

KRONE



— 2023 | 2024 —



'COLLEAGUE AI'?

HOW ARTIFICIAL INTELLIGENCE IS CHANGING OUR EVERYDAY WORKING LIVES

The AI revolution is probably the biggest technological upheaval since industrialisation. It is bringing about continuous change in our working world whilst offering enormous opportunities to boost efficiency and quality of our work, to improve decision making processes and to enhance customer satisfaction. Here in the Krone Group, we have set up an 'AI Circle' that synchronises different disciplines across the company. In the process of implementing AI tools on a continuous and strategic basis within the Krone Group, we draw on our internal expertise in a transparent manner.

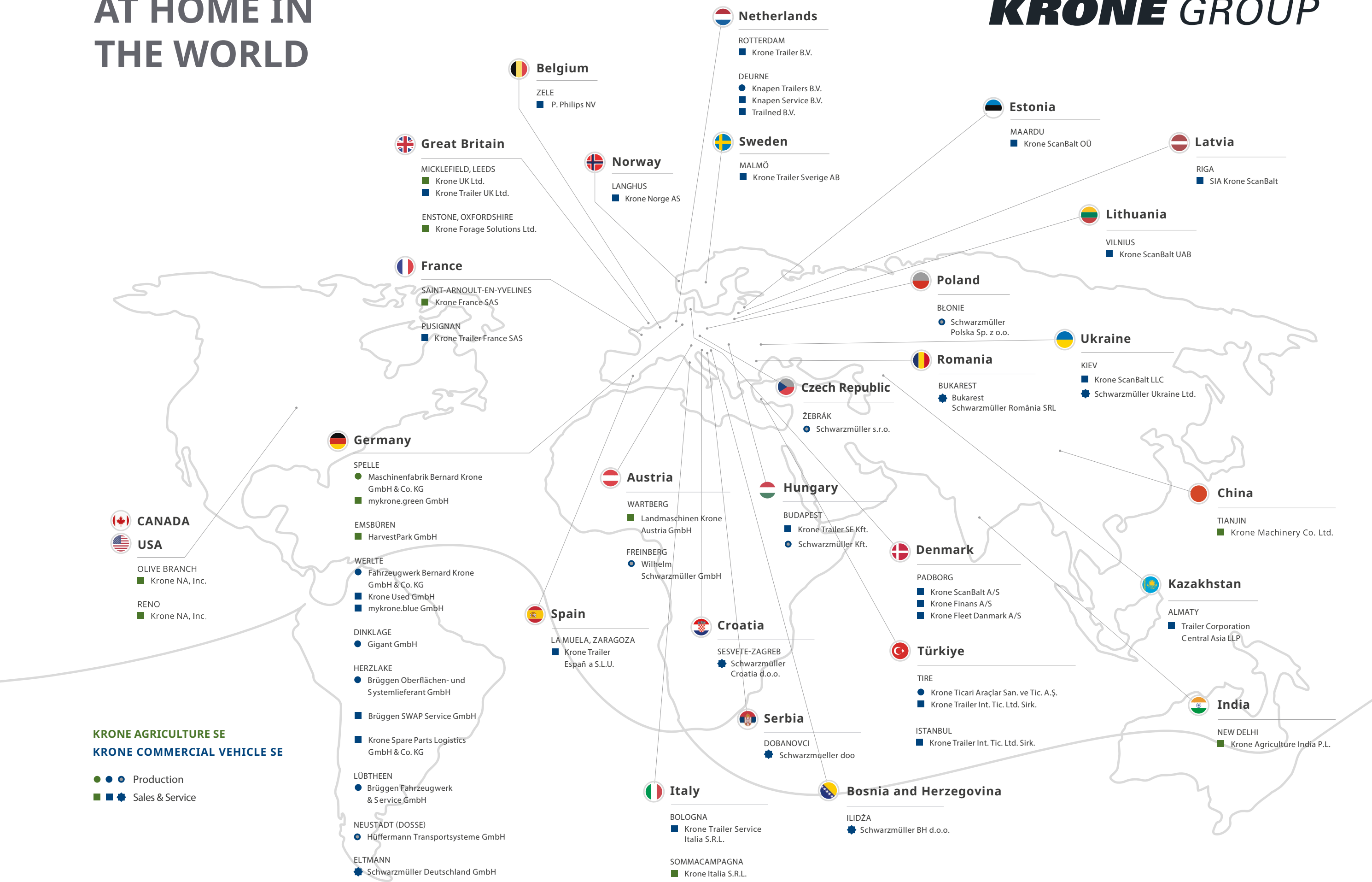
For example, we are currently using AI in the context of machine learning as well as in accounting and in the creation of complex training documents in multiple languages. AI also opens up new possibilities in the area of further education and training; adaptive learning systems can identify the individual learning needs of employees and create personalised training programmes. This enables us to guarantee effective and targeted training, ensuring that the Krone team is optimally prepared for the demands of the modern labour market. Overall, we perceive AI as a welcome tool for securing industrial production in Germany at a high level – especially against the backdrop of the continuing and serious shortage of skilled labour in Germany, which is set to become more acute with the gradual retirement of the boomer generation in the coming years.

AI

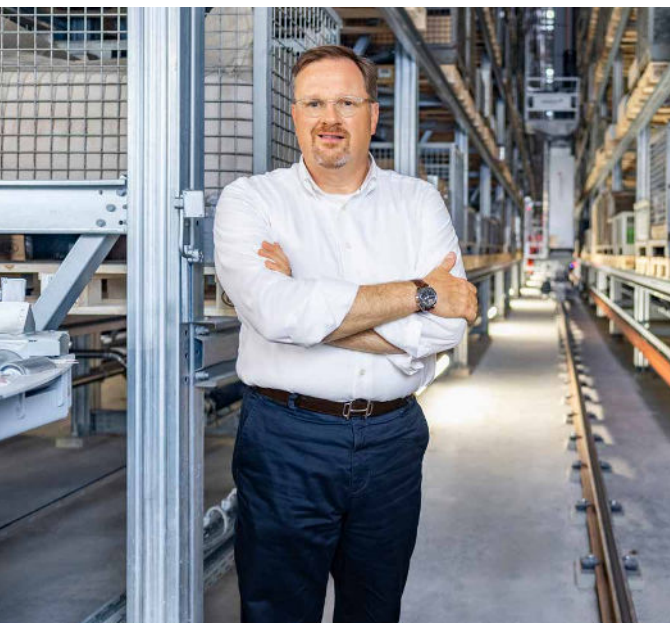


AT HOME IN THE WORLD

KRONE GROUP



It is our innovative strength, flexibility, strategic partnerships and the application of AI, automation and robotics that have secured respectable sales revenues for us in challenging circumstances.



Dear customers, business partners and colleagues,

The past financial year was marked by an overall difficult market situation, by ongoing conflicts in Ukraine and the Middle East, and by political uncertainties in Europe. Many people, including many business owners, have been worried about the future and hence reluctant to buy and invest.

We at the Krone Group have systematically pursued the investments we had planned. Among these were the completion of our ultra-modern parts warehouse in Spelle and the sealing of the strategic partnership with the Schwarzmüller Group, a move that puts us in the position of offering an unusually large portfolio of products and being able to operate an even larger network of service stations. This underscores our strategy of customer proximity in action, an approach that is even more important in difficult times.

My explicit and heartfelt thanks go to all our customers, partners and staff for their commitment that has made all these projects a success. Together, we are a community of extraordinary strength. We share ideas, we learn from each other, also from AI and with AI, thereby growing together.

