,207



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2021				
EUR thousand	< 1 year	1–5 years	> 5 years	12/31/2021
Trade payables and other liabilities				
Trade payables	215,548	-	-	215,548
Other liabilities for financial instruments	52,741	-	-	52,741
	268,289	-	-	268,289
Financial liabilities	180,996	307,573	18,870	507,439
Lease liabilities	10,395	23,161	9,003	42,559
Liabilities from cash flow hedges	728	1,035	-	1,763
Liabilities from derivatives held for trading	2,388	-	-	2,388
Purchase price liabilities from acquisitions	300	13,855	-	14,155
Undiscounted cash flows	463,096	345,624	27,873	836,593

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	12/31/2020 expected loss rates
Receivables not yet due	173,699	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	229,097	242,284	13,187	



EUR thousand	12/31/2021			
	Carrying amount	Gross carrying amount	Allowance	expected loss rates
Receivables not yet due	222,006	223,715	1,709	1%
Receivables due				
Overdue less than 30 days	31,200	31,484	284	1%
Overdue more than 30 days but less than 60 days	13,221	13,341	120	1%
Overdue more than 60 days but less than 90 days	8,437	8,560	123	1%
Overdue more than 90 days but less than 120 days	3,984	4,287	303	7%
Overdue more than 120 days	12,560	21,905	9,345	43%
	69,402	79,577	10,175	
Trade receivables and contract assets	291,408	303,292	11,884	

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.

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

EUR thousand	Jan–Dec 2020	Jan–Dec 2021
Foreign currency gains	9,851	13,357
Foreign currency losses	(11,575)	(10,052)
Exchange rate differences in the result from entities reported at equity	(316)	(174)
Profit (loss) from operating activities	(2,040)	3,130
Exchange rate differences in the net financial result	(3,117)	(2,430)
Fair value of plan assets as at 12/31	(5,157)	700



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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:

12/31/2020		+10%		(10%)		
EUR thousand	recognized in profit or loss	recognized directly in equity	Total effect	recognized in profit or loss	recognized directly in equity	
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
CZK	37	-	37	(45)	-	(45)
DKK	60	-	60	(74)	-	(74)
GBP	(24)	(189)	(213)	30	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	1,198
SEK	-	(1,507)	(1,507)	-	1,841	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	20,998



12/31/2021		+10%			(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	-16	-	-16	20	-	20
ARS	-2	-	-2	2	-	2
AUD	-	-	-	-	-	-
BRL	-411	-720	-1,132	503	880	1,383
CAD	-524	247	-277	640	-302	338
CNY	509	-	509	-622	-	-622
CZK	16	-	16	-20	-	-20
DKK	-135	-	-135	165	-	165
GBP	-152	-216	-368	186	264	450
HKD	-36	-	-36	44	-	44
HRK	69	-	69	-85	-	-85
INR	-645	-	-645	788	-	788
JPY	43	-	43	-52	-	-52
KRW	-300	-317	-617	367	388	755
VND	63	-	63	-77	-	-77
NOK	716	-1,455	-739	-876	1,778	903
PLN	33	-	33	-40	-	-40
RON	130	-	130	-159	-	-159
RUB	-397	-639	-1,037	485	782	1,267
SEK	-42	-	-42	51	-	51
SGD	-104	-	-104	127	-	127
USD	-4,612	-3,541	-8,152	5,636	4,328	9,964
Foreign currency sensitivities	(5,795)	(6,642)	(12,438)	7,083	8,118	15,202

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 20.0 million (previous year: EUR 70.0 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 1.4 million (previous year: EUR 70.0 million). A hypothetical increase in interest rates of 100 basis points would lead to an increase in other comprehensive income of EUR 310 thousand (previous year: EUR 397 thousand), whereas a decrease of 100 basis points would lead to a decrease in other comprehensive income of EUR 1,631 thousand (previous year: EUR 3,605 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. The risk of changes in variable interest rates is limited through the use of derivative financial instruments (interest rate swaps) and exchanged for financing with fixed interest rates. Due to the currently low level of interest rates and the increased conclusion of financing with fixed interest rates, hedging against interest rate risks has become less important in recent years.

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
	12/31/2020	12/31/2021	12/31/2020	12/31/2021	
Currency forwards					
sell CAD/buy NOK	CAD 740	CAD 0	25	-	
sell CAD/buy USD	CAD 0	CAD 3.910		46	16.09.2022
sell EUR/buy NOK	EUR 52.172	EUR 2.003	(51)	62	21.07.2023
sell EUR/buy SEK	EUR 16.337	EUR 0	237	-	
sell GBP/buy NOK	GBP 135	GBP 0	1	-	
sell USD/buy EUR	USD 31.950	USD 30.751	730	-332	21.07.2023
sell USD/buy NOK	USD 6.080	USD 5.135	317	59	20.05.2022
			1,259	(164)	
Interest rate swaps	EUR 20.000	EUR 20.000	(1,315)	-630	31.12.2026
Cash flow hedge			(56)	(794)	



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
	12/31/2020	12/31/2021	12/31/2020	12/31/2021	
sell AED/buy EUR	AED 47.500	AED 53.300	85	119	16.06.2022
sell CNY/buy EUR	CNY 8.000	CNY 22.700	-16	-166	10.03.2022
sell DKK/buy EUR	DKK 0	DKK 0	-	-	
sell GBP/buy EUR	GBP 700	GBP 450	-8	-28	10.03.2022
sell JPY/buy EUR	JPY 475.000	JPY 480000	6	60	16.06.2022
sell NOK/buy EUR	NOK 559.000	NOK 425.000	-1,332	-1,618	10.03.2022
sell PLN/buy EUR	PLN 38.000	PLN 39.000	240	-90	17.06.2022
sell RUB/buy EUR	RUB 0	RUB 550.000	-	-146	16.06.2022
sell SEK/buy EUR	SEK 0	SEK 74.500	-	32	16.06.2022
sell USD/buy EUR	USD 2.400	USD 34.875	-1	3	16.06.2022
			(1,026)	(1,833)	
Interest rate swap contracts	EUR 50.000	EUR 0	-643	-	
Currency swap contracts			(1,669)	(1,833)	

Changes in value from currency swaps amount to EUR -807 thousand (previous year: EUR -642 thousand) and are included in the net financial result under exchange rate differences in the amount of EUR -807 thousand (previous year: EUR -642 thousand).

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

Other financial obligations

There are no contingent assets and contingent liabilities as at December 31, 2020. As of December 31, 2021, there is an obligation to cover losses of JETFLY Airline GmbH to the extent of the 33.33% stake. As of the reporting date, the proportionate obligation was EUR 21.8 thousand.



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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 correspond to cash-in-hand and short-term financial resources.

The cash flow from the operating area reached EUR 87.4 million in 2021 after EUR 224.7 million in 2020. Despite a significantly improved earnings situation, the significant increase in working capital had a negative effect.

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

The payment of the conditional purchase price liability for the acquisition of the Mycsa Group from 2016 in the amount of EUR 12,812 thousand was shown in the amount of the original purchase price share at the time of initial consolidation in the amount of EUR 5,534 thousand in the cash flow from the investment area. The amount of EUR 7,278 thousand in excess of this is reported in the cash flow from operating activities.

The negative change in cash flow from the investment area was mainly due to the historically largest investment program and the extraordinarily low level in the previous year due to the Covid-19 pandemic.

