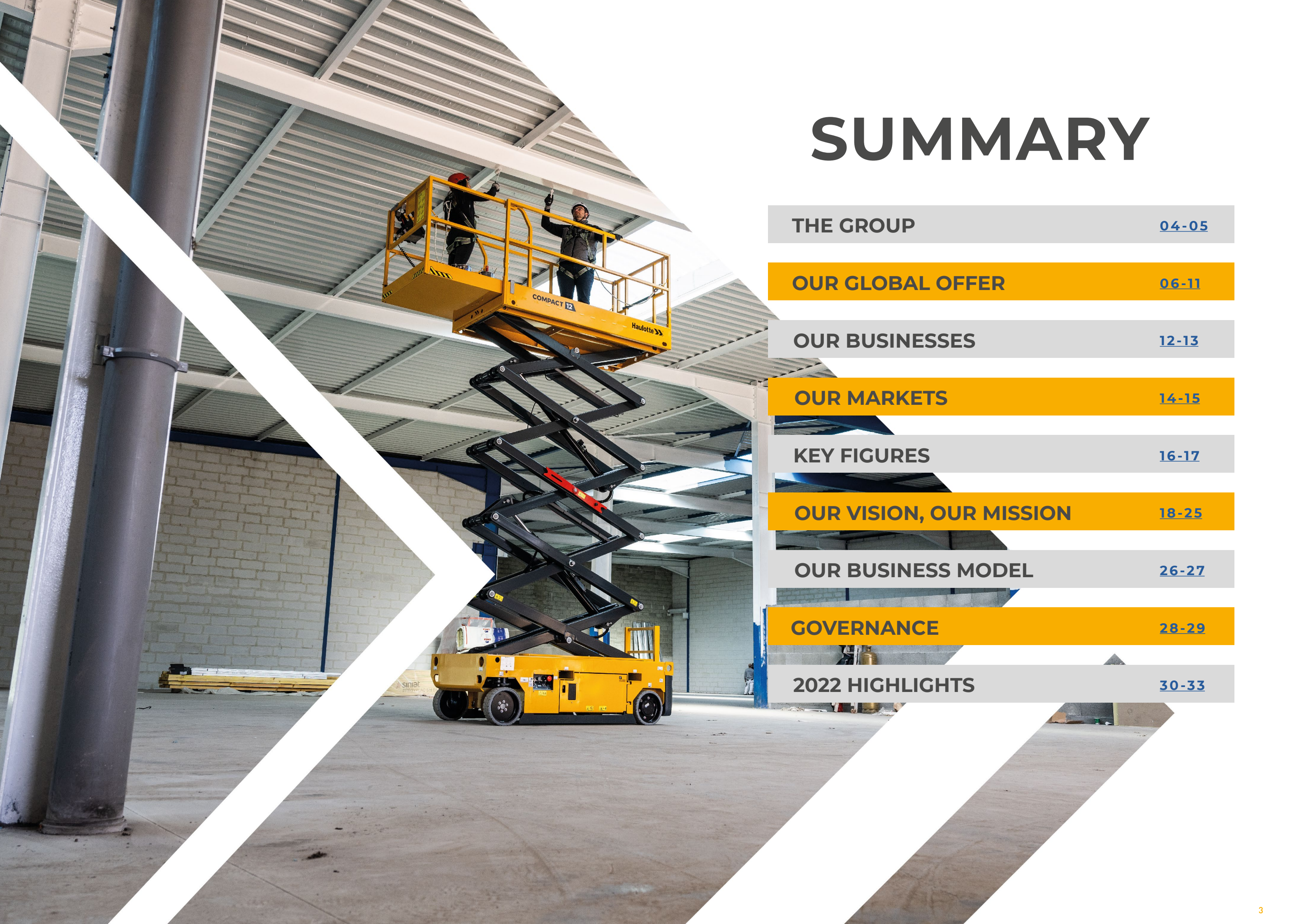




ANNUAL REPORT 2022

A yellow Haulotte scissor lift is positioned in a large industrial warehouse. Two workers wearing safety gear are on the platform, working on the ceiling structure. The lift is extended upwards. The warehouse has a high ceiling with metal beams and a concrete floor. A large white diagonal graphic element is overlaid on the left side of the image.

SUMMARY

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5

PRODUCTION
UNITS

21

SUBSIDIARIES

HAULOTTE GROUP IS A GLOBAL
LEADER OF PEOPLE LIFTING
EQUIPMENT.

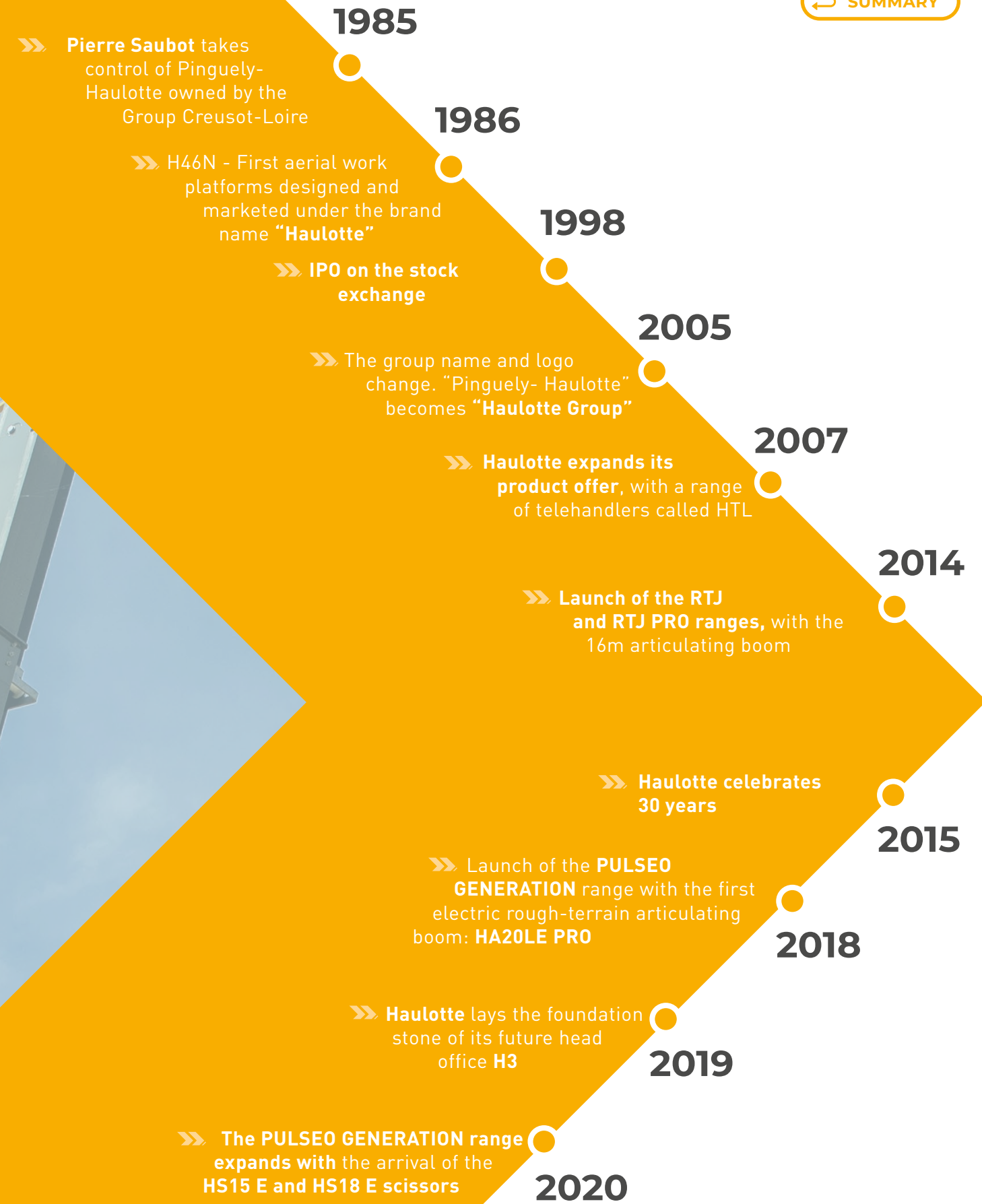
The group designs, manufactures
and markets a wide range of
products focused on mobile
elevating work platforms.

7

PRODUCT
RANGES

1900

EMPLOYEES



OUR GLOBAL OFFER

[SUMMARY](#)

Haulotte 
EQUIPMENT



Haulotte 
FINANCIAL SERVICES

We design **financing solutions** that match our customers' needs and offer **flexible and tailor-made solutions** when necessary.

Thanks to our many years of experience in the Construction and Industry sector, we can implement new solutions to structure financing offers.

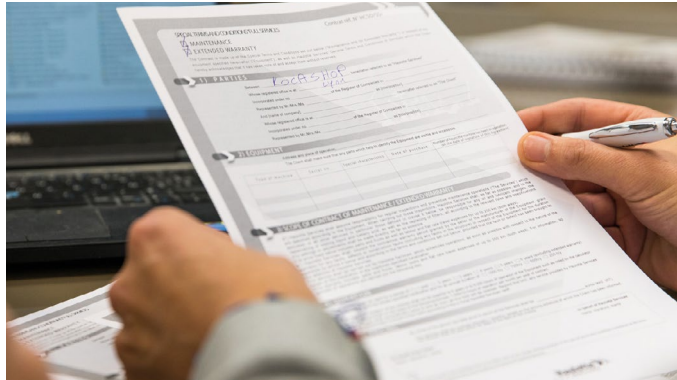


Haulotte 
SERVICE

Haulotte Service has been designed to **meet your needs throughout the life of the machines**. Present on five continents, our group relies on a network of after-sales experts strategically implemented around the world to ensure a rapid and efficient local service.

By providing both **human support** and **online tools**, we help our customers to **optimize their total cost of ownership**.

360° SERVICE SUPPORT



SERVICE CONTRACTS

To meet customer needs as best as possible, **service contracts allow customers to take advantage of our technical teams' expertise** for preventive maintenance, warranty extension, or periodic legal inspections on both new and used machines. Or the **SMART Solutions offer**, an innovative offer that includes intelligent and connected machines, a financing solution and equipment maintenance for the whole contract duration.



GENUINE SPARE PARTS

Only **genuine Haulotte spare parts are designed to work seamlessly with your machines**. They are tested to ensure user safety, absolute reliability and an optimized service life and residual value of your machines. The Haulotte supply chain optimises the entire process, from quotation to delivery. 24-hour online order management!



TECHNICAL SUPPORT

Designed to responsively provide the most efficient support, the **Haulotte technical network operates on the phone, on site or within our technical centers**. Our on-line solutions also enable you to minimize your downtime!



TRAINING

Skills management is a daily challenge for many companies. Haulotte addresses the whole issue, from diagnosis to post-training follow-up, including content customization. The **Haulotte Service trainings enhance skills development in your teams**. They ensure an optimized utilization rate of the machines and thus a better profitability. The training courses are delivered in the client's language, either digitally or on site.

TELEMATICS SOLUTION



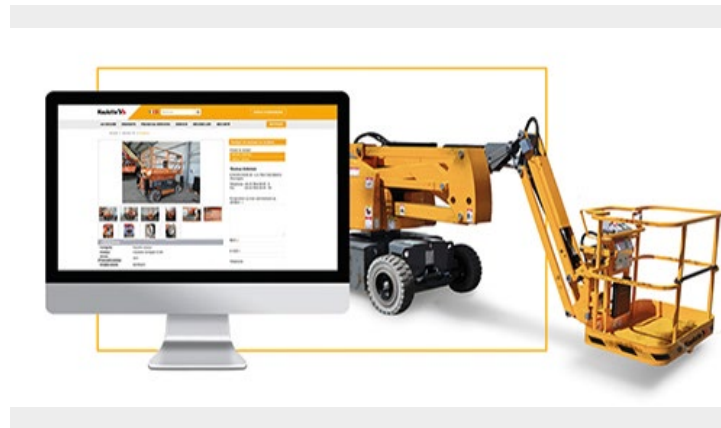
SHERPAL marks the start of simplified fleet management. Developed in direct response to customers' needs, it gives remote access to high value data to make informed decisions about Haulotte equipment. Subscribers have **all the information** at hand **to analyze** their **entire fleet, maximize** its **efficiency and reduce operating costs**.

Extending the lifespan of products to **better respond to environmental issues** is a major challenge. Our «Second Life» service solutions are a response to new consumption patterns oriented towards the circular economy.



REFURBISH- MENT

Offering your machines a second life is financially attractive ; **reconditioning solutions extend the machines' lifespan significantly. Whether it involves refreshing, refurbishing or modernising equipment**, for minimal investment, the equipment regains its full potential and benefits from a higher residual value.



SECOND HAND EQUIPMENT

Pre-owned equipment is a perfect way to establish or enlarge a fleet at lower cost for a better return on investment. Haulotte has implemented strict inspection processes to ensure that pre-owned machines meet the highest quality standards. Customers can find their next machine among a wide range of pre-owned equipment, from scissor lifts to telescopic booms, as well as articulating booms, vertical masts and more. A quick and easy way to meet the needs and the budget!

RESTART by Haulotte



The **RESTART by Haulotte** program was designed to meet the growing demand for Haulotte-branded reconditioned aerial work platforms. This new offer is positioned between the traditional used market, where aerial work platforms are sold as is without warranty, and new equipment market. This new model makes it possible to offer quality reconditioned equipment, certified and guaranteed by the manufacturer, available immediately at a reasonable price. **To offer this alternative to the sale of new aerial work platforms, Haulotte has set up an industrial process, trained staff and invested in specific tools.** By converting a factory, the Group is meeting the challenges of sustainable development. It is reducing the carbon impact of its activities and paving the way for a new, more ecological approach.

OUR BUSINESSES

[SUMMARY](#)



DESIGN & ASSEMBLY

Our key success factors are **INNOVATION, R&D, MARKETING.**

Dedicated teams on the design phase anticipate customer **needs and requirements to design products, accessories and services to meet demand.**



DISTRIBUTION

A sales & services network based in **21 subsidiaries** and offices in strategic markets, supported by a dealer network giving coverage in **more than 150 countries.**



RENTAL BUSINESS

An additional business activity which contributes **to establishing our brand in selected geographical markets**, and to better understand end-users' needs.

OUR MARKETS

[SUMMARY](#)



RENTAL COMPANIES

They are **partners of our development thanks to their product expertise**, the in-depth knowledge of their clients' needs and their network of branches.



INDUSTRIAL END-USERS

Customers operating in a **wide range of industry sectors** (logistics, manufacturing, airport operations, maintenance, retail). **Haulotte provides customized solutions** based on product lines that address the specific needs of each activity.



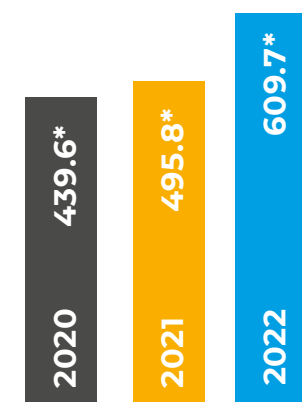
SPECIAL EQUIPMENT

Haulotte offers **tailor-made solutions** designed to meet the specific requirements of **civil and military applications**.

KEY FIGURES

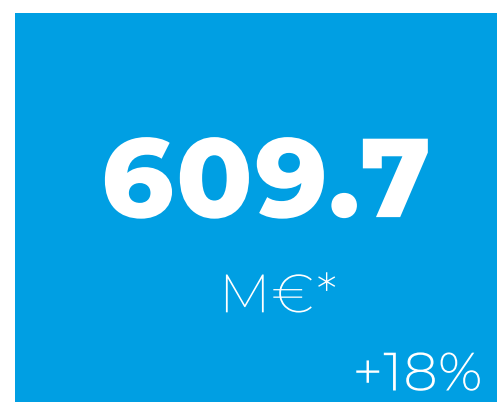
[SUMMARY](#)

SALES EVOLUTION IN € MILLION



*excluding IAS 29 & IFRS 16

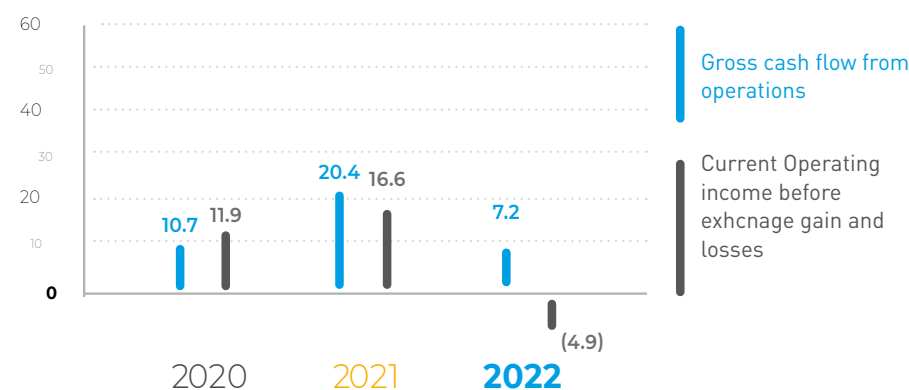
REVENUE



*excluding IAS 29 & IFRS 16

CURRENT OPERATING INCOME before exchange gain & loss AND GROSS CASH FLOW FROM OPERATIONS IN € MILLION

excluding IAS29 and IFRS16



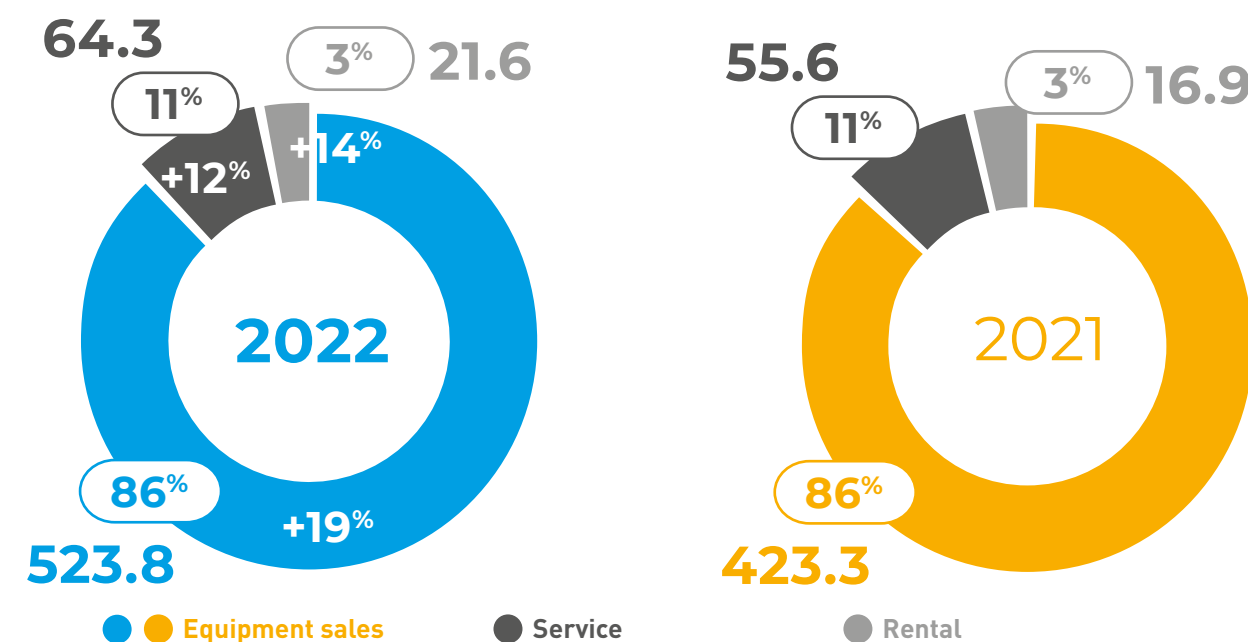
INCOME STATEMENT HIGHLIGHTS IN € MILLION

excluding IAS29 and excluding IFRS16

IN € MILLION		GLOBAL	
		2022	2021
EXCLUDING IAS 29 & IFRS 16	REVENUE	609.7	495.8
	CURRENT OPERATING INCOME before EXCHANGE GAINS & LOSSES	(4.9)	16.6
	OPERATING INCOME	(6.4)	11.4
	INCOME BEFORE TAXES	(12.1)	13.8
CONSOLIDATED NET RESULT		(17.5)	5.8

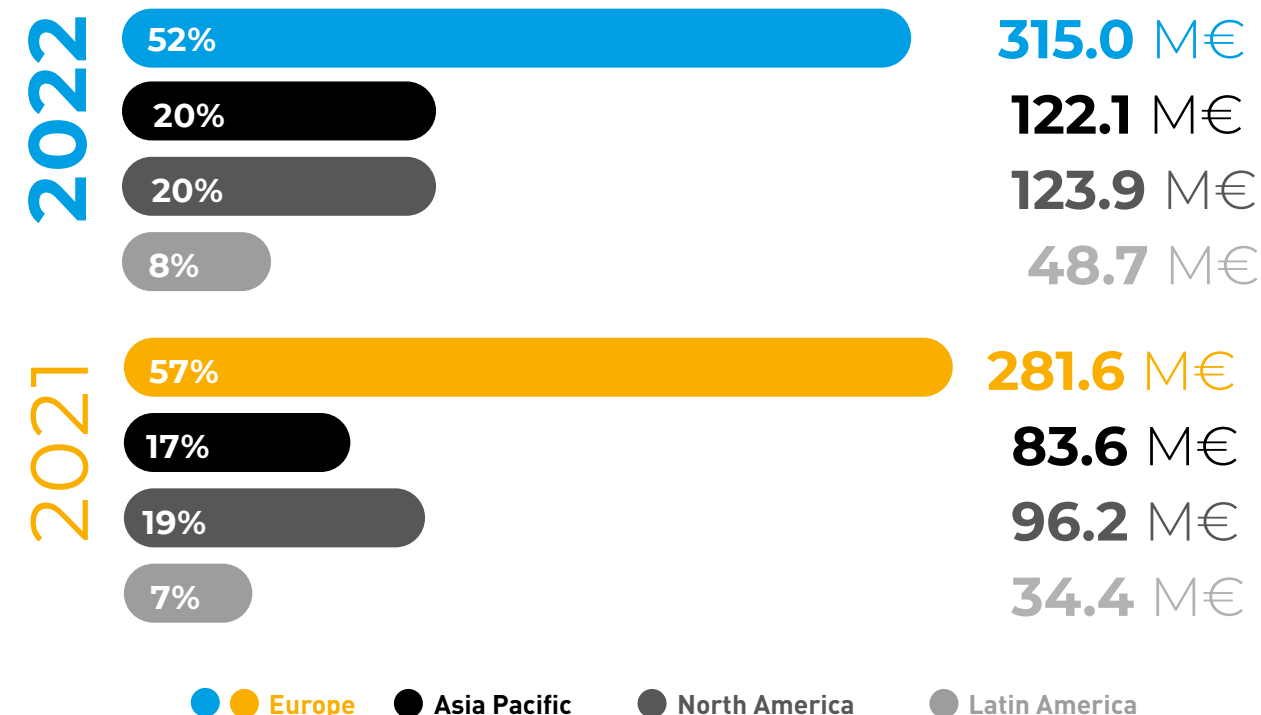
SALES BREAKDOWN PER ACTIVITY IN € MILLION

excluding IAS29 and excluding IFRS16



SALES BREAKDOWN PER GEOGRAPHICAL AREA IN € MILLION

excluding IAS29 and excluding IFRS16



OUR VISION

“

Let's dare **together**, becoming the most valuable working at height experience maker

”

OUR MISSION

“

Taking care of people

”



Human life is the most precious gift, therefore we believe it is key to take care of it when working at height.