With warm regards

Bernard Krone
Chairman of the Supervisory Board of
Bernard Krone Holding SE & Co. KG

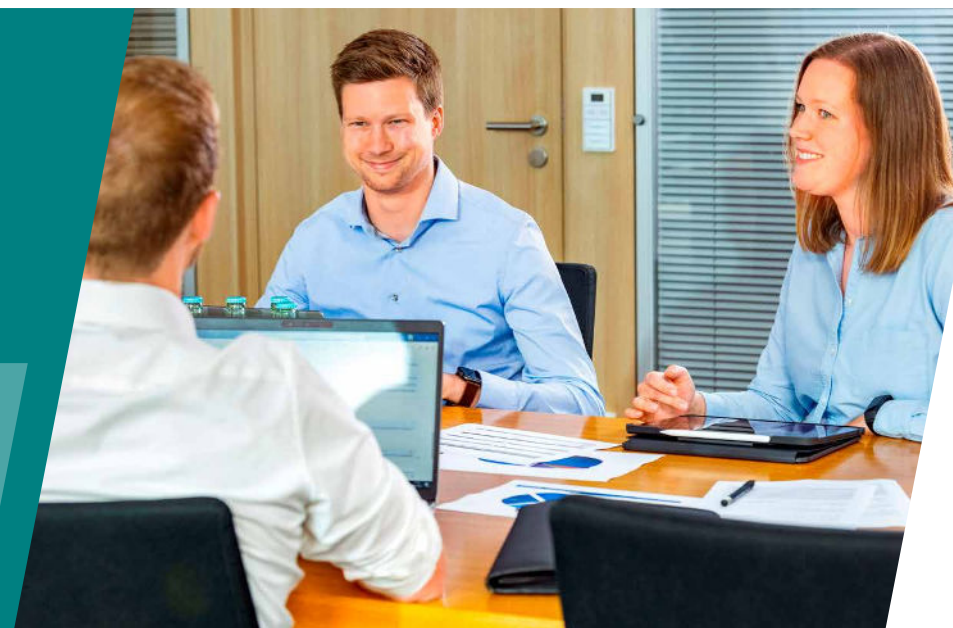
FOREWORD



THE COMPLEX AND EVER-CHANGING RELATIONSHIP BETWEEN PEOPLE AND TECHNOLOGY

Smart technologies present us with opportunities that we could never have dreamed of in the past and which make our everyday lives so much easier. Thanks to modern communication technology, we can share information instantaneously with people around the globe. With its ability to provide accurate diagnoses and innovative treatment methods, medical technology not only saves lives but also improves our quality of life. In the world of work, technology boosts efficiency and productivity by automating complex processes.

At the same time, an increasingly networked world also presents numerous challenges. Two of these challenges concern the correct use of sensitive data and our increasing dependence on technology. After all, disruptions in technical systems can have extensive knock-on effects in infrastructure, medical care and manufacturing processes. We at the Krone Group accompany technological progress with great awareness, as this is the only way we can promote and ensure the responsible use of technology, digitalisation and automation. While we are active drivers of technological development, we must not forget one thing – technology should serve people, not the other way around.



REVIEW 2023/24 Progress and success of the Krone Group		ORGANISATION A network for more tomorrow		AT A GLANCE Total sales development Development of core workforce Equity development		KRONE AND SCHWARZMÜLLER Two strong brands together on course for the future	
02	06	08	10	12	16	18	
PEOPLE AND TECHNOLOGY The complex and ever-changing relationship	OBITUARY A last Goodbye to Philip Freiherr von dem Bussche	REPORT ON THE SITUATION Total sales development Agricultural machinery sales Commercial vehicles sales Result Staff numbers Future proofing investment Outlook					

KRONE COMMERCIAL VEHICLES Initial situation Investments Requirements Outlook		CUSTOMER PROXIMITY		PEOPLE AS THE KEY TO SUCCESS Forward-thinking strategies for today and tomorrow		CONSOLIDATED INCOME STATEMENT All figures at a glance	
20	26	32	34	36	38	39	40
KRONE AGRICULTURAL MACHINERY Initial situation Investments Requirements Outlook	ENVIRONMENT & TECHNOLOGY Advanced technology for more sustainability	CONSOLIDATED BALANCE SHEET An insight into the key financial figures				5 YEAR OVERVIEW Our development over the last 5 financial years	

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The first Krone Competence Center opens for business

German Krone dealer Igl Agrartechnik opens the first Krone Competence Center in Nabburg, Bavaria. This move is in response to growing customer demand for support, especially for the increasing number of electronic machine features.



3

Combined Powers – a boost to productivity

Krone and Lemken added further functions to their joint development, the autonomous Combined Powers tractor unit. For the first time, the unit was deployed as a front-rear mower combination and as a stubble incorporator with integrated seeder.



5

Strategic partnership

Vehicle manufacturer Paul Croup and sales specialist Lankhorst Nord (part of the Krone Group) join forces to launch an agricultural truck that is based on the standard AROCS model and is customised for agricultural applications.



2

Silver medal for BiG X technology

Krone is awarded a DLG Silver Medal for the innovative blade sharpener on the BiG X. The patented system for the chopping drum blades maximises user comfort and minimises abrasion.



4

Krone mourns the loss of Philip Freiherr von dem Bussche

In April 2024, Philip Freiherr von dem Bussche died aged 74. An expert and pioneer in our field, the former Chairman of the Krone Group supervisory board was committed to the success of our group, to which he made an enormous contribution.



6

Schwarz Müller becomes a strategic Krone partner

In June 2024, the Krone Group announced the acquisition of interest in the Schwarz Müller Group, an Austrian manufacturer of special commercial vehicles. Our customers will benefit from this move by being offered a larger choice of products and a more comprehensive range of services.



7

Krone Museum shines in new splendour

The Krone Museum reopened its doors in spring 2024 after undergoing a range of modernisation works. The museum now contains not only the farm machinery showrooms but also a room that exhibits personal items of Dr Bernard Krone in recognition of his immense achievements.



9

International Trailer Award 2025 for Krone Smart Assistant

The award-winning Krone Smart Assistant enhances driver convenience and fleet management efficiency by allowing drivers to retrieve important trailer data and trailer status information in real time by scanning the QR code on the trailer.



11

Expanding the parts business in Italy

Krone Commercial Vehicles and Italian importer Real-trailer SRL have founded Krone Trailer Service Italia SRL, a joint enterprise whose mission is to boost the development of the international parts business.



8

Krone 3D Solar-Telematics scoop Telematics Prize 2024

This smart telematics solution enables hauliers and logistics companies to track trailers and swap bodies in real time. The solar- and battery-powered system also operates independently of the truck's power supply.



10

Special leave for flood emergency workers

About 50 staff members of the Krone Group were given special leave in recognition of their volunteering role during the flooding of the rivers Ems and Hase in December 2023. Their contribution helped protect the Krone premises from inundation.



12

Sustainable tyre recycling

The sustainable recycling of tyres is a pressing challenge. Taking action to address the issue, Krone presented the new and innovative Krone R:Tyre for trailers at IAA 2024 and announced a partnership with Allianz Zukunft Reifen.



Philip Freiherr von dem Bussche
(* 2. April 1950 † 8. April 2024)

A LAST GOODBYE TO **PHILIP FREIHERR VON DEM BUSSCHE**

In April 2024, we had to bid our final farewell to Philip Freiherr von dem Bussche, our long-term chairman of the Krone supervisory board, who played a major role in the successful development of the Krone Group over more than a decade. A qualified farmer and graduate in Business Administration, Philip Freiherr von dem Bussche succeeded Dr Bernard Krone as the chair of the advisory board in 2015. In the following years, he steered the company through the generational handover and also played a significant role in developing the international business of the Krone Group. His in-depth knowledge of the industry, his ongoing dialogue as equals with our customers and his exceptional sense for new markets served Krone in good stead. Together with the Krone family and the supervisory board, he defined strategic goals which he then pursued with commitment and focus and with the deliberation that was so special to him. In this way, he became the driving force behind the company's astounding growth.