Additions of intangible assets and property, plant and equipment include non-cash capital expenditures in the amount of EUR 6,294 thousand (previous year: EUR 1,911 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 1/1/2020	331,254	89,350	59,615	108,112	588,331
New lease contracts	-	-	11,225	-	11,225
Lease contract disposals	-	-	(918)	-	(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)	(36,858)	(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



EUR thousand	Promissory note loans	Equity financing	Lease liabilities	Other financing	Total
As at 1/1/2021	309,000	86,350	57,602	68,711	521,663
New lease contracts	-	-	9,267	-	9,267
Lease contract disposals	-	-	(15,732)	-	(15,732)
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	-	(23,783)	-	-	(23,783)
Non-current refinancing of redemptions and maturing current loans	-	-	-	-	-
Repayment of maturing/terminated loans	-	-	-	-	-
Repayment of current bridge financing loans for the acquisition of investments	-	-	-	-	-
Repayment of maturing/terminated promissory note loans	(35,000)	-	-	-	(35,000)
Repayment of maturing/terminated lease liabilities	-	-	(12,628)	-	(12,628)
Raising of short-term financing	-	-	-	89,883	89,883
Repayment of current financing	-	-	-	-	-
Cash payments for/cash receipts from other financial liabilities	-	-	-	(2,781)	(2,781)
	(35,000)	(23,783)	(12,628)	87,102	15,691
Acquisition/change in scope of consolidation	-	-	-	-	-
Foreign currency translation	-	-	971	143	1,114
Accrued interest	2,543	6	1,060	(1,714)	1,895
As at 12/31/2021	276,543	62,573	40,540	154,242	533,898

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



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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.

The transactions with associates and joint ventures result from the normal exchange of goods and services. Transactions with the Supervisory Board result from remuneration for their activities as Supervisory Board members in accordance with the resolution of the Annual General Meeting on April 7, 2021. Transactions with other related parties mainly relate to the supply of goods and rent.

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".

EUR thousand	Associated companies		Joint ventures		Supervisory Board		Other	
	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021
Receivables	8,938	12,349	1,416	1,622	-	-	315	13,751
Liabilities	266	758	1,978	2,686	264	362	16,225	215
Revenue	99,314	128,397	2,507	129	-	-	2,205	8,960
Other operating income	64	96	121	240	-	-	54	52
Purchased services	(3)	-	(734)	(750)	(264)	(362)	(1,823)	(1,570)
Cost of materials	(2)	(20)	(2,490)	(3,312)	-	-	-	-
Interest income / expense	-	-	4	7	-	-	(327)	(199)
Allowances	-	(175)	-	-	-	-	-	-

Receivables from associated companies and joint ventures include trade receivables in the amount of EUR 12,014 thousand (previous year: EUR 9,964 thousand) as well as a short-term loan to Jetfly Airline GmbH in the amount of EUR 1,360 thousand (previous year: EUR 0 thousand).

As part of PALFINGER AG's 33.33% stake in JETFLY Airline GmbH, PALFINGER AG has undertaken to ensure that any losses of JETFLY Airline GmbH reported in the annual financial statements for the respective financial year are offset by the injection of equity and/or by granting qualified subordinated shareholder loans by June 30 at the latest of the following financial year insofar as the minimum capitalization of at least EUR 300 thousand is not reached. For PALFINGER AG, this obligation to cover losses is proportional to 33.33%.

The loss for the period reported by JETFLY Airline GmbH as of November 30, 2021 is EUR 66 thousand. PALFINGER AG's pro rata capital injection obligation therefore amounts to EUR 22 thousand.

Of the liabilities to associated companies and joint ventures amounting to EUR 3,444 thousand (previous year: EUR 2,244 thousand), EUR 1,483 thousand (previous year: EUR 638 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, collateral in the amount of EUR 18,000 thousand existed as of the balance sheet date December 31, 2020 through personal letters of indemnity from Hubert Palfinger and Hannes Palfinger (see also note (34)). The amount exceeding the collateral amounting to EUR 143 thousand was impaired in 2020.

In the course of bankruptcy proceedings over the assets of Hubert Palfinger Senior's estate, a claim including interest was filed in the amount of EUR 18,217 thousand. The claim was asserted in bankruptcy proceedings amounting to EUR 16,132 thousand. An amount of EUR 2,085 thousand was disputed. According to the recommendation in a statement by the company's legal representative, PALFINGER AG refused to initiate an audit claim and reached an agreement with the default



guarantors Hubert Palfinger and Hannes Palfinger, as a consequence of which the default guarantors accept a 50% share of the difference between the identified part of the claim and the maximum amount of liability in accordance with the default guarantee declaration to reduce PAG's loss of receivables. Payments of a bankruptcy rate actually made to the company reduce the default guarantee. A payment plan has been set up for the total amount, which provides for redemption by 2023. The accounting for the receivable takes into account a standard market discount.

The corporate headquarters in Bergheim near Salzburg, Austria, which was leased from HP Immobilien GmbH in previous years, was acquired on September 30, 2021 at a purchase price of EUR 26,885 thousand based on a valuation commissioned by the company. The existing lease contract was terminated.

(58) Disclosures regarding governing bodies and employees

EMPLOYEES

The average number of company employees including apprentices and interns for the Group in fiscal year 2021 is 11,321 people (previous year: 10,903 people). As at the balance sheet date, the number of employees in the PALFINGER Group is 11,733 people (previous year: 10,824 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 2021:

- Hubert Palfinger, Chair¹⁾
- Gerhard Rauch, 1st Deputy Chair¹⁾
- Hannes Palfinger, 2nd Deputy Chair¹⁾
- Heinrich Dieter Kiener (until April 7, 2021)
- Sita Monica Mazumder²⁾ (from April 7, 2021)
- Hannes Bogner²⁾
- Ellyn Shenglin Cai
- Isabel Diaz Rohr
- Johannes Kücher (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.
3) Member of the Digital Committee

EXECUTIVE BOARD

- Andreas Klauser, 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 2020 ¹⁾	Jan-Dec 2021	Jan-Dec 2020 ¹⁾	Jan-Dec 2021 ²⁾
Andreas Klauser	622	685	231	670
Felix Strohbichler	427	470	172	351
Martin Zehnder	479	525	210	424
Current remuneration	1,528	1,680	613	1,445

1) Corresponds to the amount of the provision.
2) Includes a special bonus for Andreas Klauser in the amount of EUR 200 thousand.



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There are liabilities amounting to EUR 1,245 thousand (previous year: EUR 613 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 1,631 thousand in the fiscal year 2021 (previous year: EUR 3,725 thousand).

EUR 8 thousand (previous year: EUR 12 thousand) is recognized as service costs for benefits payable after termination of employment. This relates to individual contractual pension commitments for Wolfgang Pilz. In fiscal year 2021, the pension provision was paid in full.

Expenses for severance payments and pensions at PALFINGER AG amount to EUR -14 thousand (previous year: EUR 168 thousand) for members of the Executive Board and senior executives and EUR 386 thousand (previous year: EUR 677 thousand) for the remaining employees.

Expenses for severance payments include payments made to contribution-based pension plans in the amount of EUR 40 thousand (previous year: EUR 41 thousand) for members of the Executive Board.

(59) Significant events after the balance sheet date

No events of particular significance occurred after the end of fiscal year 2021 that would have led to a different presentation of the Group's financial position, financial performance or cash flows.