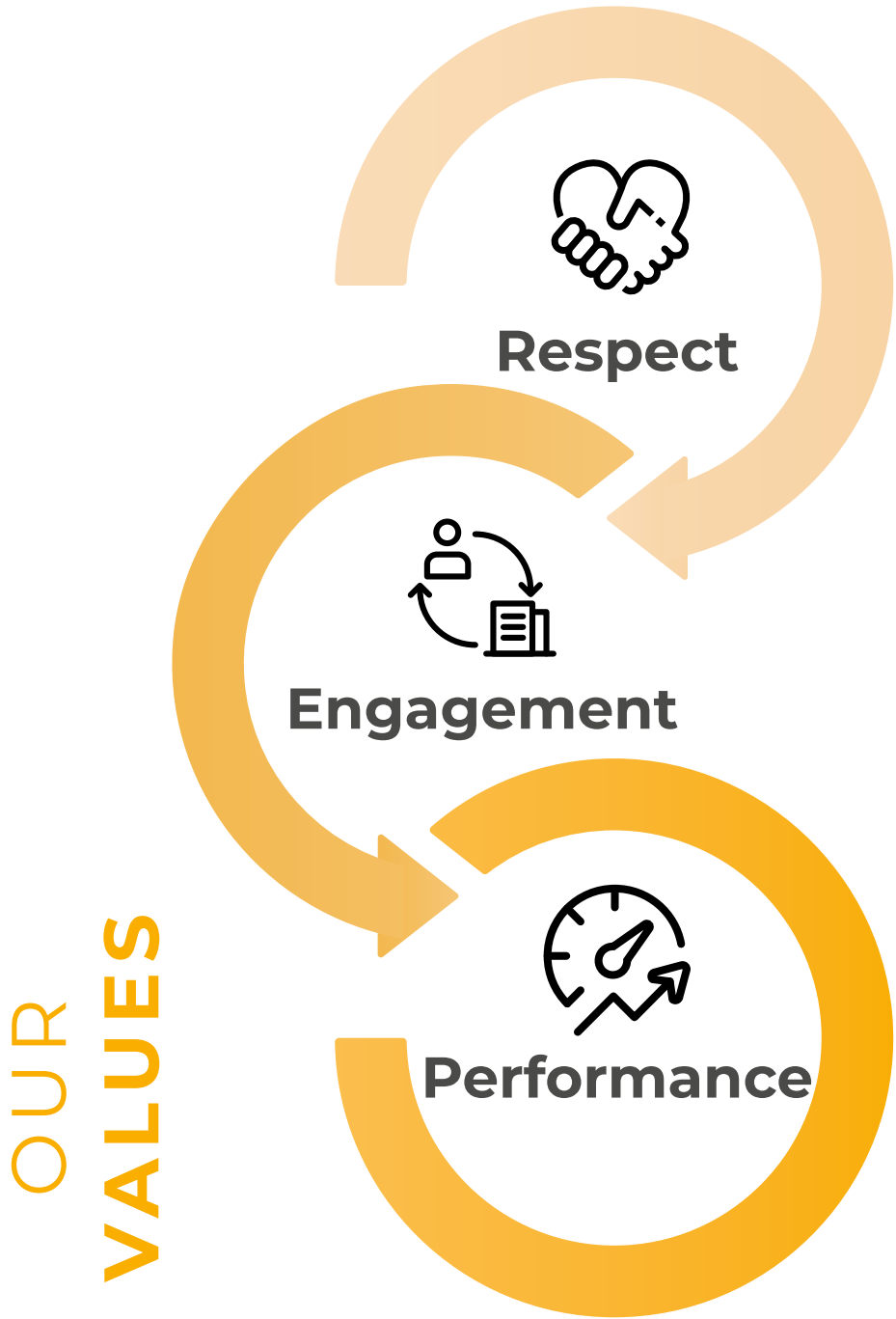
TAKING CARE OF OUR EMPLOYEES

Each employee plays a key role in the success of the Group. Safety, employability and well-being at work are at the heart of our HR policy.

Our values, translated into concrete measures by the employees themselves, illustrate and underline our desire to «Take Care».

We are convinced that a caring work environment fosters creativity, initiative, involvement, performance and well-being of employees.

By symmetry, this environment will have a positive impact on our customers, partners and business performance.



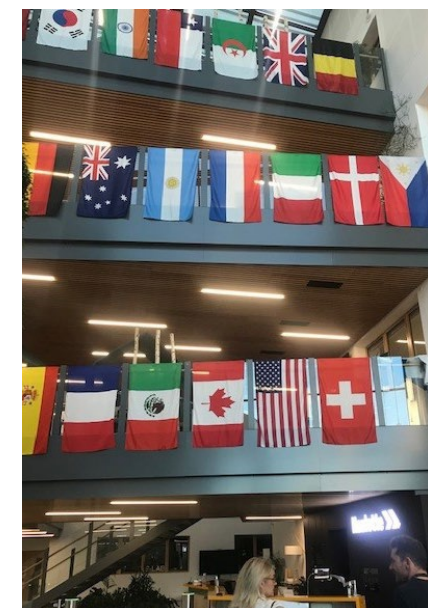
TAKING CARE OF OUR PARTNERS

← SUMMARY

To build a mutually beneficial relationship, we must take care of our partners as well as our employees.

We deliver on our commitments by providing our customers with solutions tailored to their current and future needs. Our ultimate goal is to create a unique customer experience.

We do the same with our suppliers as they contribute to the customer experience and business performance.



TAKING CARE OF SOCIETY

haulotte takes care of the **Society**, through employees and partners, but not only.

We design safe products and solutions, we were among the first companies to commit to the decarbonization of machines.

We are building step by step a sustainable **development path, taking care of our environment, our ecosystem, our Society.**



In 2022, a materiality analysis was conducted with employees from several departments and entities of the group. The aim was to define the challenges and the priority Sustainable Development Objectives for Haulotte.

Thus, **7 of these SDGs are now part of the group’s strategy and constitute the basis of our CSR approach.**



Our C.S.R. Vision



OUR BUSINESS MODEL

HUMAN RESOURCES



More than 1000 employees operating on Safety and Environment certified sites

ENVIRONMENTAL RESOURCES



Energy consumption of the sites: 55 MWh
ISO 14001 certification on all our industrial sites (Changzhou plant undergoing certification)

ECONOMIC RESOURCES



Equity: €199 million
Investment (net, excluding IFRS 16): €16 million
Syndicated loan & PGE (state-guaranteed loan): €216 million

OPERATIONAL CAPITAL



Quality Safety and Environment policy deployed on all our sites

OUR OTHER RESOURCES

- > 1 integrated QSE management system in the process of deployment
- > More than 9500 active customers in 2022
- > 1 solid network of suppliers and partners
- > Teams dedicated to R&D, innovation and continuous improvement
- > R&D expenditure: €18 million
- > 1 Design office, 1 study center, 1 E-Lab



GOVERNANCE OF HAULOTTE GROUP

↩ SUMMARY

OUR EXECUTIVE COMMITTEE



EXECUTIVE COMMITTEE MEMBERS

- 1 - **Alexandre SAUBOT** - C.E.O.
- 2 - **Philippe NOBLET** -Corporate Secretary, in charge of the Group's Human Resources Department
- 3 - **Stéphane HUBERT** - Director of Sales, Marketing & Service
- 4 - **Sébastien MARTINEAU** -C.F.O., in charge of I.T.
- 5 - **Patrice MÉTAIRIE** - C.O.O.
- 6 - **Damien GAUTIER** - M.D. Asia-Pacific area
- 7 - **Carlos HERNANDEZ** - M.D. Americas area
- 8 - **Patrick MURRIS** - M.D. Europe & Africa area, delegated to the deployment of the C.S.R.

ADMINISTRATORS:

PIERRE **SAUBOT** - Président
ALEXANDRE **SAUBOT**
JOSÉ **MONFRONT**
MICHEL **BOUTON**
ELISA **SAUBOT**
HADRIEN **SAUBOT**
ELODIE **GALKO**
ANNE **DANIS FATÔME**



STATUTORY AUDITORS:

PricewaterhouseCoopers Audit
Represented by **Matthieu MOUSSY**
20 Rue de Garibaldi - 69451 Lyon cedex 06

BM & A

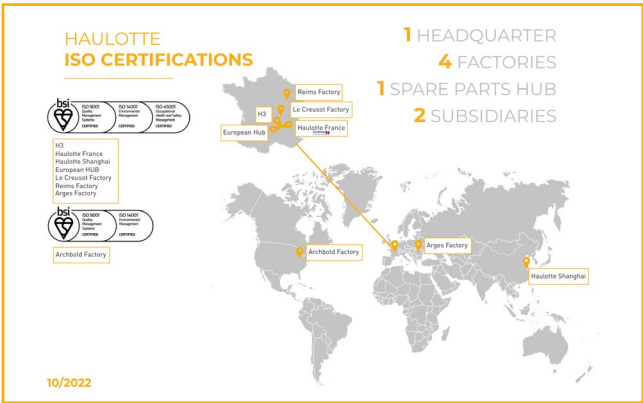
Represented by **Pascal RHOUMY**
11 Rue de Laborde - 75008 Paris

2022 HIGHLIGHTS



JANUARY 2022

Haulotte Iberica wins LOXAM HUNE’s best after-sales service award



FEBRUARY 2022

Triple ISO certification for Haulotte:
ISO 9001:2015
ISO 14001:2015
ISO 45001:2018



APRIL 2022

Haulotte enters the Low-Level Access market



MAY 2022

Haulotte awarded again at HIRE22 (Australia):

- Supplier of the Year Award
- Product of the Year Award with the SIGMA 16
- Women of influence for Robyne Kerr, Haulotte employee



MARCH 2022

The articulating boom SIGMA 16 wins the Mat d’Or 2022 award



MARCH 2022

New Changzhou 2 factory starts production



JUNE 2022

Haulotte - Bouygues Energies & Services a partnership around Hydrogen



JUNE 2022

Haulotte renews its Compact electric scissor lifts range

2022 HIGHLIGHTS



JULY 2022

Haulotte takes the turn of the circular economy: the 1st manufacturer program dedicated to the reconditioning of used aerial work platforms



SEPTEMBER 2022

Launch of the « All inclusive » offer SMART by Haulotte



OCTOBER 2022

Triple ISO certification for Haulotte France & Shanghai



NOVEMBER 2022

Haulotte makes more virtuous the spare parts' distribution



SEPTEMBER 2022

1st international customers' event on the H3 new headquarters.



OCTOBER 2022

Haulotte awarded for the COMPACT Scissors range by the spanish magazine Movicarga.



DECEMBER 2022

HVO biocarburant now available on Haulotte AWP machines.



MANAGEMENT REPORT 2022

MANAGEMENT REPORT

ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

GENERAL COMMENTS

Definitions

In this annual financial report, except where otherwise indicated:

- The terms "**Company**" or "**HAULOTTE GROUP**" refer to **HAULOTTE GROUP**, a French public limited company (Société Anonyme) with capital of €4,078,265.62 whose registered office is located on rue Emile Zola, 42420 Lorette, France, registered in the Saint-Etienne Trade and Companies Register under No. 332 822 485.
- The term "**Group**" refers to the Company and all companies consolidated by the latter.

Forward-looking statements

This annual financial report also includes forward-looking information about the Group's objectives and development priorities. These forward-looking statements are sometimes identified by the use of the future or conditional tense or forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends," "may," "will" or "should" or variations thereof or other comparable terminology. It should be noted that these objectives and development forecasts do not represent historical data and as such should not be interpreted as providing assurance that the facts and data presented will occur, that the assumptions will be confirmed and the objectives reached. They represent objectives that by nature might not be achieved, and the information presented in this annual financial report may prove to be erroneous without the Group being subject, in any manner whatsoever, to an obligation to update these statements, subject to applicable regulations, particularly the AMF (*Autorité des Marchés Financiers*) General Regulations.

MANAGEMENT REPORT

ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

RESPONSIBILITY FOR THE ENGLISH VERSION OF ANNUAL FINANCIAL REPORT

Person making the responsibility statement

In accordance with article L.451-1-2 of the French monetary and financial code, we inform you that the person responsible for the annual financial report is Mr. Alexandre Saubot, Deputy Chief Executive Officer of Haulotte Group.

Responsibility statement

Lorette, 28 April 2023

"I declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable financial reporting standards and provide a true and fair view of the assets and liabilities, financial position and results of the operations of the Company and the Group formed by the companies included in the consolidated financial statements, and that the management report for the period, included herewith, presents business trends, the results and financial position of the company and consolidated operations and a description of the main risks and uncertainties."



Alexandre Saubot

Deputy CEO

MANAGEMENT REPORT

ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

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MANAGEMENT REPORT

ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

PART 1: ECONOMIC INFORMATION

1 - REVIEW OF OPERATIONS AND RESULTS FOR THE YEAR UNDER REVIEW

Haulotte Group ranks among the worldwide leaders in the market for self-propelled aerial work platforms both as a manufacturer of the main equipment categories (telescopic booms, articulating booms, scissor lifts, vertical masts) and as a distributor on five continents.

The figures below do not include the application of IAS 29, hyperinflation in Turkey and Argentina, or changes at constant exchange rates.

Over the entire year, the global aerial work platform market confirmed the clear rebound observed in 2021 and reached its highest ever level in 2022, driven by all geographical areas. In this context, Haulotte generated revenue of €609.7 million in 2022, compared to €495.8 million in 2021, i.e. an +18% increase between the two periods.

In Europe, the Group recorded a global sales growth of +12% compared to the previous year, penalized by the sharp decline in the Russian market.

In the Asia-Pacific region, Haulotte recorded a solid sales performance and an excellent 4th quarter, resulting in a +38% rise in annual sales compared to 2021.

In North America, the growth observed for several half-years in all its activities continued, enabling Haulotte to record a +15% increase in annual revenue. Aerial work platform business has accelerated strongly in the last quarter, to reach an annual sales growth of +10%.

In Latin America, in a market well oriented in all countries, Haulotte recorded +26% growth in total sales, driven mainly by Brazil.

The financial year ended 31 December 2022, submitted for approval to the ordinary general meeting, is the Company's thirty-eighth year of operations since its creation.

2 - PROGRESS MADE OR DIFFICULTIES ENCOUNTERED

In a global market which reached its highest level in 2022, growing in all areas, the Group faced ongoing component supply issues, an increase in energy and transport costs and serious disruptions to logistics chains throughout the year, all consequences of the health crisis and the Ukrainian conflict. However, the end of the year showed signs of improvement in maritime transport (containers), and in some materials indexes (steel).

To support the strong increase in its activity and to preserve its agility in the face of several operational disruptions, as described above, on June, 28, the Group obtained, from all the lenders of its syndicated loan, as well as the BPI France *Prêt Garanti par l'Etat* (State Guaranteed Loan), an amount of € 96 million. This specifically supported the Group's decision to increase production rates so as to be able to meet the high increase in the order book. However, in the complex operational context described above, this resulted in a significant increase in stock levels.

MANAGEMENT REPORT

ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

3 - PRESENTATION OF PARENT COMPANY FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES – RESULTS OF OPERATIONS THE COMPANY

3.1 Presentation of parent company financial statements

Highlights of the parent company financial statements of **HAULOTTE GROUP SA** for the financial year ended 31 December 2022 are presented below (in € thousands):

RESULTS € thousands	FY 2022	FY 2021	CHANGE (%)
REVENUE	246 666	210,616	17 %
OPERATING PROFIT	(40 886)	(22,190)	-84%
NET FINANCIAL INCOME	95 276	(5,373)	
EXTRAORDINARY PROFIT	(3 995)	(132)	
NET PROFIT (LOSS)	54 211	(23,874)	

Please refer to the notes to the annual financial statements for all additional explanations.

3.2 Changes in the presentation of the annual accounts or methods of valuation, applied in prior years

We inform you that the annual financial statements were prepared according to the same presentation and methods used in prior periods, with the exception of the point on the treatment of development costs mentioned in paragraph 2.1 of Note 2 to the annexes of the company accounts.

Changes in accounting methods are presented in the summary of significant accounting policies in Note 2 to the separate annual financial statements.

3.3 Analysis of parent company results

Despite a +17% increase in business over the year 2022, the operating profit settled at €(41) million compared to €(22) million the year before. This was mainly due to a decrease in margins, impacted by supply chain difficulties and higher component prices. The company recorded €99 million in income after payment of dividends by some of its subsidiaries. The net financial income amounted to €95 million, compared to €(5) million in 2021.

In light of the above, FY2022 net income stood at €54 million, compared to a loss of €(24) million the previous year.

As required by article R.225-102 of the French Code of Commerce, this report includes a table summarising the results of the Company over the last five years.

4 - COMPREHENSIVE ANALYSIS OF THE COMPANY'S REVENUE, EARNINGS AND FINANCIAL POSITION, AND PARTICULARLY DEBT WITH RESPECT TO THE VOLUME AND COMPLEXITY OF BUSINESS ACTIVITY

Please refer to paragraphs 1, 2 and 3 above and 6.2 and 7 below.

MANAGEMENT REPORT

ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

5 - ANALYSIS OF KEY INDICATORS OF A FINANCIAL AND NON-FINANCIAL NATURE RELATING TO THE COMPANY'S SPECIFIC BUSINESS, AND IN PARTICULAR INFORMATION RELATING TO ENVIRONMENTAL AND STAFF ISSUES

Please refer to above to paragraphs 1, 2 and 3 and section 5 below in this report, as well as the Company's Non-Financial Statement.

6 - KEY RISKS AND UNCERTAINTIES – THE COMPANY'S EXPOSURE TO RISKS CONCERNING PRICE, CREDIT, LIQUIDITY AND CAPITAL RESOURCES – INFORMATION ON MARKET RISKS

In accordance with the provisions of article L225-100-1 of the French Code of Commerce, a description of key risks and uncertainties facing the Company is presented below.

6.1 Key risks and uncertainties:

Because the company uses several components in its production, the sourcing capacities from its suppliers constitute a primary risk. To prevent risks of supply chain disruptions, the strategy of diversifying suppliers, widely adopted for a number of years, must be continued. For several years, the credit situation of suppliers considered to represent greater risk has been monitored and specific measures have been taken to ensure that the industrial model remains constantly in sync with market demand.

Market risk is the second significant risk factor. On that basis, visibility has improved though caution continues to be necessary, against the backdrop of a global environment marked by continuing uncertainties. The highlights of the consolidated statement show a clearer picture of the 2022 business context.

Another significant risk is the sensitivity of sales to credit restrictions in financial markets. HAULOTTE GROUP proposes financing solutions to its customers either through a financing entity or, for a non-significant percentage of sales, direct financing, while maintaining receivable risks at a reasonable level.

6.2 The Company's exposure to risks concerning price, credit, liquidity and capital resources

Please refer to note 5 of the consolidated financial statements.

7 - USE OF FINANCIAL INSTRUMENTS - COMPANY FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY

The Company does not systematically hedge interest rate and foreign exchange risk.