At the same time, Philip von dem Bussche was a family man who felt a deep attachment to his homeland. He asked for and set an example in sustainable living which he also applied to the management of Gut Ippenbun, the estate which has been in the possession of his family for 22 generations. He lived true to his principles in all respects and earned enormous respect and recognition for this. The Krone family, the supervisory board, the executive board, the management board and the entire Krone staff will never forget his deep and abiding commitment to the company.



OBITUARY



BERNARD KRONE
HOLDING SE & CO. KG
SPELLE (D)

KRONE AGRICULTURE SE

KRONE COMMERCIAL VEHICLE SE

Maschinenfabrik Bernard Krone
GmbH & Co. KG
Spelle (D)

mykrone.green GmbH
Spelle (D)

Landmaschinen Krone Austria GmbH
Wartberg (AT)

Krone (Tianjin) Machinery Co. Ltd.
Tianjin (CN)

Krone France SAS
Saint-Arnoult-en-Yvelines (FR)

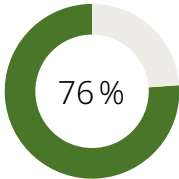
Krone UK Ltd.
Micklefield, Leeds (GB)

Krone Forage Solutions Ltd.
Enstone, Oxfordshire (GB)

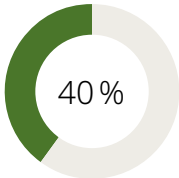
Krone NA, Inc.
Olive Branch (USA)

Krone Agriculture India P.L.
New Delhi (IN)

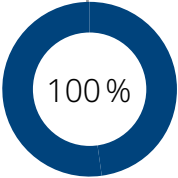
KRONE AGRICULTURE SE



Krone Italia S.R.L.
Sommacampagna (I)



HarvestPark GmbH
Emsbüren (D)



KRONE COMMERCIAL VEHICLE SE

Fahrzeugwerk Bernard
Krone GmbH & Co. KG
Werlte (D)

Gigant GmbH
Dinklage (D)

Brüggen Fahrzeugwerk
& Service GmbH
Lübtheen (D)

Brüggen Oberflächen- &
Systemlieferant GmbH
Herzlake (D)

Brüggen SWAP Service
GmbH
Herzlake (D)

mykrone.blue GmbH
Werlte (D)

Krone Spare Parts
Logistics GmbH & Co. KG
Herzlake (D)

Krone Used GmbH
Werlte (D)

Krone Finans A/S
Padborg (DK)

Krone ScanBalt A/S
Padborg (DK)

Krone Trailer España
S.L.U.
La Muela, Zaragoza (ES)

Krone Trailer France SAS
Pusignan (FR)

Krone Trailer UK Ltd.
Micklefield, Leeds (GB)

Krone Trailer SE Kft
Budapest (HU)

Trailer Corporation
Central Asia LLP
Almaty (KAZ)

Knapen Trailers B.V.
Deurne (NL)

Trailned B.V.
Deurne (NL)

Knapen Service B.V.
Deurne (NL)

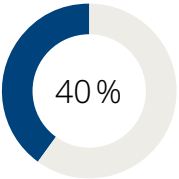
Krone Trailer B.V.
Rotterdam (NL)

Krone Trailer Sverige AB
Malmö (SE)

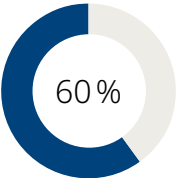
Krone Ticari Araçlar
San. ve Tic. A.Ş.
Tire (TR)

Krone Trailer Internati-
onal Ticaret Ltd. Sirketi
Tire (TR)

P. Philips NV
Zele (BE)



Krone Fleet Danmark A/S
Padborg (DK)



Krone Trailer
Service Italia S.R.L.
Bologna (IT)

ORGANISATION

Supervisory Board of the Krone Group

Left to right: Dr. Tono Nasch, Bernard Krone, Bernd Meerpohl, Alfons Veer



„Providing food and ensuring the continuous transport of goods are amongst the fundamental responsibilities of society, which we actively and responsibly uphold.“

Alfons Veer, Vice Chairman of the Supervisory Board

As a family-owned company, Krone sets greater store in continuity even in politically and economically difficult times.

Total sales development

The Krone Group is one of the world's leading manufacturers and service providers in the fields of agricultural machinery and commercial vehicles. Led by a strong board of executives, Krone continues to live up to the values and concepts that have secured our success in the past decades. At the same time, we stay firmly focused on taking the leadership position in technology, quality and costs as we build on sound funding and commit to excellent customer relations through our sales organisation which offers a wide range of expert services.

As market challenges remained unchanged, the Krone Group generated sales of just over 2.4 billion euros in the 2023/2024 financial year (previous year: 3.2 billion euros) and earnings before income taxes of 107.0 million euros (previous year: 140.1 million euros). Compared with the previous year, domestic sales fell by 13.3% (114.0 million euros) to 743.7 million euros.

More than 31% percent of domestic sales were generated by our agricultural machinery division and 66.9% by Commercial Vehicles. Consequently, the Group generated 30.6% of its sales in Germany (previous year: 27.2%). International sales decreased by 611.7 million euros to 1,689.7 million euros in the 2023/2024 financial year. Sales outside Germany were accounted for by 35.8% by the agricultural machinery division and 64.0% by Commercial Vehicles, together comprising 69.4% of total sales (previous year: 72.8%).

Agricultural machinery sales

In the 2023/2024 financial year, sales revenues in the agricultural machinery division fell by 170.5 million euros (17.0%) from 1,006.1 million euros to 835.6 million euros. 27.6% of these sales were generated within Germany (versus 27.3% in the previous year), 33.2% in the western European markets (previously 32.8%), 8.3% in eastern Europe (previously 10.3%) 19.2% in North America (previously 16.7%) and 11.7% in the rest of world (previously 12.9%).

Commercial vehicles sales

In the 2023/2024 financial year, sales revenues in the commercial vehicle division amounted to around 1,579.6 million euros (previous year: 2,143.2 million euros), a decrease by 26.3%. The domestic market continues to be the most important single market at 31.5%, although this fell by 77.6 million euros (13.5%) to 497.6 million euros compared to the previous year. Sales on foreign markets fell from 1,567.9 million euros to 1,082.1 million euros. The most important markets are western Europe with 42.9% (previous year 45.3%) and the eastern European markets with 23.0% (previous year 26.4%).

Result

The Group's annual surplus in the 2023/2024 period fell by 27.8 million euros compared with the previous year, decreasing from 106.8 million euros to 79.0 million euros – a decline that is in line with previous market assessment.



REPORT ON THE SITUATION



Members of the Executive Board of Bernard Krone Holding SE & Co. KG
Left to right: Dr. David Frink (CEO), Ole Klose (CFO), Dr. Stefan Binnewies (COO)

„Guided by a prudent funding approach and a long-term financial policy, family businesses often demonstrate greater resilience in navigating economic fluctuations.“

Dr. David Frink, CEO

At Krone, we stay firmly committed to sustained investment, even during challenging times, to ensure competitiveness and secure lasting success.

Staff numbers

As a family-owned company, Krone sets great store in the high commitment and loyalty of our staff. Therefore, our HR policy revolves around continuity and identification with the company values. In order to address the challenges posed by increasingly complex products and services, which demand advanced qualifications, Krone regularly conducts a range of qualification and training programmes, both on-site and off-site. By fostering strong relationships with universities and colleges, by exhibiting at job training fairs and also by granting scholarships, for example, we attract highly qualified people for future executive positions. University graduates go through a special trainee programme that introduces them to their future management tasks in the Krone Group. Krone has cooperation agreements with a number of local schools, which allows us to pitch ourselves as an attractive company and employer at an early stage.

The average number of staff within the Krone Group (core workforce) rose globally to 6,217 in the 2023/2024 financial year (previously 5,855). In addition to these, the group employed an average of 292 apprentices during the past financial year (previous year: 265).