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. 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. 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. 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>



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Note	Balance sheet item	Accounting policies	Standard						
(61)	Property, plant and equipment	<p>Amortized cost</p> <p>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.</p> <p>Straight-line depreciation over useful life:</p> <table border="0"> <tr> <td>Own buildings and investments (in third-party buildings)</td> <td>20–50 years</td> </tr> <tr> <td>Plants and machinery</td> <td>3–15 years</td> </tr> <tr> <td>Operating and office equipment</td> <td>3–10 years</td> </tr> </table> <p>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.</p> <p>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.</p>	Own buildings and investments (in third-party buildings)	20–50 years	Plants and machinery	3–15 years	Operating and office equipment	3–10 years	IAS 16 IAS 36
Own buildings and investments (in third-party buildings)	20–50 years								
Plants and machinery	3–15 years								
Operating and office equipment	3–10 years								
	Government grants	<p>Reductions of acquisition or manufacturing costs for investment grants</p> <p>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.</p>	IAS 20						
	Leases as lessee	<p>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.</p> <p>Lease agreements can include both lease components and non-lease components. The Group allocates the contractually stipulated compensation based on the relative standalone selling price of the lease components and the aggregated standalone 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.</p>	IFRS 16						
	Borrowing costs	Capitalization upon acquisition or production of a qualifying asset.	IAS 23						
(62)	Inventories	<p>Acquisition or production cost (see (61) Property, plant and equipment) or lower net realizable value at the balance sheet date</p> <p>Raw materials, consumables and supplies as well as merchandise: moving average price method</p> <p>Work in progress and finished goods: standard production costs, reviewed regularly and adjusted if necessary</p>	IAS 2						
(63)	Contract assets from customer contracts	<p>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.</p> <p>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.</p>	IFRS 15						
(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 nonperformance 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. 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. 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>	IFRS 7 IFRS 9 IFRS 13 IAS 32						
	Securities and other shareholdings	"Fair value through profit or loss": Measurement subsequent to initial recognition at fair value.							



Note	Balance sheet item	Accounting policies	Standard
	Loans	"At amortized cost": Measurement subsequent to initial recognition at amortized cost applying the effective interest method minus any impairment loss.	



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Note	Balance sheet item	Accounting policies	Standard
	Receivables	<p>"At amortized cost": Measurement subsequent to initial recognition at amortized cost, less any impairment losses recorded in allowance accounts.</p> <p>"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.</p> <p>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. Uncollectible receivables are de-recognized.</p>	
	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	<p>Deferred purchase price liabilities from acquisitions are measured at amortized cost.</p> <p>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.</p>	
	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.	
(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.</p> <p>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		IAS 37
		Provisions are recognized at the expected settlement amount; non-current provisions are recognized at present value.	
(67)	Income tax		IAS 12
		<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>	



Note	Balance sheet item	Accounting policies	Standard
(68)	Revenue recognition	<p>Sale of products 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. 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 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. 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. 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. 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

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.



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LIST OF SHAREHOLDINGS

Company, registered office	Parent company ¹⁾	Direct investment ²⁾ (in percent)		Indirect investment ³⁾ (in percent)		FC ⁴⁾
		2020	2021	2020	2021	
Consolidated entities						
PALFINGER AG, Bergheim (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
Equipdraulic SL, Barcelona (ES)	EMEA	-	100.00	-	100.00	EUR
Equipment Technology, LLC, Oklahoma City (US)	PUSH	100.00	100.00	100.00	100.00	USD
Guima Palfinger S.A.S., Caussade (FR)	EMEA	65.00	65.00	65.00	65.00	EUR
Handelsbolaget Bunsön 7:1, Borlänge (SE)	HINZ	-	100.00	-	100.00	SEK
Harding Safety Spain SL, Cádiz (ES)	PALM AS	100.00	100.00	100.00	100.00	EUR
Holding Company Podyomnie Maschini AO, Arkhangelsk (RU)	VMS/PM H	100.00	-	75.03	-	RUB
Hinz Fastighets AB, Borlänge (SE)	HINZ	-	100.00	-	100.00	SEK
Hinz Försäljnings AB, Borlänge (SE)	EMEA	-	100.00	-	100.00	SEK
INMAN AO, Ischimbai (RU)	EMEA	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
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	AED6)
Nimet Srl, Lazuri (RO)	PPT BG	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
OYT Mulder Holding, S.L.U., Madrid (ES)	EMEA	-	100.00	-	100.00	EUR
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	-	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)	EMEA	100.00	100.00	100.00	100.00	RUB
Palfinger Cranes India Pvt. Ltd., Chennai (IN)	PAUG	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, Bergheim (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, Ainring (DE) ⁵⁾	PP	100.00	100.00	100.00	100.00	EUR
Palfinger Gru Idrauliche S.r.l., Bozen (IT)	PEU	100.00	100.00	100.00	100.00	EUR
Palfinger Hayons S.A.S., Silly en Gouffern (FR)	EMEA	100.00	100.00	100.00	100.00	EUR
Palfinger Ibérica Maquinaria S.L., Madrid (ES)	EMEA	75.00	100.00	75.00	100.00	EUR
Palfinger Japan K.K., Yokohama (JP)	PAP	100.00	100.00	100.00	100.00	JPY
Palfinger Kama Cylinders OOO, Neftekamsk (RU)	EMEA	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	-	USD
Palfinger Marine Canada Inc., Langley (CA)	PALM AS	100.00	100.00	100.00	100.00	CAD
Palfinger Marine Czech s.r.o., Slany (CZ)	PALM EU	100.00	100.00	100.00	100.00	CZK
Palfinger Marine DK AS, Munkebo (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 (QU)	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



Company, registered office	Parent company ¹⁾	Direct investment ²⁾ (In percent)		Indirect investment ³⁾ (In percent)		FC ⁴⁾
		2020	2021	2020	2021	
Consolidated entities						
Palfinger Marine Germany GmbH, Dägeling (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, Hongkong (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., Sacheon-si (KR)	PALMA	100.00	100.00	100.00	100.00	KRW
Palfinger Marine LSE (Qingdao) Co., Ltd., Qingdao City (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., Haderwijk (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., Panama City (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, Selmsfoss (NO)	PALMA	100.00	100.00	100.00	100.00	NOK
Palfinger Marine UK Limited, Gosport Hampshire (UK)	PALM AS	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, LLC, Council Bluffs (US)	PUSH	100.00	100.00	100.00	100.00	EUR
Palfinger Platforms GmbH, Krefeld (DE)S	EMEA	100.00	100.00	100.00	100.00	EUR
Palfinger Platforms Italy s.r.l., Bozen (IT)	PSUG	100.00	100.00	100.00	100.00	EUR
Palfinger PM Holding GmbH, Salzburg (AT)	PCIS	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., Marburg (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	65.28	51.00	65.28	EUR
Palfinger systems units GmbH, Salzburg (AT)	PAG	100.00	100.00	100.00	100.00	EUR
Palfinger Tail Lifts GmbH, Ganderkesee-Hoykenkamp (DE)S	EMEA	100.00	100.00	100.00	100.00	EUR
Palfinger Tail Lifts Limited, Welwyn Garden City (UK)	EMEA	100.00	100.00	100.00	100.00	GBP
Palfinger Tail 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	100.00	100.00	TWD
Palfinger Trading (Shanghai) Co., Ltd., Shanghai (CN)	PAP	100.00	100.00	100.00	100.00	CNY
Palfinger USA Operations, LLC, Wilmington (US)	PUSH	-	100.00	-	100.00	USD
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 Indústria de Elevadores Veiculares Ltda, Caxias do Sul (BR)	MP	100.00	-	99.85	-	BRL
Palfinger USA, LLC, Tiffin (US)	OSP	100.00	100.00	100.00	100.00	USD
Podyomnie Mashini AO, Veikiye Luki (RU)	EMEA	100.00	75.03	75.03	75.03	RUB
SMZ OOO, Arkhangelsk (RU)	PM/HKM	100.00	100.00	75.03	75.03	RUB
Velmesh-S OOO, Veikiye Luki (RU)	PM/HKM	100.00	100.00	75.03	75.03	RUB