However, transactions are carried out according to market opportunities. In such cases, they are destined to cover existing assets or liabilities and not for speculative purposes.

MANAGEMENT REPORT

ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

8 - FORSEEABLE CHANGES IN THE COMPANY'S SITUATION AND OUTLOOK

Buoyed by a historic order intake, the observed decrease in supply tensions, and higher sales prices, Haulotte Group SA foresees a growth in sales of over +63% in 2023 and the operating income should be close to breakeven.

9 - IMPORTANT POST-CLOSING EVENTS BETWEEN THE END OF THE FINANCIAL PERIOD AND THE DATE OF THE MANAGEMENT REPORT

The post-closing events are detailed in Note 3 of the Annexes to the company accounts.

10 - RESEARCH AND DEVELOPMENT OF THE COMPANY

The Company's research and development efforts continued in the period.

2022 stood out for the launch of new models:

- In April: Haulotte entered the Low Level Access market with five models designed for working under 6 meters! Compact and lightweight, they are perfectly suited to cluttered spaces and the most fragile ground surfaces. These work platforms significantly improve the productivity and work conditions of operators, and are a safe and efficient alternative to ladders and derivatives.
- In June: Haulotte renewed one of its main product ranges—the Compact electric scissor lift range—with five new models entirely redesigned to guarantee maximum availability, increased security and easier maintenance. They comply with Group quality standards and meet all requirements for working at heights of 8 to 14 meters on all types of flat, stabilized ground surfaces.

Simultaneously, the company continued its CSR actions, extending its research into optimizing its energy mix that can be applied to its products, particularly as concerns fuel cells.

In this context, a partnership contract with Bouygues Energies & Services was signed in June 2022. This agreement will enable the testing of an aerial work platform equipped with a fuel cell system in real conditions on several of these public works sites throughout 2023. Through this partnership, the Group wishes to pool the expertise of the manufacturer and the operational operator. This collaboration is designed to expand the range of low-carbon electrified equipment.

In the medium term, R&D will be focused on enabling the acceleration and launch of new low-carbon, more digitalized machines.

Research and development expenditure amounted to €14,172,000 in 2022.

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II - BREAKDOWN OF TRADE PAYABLES AND RECEIVABLES OF THE COMPANY BY MATURITY

In accordance with the provisions of articles L.441-14, paragraph 1 of the French Code of Commerce, an aged trial breakdown of trade receivables and payables is provided below for the financial year ended 31 December 2022.

Trade payables	Article D.441 I.-1* of the French Code of Commerce: Invoices received unpaid at the end of the reporting period in arrears					
	0 days	1 to 30 days	31 to 60 days	61 to 90 days	> 90 days	Total
(A) Portion in arrears						
Number of invoices concerned						993
Total amount of invoices concerned including VAT		313 348	66 491	277	39 737	419 853
% of total amount of purchases for the period incl. VAT		0,11%	0,02%	0,00%	0,01%	277 188 831
(B) Invoices excluded from (A) relating to disputed receivables and subsidiaries						
Number of supplier invoices paid at the beginning of January						642
Number of disputed supplier invoices						1 352
Total number of subsidiary invoices involving a current account-related payables						340
Number of supplier invoices paid at the beginning of January						3 330 515
Amount of disputed invoices						7 456 687
Amount of subsidiary invoices involving a current account-related payable						2 306 561
(C) Reference payment terms used (contractual or legal terms - article L.441-6 or L.443-1 of the French Code of Commerce)						
Payment terms used to calculate payment delays					Legal terms: 60 Days	

Accounts Receivable	Article D.441 I.-2*: Invoices issued and unpaid at the end of the reporting period in arrears					
	0 days	1 to 30 days	31 to 60 days	61 to 90 days	> 90 days	Total
(A) Portion in arrears						
Number of invoices concerned						299
Total amount of invoices concerned including VAT		1 106 100	153 876	216 167	184 785	1 660 928
% of Revenue for the period excl. VAT		0,45%	0,06%	0,09%	0,07%	246 665 874
(B) Invoices excluded from (A) relating to disputed receivables and subsidiaries						
Number of disputed customer invoices						135
Total number of subsidiary invoices involving a current account-related receivable						5 852
Amount of doubtful customer invoices incl. VAT						1 152 764
Amount of subsidiary invoices involving a current account-related receivable incl. VAT						60 944 832
(C) Reference payment terms used (contractual or legal terms - article L.441-6 or L.443-1 of the French Code of Commerce)						
Payment terms used to calculate payment delays					Legal terms: 60 Days	

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12 - INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES ADOPTED BY THE COMPANY AND IN PARTICULAR THOSE RELATING TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

A. Objectives of the Company in the areas of internal control and risk management procedures

The purpose of internal control procedures in force in the company is to ensure that management and operating practices, as well as employee behaviour, adhere to the framework defined by the guidelines set out for Company activities by governing bodies, applicable laws and regulations, and the values, standards and internal rules of the Company, to verify that the accounting, financial and management information provided to the Company's corporate governance bodies fairly reflect the operation and situation of the Company and its subsidiaries.

One of the objectives of internal control is to prevent and manage the risks arising from the business operations of the company and its subsidiaries and the risk of error or fraud, in particular in the accounting and financial areas (operating, financial, compliance or other risks).

As with any control system, it is not possible to provide an absolute guarantee that these risks have been completely eliminated.

B. Summary of procedures in place

a) General organisation for internal control and risk management procedures at the Company level

Each department at the head office and in subsidiaries is responsible for implementing and monitoring internal control procedures.

These internal control procedures are placed under the responsibility of the Group Finance Department and the Secretariat General, which draw up the procedures, promote their application and ensure their consistency and proper functioning. A core body of written internal procedures is available for consultation on the Company's intranet.

Accordingly, the different participants in the internal control process within the Company include:

- the Finance and Information Systems Division (including Internal Control, Management Control, Haulotte Financial Services, Consolidation and Reporting, Group Accounting and Information Systems),
- the Secretariat General (including the Legal and Human Resources Departments),
- the Industrial Division (including the Quality and Operational Excellence Department).

In 2021, an internal audit committee was set up within the Company, consisting of employees from the different operational departments: project management department, operational excellence department, risk department, legal department, information systems department and consolidation & reporting department.

Over the year 2022, this group worked on the following elements during about twenty meetings:

- Follow-up and update of the company's risk assessment, which began in 2021
- Identification of risks requiring vigilance and specific actions:
 - Asset management
 - Information system security
 - Prevention of professional risks
 - Talent management

This committee reports to two COMEX members: the Finance Director and the Secretary General. The Company's audit committee is informed of the steps taken and the conclusions reached.

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b) Presentation of summarised internal control and risk management procedures adopted by the Company

Internal control within the Group

The Group's internal control is placed under the responsibility of the Executive Committee (COMEX).

It extends to all Group subsidiaries and concerns the entire organisation (administrative, accounting and financial, functional and operational processes).

Main missions include:

- Ensuring that risks are controlled and managed
- Implementing internal procedures and contributing to improvement thereof
- Implementing a continuous improvement approach

Finance Division:

The Finance Division draws up written procedures covering the main subjects and financial flows within the Group. These procedures are disseminated to all financial contacts at the head office and subsidiaries, and updated on a regular basis.

The Finance Division includes the following departments:

• Management Control Department:

This department includes two units :

- an industrial management control unit represented at each production site, and by a dedicated team at headquarters for R&D, purchasing and quality functions,
- a management control unit for distribution subsidiaries, spearheaded from the head office, ensuring financial oversight for the Group's different distribution and service subsidiaries in coordination with the regional financial controllers.

In addition, the regional financial controller acts as an intermediary between the Group and the controller for each subsidiary in its region. This division ensures management control for the support and equipment rental business functions.

These teams contribute to implementing the internal control procedures by:

- ensuring the security of assets, particularly through inventory procedures,
- ensuring and assisting in the dissemination of the Group's accounting and management rules,
- ensuring that expenditures are incurred in accordance with the budget set out at the beginning of each period and within the framework of the rules for incurring expenses and delegations of authority defined by the Group.

• Haulotte Financial Services:

This department is responsible for the following activities:

- cash management,
- management of banking relations and bank balancing transactions, management of multi-currency cash positions,
- credit management.

Missions include:

- ensuring that the principles set out for managing customer credit risk are properly applied, and controlling the exposure of the Group's main customers. To this end, it monitors accounts receivable developments for all subsidiaries, controls the levels of outstanding balances and reconciles the cash budget with outstanding trade receivables of subsidiaries,
- organising collection, monitoring outstanding financing amounts and consolidating all Group financial commitments.

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• Consolidation and Reporting Department :

This department is responsible for producing the consolidated annual and interim financial accounts and the corresponding financial communications as well as monthly reporting.

This department assists the local financial managers in applying financial reporting procedures in accordance with IFRS. It also conducts a number of visits to the subsidiaries to ensure these procedures are applied.

• Group Accounting Department:

This department is responsible for accounting for Haulotte Group SA. It is also responsible for coordinating and managing the transfer pricing policy at the Group level.

• Information Systems department:

To face the new challenges of digital technology, Haulotte's IT department has been engaged, since 2019, in a modernization process for its IS.

At the request of the business lines, the IT department develops IT solutions to meet operational needs. To do this, it follows its own project management process to ensure the quality and integrity of the developments made. Once the solutions have been implemented, the IT Department maintains the solutions in place, by providing the support requested by users and upgrades related to new needs.

Nearly forty projects are managed per year, and 20,000 user incidents and requests for evolution are handled every year.

New digital evolutions in companies, and the importance of the stakes resulting from it since a few years, lead the group's ISD to emphasize two well identified components:

- the company's DATA generated by the whole of the systems (its generation, its quality, its storage, its safety);
- and the cyber resilience of our organization (capacity to recover from a cyber attack, implementation of a business continuity process and resumption of activity, crisis management cell).

Secretariat General:

• Group Legal Division

The company's Legal Division operates at many levels within the company and assists the various departments in managing their projects, in terms of partnership development (drafting and analysing contracts, drawing up standard documents, etc.), advising operational staff (R&D, intellectual property, sales departments, etc.), managing disputes and monitoring the legal status of the Group's companies.

The Legal Division, which positions itself as a real business partner within the company, participates in several internal working groups, including:

- "Safety Committees": held on a regular basis (every two months, or whenever necessary), these meetings bring together all parties concerned by effective management of technical and legal monitoring initiatives regarding incidents and accidents known to the Group and involving one of our products.
- "Intellectual Property (IP) Committees", which regularly bring together the Secretariat General, the Marketing Department and the Group Intellectual Property Manager. These periodic meetings provide a mechanism for monitoring filings and intellectual property disputes for the Group as a whole. They also serve as a means to notify different participants of the existence of prior rights.

Several internal communications actions are implemented by the Legal Division in collaboration with the Finance and Communications teams and the IT Services department, in order to inform and alert employees about the risks of fraud for social engineering and how to combat the latter. In this regard, the Legal Division is the formal contact point for the Authorities in the event of fraud or attempted fraud (Police, ISDG, etc.).

More broadly, the Legal Division collaborates with all departments concerned with legal matters and provides its support to all divisions within the Company.

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Lastly, the Legal Division regularly participates in meetings organised by Middenext, providing a forum for exchange and discussion of legislative and regulatory developments concerning listed companies and new obligations to be met by the Company. It also participates in working meetings organised by the trade associations of its industry sector (FIM, EVOLIS).

• Human Resources Department

The Human Resources Department has a central support service (recruitment, training, wages and personnel administration). Furthermore, a Human Resources Manager is present on each of our sites and works closely with the director of the establishment on all HR issues, including occupational health and safety.

A QSE policy, applied in all Group entities, sets out Management's various commitments in terms of occupational health and safety.

A safety committee, led by the Europe HRD, meets regularly throughout the year to discuss the various safety indicators (number of accidents, frequency and severity) and best practice in terms of prevention.

A "safety challenge" agreement aimed at enhancing prevention of work-related accidents was renewed in 2022 and will be renewed again in 2023.

Regarding recruitment and human resources management, the Human Resources department complies with the "Ten Golden Rules and Management Group", which sets out the fundamental regulatory principles applicable to employees of all Group entities.

Country reviews take place regularly with all the distribution subsidiaries and industrial sites, with a view to strengthening links and encouraging exchanges among teams. They also provide an opportunity to discuss relations between employees and management at each site. The country review also serves to allow each subsidiary to present its organisational structure, operating procedures and Key Performance Indicators for different departments.

Lastly, the Human Resources Department uses a forward-looking employment and skills management tool (Foederis), which has been rolled out in all Group companies.

Industrial Division

The Chief Quality and Operational Excellence Officer determines and implements the quality strategy, determines the applicable frames of reference (system, ISO, procedures, etc.) and manages a continuous improvement approach at every level of the Company.

The programme known as "Yello", established in April 2020 and deployed at Group level in 2021, continued during the 2022 financial year. In addition to the eighty (80) already existing maturity grids, new grids were produced. Each department is then responsible for putting an action plan in place to improve their maturity level and their performance level.

In order to give the keys to all pilots and sponsors of the program, training efforts, initiated in 2021, have continued into 2022. Also, numerous training sessions were initiated in FY 2022:

- A two-day training session was conducted internally for all members of the Industrial Committee (consisting of the C.O.O and its team members).
- Certification training on the driving methodology was launched, at the end of which six (6) pilots were awarded "Green Belt" certification.
- The first in-house training on VA/NVA analysis was launched and held in Le Creusot for 15 employees from different departments (assembly, methods & industrialization, painting, human resources, the local "Yello" manager, as well as the plant manager).

Lastly, the Chief Quality and Operational Excellence Officer is a member of the internal audit group whose mission is to map and define the Group's internal risks, and to propose a suitable audit program.

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c) Risks associated with producing financial and accounting information

The Reporting & Consolidation Department is responsible for producing the interim and annual consolidated financial statements, under the oversight of the Group Finance Department and Executive Management.

This department ensures the quality of the monthly accounting closings for the different Group companies, managed, according to the case, by local accounting departments or chartered accountants for small size subsidiaries, and their restatement according to applicable IFRS standards.

Consistent application of Group accounting principles is ensured by this same department, which is also responsible for monitoring changes in standards.

The most important accounting principles, and namely those which may have a material impact on the Group's accounts, are documented and distributed to all subsidiaries. These concern standards for recognising financing transactions, revenue recognition, the impairment or non-collection of trade receivables, provisions for inventories, rules for the depreciation and amortisation of fixed assets.

In accordance with local regulations, financial and accounting information is verified by local auditors. The Group's joint statutory auditors review the consolidated financial statements with the assistance of local auditors or undertake their own audit assignments if necessary.

In the final phase, financial and accounting information is approved by the Board of Directors for the first six-month period and annually, after being presented to the Board of Directors convened in the capacity of Audit Committee.

The Board of Directors also fulfils the functions of the Audit Committee. It ensures the efficacy of the internal control and risk management systems for financial areas, in addition to monitoring the process for producing financial information. It reports on its mission to the Board of Directors.

The entire process for producing and processing financial and accounting information described above contributes to managing and limiting risks in this area.

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13 - SUMMARY OF DEALINGS IN THE PERIOD ENDED IN OWN SHARES BY EXECUTIVES AND PARTIES MENTIONED IN ARTICLE L.621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE

In accordance with article L.621-18-2 of the French Monetary and Financial code and articles 223-23 and 223-26 of the General Regulation of the AMF (*Autorité des Marchés Financiers*), the Company was not informed of any transactions covered by article 19 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse for the period ended 31 December 2022.

Parties concerned	Type of transaction	Transaction number	Month of transaction	Volume	Unit price in euros
SOLEM SAS Legal entity linked to Mr. Alexandre Saubot, (Deputy Chief Executive Officer)	Acquisition	1	November 2022	1,894	2.8014
SOLEM SAS Legal entity linked to Mr. Alexandre Saubot, (Deputy Chief Executive Officer)	Acquisition	1	November 2022	3,316	2.8567
SOLEM SAS Legal entity linked to Mr. Alexandre Saubot, (Deputy Chief Executive Officer)	Acquisition	1	November 2022	5,323	2.9221
SOLEM SAS Legal entity linked to Mr. Alexandre Saubot, (Deputy Chief Executive Officer)	Acquisition	1	November 2022	495	2.9600
SOLEM SAS Legal entity linked to Mr. Alexandre Saubot, (Deputy Chief Executive Officer)	Acquisition	1	November 2022	10,811	2.9598

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14 - PRESENTATION OF THE BOARD OF DIRECTORS' ANNUAL REVIEW ON REGULATED AGREEMENTS REMAINING IN FORCE AND ITS FINDINGS

In accordance with proposition No. 4.8 of AMF recommendation 2012-05, we hereby inform you of the conclusions of the Board of Directors' meeting of 22 March 2023 regarding its annual review of regulated agreements in accordance with article L. 225-40-1 of the French Code of Commerce entered into and authorised in prior periods and remaining in force in the period ended 31 December 2022.

The Board of Directors reviewed these regulated agreements at its meeting of 22 March 2023. After determining that these agreements continued to meet the criteria providing the basis for their initial authorisation, this authorisation was unanimously maintained by the Board.

Please refer to the Auditors' special report on agreements and commitments referred to in Article L. 225-38 of the French Code of Commerce.

In addition, please refer to Note 43 to the consolidated financial statements for the period ended 31 December 2022 on related-party transactions.

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15 - INFORMATION ON DEALINGS BY THE COMPANY IN ITS OWN SHARES

The Company's ordinary and extraordinary general meeting of 24 May 2022 granted authority to the Board of Directors, which it may in turn delegate in accordance with applicable laws, for a period of eighteen months as from the date of the general meeting, to acquire or cause to be acquired shares of the Company in accordance with the provisions of articles L.22-10-62 et seq. of the French Code of Commerce.

In accordance with article L.225-211, paragraph 2 of the French Code of Commerce, we inform you that in the financial year ended 31 December 2022, information on trading by the Company in its shares is provided below:

Number of shares purchased in FY2022	163 588
Average purchase price of own shares in FY2022	3.77
Execution fees	N/A
Number of shares sold in the period	149 179
Average sale price of own shares in the period	3.76
Number of shares cancelled in the period	0
Number of treasury shares recorded in the name of the Company at 31 December 2022	1 876 529
Percentage of treasury shares held at 31 December 2022	5,98%
Net carrying value of treasury shares at 31 December 2022	6 497 928.46
Nominal value of treasury shares at 31 December 2022	243 949
Market value of treasury shares at 31 December 2022 (share price of €3.47 on that date)	6 511 556

The breakdown according to purpose for the use of own shares at 31 December 2022 was as follows:

Purposes of share buy-backs	Number of shares
Ensuring the liquidity of the Company's shares through a liquidity agreement entered into with an investment services provider, in compliance with a code of conduct recognised by the AMF (<i>Autorité des Marchés Financiers</i>), the French financial market regulator, and the market practices permitted by the same	178 124
Meeting the obligations resulting from stock option programs or other share grants to employees or directors or executives of the Company or affiliated companies	0
Meeting the obligations arising from debt securities exchangeable into ownership interest	0
Holding the shares for subsequent remittance to be tendered in payment or exchange in connection with possible acquisitions, spin-offs or contributions in accordance with market practices permitted by the AMF	1.629.558
Cancelling all or part of the shares thus acquired	68.847
TOTAL	1.876.529

No shares of the Company were reallocated for other purposes or objectives.

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PART 2: INFORMATION ON SUBSIDIARIES AND ASSOCIATES

1 - OPERATIONS OF SUBSIDIARIES AND CONTROLLED COMPANIES

In accordance with the provisions of article L.233-6 paragraph 2 of the French Code of Commerce, we hereby report to you on the operations and results of the Company and the subsidiaries that it controls by business division.