Future proofing investment

Total investment in the past financial year amounted to 75.4 million euros of which 49.0 million euros were spent on tangible assets, 6.6 million euros on intangible assets and 19.8 million euros on financial assets. The extra expenses were mainly spent on automation projects in component manufacturing and the new and highly automated parts warehouse in Spelle as well as in the improvement of product quality and manufacturing capacities of various plants. For the Krone Group to meet Industry 4.0 requirements, additional investments were made in digitalisation, networking and telematics.

Krone also expanded its product range in both its business portfolios and introduced new solutions in the field of farm logistics, new mower and tedder models, the new Box Liner generation, the new recycled R:Tyre and various smart solutions that benefit drivers and hauliers.

Outlook

Given the unpredictable political situation globally (the war in Ukraine, the Middle East conflict, and trade barriers, etc.) and the economic challenges, the group does not anticipate a slight recovery of the economic environment until mid-2025. With the above in mind, the group's consolidated sales and consolidated earnings are anticipated to reduce slightly in the 2024/2025 financial year.



~ 2,4 billion €
Turnover



6,509
Employees



803 Mio. €
Equity capital

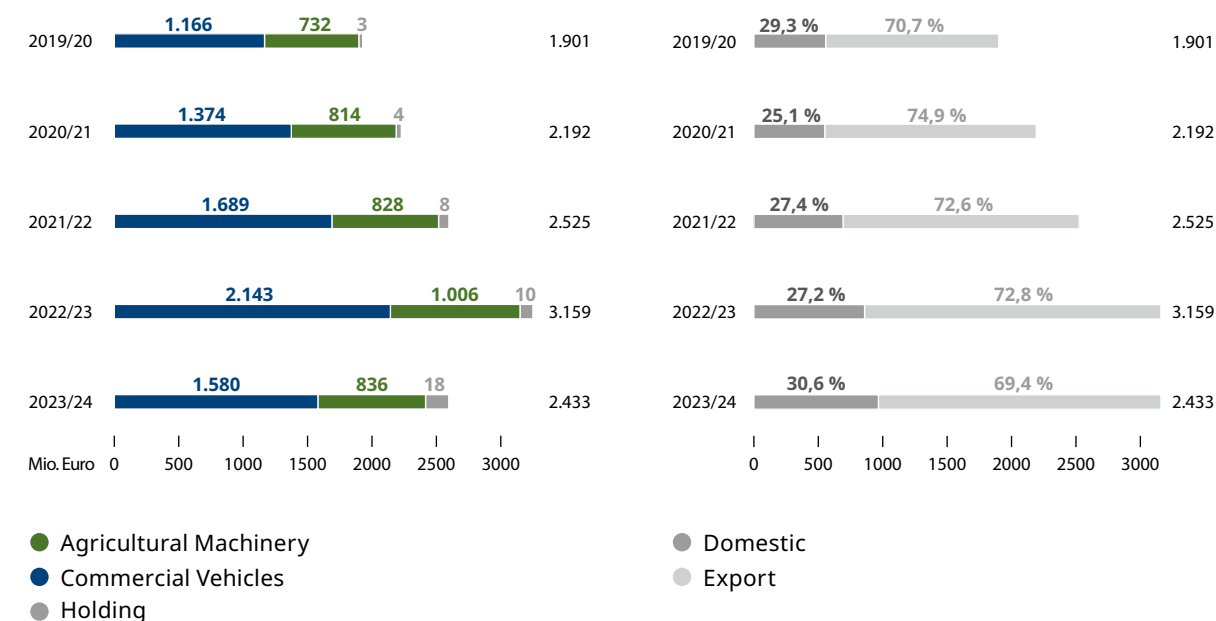


Turnover

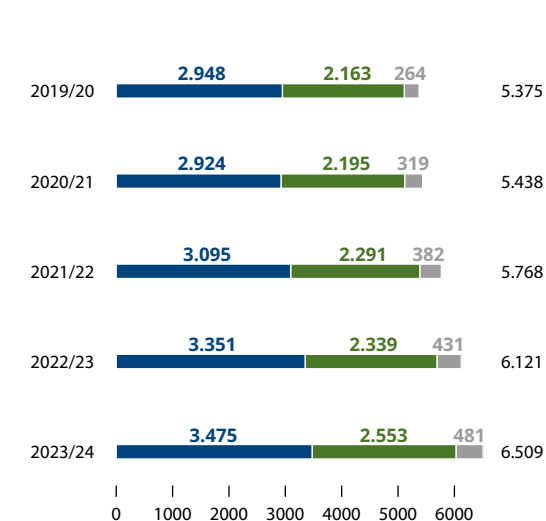
69.4 % **30.6 %**
Export Domestic



Sales development

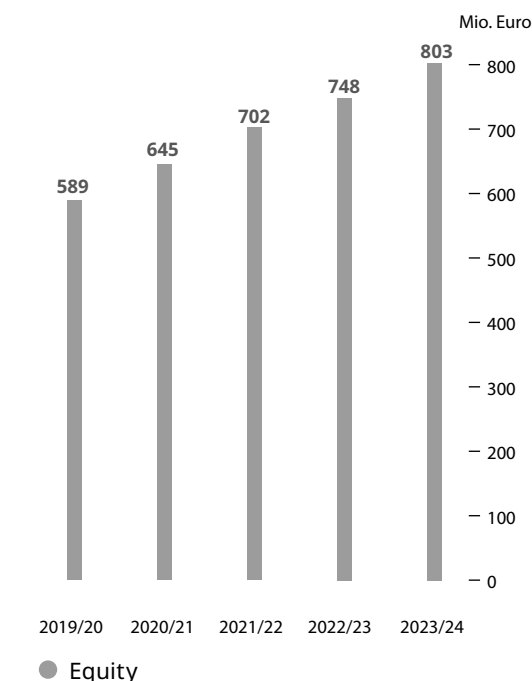


Development of core workforce*

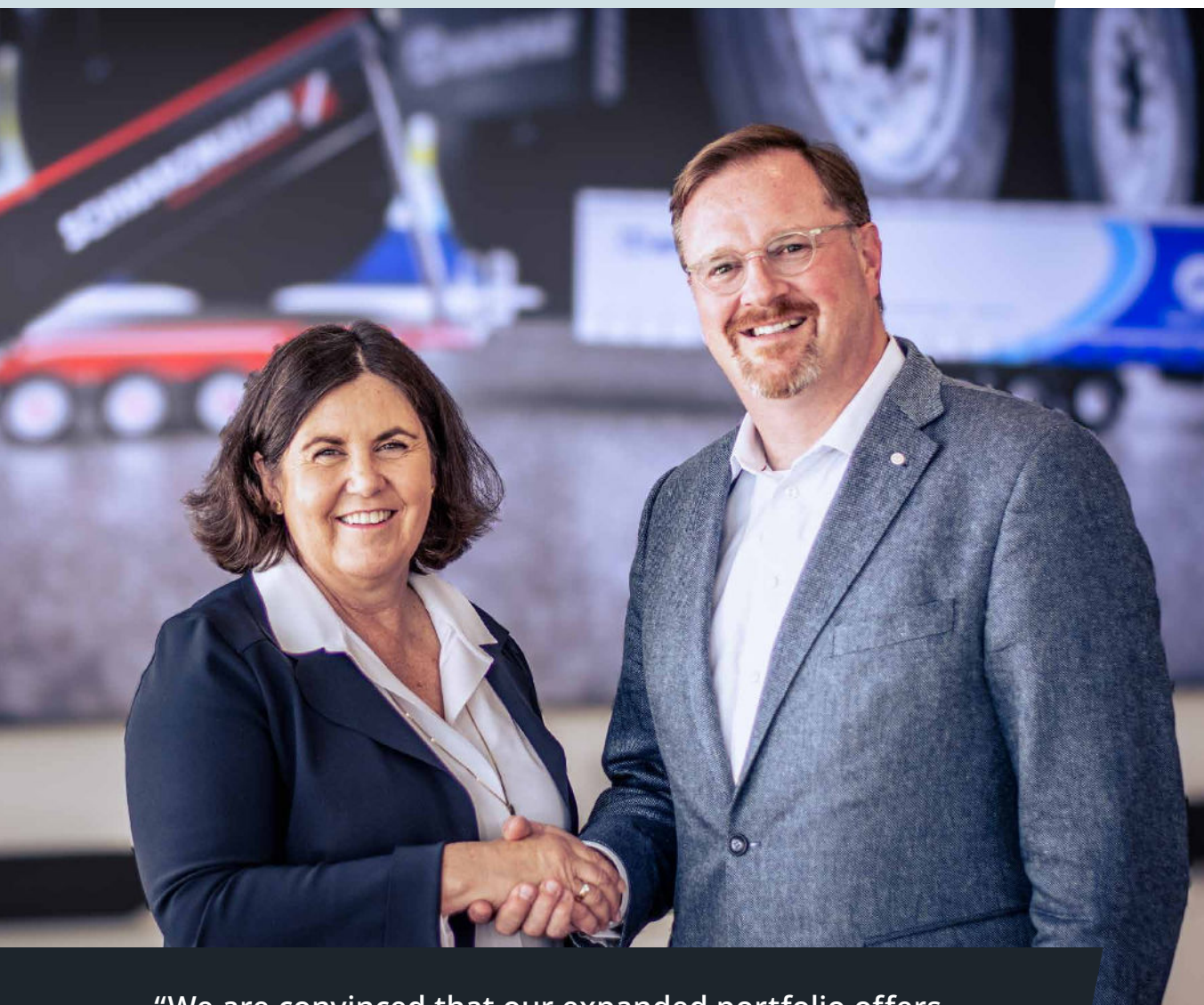


(*incl. apprentices and trainees)

Equity development



AT A GLANCE



“We are convinced that our expanded portfolio offers the right solution for every customer,” stress Beate Paletar (owner of the Schwarzmüller Group) and Bernard Krone (Chairman of the Supervisory Board of the Krone Group).

TWO STRONG BRANDS TOGETHER ON COURSE FOR THE FUTURE

In June 2024, Krone and Schwarzmüller announced that the Krone Group would acquire an interest in the Schwarzmüller Group of Austrian special vehicle manufacturers. This strategic industrial partnership has since been approved by the antitrust authorities. As a result, the customers of both family-owned companies will now benefit from an exceptional choice of products and an expanded network of service centres offering a wide range of relevant services.

Headquartered in the village of Freinberg near the German-Austrian border and employing almost 2,000 staff in four modern production facilities in Austria, Germany, the Czech Republic and Hungary, the Schwarzmüller Group generated sales revenues worth 390 million euros last year. The portfolio comprises more than 150 different types of vehicles, including lightweight trailers, semi-tippers, low-loading and walking floor trailers as well as timber/stanchion trailers, high-quality tankers and waste disposal container transporters, the latter being manufactured by Schwarzmüller subsidiary Hüffermann. Schwarzmüller also operates sales and service centres in 20 central and eastern European countries.

By pooling their sales and service networks, Schwarzmüller and Krone are amplifying their distribution capacities and strengthening their position in all European markets, thereby underlining a common strategy of genuine customer proximity. At the same time, the strong brands of the Schwarzmüller Group retain their own names, thereby preserving brand identity and customer appeal while harnessing synergies for innovation and growth.