Entities reported at equity						
Associated companies						
Crane Center Kamaz OOO, Nabereschnye Tschelny (RU)	EMEA	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
Palfinger Neptune Marine Equipment Technology (Shanghai) Co., Ltd., Shanghai (CN)	PM NL	-	50.00	-	50.00	CNY
SANY Automobile Hoisting Machinery Co., Ltd., Changsha (CN)	PAP	7.50	-	7.50	-	CNY
STEPA Farmkran Gesellschaft m.b.H., Elsbethen (AT)	EMEA	45.00	45.00	45.00	45.00	EUR
Jetfly Airline GmbH, Hürsching (AT)	PAG	-	33.30	-	33.30	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	100.00	RUB
Sany Palfinger SPV Equipment Co., Ltd., Nantong (CN)	PAP	50.00	50.00	50.00	50.00	CNY
Other shareholdings						
Rosendal Hamn Eigedom AS, Rosendal (NO)	PALM AS	3.00	3.00	3.00	3.00	NOK
Rosendal Utvikling AS, Rosendal (NO)	PALM AS	8.50	8.50	8.50	8.50	NOK
Sunnhordlandsdiagonalen AS, Valen (NO)	PALM AS	4.54	4.54	4.54	4.54	NOK
Athens 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 Podjornie Maschini AO, Arkhangelsk (RU)
 HINZ = Hinz Forstillings AS, Bortings (SE)
 NP = Madat Palfinger S.A., Casas do Bai (BR)
 OSP = Omaha Standard, LLC, Council Bluffs (US)
 PAG = PALFINGER AG, Bergheim (AT)
 PALM AS = Palfinger Marine Safety AS, Seimafoss (NO)
 PALM BR = Palfinger Marine Do Brasil Ltda., Rio de Janeiro (BR)
 PALM EU = Palfinger Madrie 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)
 PALG = Palfinger Area Units GmbH, Salzburg (AT)
 2) From the viewpoint of the parent company
 3) From the viewpoint of PALFINGER AG
 4) FC = functional currency
 5) 264 (3) (dHGB) and § 264b (dHGB) were used for these companies.
 6) Company not consolidated due to immateriality

PEU = Palfinger Europe GmbH, Salzburg (AT)
 PIB = Palfinger Iberica Maquinaria S.L., Madrid (ES)
 PM = Podjornie Maschini AO, Velskoye Luki (RU)
 PM NL = Palfinger Marine Hobbervlands B.V., Bo-reveld (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)
 PSVSU = 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, Velligje Luki (RU)

Bergheim, February 23, 2022

The Executive Board of PALFINGER AG

Ing. Andreas Klausner e.h.
 Chief Executive Officer

Dr. Felix Strohbichler e.h.
 Chief Financial Officer

DI Martin Zehnder, MBA e.h.
 Chief Operations Officer



PALFINGER
Annual Report 2021

Statement

& Reports



PALFINGER ANNUAL REPORT 2021
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, 2021, 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, 2021 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, 2021, 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, 2021, 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 23, 2022

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 separate consolidated statement of income, the statement of comprehensive income, the consolidated balance sheet as at December 31, 2021, the consolidated statement of changes in equity and the consolidated statement of cash flows 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, 2021, 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.

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) Recoverability of the carrying amounts of cash generating units

DESCRIPTION

The Group carries out an impairment test in accordance with the provisions of IAS 36 for cash generating units at least once a year and whenever there is any indication that an impairment might have occurred.

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 of a cash generating unit 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 value in use and thus, the recoverable amount, there are major estimation uncertainties with regard to determining the value in use.

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 checked the mathematical accuracy of the valuation model. 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 expectations, payments made for expenses, investments, changes in working capital). In particular, we examined whether the uncertainties in the budgeting assumptions resulting from the COVID-19 pandemic were 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 assessed whether the disclosures in the notes to the consolidated financial statements on the impairment tests are mathematically accurate, appropriate and complete.

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, 2021 under note 29 – "Impact of COVID-19 on the financial position" as well as note 29 – "Intangible assets" in subsection – "INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFES" as well as note "Use of estimates and discretionary decisions".



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.



PALFINGER ANNUAL REPORT 2021
AUDITOR'S REPORT

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.

Additional Information in Accordance with Article 10 of the EU Regulation

We were elected as statutory auditor at the ordinary general meeting dated April 7, 2021. We were appointed by the Supervisory Board on August 25, 2021. We have audited the Company since the financial year 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 23, 2022

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 detailing versions, the provisions of section 291 para. 2 UGB apply.



INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT FOR THE FINANCIAL YEAR 2021

(TRANSLATION)

We have performed a limited assurance engagement of the consolidated non-financial statement for the financial year 2021 of PALFINGER AG, Berghem bei Salzburg, and its subsidiaries (the "Group") for the year ended December 31, 2021.

MANAGEMENT'S RESPONSIBILITY

The Management is responsible for the preparation of the consolidated non-financial statement 2021 in accordance with the requirements of section 267a UGB and the "EU-Taxonomy" (EU-Regulation 2021/852) 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 2021 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
- Critical appraisal of the disclosures in accordance with the requirements of the "EU Taxonomy Regulation" (EU Regulation 2021/852)



- Examining the consolidated non-financial statement regarding its completeness in accordance with the requirements of section 267a UGB and the "EU Taxonomy Regulation" (EU Regulation 2021/852) as well as the GRI Standards: Core option
- Evaluating the overall presentation of the disclosures and non-financial information

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 2021 is not prepared, in all material aspects, in accordance with the requirements of section 267a UGB and the "EU Taxonomy Regulation" (EU Regulation 2021/852) as well as the GRI Standards: Core option.

Vienna, February 23, 2022

PwC Wirtschaftsprüfung GmbH

signed:

Peter Pessenlehner

Austrian Certified Public Accountant

📄 GRI 102-56



REPORT OF THE SUPERVISORY BOARD

In line with the requirements set out in the law and the Articles of Association the Supervisory Board performed its duties in fiscal year 2021 and held a constituent meeting on April 7, 2021, as well as four further meetings on February 25, June 7, September 27, and December 13, 2021, with the participation of the Executive Board. In addition, the Executive Board provided the Supervisory Board with regular written and verbal reports on the course of business and the situation of the company and the group companies. The Chairman of the Supervisory Board was in regular contact with the Executive Board - also apart from the Supervisory Board meetings - and thereby discussed the strategy, business development and risk situation of the company.

Besides the current development and planning, the Supervisory Board addressed the effects of the challenging economic conditions in connection with Covid-19 and the difficult situation on the procurement markets, the cyber-attack in January 2021, the dissolution of the cross-shareholding with SANY, major investment decisions and other acquisition, integration, restructuring and expansion projects, the strategy in the individual segments, the sustainability strategy, developments in group-wide risk management and the associated economic, environmental and social risks in the 2021 financial year.