At year-end, HAULOTTE GROUP exercised controlling interests in 32 subsidiaries. The results of these subsidiaries are summarised below (€ thousands):

Subsidiary	Percentage of holding	2022 revenue in € thousands	2021 revenue in € thousands	2022 net profit (loss) in € thousands	2021 net profit (loss) in € thousands
HAULOTTE FRANCE. SARL.	99.99%	104 819	72 450	3 535	3 394
TELESCOPELLE SAS	100.00%	113	116	69	69
HAULOTTE ACCESS EQUIPMENT MANUFACTURING (CHANGZHOU) CO. Ltd.	100.00%	60 188	42 017	- 2 408	1 090
HAULOTTE ARGENTINA SA	100.00%	8 284	8 826	- 678	484
HAULOTTE ARGES SRL	100.00%	133 511	88 229	1 801	4 278
HAULOTTE AUSTRALIA Pty Ltd	100.00%	72 837	46 669	1 338	- 214
HAULOTTE DO BRAZIL Ltda	99.98%	15 385	10 132	2 679	- 2 236
HAULOTTE HUBARBEITSBUHNEN GmbH	100.00%	46 235	40 292	1 716	2 216
HAULOTTE IBERICA S.L	98.71%	31 728	30 532	2 294	2 895
HAULOTTE ITALIA S.r.l.	99.00%	34 005	33 561	2 789	2 195
HAULOTTE MEXICO SA DE CV (2)	99.99%	6 328	5 882	- 82	237
HAULOTTE MIDDLE EAST FZE	100.00%	2 793	2 994	116	- 82
HAULOTTE NETHERLANDS B.V	100.00%	32 327	24 003	1 001	1 167
HAULOTTE POLSKA SP ZOO	100.00%	14 446	10 973	1 006	745
HAULOTTE SCANDINAVIA AB	100.00%	21 805	14 620	546	1 203
HAULOTTE SINGAPORE Ltd	100.00%	19 388	11 248	- 21	8
HAULOTTE TRADING (SHANGHAI) CO LTD	100.00%	17 426	16 268	6 334	- 2 974
HAULOTTE UK Ltd	100.00%	20 557	16 530	985	1 049
HAULOTTE US Inc	100.00%	88 541	72 949	- 371	- 2 727
HAULOTTE VOSTOK OOO	100.00%	4 455	31 608	- 273	1 729
HORIZON HIGH REACH LIMITED	100.00%	7 858	5 687	176	861
LEVANOR MAQUINARIA DE ELEVACION SA	91.00%	- 0	- 0	- 40	- 35
MUNDIELEVACAO, ALUGER E TRANSPORTE DE PLATAFORMAS LDA	90% by LEVANOR	- 0	- 0	- 0	918
EQUIPRO / BIL-JAX (1)	100% by HAULOTTE US Inc.	43 769	30 897	- 2 398	454
Haulotte North America Manufacturing LLC.	100% by BIL-JAX	47 523	37 264	- 5 651	- 728
HAULOTTE CHILE SPA	100.00%	4 102	3 767	657	131
HORIZON HIGH REACH CHILE SPA	100.00%	2 113	2 382	- 288	- 1 468
HAULOTTE INDIA PRIVATE LTD	100.00%	5	8	14	33
ACARLAR DIS TICARET VE MAKINA SANAYI A.S.	100.00%	9 366	6 329	1 818	1 339
HAULOTTE DIGITAL SUPPORT CENTER	100.00%	- 11	- 9	- 10	- 95
HAULOTTE JAPAN	100.00%	2	- 0	21	27
HAULOTTE CANADA	100.00%	- 0	- 0	- 0	- 0

We inform you that Haulotte Services France, a company 100% owned by Haulotte France, is the subject of a universal transmission of assets to the benefit of Haulotte France with retroactive effect at 1 January 2022.

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2 - ACQUISITIONS OF SHAREHOLDINGS OR CONTROLLING INTERESTS

In accordance with articles L.233-6 paragraph 1 and L.247-1, I-1° of the French Code of Commerce, we hereby inform you that the Company has not acquired any holdings in the period under review in any other company having its registered office in France representing more than one twentieth, one tenth, one fifth, one third, one half or two thirds of the capital or voting rights of the company or acquiring a controlling interest in such company, must notify the Company.

3 - DISPOSALS OF SHAREHOLDINGS RELATED TO ADJUSTMENTS OF CROSS-SHAREHOLDINGS

In accordance with article L.233-19, paragraph 2 of the French Code of Commerce, we inform you that the Company has not divested any shares for the purpose of eliminating cross-shareholdings prohibited by articles L.233-29 and L.233-30 of the French Code of Commerce.

4 - OWN SHARES HELD THROUGH CONTROLLED COMPANIES

In accordance with article L.233-13 of the French Code of Commerce, we inform you that no company directly or indirectly controlled by the Company holds own shares.

5 - LIST OF EXISTING BRANCH OFFICES

In compliance with article L.232-1, II of the French Code of Commerce, the list of branch offices as of today is disclosed below:

Address	City
La Péronnière	L'Horme (42)
Quartier Serve Bourdon	Lorette (42)
Rue d'Harfleur	Le Creusot (71)
104 rue de Courcelles	Reims (51)

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PART 3: INFORMATION ON CAPITAL HOLDINGS

1 - CHANGES IN THE COMPANY'S SHARE CAPITAL DURING THE PERIOD

None.

2 - IDENTITY OF HOLDERS OF SIGNIFICANT SHAREHOLDINGS

In accordance with the provisions of article L 233-13 of the French Code of Commerce and based on the information and notifications received pursuant to articles L.233-7 and L.233-12 of the French Code of Commerce, the identity of shareholders directly or indirectly owning over 5%, 10%, 15%, 20%, 25%, 30%, 33%, 50%, 66%, 90% or 95% of the share capital or voting rights on the closing date, i.e. at 31 December 2022, and any modifications made in the period, are disclosed below:

Thresholds	Name of the shareholder	Percentage of holding	
		Capital	Voting rights
5% to 10%			
10% to 15%			
15% to 20%			
20% to 25%			
25% to 33% 1/3			
33% 1/3 to 50%			
50% to 66% 2/3	SOLEM SAS ¹	57.57%	
66% 2/3 to 90%			75.01 %
90% to 95%			
More than 95%			

By email dated 18 March 2022, Animal Gestion (103 rue de Grenelle, 75007 Paris), reported having crossed above the threshold of 2% of HAULOTTE GROUP's capital on 17 March 2022 and holds 589,000 shares representing 1.89% of the company's capital and 1.21% of voting rights in the company.

By letter dated 9 June 2022, the Caisse des Dépôts et Consignations (56 rue de Lille, 75356 Paris 07 SP) reported having crossed below the statutory threshold of 2% of the HAULOTTE GROUP's voting rights, indirectly through CDC Croissance, and holds 627,150 shares representing 1.99% of capital and 1.28% of voting rights in the company, indirectly through CDC Croissance.

3 - EMPLOYEE STOCK OWNERSHIP

In accordance with the provisions of article L.225-102 of the French Code of Commerce, we hereby inform you that no shares making up the Company's share capital were held by employees of the Company or by employees of affiliated companies within the meaning of article L.225-180 as part of a company savings plan provided for by articles L3332-1 -1 et seq. of the French labour code, and by employees and former employees in connection with a company savings plan (Plan d'Epargne d'Entreprise) governed by articles L.214-164 et seq. of the French Monetary and Financial Code.

Also taken into account are registered shares held directly by employees as a result of a free allocation, as part of the company's profit-sharing scheme (Article L 3324-10 of the French Labor Code) or as part of other schemes (share ownership plans, privatizations, etc.).

4 - STOCK OPTIONS TO SUBSCRIBE FOR NEW SHARES OR PURCHASE EXISTING SHARES AND ALLOCATION OF FREE SHARES

None

¹ Based on a share capital made up of 31,371,274 shares representing 48,705,785 theoretical voting rights.

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5 - INFORMATION ON THE COMPANY'S SHARE

At 31 December 2022, the Company's share capital was comprised of 31,371,274 shares. The market capitalisation at 31 December 2022 was €109 million.

The volume of transactions during the financial year is as follows:

Date	High (price)	High (date)	Low (price)	Low (date)	Closing price	Average price (opening)	Average price (closing)	Trading volume (number of shares)	Capital (€m)	Number of trading sessions
Jan.-22	5,640	18/01/2022	4,790	03/01/2022	5,140	5,261	5,254	270 351	1,42	21
Feb.-22	5,360	02/02/2022	4,300	28/02/2022	4,335	5,036	4,983	373 032	1,80	20
Mar.-22	4,570	09/03/2022	3,970	15/03/2022	4,130	4,246	4,238	425 824	1,79	23
Apr.-22	4,180	01/04/2022	3,640	08/04/2022	3,825	3,979	3,925	293 024	1,15	19
May.-22	4,340	31/05/2022	3,745	09/05/2022	4,170	3,926	3,921	193 374	0,78	22
Jun.-22	4,580	09/06/2022	3,600	16/06/2022	3,905	4,040	4,001	362 300	1,48	22
Jul.-22	3,985	05/07/2022	3,235	28/07/2022	3,450	3,558	3,535	530 974	1,84	21
Aug.-22	3,640	16/08/2022	3,320	30/08/2022	3,340	3,466	3,457	192 226	0,67	23
Sep. -22	3,400	06/09/2022	2,650	28/09/2022	2,665	2,969	2,933	399 582	1,18	22
Oct.-22	2,920	19/10/2022	2,625	05/10/2022	2,755	2,727	2,729	231 582	0,64	21
Nov.-22	3,530	29/11/2022	2,750	01/11/2022	3,430	3,129	3,157	222 401	0,72	22
Dec. -22	3,600	28/12/2022	3,340	02/12/2022	3,465	3,459	3,467	122 843	0,43	21

During the past financial year, the highest level reached by the Haulotte Group share was €5.64 (on 18 January 2022), while the lowest was €2.625 (on 5 October 2022).

MANAGEMENT REPORT

ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

PART 4: TAX INFORMATION

1 - SUMPTUARY EXPENSES AND DISALLOWED DEDUCTIONS

In compliance with the provisions of article 223, point 4 of the French general tax code, we hereby inform you that the accounts for the past financial year include non-deductible expenses of €128,921, in accordance with article 39-4 of the French general tax code and on that basis the corresponding theoretical tax is €43,003 based on a theoretical tax rate of 25%.

2 - DIVIDENDS DISTRIBUTED BY THE COMPANY IN THE LAST THREE FINANCIAL YEARS

As required by article 243(a) of the French general tax code, information on dividends paid for the last three financial years is disclosed below:

	Dividends distributed (excl. treasury shares)	Distributed amount eligible for the reduction provided for under article 158-3-2 of the French general tax code.	Distributed amount not eligible for the reduction provided for under article 158-3-2 of the French general tax code.
Financial year ended 31 December 2021	6.488.295.44€	6.488.295.44€	None
Financial year ended 31 December 2020	None	None	None
Financial year ended 31 December 2019	€6,493,979.58	€6,493,979.58	None

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PART 5: GROUP MANAGEMENT REPORT

In accordance with the provisions of articles L.233-16 and L.225-100-1 of the French Code of Commerce, we hereby report to you on the management of the Group for the period ended 31 December 2022.

1 - PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

Companies included in the scope of consolidation are listed in paragraph 1 of section 2 of this report. The situation of these companies is described in paragraph 1 of part 1 and in the table contained in paragraph 1 of part 2 of this report.

The Group's financial statements at 31 December 2022 have been prepared in accordance with IFRS standards as adopted by the European Union.

2 - CHANGES IN THE PRESENTATION OF THE ANNUAL ACCOUNTS OR METHODS OF VALUATION APPLIED IN PRIOR YEARS

No changes were made in the presentation of the consolidated financial statements or methods of valuation applied in prior years. Changes in accounting methods are presented in the summary of significant accounting policies in Note 3 to the consolidated financial statements.

3 - REVIEW OF OPERATIONS AND RESULTS OF THE GROUP FOR THE YEAR UNDER REVIEW:

For the full year 2022, the global work platform market confirmed the sharp rebound observed in 2021 and reached its highest level ever, driven by all geographic regions. Against this backdrop, Group sales were up from the previous year.

For the year as a whole, the Group posted negative operating income, impacted by the significant rise in the price of components, transport and energy, as well as the increase in fixed costs, in a more inflationary global environment. At the same time, these increases were only partially offset by volume growth limited by component shortages and the measured impact of higher sales prices.

MANAGEMENT REPORT

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4 - COMPREHENSIVE OBJECTIVE ANALYSIS OF REVENUE, EARNINGS AND FINANCIAL POSITION OF CONSOLIDATED OPERATIONS, AND PARTICULARLY DEBT WITH RESPECT TO THE VOLUME AND COMPLEXITY OF THEIR BUSINESS ACTIVITY.

Group results for the financial year break down as follows:

In € millions		FY 2022	FY 2021
Excluding IAS 29 & IFRS 16	Revenue	609,7	495,8
	Current operating income	(4,9)	16,6
	Operating profit	(6,4)	11,4
	Profit before tax	(12,1)	13,8
	NET INCOME OF CONSOLIDATED COMPANIES	(17.5)	5.8
Net profit attributable to owners of the Group		(15.2)	8.1

The changes and amounts commented on below exclude the application of IAS 29 (hyperinflation in Argentina and Turkey) and IFRS 16 (leases). Changes are presented at constant exchange rates.

For the full year 2022, the global nacelle market confirmed the clear rebound observed in 2021 and reached its highest level ever, driven by all geographical areas. In this context, Group sales reached €609.7 million in 2022, compared with €495.8 million the previous year, representing an increase of +18% between the two years.

In line with the first half of the year, the Group posted a current operating income of €(4.9) million (before foreign exchange gains and losses), or -0.8% of 2022 revenue, down by €(21.5) million compared with 2021. The significant increase in the price of components, transport costs and energy for nearly €(48) million, as well as the €(14.7) million increase in fixed costs linked to the structuring of China and the United States, in a more inflationary global environment, have weighed heavily on this. At the same time, these increases were only partially offset by volume growth limited by component shortages and the measured impact of the increase in sales prices, due to the depth and history of the order intake.

In the end, net income was €(17.5) million in 2022, with the second half of the year marked by an unfavorable foreign exchange context (mainly the US dollar), with the Group recording foreign exchange losses of €(2.9) million for the year, compared with gains of €6.7 million in 2021.

In this unprecedented context of strong business growth and multiple operational disruptions, Haulotte's net debt (excluding guarantees) increased by +€105.1 million to €246 million, mainly due to a +€92.3 million increase in working capital requirements, mainly linked to the increase in inventory levels decided by the Group in order to support the increase in production rates and to be in a position to meet the strong growth in order intakes.

As a reminder, on 28 June 2022, Haulotte obtained a €96 million State Guaranteed Loan from all of the lenders of its syndicated loan as well as from BPI France. In addition, a waiver request concerning the respect of the ratios for the period of December 2022 was submitted to all the lenders and unanimously and unconditionally accepted on 23 December 2022.

MANAGEMENT REPORT

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5 - DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES FOR THE COMPANY'S SUBSIDIARIES

The main risks and significant uncertainties that could have a significant impact on the Group identified at 31 December 2022 relate on the one hand to market risk and the foreign exchange environment in which the Group operates and, on the other hand, items relating to its liquidity situation.

In Europe, the Group recorded an overall sales growth of +12%* compared to last year, penalized by the strong decline of the Russian market. In Asia-Pacific, Haulotte achieved a solid commercial performance, and an excellent 4th quarter, to finally post an annual sales increase of +38%* compared to 2021. In North America, the progression observed for several half-years on all business continued, allowing Haulotte to record an annual sales increase of +15%*. Work platform business sharply increased during the last quarter, reaching an annual growth in sales of +10%*. In Latin America, in a market that was well oriented in all countries, Haulotte posted a +26%* growth in cumulative sales, driven mainly by Brazil. In 2022, equipment sales increased by +19%*, and rental activity by +14%, driven by the rebound in activity in Argentina. Service activities, which reached their highest level ever, grew by +12%*. The variations presented above are at constant exchange rates and do not include the application of IAS 29 (hyperinflation in Argentina and Turkey).

The Group maintains its policy of centralized foreign exchange management and remains attentive to changes in the currencies of its main markets, which can have a significant impact on its financial performance.

The levels of available cash and open and available credit lines at 31 December 2022, compared with the cash flow forecasts for the first months of 2023, do not call into question the Group's ability to ensure its liquidity. Information on borrowings is provided in note 20 to the consolidated financial statements.

6 - THE EXPOSURE OF SUBSIDIARIES TO RISK CONCERNING PRICE, CREDIT, LIQUIDITY AND CAPITAL RESOURCES

The Group exposure is largely limited to credit and liquidity risk.

6.1 Credit risk

The exchange rate (credit) risk is described in note 5 to the consolidated financial statements.

6.2 Liquidity risk

The liquidity risk is described in note 5 to the consolidated financial statements.

7 - INFORMATION ABOUT THE USE OF FINANCIAL INSTRUMENTS WHEN THIS IS RELEVANT FOR MEASURING ITS ASSETS, LIABILITIES, FINANCIAL POSITION AND PROFITS OR LOSSES

Financial instruments used by the Group are intended to cover its foreign exchange and interest rate risks.

The Company does not systematically hedge interest rate and foreign exchange risk. Transactions are nevertheless carried out according to market opportunities. However, these transactions are carried out with a view to hedging existing assets or liabilities, and not for speculative purposes. During fiscal year 2022, transactions were carried out in USD (\$). They are presented in note 19 to the Group's consolidated financial statements.

7.1 Exchange rate risk

The exchange rate risk as described in notes 5 and 17 to the consolidated financial statements.

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ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

7.2 Interest rate risk

The interest rate risk as described in note 5 to the consolidated financial statements.

8 - FORESEEABLE CHANGES IN THE GROUP'S SITUATION AND OUTLOOK

With a historic level of orders in a market which is still buoyant and despite the tensions in the supply chain for specific components, Haulotte expects to grow its sales by more than +20% in 2023.

9 - SIGNIFICANT EVENTS BETWEEN THE CLOSING DATE AND THE DATE OF PUBLICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Events which occurred after the closing date are detailed in note 48 of the annexes to the consolidated accounts.

10 - RESEARCH AND DEVELOPMENT OF THE GROUP

Research and development have remained an important focus of Group efforts for several years. Innovation processes have been defined as one of the strategic processes of the Group.

The objective of this process is to propose new products or renew existing lines addressing the needs of its customers. Paragraph 10 of section 1 provides detailed information on the most important achievements of the period concerning Haulotte Group S.A.. R&D expenditures were also incurred for the Group's other plants. Research and development expenditures by the Group in the period amounted to €17,853,000.

11 - INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES ADOPTED BY THE CONSOLIDATED COMPANIES AND IN PARTICULAR THOSE RELATING TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

Please refer to paragraph 12 of Part 1 of this report.

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ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

APPENDIX 1 - FIVE-YEAR FINANCIAL SUMMARY

Closing date	31/12/2022	31/12/2021	31/12/2020	31/12/2019	31/12/2018
Length of the financial year (months)	12	12	12	12	12
SHARE CAPITAL AT YEAR-END					
Common stock	4 078 266	4 078 266	4 078 266	4 078 266	4 078 266
Number of shares					
- ordinary shares	31 371 274	31 371 274	31 371 274	31 371 277	31 371 274
- treasury shares:	1 876 529	1 862 120	1 839 251	1 853 642	1 836 567
- dividend-right shares	29 494 745	29 509 154	29 532 023	29 517 635	29 534 707
Maximum number of future shares to be created					
- from the conversion of bonds					
- from subscription rights					
OPERATIONS AND RESULTS					
Sales ex-VAT	246 665 874	210 615 586	186 552 400	286 256 556	279 519 047
Profit before income tax, profit-sharing, depreciation and provisions	62 654 410	- 5 874 712	-18 772 589	12 275 616	-4 400 505
Corporate income tax	- 3 815 987	- 3 821 087	-3 130 979	-3 791 511	-2 908 722
Employee profit-sharing					
Allowances and Reversals of depreciation, amortisation and provisions, expense reclassifications	12 259 727	21 820 373	15 655 902	19 296 382	4 870 294
Net income	54 210 671	- 23 873 999	-31 297 512	-3 229 255	-6 362 077
Distributed profit		6 492 014		6 493 980	6 495 638
EARNINGS PER SHARE					
Profit after income tax, profit-sharing, and before depreciation, amortisation and provisions	2,12	- 0,07	- 0,50	0,51	- 0,05
Profit after income tax, profit-sharing, depreciation, amortisation and provisions	1,73	- 0,76	- 1,00	- 0,10	- 0,20
Distributed dividends		0,22		0,22	0,22
PERSONNEL					
Average number of employees for the financial year	621	651	675,95	676	643
Total payroll	30 647 518	29 533 343	28 538 810	31 091 823	27 776 208
Benefits paid (social security, welfare benefits, etc.)	12 922 576	12 814 904	12 257 418	13 145 674	13 247 689

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ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

APPENDIX 2 - BOARD OF DIRECTORS' REPORT ON CORPORATE GOVERNANCE

Dear shareholders,

In accordance with the provisions of the last paragraph of article L. 225-37 of the French Code of Commerce, we hereby present in this report on corporate governance, the disclosure required by regulations in force and notably those of articles L. 225-37-4 and L22-10-8 of the French Code of Commerce.

The terms of this report were prepared and adopted by the Board of Directors on 22 March 2023.

1 - CORPORATE GOVERNANCE

In accordance with the provisions of article L22-10-10 of the French Code of Commerce, we hereby report to you on:

- the composition and conditions for preparing and organising the Board's work;
- the reasons justifying the absence of a diversity policy applied to members of the Board of Directors as well as information on how the Company seeks to achieve balanced gender representation on the Management Committee established by executive management for the purpose of regularly assisting the performance of its general missions and results in terms of gender diversity for the 10% category of senior positions;
- limitations on the powers of the Chief Executive Officer that may exist;
- in the event that the provisions of the Middlednext Code of corporate governance to which the Company refers would have been set aside, the reasons for this;
- special procedures for the participation of shareholders in general meetings or provisions of the articles of association providing for such procedures; and
- description of the procedures put in place by the Company in application of article L22-10-12 and its implementation.

1.1 Composition of the Board of Directors and the diversity policy applied to its members

1.1.1 Choice of the Middlednext Corporate Governance Code

The Company has decided to refer to the Middlednext Code of December 2009 and last revised in September 2021 as its reference for corporate governance in accordance with the provisions of article L22-10-10, 4 of the French Code of Commerce. The Company considered that this code was best suited to its size and shareholder structure.

This code can be consulted on the Middlednext website (www.middlednext.com).

In accordance with the Middlednext Code recommendation 22 revised in September 2021, the Board of Directors duly noted on 22 March 2023 the specific items calling for vigilance listed therein.