KRONE AND SCHWARZMÜLLER



„More flexibility in production while ensuring product quality – this is what we are working on intensively.“

Alfons B. Veer
CTO, Krone Commercial Vehicles



Management of the Krone Commercial Vehicle Group
Left to right: Dr. Frank Albers, Ralf Faust, Markus Stegen,
Astrid Janke, Bernhard Brüggem, Alfons B. Veer, Ingo Geerdes

„Smart factories make smart vehicles.“
This is the success formula for the sustained
transformation of the transport industry –
and the Krone Commercial Vehicle Group is
driving the momentum.

KRONE COMMERCIAL VEHICLES

The situation

According to the German Federal Statistical Office, business parameters continued to decline in the financial year 2023/2024, as consumers were reluctant to buy and dealers were reducing their stocks amid a high inflation rate and rising interest rates. This trend is also reflected in the sales curve of the Krone Commercial Vehicle Group. Although our factories went into the new financial year operating at full capacity, they had to dial down their output as the year progressed and market challenges increased. As a result, sales fell by 26.3% to around 1,579.6 million euros (previous year: 2,143.2 million euros). Germany remains the most important single market, accounting for 31.5% of all sales, and yet it declined by 77.6 million euros (13.5%) to 497.6 million euros compared with the previous year. Sales in foreign markets fell from 1,567.9 million euros to 1,082.1 million euros. The most important markets are western Europe with 42.9% (previous year 45.3%) and the eastern European markets with a 23.0% share (previous year 26.4%).

Investments and strategies

In the past financial year, the Krone Commercial Vehicle Group once again made considerable investments in R&D, which focused even more on the development of software and electronic features. Another focus is sustainability. This is reflected by ongoing projects such as the development of a lightweight chassis and aerodynamic panels, all aimed at improved fuel economy and reduced CO₂ emissions. An additional major topic is the continuous development of automated and autonomous transport solutions.

In manufacturing, investments were made in automated assembly lines and electronically controlled assembly technology at the Werlte plant. The Lübtheen factory benefited from investments in the foam processing facilities. At the axle production site in Dinklage, investment was focused on the assembly line and the friction welding facility. All investments are aimed at improving production processes and flexibility as well as safeguarding the quality of our products.



AT A GLANCE



Service and products

Krone is constantly expanding its service network for every aspect of the vehicle, an approach which has proven to be central and highly successful component of the Krone strategy. For many customers, the modular Krone 360° Trailer Service concept has become indispensable. Investments in the service business especially pay off in difficult times when customers are reluctant to buy new vehicles and the demand for parts increases.

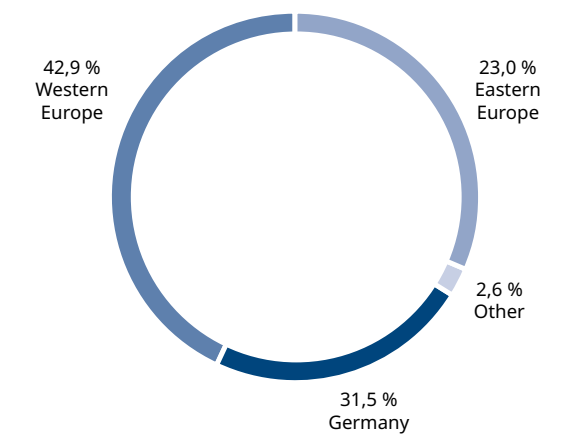
In the 2023/2024 financial year, Krone also worked intensively on such projects as the Krone eTrailer with electrified drive axle that significantly reduces the carbon footprint of the entire truck trailer combination. Furthermore, we introduced the new Box Liner generation, the R:Tyre – a recycled tyre for trailers – and various digital tools that significantly help drivers and hauliers to master daily operations.