Furthermore, three meetings of the Audit Committee were held in 2021, in which the Audit Committee focused on the annual financial statements for 2021, the internal control system, risk management, IFRS and accounting topics, Internal Audit and the cooperation with the auditor.

In the Nomination Committee, the following topics were discussed in particular in two meetings in 2021: the collaboration and working methods of the Executive Board, the extension of Dr. Strohbichler's Executive Board mandate, and the nomination to fill a vacant Supervisory Board mandate at the 2021 Annual General Meeting.

The Compensation Committee held two meetings in 2021, focusing on the compensation of the Executive Board members, the preparation of the compensation report, and the extension of Dr. Strohbichler's Executive Board contract.

A new project committee began its work in June 2021. It is entrusted with the in-depth analysis of research and development projects and the preparation of related reporting and resolution items for the Supervisory Board.

In addition, a new Digital Committee was also constituted in June 2021. It deals in depth with digital technologies and the preparation of related reporting and resolution items for the Supervisory Board.

Ms. Cai did not attend any of the five meetings of the Supervisory Board. However, this in no way impaired the functioning of the Supervisory Board. Ms. Cai did not receive any Supervisory Board remuneration.

For further details on the members and working methods of the Supervisory Board and its committees, please refer to the Corporate Governance Report 2021.

The annual financial statements of PALFINGER AG as of December 31, 2021 and the management report for 2021, including the non-financial statement pursuant to section 267a of the Austrian Commercial Code (UGB), including the accounting records, were audited by PwC Wirtschaftsprüfung GmbH. The audit revealed that the accounting records, the annual financial statements, and the management report of PALFINGER AG comply with the statutory provisions and the provisions of the Articles of Association. According to its concluding findings, the audit did not give rise to any objections, thus allowing for the issuance of an unqualified audit opinion by the auditor for 2021. The same applies for the 2021 consolidated financial statements. The consolidated financial statements prepared in accordance with IFRS (as adopted by the EU) were supplemented by the Group management report and further explanatory notes in accordance with § 245a of the Austrian Commercial Code (UGB).

The Supervisory Board approved the annual financial statements for the year ended December 31, 2021, including the management report and the corporate governance report for the 2021 fiscal year. The 2021 annual financial statements of PALFINGER AG have thus been 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 2021 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 regarding the distribution of profits for the fiscal year 2021.





Til generalforsamlingen i Palfinger Marine Safety AS

Uavhengig revisors beretning

Konklusjon

Vi har revidert Palfinger Marine Safety AS' årsregnskap som består av balanse per 31. desember 2021, resultatregnskap og kontantstrømpoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening

- oppfyller årsregnskapet gjeldende lovkrav, og
- gir årsregnskapet et rettviseende bilde av selskapets finansielle stilling per 31. desember 2021, og av dets resultater og kontantstrømmer 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 de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet slik det kreves i lov, forskrift og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av the International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Andre forhold

Selskapets årsregnskap er avlagt etter utløpet av lovens frist for avleggelse av årsregnskap.

Øvrig informasjon

Styret og daglig leder (ledelsen) er ansvarlige for informasjonen i årsberetningen. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker ikke informasjonen i årsberetningen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese årsberetningen. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom årsberetningen og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i årsberetningen ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom årsberetningen fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerelskap



Uavhengig revisors beretning - Palfinger Marine Safety AS



- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettvise 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.

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 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 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>

Bergen, 22. september 2022
PricewaterhouseCoopers AS

Jan Roger Hånes
Statsautorisert revisor
(elektronisk signert)

(2)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Hånes, Jan Roger	BANKID	2022-09-22 13:49

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Palfinger Marine Safety AS

Resultatregnskap

Beløp vises i tusen kr

	Note	2021	2020
Salgsinntekt	1, 3, 4, 17	230 990	501 498
Annen driftsinntekt	3, 17	38 311	8 619
Sum driftsinntekter		269 301	510 117
Varekostnad	4, 17	211 821	408 683
Lønnskostnad	2, 16	40 078	96 728
Avskrivning av driftsmidler og immaterielle eiendeler	6, 7	22 547	29 841
Nedskrivning av driftsmidler og immaterielle eiendeler		24 602	0
Annen driftskostnad	2, 17	11 367	64 638
Sum driftskostnader		310 414	599 889
Driftsresultat		-41 114	-89 772
Finansinntekter og finanskostnader			
Inntekt på investering i annet foretak i samme konsern		1 774	0
Annen finansinntekt		3 302	830
Nedskrivning av andre finansielle anleggsmidler	8	0	1 249
Rentekostnad til foretak i samme konsern		5 844	8 640
Annen finanskostnad	8	10 731	6 655
Resultat av finansposter		-11 499	-15 714
Ordinært resultat før skattekostnad		-52 613	-105 486
Ordinært resultat		-52 613	-105 486
Årsresultat	13	-52 613	-105 486
Overføringer			
Avsatt annen egenkapital / udekket tap		-52 613	-105 486
Sum overføringer		-52 613	-105 486

A



Palfinger Marine Safety AS

Balanse 31.12

Beløp vises i tusen kr

	Note	2021	2020
Eiendeler			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	7	624	51 904
Konsesjoner, patenter o.l.	7	0	31 607
Sum immaterielle eiendeler		624	83 511
Varige driftsmidler			
Tomter, bygninger o.a. fast eiendom	6	5 483	6 112
Driftsløsøre, inventar o.a. utstyr	6, 14	2 749	16 173
Sum varige driftsmidler		8 232	22 285
Finansielle anleggsmidler			
Investeringer i datterselskap	8	51 391	58 307
Lån til foretak i samme konsern	11	182	182
Investeringer i aksjer og andeler	9	526	526
Andre langsiktige fordringer	2	123	0
Sum finansielle anleggsmidler		52 222	59 015
Sum anleggsmidler		61 078	164 811
Omløpsmidler			
Lager av varer og annen beholdning	14, 18	22 651	38 571
Fordringer			
Kundefordringer	11, 14	106 267	71 193
Andre kortsiktige fordringer	11, 15	54 776	10 145
Anlegg under utførelse	4, 14	50 481	218 946
Sum fordringer		211 523	300 284
Investeringer			
Bankinnskudd, kontanter o.l.	10	549	9 765
Sum omløpsmidler		234 723	348 619
Sum eiendeler		295 801	513 430




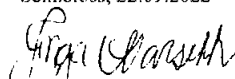
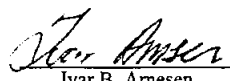

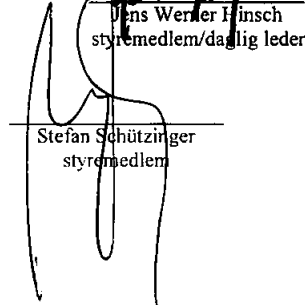
Palfinger Marine Safety AS

Balanse 31.12

Beløp vises i tusen kr

	Note	2021	2020
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		-236 755	-208 149
Sum opptjent egenkapital		<u>-236 755</u>	<u>-208 149</u>
Sum egenkapital	13	<u>-235 435</u>	<u>-206 829</u>
Gjeld			
Avsetning for forpliktelser			
Pensjonsforpliktelser	16	40	40
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	14	2 278	3 055
Øvrig langsiktig gjeld	11	313 140	454 381
Sum annen langsiktig gjeld		<u>315 418</u>	<u>457 436</u>
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		6 430	0
Leverandørgjeld	11	20 467	35 632
Skyldig offentlige avgifter	10	3 671	6 360
Annen kortsiktig gjeld	11	185 210	220 791
Sum kortsiktig gjeld		<u>215 778</u>	<u>262 783</u>
Sum gjeld		<u>531 236</u>	<u>720 259</u>
Sum egenkapital og gjeld		<u>295 801</u>	<u>513 430</u>