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1.1.2 Composition of the Board of Directors

The composition of the Company's Board of Directors on the date of the report¹ herein includes the following seven directors, of which two are independent:

Last name, first name, title or function of the directors	Year of first appointment	Expiration date of office in progress	Independent Director	Audit Committee member
Pierre Saubot Chair of the Board of Directors - Chief Executive Officer	1989	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2023	No	-
Director	1985	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2023		
Alexandre Saubot Deputy Chief Executive Officer	1999	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2027	No	-
Director	1999	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2027		
Elisa Savary Director	1998	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2027	No	Member
Hadrien Saubot Director	2004	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2027	No	Member
José Monfront Director	2004	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2027	Yes	Member
Anne Danis-Fatôme Director	2018	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2023	Yes	Member
Elodie Galko Director	2018	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2023	Yes	Member

On the date of this report, the Board of Directors has not considered it opportune to implement a diversity policy within the meaning of article L.22-10-10, 2 of the French Code of Commerce, in light of the family composition, reduced size and current operations of the Board. However, it is noted that the Board of Directors has been committed over the last years to open up its membership to figures from the outside contributing a different perspective on the Board's decisions, in particular by appointing independent directors within the meaning of the Middledex Code recommendation 3.

With respect to the company's efforts to achieve balanced gender representation on the Company's management board, the last recruitment concerned a member of the Executive Committee at the end of 2016 (assumption of duties in February 2017). This recruitment was in line with the Company's goal of increasing the executive Committee's international profile and the membership of women resulting in selection of a specialised firm to that purpose. To date, no woman has applied for this position.

If the recruitment of a new member to the committee should be considered in the future, the Company will endeavour to follow the same policy with respect to expanding its international profile and the membership of women.

With respect to its results in the area of gender diversity for the 10% category of senior positions, women represented 4.92% at 31 December 2022, a decrease of 3.41 points compared to the financial year closed on 31 December 2021.

¹ On 22 March 2023, the Board of Directors unanimously decided to bring before the general meeting of shareholders on 23 May 2023 the appointment of Mr. Bertrand Badré as Company Director.

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1.1.3 Application of the principle of balanced gender representation on the Board of Directors

In compliance with articles L.225-18-1 and L.22-10-3 of the French Code of Commerce, we inform you that on the date of the report herein the breakdown of directors by gender is as follows¹:

- Number of male directors: 4;
- Number of female directors: 3.

1.1.4 Independent directors

The notion of independent member adopted is that provided by Recommendation 3 of the Middlednext Code, and namely:

- they must not have been during the last five years an employee or executive officer of the company or a company in its group;
- they must not have had any material business relationship with the company or its group for the last two years (as a client, supplier, competitor, service provider, creditor, banker, etc.);
- they must not be reference shareholders of the Company or hold a significant percentage of voting rights;
- they must not have a close relationship or close family ties with a corporate officer or a reference shareholder;
- they must not have been an auditor of the company in the course of the previous six years.

On 22 March 2023, the Board of Directors re-examined the situation of its membership with respect to these criteria of independence, and decided that three² members were independent under the definition of the MiddleNext code: Ms. Anne Danis-Fatôme, Ms. Elodie Galko and Mr. José Monfront.

1.1.5 Terms of office

The term of office of members of the Board of Directors is set at six (6) years. This term was considered by the company to be in compliance with Recommendation 11 of the Middlednext Code. To date, the Company has not considered it useful to propose a modification to the articles of association providing for the staggered renewal of the terms of office of directors, in light of its size and membership.

1.1.6 Conduct of business rules

In accordance with Recommendation 1 of the Middlednext Code, each member of the Board of Directors is made aware of the obligations arising from his or her appointment and encouraged to adhere to the rules of conduct relating to his or her appointment. At the beginning of their term of office, each director signs the board's internal rules of procedure and undertakes notably to:

- comply with the provisions of statute relating to holding multiple offices,
- comply with applicable regulations,
- inform the Board in the event of a conflict of interest arising following appointment to the office,
- demonstrate diligence in attending meetings of the Board and General Meetings,
- ensure that they possess all necessary information for the agenda of the meetings of the Board before making any decision, and
- comply with, concerning third parties, an absolute obligation of confidentiality exceeding the simple secrecy obligation, as provided for in the legal texts.

On the date of this report, the Chair-CEO and the Deputy CEO have not accepted other directorships in listed companies, including foreign companies, outside the Group.

¹ On 22 March 2023, the Board of Directors unanimously decided to bring before the general meeting of shareholders on 23 May 2023 the appointment of Mr. Bertrand Badré as Company Director.

² Mr. Bertrand Badré, whose appointment as Company Director is brought before the general meeting of shareholders on 23 May 2023, is considered independent.

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1.1.7 Training for Board Members

Following the new Recommendation 5 added to the Middledent Code, as revised in September 2021, the Board of Directors decided in their meeting on 8 March 2022 to give some thought to putting a training plan in place for members of the Board of Directors in accordance with said recommendation. The Board of Directors of 22 March 2023 decided to postpone again the question of possibly introducing a three-year training plan for the company, the Board having noted that steps have been taken to find out about the various training courses on offer, but the Board needing more time to gain an overall view of the latter and to decide on the need for such training.

1.1.8 Review of known conflicts of interest

In accordance with article 4.3 of the Company's rules of procedure, each director is required to disclose any situation actually or potentially giving the appearance of a conflict of interest between the corporate interest and his or her direct or indirect personal interest or the interest of the shareholder or a group of shareholders he or she represents.

In the event of such situation, the director concerned must:

- inform the Board of Directors as soon as he or she becomes aware of such conflict of interest,
- draw all resulting conclusions regarding the exercise of his or her office. And on this basis, according to the case he or she must:
 - either refrain from participating in the vote on the proceedings in question,
 - or refrain from attending the meeting of the Board of Directors during which the conflict of interest exists,
 - or, as an extreme measure, resign from his or her position as director.

On 22 March 2023, in accordance with Middledent Code Recommendation 2, the Company's Board of Directors reviewed the known conflicts of interests and no situation of a potential or proven conflict of interest was brought to its attention.

During the meeting on 22 March 2023, the Board of Directors decided not to comply with the new recommendation no. 2 of the Middledent Code revised in September 2021 on the fact that the latter recommends that services other than the certification of the accounts (except for attestations falling within the scope of due diligence directly related to the statutory auditor's mission and services rendered in application of legal or regulatory texts) be entrusted to a firm other than the company's statutory auditor. This is in view of the nature of the services entrusted to date, their limited nature and the effectiveness of the assignments performed in view of the good knowledge of the Company by its statutory auditors.

1.1.9 Choice of members of the Board of Directors

In accordance with Recommendation 10 of the Middledent Code, when each member of the Board of Directors is appointed or reappointed, information about their experience, expertise and the list of offices exercised is provided in the report presented by the Board of Directors to the general meeting to approve the accounts for the financial year concerned and presenting the draft resolutions submitted for your approval. This information is also made available online on the Company's website. The appointment or renewal of each member of the Board of Directors is subject to a specific resolution.

1.1.10 Mission of the Board of Directors

In accordance with article 2 of the Board's Rules of procedure, the Board's missions, in addition to the powers recognised by the law and the articles of association, are as follows:

- Represent all shareholders,
- Issue opinions about all decisions relating to the major strategic, economic, social, financial or technological priorities of the Company and ensure they are implemented by executive management,
- Look at the question of a succession plan for "Executives" and key people,
- Consider proposals calling for an audit or verification by the Chairman or the audit committee,
- Review items calling for vigilance as set out in the Middledent Code.
- Examine negative minority votes at meetings.

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We inform you that during the meeting on 22 March 2023, the Board of Directors introduced an internal procedure for examining negative votes cast by minority shareholders at general meetings, under the terms of which the Board pays particular attention to negative votes by analyzing, among other things, how the majority of minority shareholders expressed themselves, and to consider whether it would be appropriate to change the reasons for the negative votes at the next general meeting and whether a communication should be made in this regard. In accordance with recommendation 14 of the Middlednext Code, the corporate governance report states that this review has taken place. However, the first review will concern the votes relating to the annual general meeting to approve the financial statements for the year ending 31 December 2022.

Said Board meeting also took note of the fact that Recommendation 14 of the Middlednext Code, as revised in September 2021, recommends that executives meet major shareholders who wish to do so before general meetings, while ensuring compliance with equal information between shareholders. However, the Board decided that, for the time being, as was already the case following the revision of said Code in September 2016, it did not wish to put such a procedure in place for systematic meetings with major shareholders for reasons due mainly to the composition of the Company's shareholding.

With regard to the new Recommendation 15 of the Middlednext Code, as revised in September 2021, providing that the Board of Directors checks that a policy aimed at gender balance and equality has been properly implemented at every hierarchical level in the company, it is specified that during the meeting on 8 March 2022, the Board stated that such a procedure is well underway in the company. In fact, a company agreement on the quality of life at work and workplace equality was signed in 2018 and provides several measures promoting workplace equality. For 2022, Haulotte obtained a score of 87/100 in the workplace gender equality index.

1.1.11 Evaluation of the Board's work and practices

Following the consideration given, and work conducted, to put in place an evaluation procedure within the Board, in accordance with Recommendation 13 (ex Recommendation 11) of the Middlednext Code, as revised in September 2021, the Board of Directors adopted the following procedure for self-assessment, carried out at the end of each meeting of the Board called to approve the Company's annual accounts.

- a self-assessment questionnaire, prepared by the Company's legal department, which is sent to each director in advance of the Board meeting,
- each questionnaire will be returned to the Legal department following completion in order to prepare a summary of responses on an anonymous basis to be presented to the Board meeting,
- on the basis of this summary, the Board will be asked to consider measures for improvement to be implemented in connection with its work for the period in progress.

Following the most recent questionnaire submitted to the directors during the Board of Directors meeting on 22 March 2023, it appeared that the composition and functioning of the Board of Directors and the Audit Committee are in line with members' expectations.

1.1.12 Creation of committees:

In accordance with Recommendation 7 of the Middlednext Code, as revised in September 2021, we hereby report to you on the Company's choice with respect to special committees.

On 22 March 2023, the Board of Directors decided not to comply with the new recommendation no. 8 of the Middlednext Code revised in September 2021 recommending that each Board set up a committee specializing in Corporate Social Responsibility (CSR), as the said Board considered that these issues were already examined internally, in particular through a dedicated committee that had not been formalized. For the time being, the Board has decided not to formalize this committee, as it considers that (i) it would not necessarily be relevant and (ii) it would be complex to modify the composition of this committee, whose members are operational. However, the Board will consider entrusting the chairmanship of the committee to an independent director, in order to comply with recommendation no. 7 of the Middlednext Code as revised in 2021; for the time being, this implies finding a person with expertise in CSR issues.

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1.1.12.1 Audit Committee

On 9 March 2011 the Board of Directors decided to create an Audit Committee in accordance with article L.823-20, 4 of the French Code of Commerce for an unlimited period.

The functioning and the attributes of the Company's Audit Committee are described in article 6 of the Company's rules of procedures available for consultation on the Company's website.

1.1.12.2 Composition

On the date of this report, the Board of Directors, when it meets for the purpose of exercising the missions of Audit Committee, is comprised of the following five¹ members:

- José Monfront
- Hadrien Saubot
- Elisa Savary
- Anne Danis-Fatôme
- Elodie Galko

1.1.12.3 Number of audit committee meetings in the period ended 31 December 2022

The audit committee met four (4) times with an average attendance rate of 91%.

1.2 Conditions for preparing and organising the Board of Directors' work

Meetings are conducted and decisions voted according to the conditions of quorum and majority provided for by law and the Company's articles of association.

In accordance with Recommendation 7 of the Middlednext Code in its version of September 2016 (which became Recommendation 9 in the version of said Code of September 2021 in force), the Board of Directors has internal rules of procedures divided into the eight areas covered by this recommendation and available for consultation on the Company's website.

The internal rules of procedures initially adopted by the Board of Directors on 11 March 2009, and subsequently modified by the Board on 9 March 2011 20 January 2017 , 8 March 2022, and recently on 22 March 2023, provide that except for transactions covered by articles L.232-1 and L.233-16 of the French Code of Commerce and, as applicable, by the Company's articles of association, directors who take part in a meeting of the Board through videoconferencing or electronic means allowing for their identification and effective participation are deemed present for determining the quorum and majority.

The means adopted must be capable of permitting the identification of participants and guaranteeing their effective participation.

1.2.1 Meeting convening procedures

Directors are called to meetings according to the procedures authorised by article 13 of the Company's articles of association.

In accordance with article L.823-17 of the French Code of Commerce, the statutory auditors were called to the Board meetings that reviewed and adopted the interim and also the annual accounts.

1.2.2 Procedures for remitting documents and information required to make decisions

Board members have received in advance of each meeting, all documents and information that are useful for making informed decisions and the performance of their duties

¹ On 22 March 2023, the Board of Directors unanimously decided to bring before the general meeting of shareholders on 23 May 2023 the appointment of Mr. Bertrand Badré as Company Director. This same Board also unanimously decided to appoint Mr. Bertrand Badré as member and chair of the audit committee subject to the condition precedent of his appointment as director by the forthcoming general meeting.

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1.2.3 Report on the Board of Directors' activities in the period ended 31 December 2022

The minutes of each meeting are drawn up under the responsibility of the Chair of the Board of Directors and the Deputy CEO. These minutes are transcribed into the record after being signed by the chair of the meeting and one director.

During the period ended 31 December 2022, the Company's Board of Directors met five (5) times, on the dates indicated below.

Meeting dates	Number of directors present or represented	Rate of participation	Main items of business on the agenda
8 March 2022	6	75%	Examination of the conclusions of the Audit Committee meeting of 8 March 2022 Review and approval of the separate parent company and consolidated financial statements for the period ended 31 December 2021 Proposal for the appropriation of net income for the period ended 31 December 2021 Annual review of agreements covered by article L225-38 et seq. of the French Code of Commerce entered into and authorised in prior periods and remaining in force in the financial year in question Evaluation of agreements relating to current operations and concluded under normal terms and conditions. Review of conflicts of interest known to the Company (R2 Middelnext) Review of the independence of members of the Board of Directors (R3 Middelnext) Annual review of the Middelnext "items calling for vigilance" (R22 Middelnext) Evaluation of activities of the Board of Directors (R13 Middelnext) Review by the Board of Directors of new recommendations, clarifications to existing recommendations and strengthened recommendations inserted in the Middelnext Code as revised in September 2021; update of the Board of Directors' internal rules Annual meeting on the company's policy on workplace and wage equality on the basis of indicators relating to workplace gender equality, as well as the workplace gender equality plan Establishment of the remuneration policy applicable to the Chief Executive Officer, the Deputy Chief Executive Officer and directors for the financial year before closing on 31 December 2022, in application of the new article L.22-10-8 of the French Code of Commerce Review of information relating to remuneration of corporate officers referred to in article L.22-10-9 of the French Code of Commerce Review of the components of remuneration paid or granted for the period ended 31 December 2021 to Messrs. Pierre Saubot and Alexandre Saubot on the basis of their mandates Review of the composition of the Board of Directors Proposal to renew the term of office of director Mr. Alexandre Saubot On the proposal of the Chairman and Chief Executive Officer and subject to the renewal of his term of office at the general meeting, renewal of the term of office of Deputy Chief Executive Officer Mr. Alexandre Saubot Proposal to renew the term of office of director Ms. Elisa Savary Subject to the renewal of her term of office at the general meeting, reappointment of Ms. Elisa Savary as a member of the Audit Committee of the Board of Directors Proposal to renew the term of office of director Mr. Hadrien Saubot

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Meeting dates	Number of directors present or represented	Rate of participation	Main items of business on the agenda
			Subject to the renewal of his term of office at the general meeting, reappointment of Mr. Hadrien Saubot as a member of the Audit Committee of the Board of Directors Proposal to renew the term of office of director Mr. José Monfront Subject to the renewal of his term of office at the general meeting, reappointment of Mr. José Monfront as a member of the Audit Committee of the Board of Directors Proposal to renew the term of office of director Mr. Michel Bouton Review of Mr. Michel Bouton's term of office as a member of the Audit Committee of the Board of Directors Proposal to reappoint PricewaterhouseCoopers Audit as joint statutory auditor Proposal not to reappoint Mr. Jean-Christophe Georghiou as deputy joint statutory auditor Proposal to modify Article 9 "Transfer and transmission of shares" of the Company's articles of association, to bring it in line with the provisions of Article L.225.38 of the French Code of Commerce Proposal to modify Article 16 "General meetings" of the Company's articles of association, to bring it in line with the provisions of Article R.22-10-28 of the French Code of Commerce Proposal to modify Article 20 "Directors' fees" of the Company's articles of association, to bring it in line with the provisions of Article L.225-45 of the French Code of Commerce Proposal to modify Article 17 "Audit of accounts" of the Company's articles of association, to bring it in line with the provisions of Article L. 823-1, I, paragraph 2 of the French Code of Commerce. Proposal to authorize the Board of Directors to purchase the company's own shares Proposal to authorize the Board of Directors to reduce the share capital by cancellation of shares Proposal of delegation of authority to the Board of Directors to increase share capital by incorporating premiums, reserves, profits or other items Proposal of delegation of authority to the Board of Directors to make the necessary changes to articles to bring them into compliance with legislative and regulatory provisions Review and approval of the management report and the group management report for the financial year ended 31 December 2021 Review and approval of the Board of Directors' report on company governance Review and approval of management planning documents Review of the achievement as of 31 December 2021 of the performance targets set under the 2018 Bonus Share Plan, as amended in 2020, and powers to the Chairman and Chief Executive Officer or Chief Operating Officer to record, where appropriate, the final allocation of shares Preparation and convening of an ordinary and extraordinary general meeting – Approval of the text of the draft resolutions and of the Board of Directors' report to the general meeting containing the explanatory statement – Powers to the Chairman and Chief Executive Officer and to the Deputy Chief Executive Officer Pursuant to Article R.225-28 of the French Code of Commerce, renewal of the authorization for sureties, endorsements and guarantees Miscellaneous subjects

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Meeting dates	Number of directors present or represented	Rate of participation	Main items of business on the agenda
6 April 2022	5	71%	Approval of minutes of Board of Directors dated 8 March 2022 Re-examination and approval of the parent company financial statements for the year ending 31 December 2021 Ensuring consistency of the proposed allocation of income for the financial year ended 31 December 2021 Modification of the agenda of the General Meeting of 24 May 2022, modification of the text of the draft resolutions and of the report of the Board of Directors to the General Meeting containing the explanatory statement
24 May 2022	5	71%	Acknowledgement of the definitive nature of the renewal of the term of office of Deputy Chief Executive Officer Mr. Alexandre Saubot Setting the date and terms of payment of the dividend approved by the General Meeting Implementation of the authorization granted to the Board of Directors by the General Meeting for the Company to purchase its own shares Miscellaneous subjects
27 June 2022	5	71%	Authorization to be given to the Deputy Chief Executive Officer to take out a bank loan Miscellaneous subjects
6 September 2022	7	100%	Review and approval of the consolidated half-year financial statements as of 30 June 2022 Preparation of the half-yearly activity report in accordance with article L.451-1-2 III of the French Monetary and Financial Code Preparation of management planning documents in accordance with articles L.232-2, R.232-2 and R.232-3 of the French Code of Commerce Miscellaneous subjects

1.3 Restrictions imposed by the Board of Directors on the powers of the Chief Executive Officer

The powers of the Chair and Chief Executive Officer of the Company are not subject to any limits other than those imposed by law.

As such, he is vested with the broadest powers to act in all circumstances in the name of the Company. He exercises his powers within the limits of the corporate purpose and subject to the powers expressly granted to shareholders' meetings and the Board of Directors. He represents the Company in its dealings with third parties.

1.4 Shareholders' participation in the shareholders' meetings

In accordance with article L.22-10-10, 5 of the French Code of Commerce, article 16 of the Company's articles of association sets out special procedures for the participation of shareholders in general meetings (copies of the articles of association are available at the Company's registered office and the registrar of the commercial court).

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2 - LIST OF OFFICES AND FUNCTIONS EXERCISED BY EACH CORPORATE OFFICER FOR THE PERIOD ENDED 31 DECEMBER 2022

To comply with the provisions of article L.225-37-4, 1 of the French Code of Commerce, a list of the offices and functions exercised in any company during the period ended 31 December 2022 by each corporate officer is provided below:

Corporate offices concerned:	Offices and functions exercised in the Company	Offices and functions exercised outside the Company
Pierre Saubot	- Chair of the Board of Directors - Chief Executive Officer - Director	- General Manager of Solem SAS - Managing Partner of Société Commerciale du Cinquau, - Co-Manager of SCI Lancelot
Alexandre Saubot	- Deputy Chief Executive Officer - Director	- Chair of the Board of Solem SAS, - Representative of Haulotte Group, Chair of Telescopelle SAS, - Managing Partner of Haulotte France SARL, - Managing Partner of Haulotte Services France SARL, - Co-Manager of SCI Lancelot - Director of Haulotte Netherlands BV, - Director of Haulotte Iberica, - Director of Haulotte Scandinavia, - Director of Haulotte Italia, - Manager of Haulotte GmbH, - Director of Haulotte Polska, - Director of Haulotte UK, - Director of Haulotte Australia, - Chair of Haulotte US, - Director of Haulotte Singapore, - Director of Haulotte Arges, - Chair of Haulotte Trading (Shanghai) Co. Ltd, - Director of Haulotte Mexico, - Director of Haulotte Middle East, - Representative of Haulotte Group, sole director of Horizon High Reach Limited, - Director of Haulotte India, - Director of Levonor - Director of MundiElevacao - Chair of the Board of Directors of Haulotte Access Equipment Manufacturing (Changzhou), - Chair of the Board of Directors of Acarlur - Chairman-CEO of Haulotte Canada - Managing Director of Haulotte Japan - Director of France Industrie
Elisa Savary	- Director	- None
Hadrien Saubot	- Director	- None
José Monfront	- Director	- Chair of JM Consulting
Michel Bouton¹	- Director	- None
Anne Danis-Fatôme	- Director	- University professor and Chair of the Private Law department at Paris Nanterre University
Elodie Galko	- Director	- Regional director of Duval group in Toulouse - Elected (member of the finance committee) to the CCI in Toulouse on 26 November 2021 - Senior Vice-Chair of the FPI Occitanie Toulouse Métropole since 2 December 2021 - Member of MEDEF31

¹ Mr. Michel Bouton resigned from his role as director during the Board of Directors meeting on 8 March 2022.