Outlook

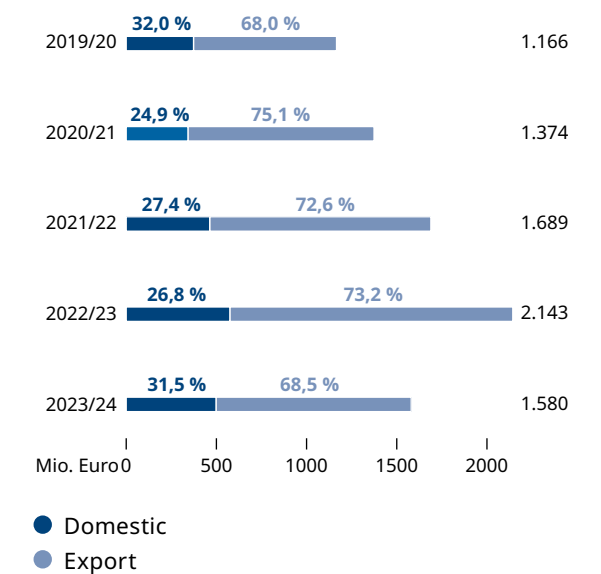
Given the weak state of the economy and consumers' reluctance to buy and invest, carriers are hesitant to purchase new vehicles. Elevated energy costs continue to significantly impact the competitiveness of manufacturers of capital goods and of energy-intensive businesses. Geopolitical uncertainties in Ukraine and the Middle East are weighing on the market for new and used commercial vehicles. In response to these challenges, the Krone Commercial Vehicle Group has implemented cost-saving measures during the current financial year and adjusted production to align with prevailing market conditions. Nevertheless, we remain well-prepared to respond swiftly to an economic recovery and scale up production as demand increases. The economic outlook, particularly in Germany, is projected to show improvement from mid-2025.

AT A GLANCE

Regional distribution of turnover Commercial Vehicles 2023/2024



Turnover development in Commercial Vehicles (consolidated)





„Industry 4.0 creates new opportunities with regard to added value and product quality.“

Thomas Veismann
Managing Director Production



Management of the Krone Agricultural Machinery Group
Left to right: Martin Eying, Heiner Brüning, Thomas Veismann, Jan Horstmann

„It's during tough times that we discover who we can truly trust on. We at Krone stand by our customers in every respect – whether it's a new machine or a spare part.“

Heiner Brüning, Managing Director Service & Spare Parts

Automation, digitalisation, artificial intelligence, sustainability and innovation – these are all aspects of the digital revolution which is transforming our processes at every level.

KRONE AGRICULTURAL MACHINERY



The situation

In the 2023/2024 financial year, sales in the agricultural machinery market fell by 170.5 million euros (17.0%) from 1,006.1 million euros to 835.6 million euros. 27.6% of these sales were generated within Germany (compared with 27.3% in the previous year), 33.2% in the western European markets (previously 32.8%), 8.3% in eastern Europe (previously 10.3%), 19.2% in North America (previously 16.7%) and 11.7% in the rest of world (previously 12.9%).

A key issue in the past financial year was the declining number of orders, as dealer inventory levels were significantly above the three-year average, according to the CEMA Business Barometer. The reason for this was the increased supply from manufacturers amid an increasingly subdued demand. Facing rising production and financing costs as well as uncertainties about market conditions in the future, many farmers have been rather reluctant to invest in new machinery.

Investments and strategies

One of the most important and biggest investments of the agricultural machinery group is the new and ultramodern parts warehouse in Spelle. In addition to this, planned investments in the automation of the agricultural machinery factory were also implemented. Both measures help to safeguard the competitiveness of the Spelle production site and give us the flexibility and capacity to introduce new strategic products. Along with the above, we are step by step implementing the new restructuring plan for the factory for greater flexibility in integrating new products and responding to fluctuations in demand.

AT A GLANCE



Service and products

Facing ever narrowing harvest time windows, our customers require maximum efficiency and the best possible product quality. The Krone brand has been a synonym for these values for decades. As an expert manufacturer of forage harvesting equipment, Krone markets a wide range of machines for farms of all sizes and for a variety of applications. Yet, being much more than an innovative manufacturer, we consider ourselves excellent providers of all-round services and customised solutions ranging from finance schemes and driver training programmes to our smart machine control system and the swift supply of parts. This underlying sense of service and customer proximity is also reflected in the opening of the first Krone Competence Center by Igl, our long-standing dealer in southern Germany.

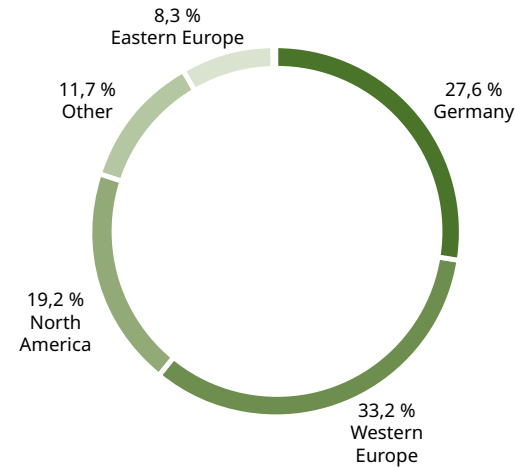
In the past financial year, Krone added several agricultural trailers to its product range as well as new mowers and tedders and presented a new direct cut header for the BiG X forage harvester. Furthermore, we offer smart solutions for our machines to make a difference in day-to-day operations and also continue to develop the autonomous Combined Powers unit, a joint project of Krone and agricultural machinery manufacturer Lemken.

Outlook

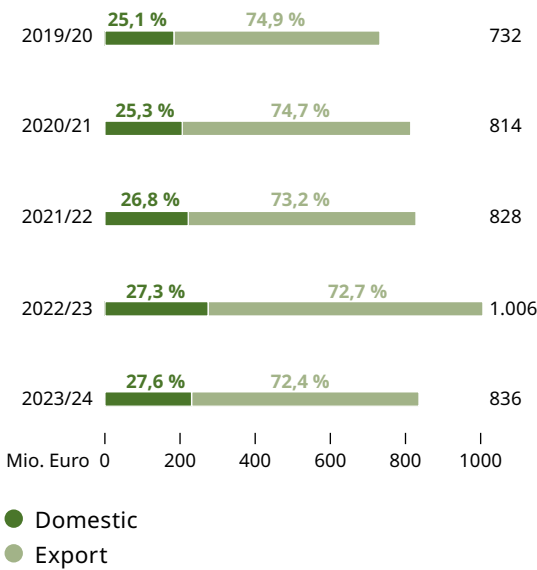
Geopolitical tensions, a struggling global economy, the increase in protectionist measures and more and more extreme weather incidents have also had a significant impact on the agricultural machinery industry. Yet, despite these challenges, Krone remains fundamentally optimistic about the years ahead, as there continues to be strong global demand for high-quality agricultural products and innovative technology. Automation, digitalisation, sustainability and the pledge for innovation are our motivational drivers. As we search for new solutions, the focus is always on customer benefit. Machines from Krone are designed to help farmers work as efficiently, economically and sustainably as possible. This approach is the only strategy to ensure a reliable food supply for the growing global population in the long term.