Seimssfoss, 22.09.2022


Günther Fleck
styreleder
Inga Birgitte Aarseth
styremedlem
Ivar B. Arnesen
styremedlem
Jens Werler Imsch
styremedlem/daglig leder

Stefan Schützinger
styremedlem

Marine Safety AS

Side 3



Palfinger Marine Safety AS

Kontantstrømoppstilling

Beløp vises i tusen kr

Kontantstrøm fra operasjonelle aktiviteter	2021	2020
Resultat før skattekostnad	-52 613	-105 486
Gevinst/tap ved salg av anleggsmidler	110	-5 303
Gevinst /tap ved salg av askjer	-1 774	0
Ordinære avskrivninger	22 547	29 841
Nedskrivning anleggsmidler	24 602	1 249
Endring i varelager, kundefordringer og leverandørgjeld	-34 108	40 096
Endring anlegg under utførelse	168 465	-18 522
Endring netto forskudd fra kunder	58 548	3 103
Endring i andre tidsavgrensningsposter	-114 681	--61 372
Netto kontantstrøm fra operasjonelle aktiviteter	71 186	-116 394
Kontantstrømmer fra investeringsaktiviteter		
Innbetalinger ved salg av varige driftsmidler	29 949	17 250
Utbetalinger ved kjøp av varige driftsmidler	-400	-909
Utbetaling ved utvikling av nye produkter	-1 391	-7 083
Innbetalinger ved salg av immateriell eiendeler	18 460	0
Innbetalinger ved salg av aksjer og andeler i andre foretak	8 689	10 000
Innbetalt på kortsiktige og langsiktige fordringer	-123	1 126
Netto kontantstrøm fra investeringsaktiviteter	55 185	20 384
Kontantstrømmer fra finansieringsaktiviteter		
Innbetalinger ved opptak av ny langsiktig gjeld	0	93 619
Utbetalinger ved nedbetaling av langsiktig gjeld	-142 018	-751
Netto kontantstrøm fra finansieringsaktiviteter	-142 018	92 869
Netto endring i kontanter og kontantekvivalenter	-15 647	-3 141
Beholdning av kontanter og kontantekvivalenter pr 01.01.	9 765	12 906
Beholdning av kontanter og kontantekvivalenter pr 31.12.	-5 882	9 765

Noter til årsregnskapet 2021

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

Palfinger Marine Safety AS

Side 4



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 framdriftsmålning, 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.

Fallinger Marine Safety AS

Side 5



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 sikringsbokføring knyttet til inntekter i valuta. I 2021 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 nyttegjørt.

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	2021	2020
Lønninger	29 329	81 338
Arbeidsgiveravgift	6 119	8 461
Pensjonskostnader	3 071	4 974
Andre ytelser	1 559	1 955
Sum	40 078	96 728

Gjennomsnittlig antall ansatte i 2021 er 81 personer. Pr 31.12.2021 er det 56 ansatte. Endring i antall ansatte skyldes i hovedsak at fabrikken på Ølve ble solgt til Herde Komposit AS i april og de overtok alle ansatte der. I tillegg er det en reduksjon i lønnskostnader på grunn av viderefakturering av deler av administrativt personell til datterselskap Palfinger Marine Europe BV som ledd i overføring av virksomhet dit.

Ytelser til administrerende direktør	2021	2020
Lønninger	0	2 383
Pensjonskostnader	0	68
Andre ytelser	0	11

Ytelser til styret	2021	2020
Styrehonorar	25	0
Sum	25	2 485

Selskapet har ikke utbetalt lønn til nåværende administrerende direktører da disse er avlønnnet av andre selskaper i Palfinger

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

Lån til nærstående parter	2021	2020
Lån til adm.dir	0	0
Lån til ansatte	0	0
Sum	0	0

Godtgjørelse revisor	2021	2020
Kostnadsført revisjonshonorar	544	406
Kostnadsført honorar for skattebistand	0	973
Kostnadsført honorar for annen bistand	0	0
Sum	544	1 379



Note 3 Salgsinntekter

Beløp vises i tusen kr

	2021	2020
Pr. virksomhetsområde		
LSA (tidl. equipment)	154 053	407 801
Service	60 747	66 529
Fender	22 467	27 169
Øvrige	38 311	8 619
	269 301	510 117
Geografisk fordeling		
Norden	84 335	79 825
Øvrig Europa	142 224	234 254
Amerika	14 211	67 316
Asia	27 384	107 519
Australia	1 041	1 745
Afrika	105	19 456
	269 301	510 117

Datteselskapet Palfinger Marine Europe BV i Nederland har i løpet av 2021 overtatt mye av kontraktene i virksomhetsområdene LSA og Fender. Transaksjoner knyttet til denne overføring er foretatt til henholdsvis bokført verdi på prosjekter og en beregnet verdi på produktrettigheter mv.

Note 4 Anleggskontrakter

Beløp vises i tusen kr

	2021	2020
Anleggskontrakter i balansen		
Opptjent inntekt prosjekter under utførelse	95 887	265 071
Overført forskudd prosjekter under utførelse	-77 480	-100 351
Opptjent ikke fakturert inntekt ferdigstilte prosjekter	32 073	54 226
Bokført verdi prosjekter under utførelse	50 481	218 946
Mottatt forskudd for prosjekter under utførelse	93 211	135 890
Overført forskudd prosjekter under utførelse	-77 480	-100 351
Netto forskudd fra kunder for prosjekter under utførelse	15 731	35 540
Margin på igangværende prosjekter		
Inntektsført på igangværende prosjekter	95 887	265 071
Kostnadsført på igangværende prosjekter	-84 232	-221 280
Margin på igangværende prosjekter	11 655	43 790

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	2021	2020
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	-52 613	-105 486
Permanente forskjeller	30 492	1 347
Gevinst ved salg aksjer	0	0
Inntektsført utbytte	0	0
Endring i midlertidige forskjeller	73 406	-9 322
Anvendt framførbart underskudd	-51 285	0
Skattepliktig inntekt	0	-113 461
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:

	2021	2020	Endring
Varige driftsmidler	-37 997	10 381	-48 378
Tilvirkningskontrakter	11 655	43 790	-32 135
Varebeholdning	-9 382	-11 398	2 015
Fordringer	-5 700	-7 657	1 957
Gevinst – og tapskonto	3 861	4 825	-964
Avsetninger mv	-2 950	-7 050	4 100
Pensjonspremie/- forpliktelse	-40	-40	0
Andre forskjeller	0	0	0
Sum	-40 553	32 852	-73 406
Andre forskjeller (finansielle instrumenter)	534	-3 658	
Akkumulert framførbart underskudd	-423 879	-484 391	
Avskåret rentefradrag til framføring	-49 691	-40 464	
Inngår ikke i beregningen av utsatt skatt	513 590	495 661	
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 01.01.2021	8 593	2 788	46 585	31 799	3 389	93 153
Årets tilgang	0	400	0	0	0	400
Årets avgang	-664	-467	-9 515	0	0	-10 646
Anskaffelseskost 31.12.2021	7 929	2 720	37 069	31 799	3 389	82 907
Akkumulerte avskrivninger 31.12.2021	5 780	2 121	37 069	29 705	0	74 675
Bokført verdi 31.12.2021	2 149	599	0	2 094	3 389	8 231
Årets avskrivninger	839	216	7 525	630	0	9 210
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 01.01.2021	70 039	176 410	246 449
Årets tilgang	0	3 391	3 391
Årets avgang	-67 604	-179 177	-243 390
Anskaffelseskost 31.12.21	2 434	624	3 058
Akkumulerte avskrivninger 31.12.21	2 434	0	2 434
Bokført verdi 31.12.2021	0	624	624
Årets avskrivninger	1 658	11 678	13 337
Årets nedskrivninger		24 602	24 602
Økonomisk levetid	3-15 år	3-10 år	
Avskrivningsplan	Lineær	Lineær	

Aktivert utvikling av software og programvare er solgt til Palfinger AG.