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3 - REMUNERATION POLICY ESTABLISHED BY THE BOARD OF DIRECTORS (ARTICLE L. 22-10-8 OF THE FRENCH CODE OF COMMERCE)

In accordance with articles L.22-10-8 and R.22-10-14 of the French Code of Commerce as amended by Order 2020-1142 of 16 September 2020 and Decree 2020-1742 of 29 December 2020, a description is provided in this section of the remuneration policy of the Company applicable to all officers for the period ending 31 December 2022.

As a reminder, Mr Pierre Saubot and Mr Alexandre Saubot received remuneration solely for their respective offices of Chair and Chief Executive Officer of Solem, a simplified French joint stock company (société par actions simplifiée) with share capital of €476,735.25 having its registered office at 187 Route de Saint Leu in Epinay-sur-Seine (93806) and registered in Bobigny (RCS No. 332 978 162) (hereafter "**Solem**"). Solem is the controlling company of the Company within the meaning of article L.233-16 of the French Code of Commerce.

Concerning directors, the Company's historic remuneration policy has been to not provide remuneration to the latter as board members. In particular, directors do not receive the remuneration referred to in articles L.225-45 and L.22-10-14 of the French Code of Commerce.

Consequently, officers of the Company do not receive any remuneration, in any form whatsoever (fixed, variable, exceptional or in shares) for the offices they hold within the Company. The officers of the Company do not benefit from any commitments made by the latter or by any company that it controls or that is controlled by it within the meaning of II and III of Article L. 233-16 of the French Code of Commerce, and the corresponding components of remuneration or benefits in connection with the termination or a change in function or subsequent thereto, or contingent rights granted pursuant to defined retirement benefit obligations meeting the characteristics of the plans mentioned in Articles L. 137-11 and L. 137-11-2 of the French social security Code.

In light of the above, the information referred to in paragraphs 4 - 6 and 8 of Article R.22-10-14, I and 1 - 4 and 7 of Article R.22-10-14, II of the French Code of Commerce are not applicable.

This officer remuneration policy is set in strict compliance with the Company's corporate interests and in reference to its commercial strategy. The Board of Directors considers that remuneration determined and set exclusively at the level of Solem makes it possible to provide fair remuneration to the officers concerned based on the parent company's larger scope of consolidation, by taking into account in particular the performance of not only the Company but also its sister companies and subsidiaries.

This remuneration policy of the Company is determined by the Board of Directors, acting on a proposal from the executive management. This remuneration policy is revised at least once a year at the time of the review of the annual accounts and, at any time during the financial year, at the initiative of the Board of Directors, should circumstances require.

The proposal from the executive management takes into account in particular the conditions of remuneration and employment of the Company's employees.

The implementation of the remuneration policy is verified at least once a year by the Board of Directors at the time of the review of the annual accounts.

The remuneration policy applies by operation of the law under the supervision of the Board of Directors to newly appointed corporate officers or those whose appointment has been renewed.

In order to prevent conflicts of interest in connection with the determination, revision and implementation of the remuneration policy, the Board of Directors has appointed two independent directors as defined by the Middenext corporate governance code. In addition, the Board of Directors' charter includes a procedure for preventing and monitoring conflicts of interest.

The length of directors' terms of office is presented in section 1.1.5 of this report. In addition, it is noted that on the date of this special report, there exists no employment contract or service agreement contract has been entered into directly between an officer and the Company. With respect to intragroup service agreements entered into between Solem and the Company, please refer to the Auditors' special report on regulated agreements prepared in accordance with Article L. 225-40 of the French Code of Commerce.

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This remuneration policy:

- has been approved by the general meeting of shareholders on 24 May 2022 (seventh resolution) in accordance with article L.22-10-8 II of the Code of Commerce with over 94% of the votes in favour of the latter. Such a vote legitimizes the remuneration policy for the company's officers as drawn up by the Board of Directors;
- shall be the subject of a draft resolution to be submitted for approval at the shareholders' general meeting to be held on 23 May 2023 in accordance with said article.

4 - REMUNERATION OF OFFICERS PAID IN THE PERIOD ENDED 31 DECEMBER 2022

For the purpose of complying with the provisions of Article L.22-10-9 of the French Code of Commerce (as amended pursuant to Order 2020-1142 of 16 September 2020 and Decree 2020-1742 of 29 December 2020), information required thereunder is presented in this section for each officer.

In application of Article L.22-10-34 of the French Code of Commerce (as amended pursuant to Order 2020-1142 of 16 September 2020 and Decree 2020-1742 of 29 December 2020), it is hereby requested that you vote on a draft resolution concerning the information referred to in Article L. 22-10-9 of the French Code of Commerce and, on the other hand, to vote by means of distinct resolutions on the fixed, variable or exceptional components making up the total remuneration and benefits of any nature paid in or granted for the period ended for the Chairman-CEO and Deputy CEO.

The tables presented below were prepared in reference to the Middlednext code of corporate governance in the September 2021 version. Any heading not included in the following tables in relation to the table templates proposed by the MiddleNext Code corporate governance is considered as not applicable.

• Table 1: Summary of remuneration for each executive officer

Mr Pierre Saubot Chairman and CEO	Financial year ended 31 December 2021		Financial year ended 31 December 2022	
	Amounts paid (Gross base remuneration before tax)	Percentage relative to the fixed and variable remuneration	Amounts paid (Gross base remuneration before tax)	Percentage relative to the fixed and variable remuneration
Fixed annual remuneration paid by Solem for the office of chief executive officer exercised within this company	91.773,11 €	100%	91.773,11 €	100%
Variable annual remuneration paid by Solem ¹ for the office of chief executive officer exercised within this company	0€	0%	0€	0%
TOTAL	91.773,11€	100%	91.773,11€	100%

Mr Alexandre Saubot Deputy Chief Executive Officer	Financial year ended 31 December 2021		Financial year ended 31 December 2022	
	Amounts paid (Gross base remuneration before tax)	Percentage relative to the fixed and variable remuneration	Amounts paid (Gross base remuneration before tax)	Percentage relative to the fixed and variable remuneration
Fixed annual remuneration paid by Solem for the office of chairman exercised within this company	346.698,11€	78%	358.696 €	70,51%
Variable annual remuneration paid by Solem for the office of chairman exercised within this company	95.000 €	22%	150.000 €	29,49%
TOTAL	441.698,11 €	100%	508.696 €	100%

¹ The criteria used to calculate the amount of variable annual remuneration to be paid is set each year by Solem in reference to the quality of and improvements to the results of Haulotte Group, as presented in the consolidated financial statements of Solem, for the previous financial year.

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• Table 2: Other remuneration received by non-executive officers

Mr José Monfront Director	Financial year ended 31 December 2021	Financial year ended 31 December 2022
	Amounts paid (Gross base remuneration before tax)	Amounts paid (Gross base remuneration before tax)
None	None	None
TOTAL	None	None

Mr Michel Bouton Director	Financial year ended 31 December 2021	Financial year ended 31 December 2022
	Amounts paid (Gross base remuneration before tax)	Amounts paid (Gross base remuneration before tax)
None	None	None
TOTAL	None	None

Ms Anne Danis-Fatôme Director	Financial year ended 31 December 2021	Financial year ended 31 December 2022
	Amounts paid (Gross base remuneration before tax)	Amounts paid (Gross base remuneration before tax)
None	None	None
TOTAL	None	None

Ms Elodie Galko Director	Financial year ended 31 December 2021	Financial year ended 31 December 2022
	Amounts paid (Gross base remuneration before tax)	Amounts paid (Gross base remuneration before tax)
None	None	None
TOTAL	None	None

Ms Elisa Savary Director	Financial year ended 31 December 2021	Financial year ended 31 December 2022
	Amounts paid (Gross base remuneration before tax)	Amounts paid (Gross base remuneration before tax)
None	None	None
TOTAL	None	None

Mr Hadrien Saubot Director	Financial year ended 31 December 2021	Financial year ended 31 December 2022
	Amounts paid (Gross base remuneration before tax)	Amounts paid (Gross base remuneration before tax)
None	None	None
TOTAL	None	None

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• Table 3: Other indemnities or benefits granted to corporate officers

The following table provides details on the remuneration and benefits of company officers:

Corporate officers	Employment contract		Supplemental retirement scheme		remuneration or benefits owed or potentially due upon termination or a change in function		Payments relating to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Pierre Saubot Chair and Chief Executive Officer Beginning of the renewed term of office: 13/03/2018 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2023								
		X		X		X		X
Director Beginning of the renewed term of office: 29/05/2018 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2023								
Alexandre Saubot Deputy Chief Executive Officer Beginning of the renewed term of office: 08/03/2022 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2027								
		X		X		X		X
Director Beginning of the renewed term of office: 24/05/2022 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2027								
Elisa Savary Director Beginning of the renewed term of office: 24/05/2022 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2027		X		X		X		X
Hadrien Saubot Director Beginning of the renewed term of office: 24/05/2022 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2027		X		X		X		X
José Monfront Director Beginning of the renewed term of office: 24/05/2022 End of appointment: At the close of the general meeting called to approve the financial statements for the year ending on 31 December 2027		X		X		X		X

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Corporate officers	Employment contract	Supplemental retirement scheme	remuneration or benefits owed or potentially due upon termination or a change in function	Payments relating to a non-competition clause
Michel Bouton Director Beginning of the renewed term of office: 24/05/2016 End of appointment: 8 March 2022	X	X	X	X
Anne Danis-Fatôme Beginning of term of office: 29/05/2018 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2023	X	X	X	X
Elodie Galko Beginning of term of office: 29/05/2018 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2023	X	X	X	X

- **Ratio between the level of remuneration of the Chair-CEO and Deputy CEO and, 1) the average remuneration on a full-time equivalent basis of employees of the Company other than the corporate officers, and 2) the median remuneration on a full-time equivalent basis of employees of the company other than corporate officers**

	Financial year ended 31 December 2022	
	Pierre Saubot Chair and chief executive officer	Alexandre Saubot Deputy Chief Executive Officer
Ratio between the remuneration of the corporate officer concerned and the average remuneration of employees on a full-time equivalent basis	2,08	11,55
Ratio between the remuneration of the corporate officer concerned and the median remuneration of employees on a full-time equivalent basis	2,53	14,01
Ratio between the remuneration of the corporate officer concerned and the minimum wage	4,65	25,76

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- **Changes in annual remuneration, performances of the Company, average remuneration of employees of the Company on a full-time equivalent basis, other than executive officers, and the above ratios, over the last five years**

Financial year	31/12/2018		31/12/2019		31/12/2020		31/12/2021		31/12/2022	
Corporate offices concerned:	Pierre Saubot	Alexandre Saubot	Pierre Saubot	Alexandre Saubot	Pierre Saubot	Alexandre Saubot	Pierre Saubot	Alexandre Saubot	Pierre Saubot	Alexandre Saubot
Total gross remuneration received within Solem	91 374,00 €	428 060,00 €	91 006,00 €	436,055,00 €	92 123,11 €	440 829,77 €	91 773,11 €	441 698,89 €	91 773,11 €	508 696 €
Change in remuneration between N-1 and N	3,68%	4,78%	-0,40%	1,87%	1,23%	1,10%	-0,38%	0,20%	0,3%	15,17%
Average remuneration of HGSA employees (full-time, excluding senior executives, gross amount)	42 551,00 €		42 932,00 €		41 993,00 €		43 473,00 €		44 027,00 €	
Change in the average remuneration of employees between N-1 and N	3,63%		0,90%		-2,19%		3,52%		1,27%	
Median remuneration of HGSA employees (full-time, excluding senior executives, gross amount)	33 785,00 €		33 822,00 €		34 743,00 €		35 257,00 €		36 321,00 €	
Change in the median remuneration of employees between N-1 and N	2,73%		0,11%		2,72%		1,48%		3,02%	
Amount of the minimum wage	17 981,64 €		18 254,64 €		18 473,04 €		18 654,96 €		19 744,27 €	
Change in the minimum wage between N-1 and N	1,23%		1,52%		1,20%		0,98%		5,84%	
Ratio between the remuneration and the average remuneration paid to HGSA employees	2,15	10,06	2,12	10,16	2,19	10,50	2,11	10,16	2,08	11,55
Change in ratio between N-1 and N	0,05%	1,11%	-1,29%	0,96%	3,49%	3,36%	-3,77%	-3,21%	-1,26%	-13,72%
Ratio between the remuneration and the median remuneration paid to HGSA employees	2,70	12,67	2,69	12,89	2,65	12,69	2,60	12,53	2,53	14,01
Change in ratio between N-1 and N	0,93%	2,00%	-0,51%	1,76%	-1,46%	-1,58%	-1,83%	-1,26%	-2,93%	11,79%
Ratio between the remuneration and the minimum wage	5,08	23,81	4,99	23,89	4,99	23,86	4,92	23,68	4,65	25,76
Change in ratio between N-1 and N	2,42%	3,51%	-1,89%	0,34%	0,03%	-0,10%	-1,35%	-0,78%	-5,52%	8,81%
Indicators of the Company's performance (on a consolidated basis)										
EBIT (current operating income)	35 600 000,00 €		35 900 000,00 €		11 004 000,00 €		17 598 000,00 €		-2 933 000,00 €	
Change in EBIT between N-1 and N	-16,04%		0,84%		-69,35%		59,92%		N/A	
Revenue excl. VAT	555 900 000,00 €		609 800 000,00 €		438 544 000,00 €		497 272 000,00 €		608 247 000,00 €	
Change in revenue excl. VAT between N-1 and N	11,31%		9,70%		-28,08%		13,39%		22,32%	

Note on methodology:

1. Procedures for calculation of ratios referred to in article L.22-10-9 6 of the French Code of Commerce:

- Numerator: total remuneration based on the gross pre-tax remuneration received by the Chairman & CEO (or the Deputy CEO) within Solem in the absence of remuneration received within the Company.
- Denominator: average remuneration.

For average remuneration, the Company has calculated the average remuneration of employees of the Company on an equivalent full-time basis.

For median remuneration, the Company has calculated the median remuneration of employees of the Company on an equivalent full-time basis.

2. Scope of employees concerned: Within the meaning of article L.22-10-9 6 of the French Code of Commerce, only employees of the Company, on a non-consolidated basis, i.e. at 31 December 2022, 635 employees (so 36.45% of Group employees based on the consolidated accounts at 31 December 2022).

3. Performance indicators selected in accordance with Article L.22-10-9 7 of the French Code of Commerce.

As indicators of performance, the Company has selected revenue and current operating income (EBIT) as these aggregates are presented in the consolidated financial statements of the Company for the last five years.

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5 - AGREEMENTS COVERED BY ARTICLE L.225-37-4 2 OF THE FRENCH CODE OF COMMERCE

For the purpose of complying with the provisions of article L.225-37-4 2 of the French Code of Commerce, we remind you that this report must mention, except for ordinary agreements entered into under normal conditions, those agreements entered into either directly or through a third party, between:

- on the one hand, one of the directors or shareholders possessing more than 10% of the voting rights of a company,
- and, on the other hand, another company controlled by the first within the meaning of article L.233-3 of the French Code of Commerce.

No agreements of this type were entered into in the period ended 31 December 2022.

6 - PROCEDURES IMPLEMENTED BY THE BOARD OF DIRECTORS IN APPLICATION OF ARTICLE L.22-10-12 OF THE FRENCH CODE OF COMMERCE

To comply with article L.22-10-10, 6 of the French Code of Commerce, we remind you that the Board of Directors implemented a procedure serving to regularly assess if the ordinary agreements entered into under normal conditions properly fulfil these conditions.

A method for identifying financial flows between Group companies has already been adopted by the Finance Division, notably in connection with the transfer pricing policy.

To supplement this method, the Finance Division and Legal Division developed the following procedure to be applied once a year when the annual financial statements are reviewed.

- Identification of all ordinary agreements entered into under normal conditions which remain applicable, or newly entered into during the period under review;
- A summary of their main terms and conditions and features;
- A presentation of all agreements to the Board of Directors to be convened in order to approve the annual financial statements in order to determine if these agreements continue to meet the criteria of ordinary agreements entered into under normal conditions. Persons directly or indirectly concerned by an agreement do not participate in its evaluation.

7 - ITEMS HAVING A POTENTIAL IMPACT IN THE EVENT OF PUBLIC OFFERINGS

In application of article L.22-10-11 of the French Code of Commerce, we report to you on those items which we consider likely to have an impact in the case of a public takeover bid or exchange offer.

7.1 Shareholder base

On 31 December 2022, the share capital and voting rights of the Company were majority-held by Solem that is itself held by the Saubot family.

We invite you to refer to part 3 of the Board of Directors' management report which this report forms part of.

MANAGEMENT REPORT

ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

7.2 Restrictions under the Articles of Association on the exercise of voting rights and the transfer of shares or the provisions of agreements reported to the company in compliance with article L.233-11 of the French Code of Commerce

Article 9 (Transfer and transmission of shares) of the Company's articles of association, provides that legal entities or natural persons that acquire or cease to hold an amount equal to 1% of the share capital or the voting rights or any multiple thereof, must notify the company within fifteen days of crossing such thresholds.

Under its Articles of Association, if the company has not been thus notified, shares that exceed the amount to be reported under this disclosure requirement shall be deprived of voting rights at the request of one or more shareholders holding 5% of the share capital (with such request recorded in the minutes of the General Meeting).

7.3 List of direct or indirect shareholdings in the Company's capital of which it has knowledge by virtue of articles L.233-7 and L.233-12 of the French Code of Commerce

We invite you to refer to part 3 of the Board of Directors' management report to which this report is attached.

7.4 Holders of shares conferring special control rights and description thereof

All shares of the Company confer upon shareholders a right to participate in shareholders' meetings under the conditions and subject to the provision provided for by law and regulations.

Shares shall confer a right to a percentage of the company's assets, the distribution of earnings and proceeds after liquidation, equal to the proportion of the share capital they represent.

In accordance with article 16 of the articles of association, a double voting right is granted to all fully paid-up shares in proportion to the capital they represent subject to proof that they have been registered for at least four (4) years in the name of the same shareholder.

This right is also granted pursuant to the capitalisation of reserves, earnings or additional paid-in capital to free registered shares granted on the basis of existing shares entitled to the same right.

7.5 Powers of the Board of Directors, in particular for the issuance or repurchasing of shares

In application of article L.22-10-11.8, we invite you to refer to part 3 of the Board of Directors' management report to which this report is attached as well as the table summarising the delegations of authority and powers granted to the Board of Directors by the shareholders' general meeting.

7.6 Agreements entered into by the Company which are modified or terminated in the event of a change of control of the Company

In application of article L.22-10-11.9, we inform you that agreements have been entered into by the Company containing clauses in the event of a change in control, and notably in the case of contracts entered into with certain service providers or financial institutions.

MANAGEMENT REPORT

ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

8 - SUMMARY OF DELEGATIONS OF AUTHORITY IN FORCE GRANTED BY THE GENERAL MEETING OF SHAREHOLDERS TO THE BOARD OF DIRECTORS FOR CAPITAL INCREASES IN COMPLIANCE WITH ARTICLES L.225-129-1 AND L.225-129-2

To this report is attached, in accordance with the provisions of article L.225-37-4, 3 of the French Code of Commerce, a table of delegations of authority in force granted by the general meeting of the shareholders relating to capital increases, in application of articles L.225-129-1 and L.225-129-2, and indicating the uses made thereof in the period.