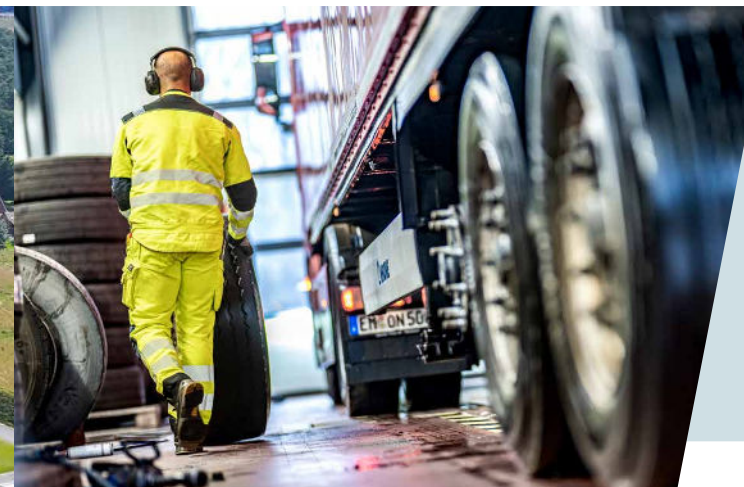
AT A GLANCE

Regional distribution of turnover Agricultural Machinery 2023/2024



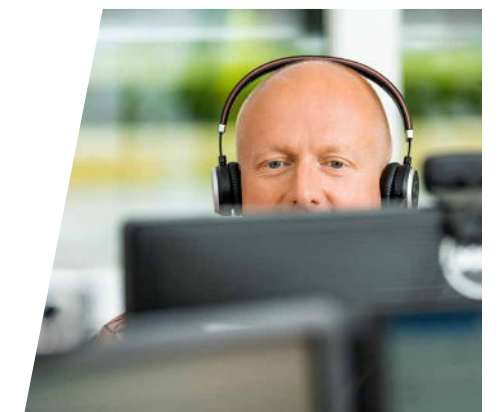
Turnover development in Agricultural Machinery (consolidated)





Customer proximity is instrumental to a company's success. In theory, customer proximity fosters customer satisfaction, generates brand loyalty and leads to referrals. In practice, it means you must have a deep understanding of your customers' needs. Therefore, we continuously analyse our target groups so that we are able to tailor our products and services to their needs and to provide exceptional service. The most recent example of this approach is our new and automated agri-parts warehouse in Spelle which went into operation in early 2024. A project costing more than 40 million euros, the warehouse enables us to offer our customers a rapid and optimal parts service.

Yet, today's aftersales services in the transportation and agricultural industries go far beyond the swift delivery of parts. Equally important are expert advice on digital solutions and finance schemes that are tailored to individual customer needs. To meet all these requirements, Krone is expanding its national and international network. We currently operate in 74 countries, keeping in touch with our customers through our dealers, repair shops and sales teams. Even though the specific type of service may change, we consistently position ourselves as comprehensive and expert service providers. This focus has always been – and will remain – at the heart of our company culture.



CUSTOMER RELATIONS

ADVANCED TECHNOLOGY FOR MORE SUSTAINABILITY

In the 2023/2024 financial year, the Krone Group implemented a group-wide sustainability management which allows a fact-based monitoring and controlling of all sustainability activities across the entire group. These activities included several projects aimed at reducing energy consumption and environmental pollution as well as the installation of further solar energy plants. These bring the total solar energy output of the Krone Group to 5 MWp or about 10% of the company's annual power requirements.

Naturally, the Krone product design, too, is geared towards sustainability. Recent examples are the Krone eTrailer with an electrified drive axle that significantly reduces the carbon footprint of the entire truck trailer combination and the new R:Tyre for trailers, a recycling product made from premium-quality carcasses. Compared with traditional tyre production, this method saves about 2/3 in raw materials, more than 60% in CO₂ emissions and 50% in energy input.

Whether that be through R&D, recycling initiatives or the investment in smart manufacturing – process optimisation or the indication of preventive maintenance requirements – Krone utilises a wide range of tools in various contexts, to deliver important sustainability contributions. An example of this is the EDNA research project (Edge Datenwirtschaft in der nachhaltigen automatisierten Datenwirtschaft). As a responsible family-owned business, Krone shows that progress and sustainability are not mutually exclusive but complementary concepts to create a future that is worth living for generations to come.

ENVIRONMENT & TECHNOLOGY





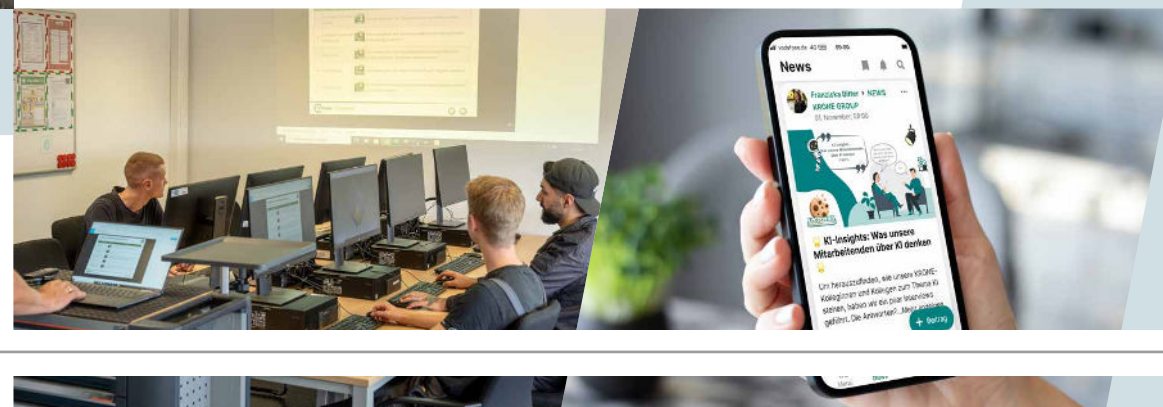
FORWARD-THINKING STRATEGIES FOR TODAY AND TOMORROW

The world of work is undergoing profound change. Companies are facing tremendous challenges – the shortage of skilled professionals, the introduction of innovative technologies, the growing number of regulatory infringements and the growing expectations of the general public. All these factors have an impact on Human Resources (HR). HR is therefore gradually being transformed from a primarily administrative domain to a more proactive role in a strategic partnership. This also applies to HR within the Krone Group, which has been developing a new strategy that will provide the best possible support for our business in the future, thereby safeguarding our long-term success.

The new strategy revolves around people. For example, Krone continuously invests in the individual development of all our employees and remains committed to its philosophy of coaching future leaders from our own ranks through various in-house programmes. The annual Skill-Up programme explicitly promotes job rotation for talented individuals within the organisation to share and expand their skills.

In addition, HR has introduced a number of workplace transformation initiatives to facilitate the transition to the smart production era. Examples include the DoJo training room for targeted introductory training and a special AI program in our inhouse app, which informs about the AI applications used within Krone and encourages interaction. The goal is to get people and technology working together, to raise awareness about new technologies, and to foster a communicative, sustainable, and future-oriented company culture.

PEOPLE AS THE KEY TO SUCCESS



BALANCE SHEET

31 July 2024

ASSETS	31.07.2024	31.07.2023	31.07.2022
	MIO €	MIO €	MIO €
A. Fixed assets			
1. Intangible assets	23,7	26,2	29,7
2. Property, plant and equipment	383,0	366,2	326,7
3. Financial assets	142,7	124,4	88,5
Total fixed assets	549,3	516,8	444,9
B. Current assets			
1. Inventories	628,5	607,9	584,5
2. Receivables and other assets	289,3	425,3	334,6
3. Cash on hand, bank balances	260,5	230,3	281,9
Total current assets	1.178,3	1.263,5	1.201,0
C. Prepaid expenses	14,9	13,4	12,1
D. Deferred tax assets	30,1	37,9	29,4
Balance sheet total	1.772,6	1.263,5	1.201,0

LIABILITIES	31.07.2024	31.07.2023	31.07.2022
	MIO €	MIO €	MIO €
A. Equity	802,7	748,0	701,6
B. Difference from capital consolidation	16,5	26,0	26,0
C. Provisions			
1. Provisions for pensions and similar obligations	87,6	88,2	88,2
2. Tax provisions	29,9	30,1	11,7
3. Other provisions	125,3	169,2	131,6
Total provisions	242,9	287,4	231,5
D. Liabilities			
1. Liabilities to credit institutions	508,9	472,7	400,2
2. Liabilities from deliveries and services	104,1	167,0	186,4
3. Liabilities to shareholders	0,4	0,3	0,4
4. Amounts owed to affiliated companies	3,5	3,3	5,0
5. Liabilities to companies in which participations are held	0,4	0,2	0,3
6. Other liabilities	85,2	120,6	130,6
Total liabilities	702,6	764,1	722,9
E. Accrued expenses	7,9	6,2	5,3
Balance sheet total	1.772,6	1.831,7	1.687,4