Aktivert forskning og utvikling er solgt til Palfinger Marine Europe BV.

Nedskrivning FoU er knyttet til utvikling av produkter der forventet salg ikke er tilstrekkelig til å forsvare investeringen.



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	-109 108	-228 645
Palfinger Marine LSE (Qingdao) Co., Ltd	Kina	100 %	100 %	15 785	-928	21 004
Palfinger Marine Germany GmbH	Tyskland	100 %	100 %	6 433	1 763	21 370
Palfinger Marine USA Inc	USA	100 %	100 %	6 400	16 884	137 565
Palfinger Marine UK Limited	England	100 %	100 %	2 064	3 833	23 460
Harding Safety S.L.	Spania	100 %	100 %	3 126	1 302	12 059
Palfinger Marine Do Brasil	Brasil	3,36 %	3,36 %	1 157	4 142	55 985
Palfinger Marine Hong Kong Ltd	Hong Kong	100 %	100 %	0	1 564	-860
Noreq BV	Nederland	100 %	100 %	144	0	209
Palfinger Marine Denmark AS	Danmark	100 %	100 %	11 811	1 743	17 154
Palfinger Marine Italy srl	Italia	100 %	100 %	4 471	638	5 575
Palfinger Marine Canada Inc	Canada	100 %	100 %	0	5 240	21 195
Sum aksjer i datterselskap				51 391		

Egenkapital og årets resultat er omregnet til henholdsvis rapporteringskurs i konsernet pr 31.12.21 og gjennomsnitts rapporteringskurs i konsernet 2021.

Selskapet har ikke mottatt aksjeutbytte i 2021

Datterselskapet Palfinger Marine Shanghai Co. Ltd er solgt i 2021

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

Palfinger Marine Safety AS

Side 11



Note 10 Skattetrekkmidler og bankinnskudd

Beløp vises i tusen kr

	2021	2020
Bundne skattetrekkmidler	0	0
Depositum	549	549
Sum	549	549

Selskapet har etablert en bankgaranti stor TNOK 5 000 som sikkerhet for påløpt skattetrekk. Skyldig skattetrekk pr. 31.12.2021 er TNOK 2 247 og tilsvarende 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 31.12.2021 er samlet saldo på konsernkontoordningen MNOK -6 579 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>	2021	2020
Lån til foretak i samme konsern	2 584	2 503
Kundefordringer	79 578	21 610
Andre fordringer	47 666	0
Sum	129 828	24 113
<i>Gjeld</i>	2021	2020
Leverandørgjeld	9 827	26 302
Annen kortsiktig gjeld	0	0
Gjeld til selskap i samme konsern (konsernkonto)	8 262	33 733
Gjeld til Palfinger AG	313 140	454 381
Sum	331 229	514 417

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	Annen egenkapital / udekket tap	Sum egenkapital
Pr. 31.12.2020	1 320	-208 149	-206 829
Årets resultat		-52 613	-52 613
Urealisert kursgevinst reminkontrakter		24 006	24 006
Pr 31.12.2021	1 320	-236 756	-235 436

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 ekstern 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	2021	2020
Forskuddsgaranti kunder	38 746	118 659
Skattetrekksgaranti	5 000	10 000
Sum garantiansvar	43 746	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 sikringsbøker. Ved utgangen av 2021 har selskapet balansført TNOK 534 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 31.12.2021. Periodiseringen oppstår ved at gevinst og tap i forbindelse med sikring skal resultatføres i samme periode.

Valutagevinst / -tap knyttet til kundefordringer og leverandørgjeld pr 31.12.2021 er klassifisert som driftsinntekt / driftskostnad i resultatregnskapet

Valutasikring pr 31.12.21

Valuta	Valutabelop	Gj.sn.kurs	NOK Beløp
EUR (salg)	1 519	10,4200	15 824

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 fripoliscopptjening. 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 forsikringselskap.

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 avviklet 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 2021 med 2,5 % av samlede utbetalinger mellom 1 G og 7,1 G til bedriftens arbeidstakere.



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%
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 Marine Doha	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.

Transaksjoner knyttet til overføring av virksomhet til datterselskap Palfinger Marine Europe BV er foretatt til henholdsvis bokført verdi på prosjekter og en beregnet verdi på produktrettigheter mv.

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

- a) kjøp av varer fra Palfinger Marine Netherlands for hhv TNOK 17.142 i 2021 og TNOK 23.804 i 2020
- b) kjøp av varer fra Palfinger Marine Vietnam for hhv TNOK 45.690 i 2021 og TNOK 117.830 i 2020
- c) kjøp av varer fra Palfinger Marine Maribor for hhv TNOK 52.752 i 2021 og TNOK 142.480 i 2020
- d) kjøp av varer fra Palfinger Marine LSE (Qingdao) for hhv TNOK 15.626 i 2021 og TNOK 10.303 i 2020
- e) kjøp av tjenester fra Palfinger Marine Europe BV for hhv TNOK 2.991 i 2021 og TNOK 8.821 i 2020



- f) kjøp av varer fra Palfinger Marine Europe BV for hhv TNOK 1.959 i 2021 og TNOK 8.177 i 2020
- g) salg av tjenester til Palfinger Marine Europe BV for hhv TNOK 21.925 i 2021 og TNOK 1.867 i 2020
- g) salg av løpende prosjektet og øvrige virksomhet til Palfinger Marine Europe BV for TNOK 224.213 i 2021
- h) salg av aktiverte utviklingskostnader i ERP system til Palfinger AG for TNOK 29.949 i 2021

Note 18 Varer

	2021	2020
Lager av råvarer og innkjøpte halvfabrikater	16 914	23 698
Lager av varer under tilvirkning	0	0
Lager av ferdigvarer	5 738	14 872
Sum	22 651	38 571
Lager vurdert til kostpris	32 034	49 969
Lager vurdert til virkelig verdi	22 651	38 571
Ukuransnedskrivning	9 382	11 398

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 overført virksomheten ved livbåtfabrikken på Ølve til det nystartede selskapet Herde Komposit AS. Alle ansatte 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 gjennomført overføring av anleggskontrakter til datterselskapet Palfinger Marine Europe BV i Nederland. Dette gjelder både nye kontrakter og endel løpende kontrakter.