Nature of the delegation of authority or powers granted to the Board of Directors by the Company in accordance with article L.225-129-1 and L.225-129-2 of the French Code of Commerce	Date of General Meeting	Length of validity	Maximum nominal amount of capital increases which may be carried out immediately and/or in the future (excluding issuances of debt securities)	Capital increase(s) carried out in the period ended 31 December 2022	Residual amounts at 31 December 2022
Delegation of authority granted to the Board of Directors to increase the share capital of the company through the incorporation of premiums, reserves, profits or other	24/05/2022 22 nd resolution	26 months	The maximum nominal amount of capital increases that may be carried out, immediately or in the future, cannot exceed €1,500,000 , to which may be added, as necessary, an additional amount to preserve, in accordance with statute or regulations and, as necessary, applicable contractual provisions, the rights of holders of securities or other rights conferring entitlement to shares, whereby it is specified that this maximum amount is set independently and separately from the maximum amount set by the twenty-first resolution adopted at the general meeting.	None	Identical to the maximum nominal value
Grant of authority to the Board of Directors in application of article L.225-197-1 to L.225-197-6 of the French Code of Commerce to proceed with the free allocation of existing shares or to issue profits to all or part of the employees and/or the company officers as per article L.225-197-1 of the French Code of Commerce	24/05/2022 20 th resolution	38 months	The total number of shares likely to be allocated freely by the Board cannot exceed 1% of the existing share capital on the date of the decision to allocate them, whereby it is specified that the amount of the capital increase corresponding to the shares issued with a view to their free allocation shall be deducted from the overall maximum amount provided for in the twenty-first resolution adopted by the said general meeting.	None	Total number of shares to be issued identical to that on date of 24/05/2022

* Under the terms of the twenty-first resolution submitted for approval to the combined general meeting of 24 May 2022:

- the maximum aggregate par value of the capital increases that may be carried out under the delegations of authority granted under (i) the fourteenth to sixteenth resolutions adopted by the Combined General Meeting of 25 May 2021 and (ii) the nineteenth and twentieth resolutions above, shall be set at €1,200,000 (or the equivalent value on the date of issue of this amount in a foreign currency or in a unit of account established by reference to several currencies), it being specified that the additional amount of shares to be issued to preserve, in accordance with the law and, where applicable, with the applicable contractual provisions, the rights of holders of securities and other rights giving access to shares, shall be added to this maximum amount,
- the maximum aggregate nominal amount of the debt securities that may be issued under the delegations granted under (i) the fourteenth to sixteenth resolutions adopted by the Combined General Meeting of 25 May 2021 is set at €20,000,000 (or the equivalent value on the date of issue of this amount in a foreign currency or in a unit of account established by reference to several currencies), it being specified that this maximum amount shall not apply to debt securities the issue of which is decided or authorized by the Board of Directors in accordance with article L.228-40 of the French Commercial Code.

MANAGEMENT REPORT

ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2022

APPENDIX 3 - SPECIAL REPORT ON THE ALLOCATION OF FREE SHARES PRESENTED TO THE ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 23 MAY 2023 (ARTICLE L. 225-197-4 OF THE FRENCH Code of Commerce)

To the shareholders:

We hereby inform you that the authorizations granted by the Extraordinary General Meeting of 26 May 2020, under its thirteenth resolution, and by the Extraordinary General Meeting of 24 May 2022, under its twentieth resolution (having rendered null and void the authorization previously granted by the General Meeting of 26 May 2020, under its thirteenth resolution having the same purpose) have not been used to date.



CONSOLIDATED FINANCIAL STATEMENT 2022

CONSOLIDATES FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED BALANCE SHEET - ASSETS

In thousands of euros	Note	31/12/2022	31/12/2021
Goodwill	8	10,724	13,006
Intangible assets	9	35,959	31,979
Property, plant and equipment	10	97,009	100,729
Right-of-use-assets	11	17,709	17,735
Financial assets	12	5,140	3,167
Deferred tax assets	27	14,073	15,102
Trade receivables from financing activities > 1 year	14	36,179	49,185
Other non current assets	15	5,190	2,629
NON CURRENT ASSETS (A)		221,983	233,532
Inventory	13	231,975	156,818
Trade receivables	14	148,910	112,008
Trade receivables from financing activities < 1 year	14	20,867	21,684
Other assets	15	30,925	26,597
Cash and cash equivalents	18	37,452	33,203
Derivative instruments	19	1,620	-
CURRENT ASSETS (B)		471,749	350,310
TOTAL ASSETS (A+B)		693,731	583,842

Notes 1 to 48 constitute an integral part of these consolidated financial statements

CONSOLIDATES FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED BALANCE SHEET - LIABILITIES

In thousands of euros	Note	31/12/2022	31/12/2021
Share capital	20	4,078	4,078
Share premiums	20	3,753	71,902
Consolidated reserves and income		191,320	148,211
SHAREHOLDERS'EQUITY BEFORE MINORITY INTERESTS (A)		199,151	224,191
Minority interests (B)		(330)	(127)
TOTAL EQUITY		198,821	224,064
Long-term borrowings	21	149,488	69,916
Non current lease liabilities	11	12,138	13,633
Deffered tax liabilities	27	12,051	10,334
Provisions	23	3,860	5,516
NON CURRENT LIABILITIES (C)		177,537	99,399
Trade payables	25	109,900	91,867
Other current liabilities	26	35,503	22,792
Current borrowings	21	156,338	130,924
Current lease liabilities	11	4,878	4,642
Provisions	23	10,754	10,154
Derivative instruments	19	-	-
CURRENT LIABILITIES (D)		317,373	260,379
LIABILITIES AND SHAREHOLDERS'EQUITY (A+B+C+D)		693,731	583,842

Notes 1 to 48 constitute an integral part of these consolidated financial statements

CONSOLIDATES FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED INCOME STATEMENT

In thousands of euros	Note	31/12/2022		31/12/2021	
Sales and revenue	28	608,247	100.0%	497,272	100.0%
Cost of sales	29	(506,715)	-83.3%	(389,329)	-78.3%
Selling expenses		(35,823)	-5.9%	(30,637)	-6.2%
General and administrative expenses	30	(56,453)	-9.3%	(48,321)	-9.7%
Research and development expenditures	31	(13,558)	-2.2%	(11,771)	-2.4%
Exchange gains and losses	32	1,369	0.2%	384	0.1%
CURRENT OPERATING INCOME		(2,933)	-0.5%	17,598	3.5%
Other operating income and expenses	35	501	0.1%	(5,626)	-1.1%
OPERATING INCOME		(2,432)	-0.4%	11,972	2.4%
Cost of net financial debt	36	(5,457)	-0.9%	(4,024)	-0.8%
Exchange gains and losses	32	(2,673)	-0.4%	9,065	1.8%
Other financial income and expenses	36	980	0.2%	(919)	-0.2%
PROFIT BEFORE TAXES		(9,582)	-1.6%	16,094	3.2%
Income tax	37	(5,637)	-0.6%	(7,956)	-1.6%
NET PROFIT		(15,219)	-2.2%	8,138	1.6%
attributable to equity holders of the parent		(15,282)		7,934	
attributable to minority interests		63		204	
NET EARNINGS PER SHARE	39	(0.52)		0.27	
NET DILUTED EARNINGS PER SHARE	39	(0.52)		0.27	

Notes 1 to 48 constitute an integral part of these consolidated financial statements

CONSOLIDATES FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros	Note	31/12/2022	31/12/2021
PROFIT / (LOSS) FOR THE YEAR (A)		(15,219)	8,138
ITEMS THAT MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT AND LOSS			
Currency translation differences for cash items relating to net investments in foreign operations		3,894	6,536
Currency translation differences from financial statements of subsidiaries		(11,288)	(6,792)
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT AND LOSS			
Actuarial gains and losses on employee benefits	24	2,236	1,183
Income tax	27	(2,230)	(2,701)
Net income / (expense) recognised directly in equity (B)		(7,388)	(1,774)
Total consolidated comprehensive income (A+B)			
		(22,607)	6,364
attributable to equity holders of the parent		(22,669)	6,320
attributable to minority interest		62	44

Notes 1 to 48 constitute an integral part of these consolidated financial statements

CONSOLIDATES FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED STATEMENTS OF CASH FLOWS

In thousands of euros	Note	31/12/2022	31/12/2021
NET INCOME		(15,219)	8,138
Depreciation and amortization		19,015	19,821
Change in provisions (except for current assets)		1,185	1,333
Change in financial derivative instruments fair value		-	-
Unrealised foreign exchange gains and losses	32	3,294	(9,566)
Change in deferred taxes	37	727	2,668
Gains and losses from disposals of fixed assets		(1,070)	41
Interests on bank borrowings	36	5,457	4,014
GROSS CASH FLOWS FROM OPERATIONS		13,389	26,449
Change in operating working capital	41	(92,063)	1,279
Change in receivables from financing activities	42	9,314	7,868
Change in other non current assets		-	-
CASH FLOWS FROM OPERATING ACTIVITIES		(69,360)	35,596
Purchases of fixed assets		(18,184)	(35,724)
Proceeds from the sales of fixed assets, net of tax		2,492	1,884
Dividends received		-	-
Impact of changes in scope of consolidation		-	-
Change in payables on fixed assets		-	-
CASH FLOWS FROM INVESTING ACTIVITIES		(15,692)	(33,840)
Dividends paid to shareholders		(6,753)	-
Loans issues	21	119,554	23,906
Borrowings repayments	21	(16,020)	(13,875)
Lease liabilities repayments	11	(7,164)	(5,949)
Treasury shares		(55)	(113)
CASH FLOWS FROM FINANCING ACTIVITIES		89,562	3,969
NET CHANGE IN CASH AND CASH EQUIVALENTS		4,510	5,725
Opening cash and cash equivalents	43	(5,907)	(10,804)
Effect of exchange rate changes		(1,915)	(828)
Closing cash and cash equivalents	43	(3,312)	(5,907)
NET CHANGE IN CASH AND CASH EQUIVALENTS		4,510	5,725

Notes 1 to 48 constitute an integral part of these consolidated financial statements

CONSOLIDATES FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF CHANGES IN EQUITY

In thousands of euros	Capital	Share premiums	Consolidated reserves*	Profit for the period	Treasury shares **	Free shares***	Translation differences	Actuarial gains and losses on employee benefits	Group share	Minority Interests	Total
Balance at 31 December 2020	4,078	72,310	238,318	(26,057)	(14,336)	1,326	(53,137)	(2,479)	220,023	(329)	219,694
Change in capital of the parent company											
Appropriation of 2020 net income			(26,057)	26,057							
Dividends paid by the parent company											
Net income for the period				7,934					7,934	204	8,138
Net income / (expense) recognised directly in equity							(2,620)	847	(1,773)	(1)	(1,774)
Total consolidated comprehensive income				7,934			(2,620)	847	6,161	203	6,364
Treasury shares					(40)	(1,326)			(1,366)		(1,366)
Other changes****			(627)						(627)	(1)	(628)
Balance at 31 December 2021	4,078	72,310	211,634	7,934	(14,376)		(55,757)	(1,632)	224,191	(127)	224,064
Change in capital of the parent company											
Appropriation of 2021 net income			7,934	(7,934)							
Dividends paid by the parent company		(6,488)							(6,488)	(265)	(6,753)
Net income for the period				(15,282)					(15,282)	63	(15,219)
Net income / (expense) recognised directly in equity							(9,046)	1,659	(7,387)	(1)	(7,388)
Total consolidated comprehensive income				(15,282)			(9,046)	1,659	(22,669)	62	(22,607)
Treasury shares					(358)				(358)		(358)
Other changes****		(62,069)	66,544						4,475		4,475
Balance at 31 December 2022	4,078	3,753	286,112	(15,282)	(14,734)		(64,803)	27	199,151	(330)	198,821

*Consolidated reserves primarily consist of retained earnings.

**For the three periods, the amount of treasury shares has been disclosed at the book value, and the correction in consolidated reserves.

***Following the non-achievement of the objectives set, the free share allocation plan of March 13, 2018 was fully reversed during the financial year.

****Other changes include hyperinflation effects in Argentina and Turkey

Notes 1 to 48 constitute an integral part of these consolidated financial statements

CONSOLIDATES FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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CONSOLIDATES FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 1 - GENERAL INFORMATION

Haulotte Group S.A. manufactures and distributes through its subsidiaries (forming the "Group") people and material lifting equipment.

Haulotte Group also operates in the rental market for these equipments.

Haulotte Group S.A. is a "société anonyme" (a French limited liability company) incorporated in Saint-Etienne (France) with its registered office in Lorette. The company is listed on Euronext Paris – Eurolist Compartment B (Mid Caps).

The annual consolidated financial statements for the period ended 31 December 2022 and the notes thereto were approved by the Board of Directors of Haulotte Group SA on March 22th 2023. Figures are expressed as thousands of euros.

NOTE 2 - MAJOR EVENTS OF THE FISCAL YEAR

2022: A YEAR MARKED BY THE EFFECTS OF THE HEALTH CRISIS AND THE CONFLICT IN UKRAINE

In a global market which reached its highest level in 2022, growing in all areas, the Group faced ongoing component supply issues, an increase in energy and transport costs and serious disruptions to logistics chains throughout the year, all consequences of the health crisis and the Ukrainian conflict. However, the end of the year showed signs of improvement in maritime transport (containers), and in some materials indexes (steel).

In this unprecedented context, the Group posted an increase in turnover of +18% between 2021 and 2022 (at a constant exchange rate, excluding application of IAS 29) into current operating income for the 2022 financial year € (4.9) million or -0.8% of sales (before exchange gains and losses, excluding IFRS 16 & IAS29).

To support the strong increase in its activity and to preserve its agility in the face of several operational disruptions, as described above, on June, 28, the Group obtained, from all the lenders of its syndicated loan, as well as the BPI France *Prêt Garanti par l'Etat* (State Guaranteed Loan), an amount of € 96 million (note 21 describes the conditions and commitments in relation to the different components of the Group's debts). This specifically supported the Group's decision to increase production rates so as to be able to meet the high increase in the order book. However, in the complex operational context described above, this resulted in a significant increase in stock levels.

However, the Group will not be able to meet the financial ratios stipulated in the contracts, at the end of June 2023. According to the syndicated loan and the PGE terms, it could lead the lenders to make these financings payable. As it was agreed with all the lenders, a new waiver request will be made in the coming few weeks, with the objective to continue the Group financing in 2023.

CONSOLIDATES FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies applied to prepare the consolidated financial statements are described below. Except where specifically stated otherwise, these policies are consistently applied to all financial periods presented herein.

3.1 STATEMENTS OF COMPLIANCE

As a publicly traded company listed in the European Union and in accordance with EC regulation 1606/2002 of 19 July 2002, the Group's consolidated financial statements for fiscal year ended 31 December 2022 have been prepared according to IFRS (International Financial Reporting Standards) as adopted by the European Union on 31 December 2022.

These standards can be consulted at the website of the European commission (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm). They include standards approved by the International Accounting Standards Board (IASB), i.e. IFRS, International Accounting Standards (IAS) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

The consolidated financial statements have been prepared according to the historical cost convention, with the exception of certain items, notably assets and liabilities measured at fair value.

Amendments and interpretations of standards in issue taking effect in 2022

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2022:

Standard or interpretation	Nature of the expected change in accounting principles and methods	Impact of the first application by the Haulotte Group
Amendments to IAS 37	These amendments clarify the costs to be considered when analyzing the loss-making contracts	The application of these amendments does not have a significant effect on the Group's accounts, nor on their comparative.
Amendments to IAS 16	These amendments prohibit deducting the net income generated during the asset function test from the cost of a tangible asset. The income of the sale of said elements is recognized in the income statement	The application of these amendments does not have a significant effect on the Group's accounts, nor on their comparative.
Amendments to IFRS 3	These amendments update the conceptual framework without affecting the accounting treatment of the company groupings	The application of these amendments does not have a significant effect on the Group's accounts, nor on their comparative.
Annual improvement of IFRS - 2018-2020 cycle	These improvements concern the IFRS published in 2020 (2018-2020 cycle): - IFRS 9: Detail on the costs to include in the test of the 10% - IAS 41: Tax in the evaluations of the true value of the biological asset - IFRS 16: Rental incentives - Deletion of illustrative example 13 from the standard - IFRS 1: Detail on the evaluation of the exchange differences	The application of these improvements does not have a significant effect on the Group's accounts, nor on their comparative.

CONSOLIDATES FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

In April 2021, the IFRIC published a decision relating to IAS 38 "Intangible Assets" about the way of recording the costs of configuring and customizing software provided in the cloud in a "Software as a Service" (SaaS) contract.

As the impact of this decision on software capitalized amounts in the balance sheet at December 31, 2021 is not material, opening equity has not been restated at December 31, 2022.

New standards, amendments or interpretations applicable in advance

The Group did not anticipate and does not expect to anticipate for the text adopted by the European Union at the closing date but applicable for the following exercises.

New standards and interpretations not yet adopted by the European Union

The Group does not anticipate or plan at this stage early adoption of other new standards or interpretations published by IASB or IFRIC but not yet adopted by the European Union at the closing date.

Application of the IAS 29 Standard in Turkey

Hyperinflation is applicable in Turkey starting from July 1, 2022 with effect on the accounts from January 1, 2022.

IAS 29 requires restating the financial statements which were drawn up based on the historic cost convention. This restating consists of applying a general price index, so that the financial statements are expressed in the unit of measurement in force on the closing date.

The standard was applied by the Group for the entity Acarlar Dis Ticaret. The impacts of this application are presented in the equity variation table, in notes 8, 9, 32 and 35.

3.2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

3.2.1 Critical accounting estimates and assumptions

In preparing financial statements, the Group will resort to estimates and assumptions about future events. Such estimates are based on past experience and other factors considered reasonable in view of current circumstances. Actual results may differ from these estimates.

The main sources of uncertainty concerning key assumptions and assessments are:

- estimated impairment of goodwill (cf. note 4.1),
- evaluation of customer counterparty risk: evaluation of the recoverable value of trade receivables (see note 4.7) is based on credit rating procedures (see note 5 b) and, when applicable, analysis based on the Group's ability to recover the equipment in the case of customer default and proceed with their sale for a specified value. This resale value is estimated on the basis of data for the sale of used machines previously carried out by the Group over a period of several years. The consistency of these values with quoted prices for second hand assets generally accepted on the market is also verified. Today, there are no factors which might call into question the valuation of this recoverable value and notably the validity of quoted prices of second-hand equipment. Nevertheless, deterioration in the future of the market values of second-hand equipment could result in the recognition of additional impairment charges for trade receivables,
- net realizable value of inventory (cf. note 4.6): the net realizable value of work in progress and finished goods at 31 December 2022 determined on the basis of actual recorded transactions depending on each equipment's production year, remains significantly higher than the cost price,
- the assessment of the preferential nature of guarantees for residual amounts: the accounting treatment associated with transactions accompanied by such guarantees (cf. note 4.7.2) is based on the assumption that has been almost systematically verified to date of the attractiveness of the option to repurchase equipment offered to customers when compared to the current sales prices in the second-hand equipment market. If this assumption ceases to be confirmed, the accounting treatment of such future transactions should be adapted in consequence.

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Use of estimates and assumptions also had an impact on the following items:

- revenue recognition, notably in the context of tripartite agreements described in notes 4.7.2 to 4.7.4
- amortization and depreciation periods for fixed assets (cf. note 4.3),
- the evaluation of provisions, notably for manufacturer warranties (cf. note 4.11) and for pension liabilities (cf. note 4.10),
- the recognition of deferred tax assets (cf. note 4.13).

The financial statements reflect the best estimates according to information available at time of finalizing production of accounts.

3.2.2 Evaluation of risks and significant uncertainties having a potential material impact on Haulotte Group

The main material risks and uncertainties that could have a material impact on the Group identified at 31 December 2022 relate on one hand to the market risk, to the monetary environment of the Group and, on the other hand, on items relating to its liquidity. Regarding the market (following variations are at constant exchange rates & excluding IAS 29 application), fiscal year 2022 was marked by an increase of turnover of +18%. Over the year, sales of equipment increased by +19%, rental sales by +14% and services by +12%.

The Group maintains its policy of a centralised management of foreign exchange as described in note 5.a) and pays specific attention to the evolution of foreign currencies on its main markets, as these could significantly affect its financial performance.

Concerning the latter risk, relating to liquidity, the Haulotte Group's cash management is centralized, with the parent company and subsidiaries' current and projected funding is managed at headquarters. All of the cash surpluses may be placed by the parent company, under market conditions, in SICAV monetary or term deposit accounts without risk to the capital amount. Changes relating to the Group's debt in 2022 are detailed in note 2 on major events, note 21 and note 48 on subsequent events. Haulotte has the operating levers and financial resources to meet its operational cash requirements in 2023.

3.2.3 Consideration of risks related to climate change

The Group has taken into account the financial impacts and risks associated with climate change.

The Group has analyzed this risk on all of its financial information and has paid particular attention to the following aspects:

- Goodwill impairment tests;
- Recoverable value of intangible and tangible fixed assets;
- Realizable value of inventories;
- Valuation and completeness of provisions.

As of December 31, 2022, we have not identified any significant climate risk that could have an impact on the financial statements.

3.3 CONSOLIDATION

Subsidiaries over which Haulotte Group S.A. directly or indirectly exercises exclusive control are fully consolidated. They are deconsolidated from the date that control ceases.

Equity method is used for all associated companies in which the Group exerts significant influence. According to this method, Haulotte Group records in a specific caption of the consolidated income statement its share in the net income of the company consolidated using equity method. As of 31 December 2022, Haulotte Group does not have any company consolidated using the equity method.

The list of subsidiaries included in the consolidation scope is shown in note 7.

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3.4 INTERCOMPANY BALANCES AND TRANSACTIONS

All intercompany balances and transactions between fully consolidated companies are eliminated.

3.5 FOREIGN CURRENCY TRANSLATION OF FOREIGN SUBSIDIARIES FINANCIAL STATEMENT

The consolidated financial statements are presented in euro (€), which is the parent company's, Haulotte Group S.A., functional and the Group's presentation currency.