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the period 1 August to 31 July	2023/2024	2022/2023	2021/2022
	MIO €	MIO €	MIO €
Revenues	2.433,3	3.159,0	2.525,0
Increase or decrease in the stock of finished goods and work in progress	30,0	20,9	116,2
Other own work capitalised	0,1	0,7	0,9
Cost of materials	-1.714,7	-2.357,9	-2.007,8
Gross profit	748,7	822,7	634,3
Other operating income	31,4	35,2	43,9
Personnel expenditure	-383,0	-385,4	-346,4
Amortisation of intangible assets and property, plant and equipment	-44,0	-40,1	-39,4
Other operating expenses	-238,2	-287,6	-209,1
Other taxes	-1,0	-1,0	-1,0
Operating result	113,8	143,8	82,4
Income from investments	3,5	3,6	4,6
Financial result	-10,3	-7,2	-2,3
Result before income taxes	107,0	140,1	84,6
Taxes on income and earnings	-28,1	-33,3	-20,1
Consolidated net profit	79,0	106,8	64,6
Profit or loss attributable to minority interests	0,0	-1,1	-0,8
Consolidated profit	79,0	105,7	63,8

5-YEAR OVERVIEW

Financial year
(in MIO €, 1 August – 31 July in each case)

Profit and loss account

	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020
Revenues	2,433.3	3,159.0	2,525.0	2,191.6	1,900.7
– Domestic share	in % 30.6	27.2	27.4	25.1	29.3
– Foreign share	in % 69.4	72.8	72.6	74.9	70.7
Return on sales	in % 4.4	4.4	3.4	4.4	2.2
Result before income taxes	107.0	140.1	84.6	96.0	42.0
Net profit for the year	79.0	106.8	64.6	69.6	30.5

Asset/capital structure

Balance sheet total	1,772.6	1,831.7	1,687.4	1,476.8	1,333.6
Fixed assets	549.3	516.8	444.9	420.1	415.7
Current assets	1,178.3	1,263.5	1,201.0	1,021.2	884.4
Equity	802.7	748.0	701.6	645.4	588.7
Equity ratio	in % 45.3	40.8	41.6	43.7	44.1
Return on equity	in % 13.3	18.7	12.1	14.9	7.1
Provisions	242.9	287.4	231.5	223.3	176.1
Liabilities	702.6	764.1	722.9	576.7	532.5

Financial position

Investments in property, plant and equipment	49.9	78.1	42.1	34.0	47.6
Depreciation of property, plant and equipment	35.2	30.9	30.0	29.9	28.4
Cash Flow	150.5	180.2	132.4	140.6	85.0
Net debt	248.4	242.4	118.3	111.1	130.1

Employees

Number of employees	6,509	6,121	5,768	5,438	5,375
Personnel expenditure	383.0	385.4	346.4	321.1	300.2

DEFINITION

Return on sales

$\frac{\text{Result before income taxes}}{\text{Revenues}} \times 100$

Equity ratio

$\frac{\text{Equity}}{\text{Balance sheet total}} \times 100$

Return on equity

$\frac{\text{Result before income taxes}}{\text{Equity}} \times 100$

Cash Flow

The cash flow is calculated from the result before income taxes + depreciation + change in long-term provisions.

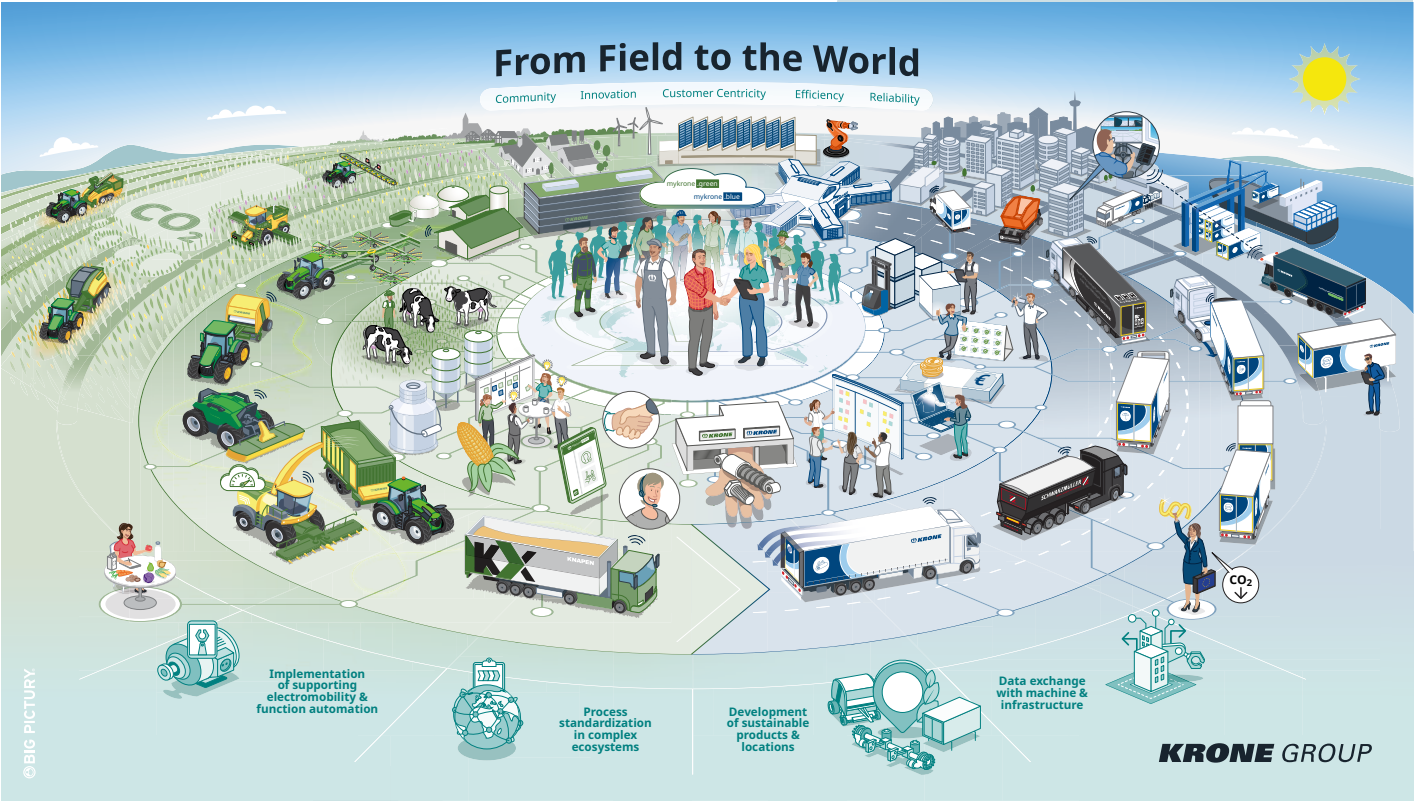
Net debt

The net debt includes the sum of all financial liabilities to credit institutions, less cash and cash equivalents.

Number of employees

Average number of employees in the financial year (including apprentices and trainees)

BIG PICTURE



The Krone Group BIG PICTURE illustrates the complexity of our distinguished family business. It is a testament to our identity and our vision for the future. It provides a window into the diverse sectors we thrive in, from agricultural machinery and commercial vehicles to the myriad of services and interests than span our portfolio. Each operation, in production or administration, at every location is a vital building block for our joint success. The BIG PICTURE framed by our values and strategic guidelines, highlights the challenges faced by Krone but more importantly, it showcases the culture and relationships we've built to overcome them. Share your thoughts – Your insights will help to shape Krone's future.