Note 20 Hendelser etter regnskapsavslutning

Selskapet har kontrakter og kundefordringer mot kunder i Russland. Som følge av Russlands krigføring i Ukraina og de sanksjoner norske myndigheter derav har innført er det knyttet usikkerhet til oppfyllelse av kontraktene og innkreving av våre fordringer. Netto utestående kundefordring utgjør NOK 4.016 og skyldig beløp i prosjekter utgjør NOK 3.640. Tapsavsetning på kundefordringer er gjort i henhold til Palfingers generelle retningslinjer for regnskapsåret 2021, men det er ikke foretatt ytterligere avsetninger etter invasjonen i februar 2022. Alle aktive prosjekt mot Russland er satt på hold og eventuelle nye henvendelser blir ikke behandlet eller avvist.



Styrets beretning 2021

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 dekkstutyr, og Palfinger Marine Safety produserer maritimt liv-redningsstutyr samt salg og service av dekkstutyr hovedsakelig i Norge.

Selskapets virksomhet

Selskapets virksomhet består i hovedsak av leveranse av service av Palfinger sine livbåter og daviter, samt reservedeler til de samme produktene, med fokus på det norske markedet. Selskapet hadde tidligere produksjon og leveranse av båter og daviter globalt, men i løpet av 2021 ble denne delen av virksomheten flyttet til selskapets søsterselskap i Nederland. I 2021 ble også produksjonen på Ølve solgt til et eskernt selskap, Herde Kompositt, der eierne er den tidligere fabrikkledelsen ved fabrikkene på Ølve. Herde Kompositt overtok alle medarbeiderne knyttet til fabrikkene, og leier i dag Palfinger Marine Safety's fabrikklokaler på Ølve. Palfinger kjøper produksjonskapasitet til de båter som fremdeles produseres ved fabrikkene.

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 269 mill. (NOK 510 mill.). Driftsresultatet før av- og nedskrivninger ble NOK 6 mill. (NOK -60 mill. i tap). Resultat før skatt ble et tap på NOK -52,6 mill.

Samlet positiv kontantstrøm fra driften i selskapet var på NOK 71 mill. (NOK -116 mill negativ kontantstrøm i 2020), mens driftsresultatet i selskapet utgjorde et tap på NOK -41 mill. (NOK -90 mill. i tap). Differansen skyldes endringer i tidsavgrensingsposter relatert til operasjonelle aktiviteter.

Styret foreslår at årets underskudd på NOK -52,6 mill. disponeres som følger:

<u>Overført til udekket tap</u>	52,6 mill
Sum overføringer og disponeringer	52,6 mill

Årsregnskapet for 2021 er avlagt under forutsetning om fortsatt drift. Styret bekrefter at fortsatt drift forutsetningen er tilstede, jfr. regnskapsloven §3.3.

Balanse, likviditet og kontantstrøm

Etter styrets oppfatning gir årsregnskapet en tilfredsstillende beskrivelse av selskapets stilling pr. årsskiftet. Selskapets total kapital er pr. 31.12.2021 NOK 296 mill. (NOK 513 mill.) med en egenkapitalandel på -80% (-40%). 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 medfører 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.

Arbeidsmiljø

Selskapet sysselsatte pr 31.12.2021 55,6 årsverk (128,6). Nedgangen i forhold til året før skyldes i hovedsak salg av fabrikken på Ølve i første kvartal 2021.

Det var pr 31.12.2021 24 kvinner og 33 menn ansatt i selskapet, herav 4 deltidsansatte (2 kvinner og 2 menn). Selskapet hadde 3 midlertidige ansatte ved årsslutt, 2 kvinner og 1 mann.

I 2021 hadde selskapet 3 kvinner i foreldrepermisjon, ingen menn.

I 2022 har Palfinger implementert et system for kartlegging av kompetanse og lønnsnivå i de ulike grupper i hele virksomheten. Ettersom dette ikke var implementert i 2021, vil ikke datagrunnlag for 2021 være tilgjengelig for å kunne kartlegge og redegjøre for lønnsforskjeller og kjønnsfordeling på de ulike nivå for dette året.

Arbeidsmiljøet i selskapet anses som godt og det totale sykefraværet er lavt. Det har i 2021 ikke vært alvorlige skader på ansatte i virksomheten i forbindelse med utførelse av sitt arbeid.

Kartlegging av lønnsforskjeller, likestilling og diskriminering

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 pr 31.12.2021.

Likestillingsarbeidet i Palfinger er forankret i «Palfinger Group Policy System» der likestilling og diskriminering er sentrale områder. I tillegg er likestilling og diskriminering forankret i Personalhåndboken og Lederhåndboken.

Ved utgangen av 2021 hadde selskapet følgende kjønnsbalanse:

Kjønnsbalanse		Midlertidig ansatte		Uttak av foreldrepermisjon		Deltidsarbeid			
						Faktisk deltidsarbeid		Ufrivillig deltidsarbeid	
Antall kvinner	Antall menn	Midlertidig ansatte kvinner	Midlertidig ansatte menn	Kvinnens uttak av foreldrepermisjon (gjennomsnitt antall uker)	Menns uttak av foreldrepermisjon (gjennomsnitt antall uker)	Deltid kvinner	Deltid menn	Ufrivillig deltid kvinner	Ufrivillig deltid menn
24	33	2	1		34/N/A	2	2	0	0

Palfinger har implementert «Palfinger Compensation Portlet» i 2022 der alle ansatte i hele Palfingerkonsernet er registrert med navn, kjønn, alder, lønn og andre ytelser, stilling og ansiennitet. Dette systemet benyttes av ledere til å kartlegge lønnsforskjeller med bakgrunn i kjønn, alder, ansiennitet, stillingsnivå og kompetanse. Dette vil sikre at kartlegging av lønnsforskjeller kan gjennomføres i 2022 ihht lovpålagte krav.

Selskapet arbeider for at det ikke skal forekomme noen former for diskriminering blant de ansatte, uansett hvilket nivå man er på i organisasjonen og har en langsiktig strategi på dette arbeidet.

Styrets ansvar

Styret i selskapet har ansvarsforsikring gjennom Palfinger sitt globale forsikringsprogram.



Ytre miljø

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


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.

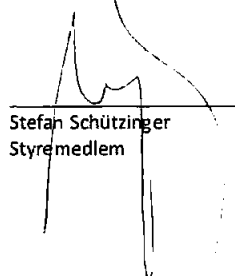
Selskapets egenkapital er tapt. Morselskapet Palfinger AG har utstedt garanti for å sikre fortsatt drift. Denne garantien sikrer at selskapet løpende kan gjøre opp sine forpliktelser. Selskapet har ikke ekstern rentebærende gjeld. Styret arbeider for å konvertere deler av Intern gjeld for å styrke selskapets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

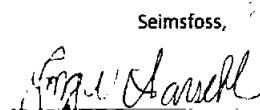


Gunther Fleck
Styreleder

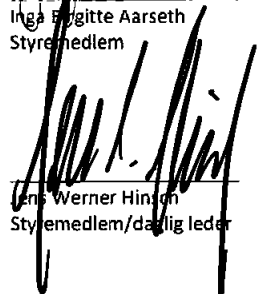


Stefan Schützing
Styremedlem

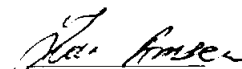
Seimsfoss, ²²



Inga Edgitte Aarseth
Styremedlem



Jens Werner Hinson
Styremedlem/daglig leder



Ivar B. Arnesen
Styremedlem