Financial statements of foreign subsidiaries are measured using the functional currency, their local currency.

The results and financial position of foreign entities that have a functional currency different from the presentation currency (euro) are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of balance sheet;
- Income statement items are translated at the average exchange rate for the period (average for 12 monthly rates) except if exchange rates experience significant fluctuations. In the latter case, applying an average exchange rate for a period would not be appropriate. Thus, to apply IAS 29, the income statement of the entities Haulotte Argentina S.A., Horizon High Reach Limited and Acarlar Dis Ticaret were converted using the closing rate.

Exchange differences resulting from the translation of the subsidiaries' financial statements are recognized as a separate component of equity and broken down between the parent company share and minority interests.

In the case of the disposal of an entity, translation differences that were recognized under components of comprehensive income items are reclassified from equity to income of the period (as a reclassification adjustment) when a gain or loss resulting from the disposal is recognized. These amounts are then included in the disposal result in the 'other income and expenses' line.

Goodwill is accounted for in the currency of the subsidiary concerned. It must consequently be stated in the functional currency of the subsidiary and translated at year-end.

3.6 TRANSLATION OF TRANSACTIONS IN FOREIGN CURRENCY

Foreign currency transactions are translated by the subsidiary into its functional currency using the exchange rates prevailing at the date of the transaction. At year-end, monetary items of the balance sheet denominated in foreign currencies are translated at closing exchange rates.

Gains and losses on translation are recorded directly in the income statement under operating income as "exchange gains and losses" except net foreign investments as defined under IAS 21 for which exchange differences are recognized as other comprehensive income items. In the event of the prepayment of a current account balance considered equivalent to a net investment in a foreign operation, the reduction of the associated investment is assessed on the basis of relative value and implies a decrease of interest rates. According to this methodology, no recycling in the result of exchange differences is done in case of reimbursement of the loan. This one does not constitute a partial exit since it does not reduce the interest rate in the foreign subsidiary.

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3.7 BUSINESS COMBINATIONS

Business combinations occurring after 1 January 2010 are accounted for using the acquisition method, in accordance with IFRS 3 (Revised) – Business Combinations:

- The acquired identifiable assets and assumed liabilities and contingent liabilities are measured at acquisition-date fair value, provided that they meet the accounting criteria in IFRS 3 (Revised). An acquired non-current asset (or disposal group) that is classified as held for sale at the acquisition date is measured at fair value less costs to sell. Only the liabilities recognized in the acquirees's balance sheet at the acquisition date are taken into account. Restructuring provisions are therefore not accounted for as a liability of the acquiree unless it has an obligation to undertake such restructuring at the acquisition date. Acquisition-related costs are recognized as expenses in the period in which the costs are incurred.
- The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the Group's share in the fair value of the acquired identifiable net assets exceeds the cost of acquisition, that difference is recognized directly in the income statement (see note 4.1).
- For each acquisition, the Group has the option of using the full goodwill method, where goodwill is calculated by taking into account the acquisition-date fair value of minority interests, rather than their share of the fair value of the assets and liabilities of the acquiree.
- Contingent consideration is measured at its acquisition-date fair value and is subsequently adjusted through goodwill only when additional information is obtained after the acquisition date about facts and circumstances that existed at that date. Such adjustments are made only during the 12-month measurement period that follows the acquisition date. All other subsequent adjustments are recorded as a receivable or payable through profit or loss (line "Other operating income and expenses").
- In a business combination achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and the resulting gain or loss, if material, is recognized as "Other operating income and expenses".

3.8 SEGMENT REPORTING

The Group has determined that the primary operating decision-making body of the entity is the Executive Committee. The Committee reviews internal reporting of the Group, evaluating its performance and making decisions for the allocation of resources. The operating segments have been adopted by management on the basis of this reporting.

The Executive Committee analyses activity both according to geographic markets and the Group's businesses. These businesses are:

- the manufacture and sale of lifting equipment,
- the rental of lifting equipment,
- services (spare parts, repairs and financing).

The column « Others » includes items not allocated to the Group's three business segments as well as inter-segment items.

Internal reporting used by the Executive Committee is based on a presentation of the accounts according to IFRS principles, including all Group activities.

The main indicators for performance reviewed by the Executive Committee are revenue and current operating income. In addition, the Executive Committee monitors the main balance sheet captions: trade receivables and inventories.

The Group has not identified any customer accounting for more than 10% of revenue.

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NOTE 4 - PRINCIPLES AND METHODS FOR THE VALUATION OF KEY BALANCE SHEET AGGREGATES

4.1 GOODWILL

Goodwill related to consolidated companies is booked to balance sheet assets under "Goodwill". They result from the application of the principles of business combinations described in note 3.7 above.

Negative Goodwill (or badwill) is recognized immediately under other operating income and expenses during the year of acquisition and no later than 12 months after the acquisition, after the correct identification and valuation of acquired assets and liabilities has been verified.

Goodwill is not depreciated but is instead subject to impairment testing whenever there exists an indicator of impairment and at least once a year. For the purpose of impairment testing, goodwill is allocated to Cash Generating Units (CGU) or groups of CGU that may benefit from business combinations.

The Group has defined different CGUs:

- The North America CGU including the subsidiaries Haulotte US and BilJax,
- Group rental company subsidiaries each representing an independent CGU and Horizon Argentina
- Manufacturing and distribution subsidiaries (Excluding North America and Turkey) of the Group included within a single CGU.
- CGU for Acarlar Makine, related to the distribution in Turkey.

An impairment loss is recognized when the carrying value is higher than the recoverable value, defined as the higher of value in use and fair value. Value in use is determined in reference to five-year business plans for which future flows are extrapolated and discounted to present value, or for some rental subsidiaries, using the market value of the rental assets.

Goodwill impairment charges are irreversible.

Income and expense arising respectively from the recognition of negative goodwill (badwill) and the impairment of positive goodwill are recognized under the "other operating income and expenses".

4.2 INTANGIBLE ASSETS

Developpement expenditures

Research expenditure is expensed as incurred. Development expenditure in connection with projects (for the design of new products or improvement of existing products) is recognized as intangible asset when the following criteria are met:

- the technical feasibility of completing the project,
- the intention of management to complete the project,
- the ability to use or sell the intangible asset,
- the intangible asset will generate probable future economic benefits for the group,
- the availability of adequate technical, financial and other resources to complete the project,
- the ability to measure reliably the costs.

Other development expenditures that do not meet these criteria are expensed in the period incurred. Development expenditure previously expensed is not recorded as an asset in subsequent periods.

Development expenditure is amortized from the date the asset is commissioned using the straight-line method over the estimated useful life of 2 to 5 years.

In compliance with IAS 36, development expenditure recognized under assets not yet fully amortized is tested for impairment annually or as soon as any impairment indicator is identified (when the inflow of economic benefits is less than initially anticipated). The carrying value of capitalised development expenditure is compared with expected cash flows projected over 2 to 5 years to determine the impairment loss to be recorded.

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Customer Portfolio

The customer portfolio had been determined at the purchase price allocation of Acarlar.

The price paid for this acquisition includes customer relationship of the company. Only the relationship existing at the date of acquisition were evaluated.

The fair value of the customer portfolio had been determined using the excess earnings method. Usefull life of the portfolio was set at 10 years.

Other intangible assets

Other intangible assets (software, patents, etc.) are recognized at purchase cost excluding incidental expenses and financial charges.

Software is amortized using a straight-line method over 3 to 7 years.

4.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recognized on the balance sheet at purchase cost (less discounts and all costs necessary to bring the asset to working condition for its intended use) or production cost. Finance costs are not included in the cost of fixed assets.

The basis for depreciation of fixed assets is their gross value (cost less residual value). Depreciation starts from the date the asset is ready to be commissioned. Depreciation is recorded over the useful life that reflects the consumption of future economic benefits associated with the asset that will flow to the Group.

When the asset's carrying value is greater than the estimated recoverable amount, an impairment is immediately recorded for the difference.

Component parts are recognized as separate assets and subject to different depreciation rates if the related assets have different useful lives. The renewal or replacement costs of components are recognized as distinct assets and the replaced asset is written off.

Land is not depreciated. Other depreciation on assets is calculated using the straight-line method over their estimated useful lives as follows:

	Depreciation period
Plant buildings :	
Main component	30 to 40 years
Other components	10 to 30 years
Buildings fixtures and improvements:	
Main component	10 to 40 years
Other components	5 to 20 years
Plant equipment	5 to 20 years
Other installations and equipment	3 to 20 years
Transportation equipment	5 years
Computer and office equipment	3 to 10 years
Office furniture	3 to 10 years

The assets' residual value and useful lives are reviewed and adjusted, if appropriate, at each balance-sheet date.

Gains and losses arising from the disposal of fixed assets are recognized under other operating income and expenses.

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4.4 LEASE CONTRACTS

Lease contracts, as defined by IFRS 16 “Leases”, are recorded in the balance sheet, which leads to the recognition of:

- An asset representing a right of use of the asset leased during the lease term of the contracts;
- A liability related to the payment obligation.

At the commencement date, the right of use asset is measured at cost which includes the debt initial amount and can comprise, when applicable, any lease payments made at or before the commencement date, any initial direct costs incurred for the conclusion of the contracts and estimated costs for restoration and dismantling of the leased asset according to the terms of the contract.

The right of use asset is depreciated over the useful life of the underlying assets (the duration chosen is the first expiry date; unless specific information leads to choose a longer period).

At the commencement date, the lease liability is recognized for an amount equal to the present value of the lease payments over the lease term.

The right of use asset and the lease liability may be remeasured in the following situations:

- Change in the lease term;
- Modification related to the assessment of the reasonably certain nature (or not) of the exercise of an option;
- Adjustment to the rates and indices when according to which the rents are calculated when rent adjustments occur.

The key assumptions that the Group uses for the implementation of the standard are:

- Durations : The Group has decided to retain the contractual terms of the contracts. The duration chosen is the first expiry date; unless specific information leads to choose a longer period taking into account the options for leaving and renewing the contract.
- Discount rate : The Group wished to use the simplification measures recommended by the standard and thus use the marginal borrowing rate of the contract taking into account the asset class, the duration of the contract and the economic environment.

4.5 OTHER FINANCIAL ASSETS

In the IFRS 9 standard, financial assets are classified in three different categories according to their nature and the intended investment period:

- Held-to-maturity investments
- Financial assets measured at fair value through profit and loss
- Financial assets measured at fair value through other comprehensive income.

The “other financial assets” of the Group are essentially loans. They are recognized at the fair value of the price paid less transaction costs at initial recognition and subsequently at amortized cost at each balance sheet date. All impairment losses on these assets (excluding account receivables, see Note 4.7) are immediately recognized in the income statement through “other financial income and expenses”. The fair value of these financial assets corresponds to its accounting value.

This caption also includes deposits and sureties.

4.6 INVENTORIES AND WORK IN PROGRESS

Inventories are stated at the lower of cost or net realizable value:

- Materials and supplies cost is determined using the average cost method based on the weighted average cost per unit,
- The cost of finished goods and work in progress includes direct production costs and factory overhead (based on normal operating capacity);
- Traded goods inventories are recorded at purchase price (spare parts) or at their trade-in value (second-hand machines).

The net realizable value is the estimated selling price in the ordinary course of business less applicable expenses to sell or recondition the goods.

Impairment is recognized when the net realizable value is less than the carrying value of inventories defined above.

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4.7 TRADE RECEIVABLES

There are four categories of trade receivables:

- Receivables resulting from transactions with customers obtaining financing directly (4.7.1) with no guarantee given by the Group to the financial institution providing the financing;
- Receivables resulting from transactions for which Haulotte Group grants guarantees to the financial institution providing financing to the customer (4.7.2);
- Receivables resulting from finance leases with financing or credit sales provided by Haulotte Group (4.7.3);
- Receivables resulting from back-to-back arrangements (4.7.4).

The accounting treatment for each transaction category is described below.

4.7.1 Sales without Group financing or guarantees

These receivables are recognized at fair value of the compensation received or to be received. They are subsequently recognized at amortized cost according to the effective interest rate method, less provisions for impairment.

When there exists serious and objective evidence of collection risks, a provision for impairment loss is recorded. The provision represents the difference between the asset's carrying amount and the estimated resale value of the equipment representing the receivable on the date the risk of non-collection is determined. This policy is based on the following factors:

- assets representing receivables may be repossessed by Haulotte Group in the event of customer default, when provided for by contractual terms and conditions
- a precise knowledge of the equipment's market value.

These market values are estimated on the basis of second-hand equipment sales realized by the Group over several years and corroborated by listed values for second-hand equipment.

4.7.2 Sales including guarantees granted by the Group

In line with industry practice, Haulotte Group grants guarantees to financial institutions offering financing to Group customers. Under such arrangements, Haulotte Group sells equipment to the financial institution that in turn contracts with the end user customer through one of two options:

- the credit sale of the equipment, or
- the conclusion of a finance lease.

Haulotte Group may grant several types of guarantees depending on the framework of agreements concluded with financial institutions and the level of risk assigned to the customer by this institution. Those guarantees are:

Guarantee in the form of a commitment to continue lease payments: Haulotte Group guarantees the financial institution payment if the debtor defaults and pays said institution in the event of default, the entire outstanding capital balance owed by the defaulting client. Haulotte Group has a right to repossess the equipment in exchange for its substitution in the place of the defaulting customer.

Guarantee in the form of a contribution to a risk pool: In this case, a portion of the amount of the sale to the financial institution is contributed to a guarantee fund that will cover potential risk of future customer default until a maximum amount defined contractually. In the event of default of a customer qualifying for the pool, the financial institution is assured of the recovery of its debt as defined in the contract (difference between the amounts owed by the customer at the time of default and a contractually defined value expressed as a percentage of the initial sale price of the financed good and decreasing in the time).

Specific guarantee covering a determined amount for a given receivable: In this case, the recourse of the financial institution is defined receivable by receivable. The financial institution confirms at each accounting closing the amount of its specific recourse for each receivable having been the object of this specific guarantee.

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The accounting treatment of the first three types of guarantees associated with the different lease agreements concluded between the financial institution and the end-user customer are determined based on the analysis of the substance of the transaction as follows:

- as a loan granted to the end customer by Haulotte Group, the contract being transferred to the financial institution in order for the sale to be financed (case of a credit sale);
- as a finance lease between Haulotte Group and the end-customer, the contract being transferred to the financial institution in order for the sale to be financed (case of a finance lease).

The analysis of the above contracts in accordance with the provisions of IFRS 9 indicates that Haulotte Group is in a situation known as "involvement retention"; the share of receivables maintained on the balance sheet in this regard corresponds to the maximum amount that may be repaid by Haulotte under the guarantee given.

Accordingly, for such contracts, the following accounting treatment is applied: recognition of a receivable (under "receivables from financing activities" in the balance sheet) for the amount of the guarantee given to the financial institution as a counterpart of a financial liability (under "Guarantees"). These receivables and payables are discharged as the customer makes the lease payments to the financial institution.

However, in the case of a guarantee with a contribution to a risk pool covering a fixed amount per receivable, the amount recognized under receivables and payables is capped to the financial institution amount of recourse towards Haulotte Group and not expanded to the full amount of the "assigned" receivable.

Haulotte Group measures at each closing the risk of the guarantees granted being activated by reviewing payment default that would have been reported by financial institutions. In this case a provision for impairment loss is recorded, determined as described in note 4.7.1.

Other guarantees given by Haulotte Group are disclosed in off-balance sheet commitments in note 45.

4.7.3 Financial leases and credit sales

Haulotte Group concludes credit sales or leasing contracts directly with its customers with no intermediary financial institutions.

Credit sales are analyzed according to the standard IFRS 15 (see note 6.1).

Analysis of these financial leases contracts according to provisions of IFRS 16, these agreements are classified as finance leases, as a significant portion of the risks and rewards of ownership are transferred to the lessees.

The accounting treatment for these agreements is as follows:

- equipment sales are recognized under "sales and revenue" in the income statement on the date the parties sign the lease agreement,
- a trade receivable (under "receivables from financing activities" in the balance sheet) is recognized to the end customer broken down between current assets for the portion of lease payments due within one year and non-current assets for the balance,
- for the following periods, payment received from the customer for the lease agreement or the credit sale is allocated between financial income and repayment of the receivable and finance charge.

4.7.4 Back-to-back lease arrangements

Haulotte Group can sometimes use that type of financing.

The Back to back leasing consists for the manufacturer in selling the equipment to a financial institution that will lease the equipment to him, along with a sub-lease contract signed between the manufacturer and his customer. The analysis in substance of upstream and downstream operations leads to recognize:

- the sale of the good to a customer, recorded in return for a receivable on financing operations.
- a financial debt with the financial institution.

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4.8 CASH AND CASH EQUIVALENTS

"Cash and cash equivalents" includes cash at hand and other short-term investments. The latter consists primarily of money market funds and term deposits.

Cash equivalents consist of short-term high liquidity investments that are readily convertible to known amounts of cash and present insignificant risk of change in value.

Accrued interest has been calculated for term deposits for the period between the subscription and closing date.

4.9 TREASURY SHARES

Shares of Haulotte Group S.A. acquired in connection with the Group share buyback programs (liquidity contract allocated to ensure an orderly market in the company's shares and buyback program) are recorded as a deduction from consolidated shareholders' equity at acquisition cost. No gain or loss is recognized in the income statement from purchases, sales or impairment of treasury shares.

4.10 EMPLOYEES BENEFITS

The Group records provisions for employee benefits and other post-employment obligations as well as long service awards. The Haulotte Group has only defined benefit plans. The corresponding obligation is measured using the projected unit credit method with end-of-career wages. The calculation of this obligation takes into account the provisions of the laws and collective bargaining agreements and actuarial assumptions concerning notably staff turnover, mortality tables, salary increases and inflation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized among equity items in other comprehensive income for the period in which these gains or losses are incurred.

We have also taken into consideration the Decision of the IFRS JC, applicable on December 31, 2021, which concluded that the benefit provision to be calculated should only be included for the period covering the employee's last 16 years of service. See note 24.

4.11 PROVISIONS AND CONTINGENT LIABILITY

In general, a provision is recorded when:

- the Group has a present legal or constructive obligation as a result of a past event,
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and,
- the obligation has been reliably estimated.

Warranty Provision

The Group grants clients a manufacturer's warranty. The estimated cost of warranties on products already sold is covered by a provision statistically calculated on the basis of historical data (number of materials under warranty, average intervention rate related to this parc and average intervention cost). The warranty period is usually 1 to 2 years. When necessary, a provision is recognized on a case-by-case basis to cover specific warranty risks identified.

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Litigation

Other provisions are also recorded in accordance with the above principles to cover risks related to litigations, site closures (when applicable) or any other event meeting the definition of a liability. The amount recognized as a provision represents the best estimate of the expenditure required to settle the obligation.

All material lawsuits involving the company were reviewed at year-end, and based on the advice of legal counsel, the appropriate provisions were recorded, when necessary, to cover the estimated risks.

Contingent liability

The Group can, in some cases, identify the existence of a contingent liability defined as follows:

- a potential obligation resulting from past events and that will be confirmed by the occurrence of (or not) of one or several future and uncertain events that are not under the total control of the entity or
- a current obligation resulting from past events but not accounted for because:
 - it is not probable that a resources output representing an economic benefit will be necessary to settle the obligation or,
 - the amount of the obligation cannot be evaluated with sufficient accuracy.

4.12 BORROWINGS

Borrowings are initially recognized at fair value of the amount received less transaction costs. Borrowings are subsequently stated at amortized cost calculated according to the effective interest rate method.

4.13 DEFERRED TAXES

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements as well as on tax losses carried forward. They are calculated using the liability method, for each of the Group's entity, using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets from temporary differences or tax loss carryforwards are recognized only to the extent it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets and liabilities are offset if the entities of the same tax group are entitled to do so under enforceable provisions.

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NOTE 5 - MANAGEMENT OF FINANCIAL RISK

a) Foreign exchange risk and Interest rate risk

A significant portion of Haulotte Group sales are in currencies other than the euro including notably the US dollar, Australian Dollar, Renminbi and British pound sterling. Because sales of Group subsidiaries are primarily in their functional currency, transactions do not generate foreign exchange risks at their level.

The primary source of foreign exchange risks for Haulotte Group consequently results from intercompany invoicing flows when Group companies purchase products or services in a currency different from their functional currency (exports of manufacturing subsidiaries located in the euro area and exporting in the local currency of a sale subsidiary).

The Group favours floating-rate debt which provides it greater flexibility. To hedge against interest rate risks, the Group seeks to take advantage of market opportunities according to interest rate trends. There is no recourse to systematic interest rate hedging.

Such exposures are managed by Haulotte Group SA. For the main currencies, foreign exchange trading positions in the balance sheet are partially hedged using basic financial instruments (forward exchange sales and purchases against the euro).

To cover market risks (interest rate and foreign exchange exposures), Haulotte Group has recourse to financial instrument derivatives. These derivatives are designed to cover the fair value of assets or liabilities (fair value hedges) or future cash flows (cash flow hedges).

In compliance with the provisions of IAS 32 and IFRS 9, derivatives are recorded at fair value. The fair value of those contracts is determined based on valuation models given by the banks with which the instruments were traded, and can be considered as level 2 valuations as defined in IFRS 7 (level 2: quoted prices in active markets for similar assets or liabilities or other valuation techniques for which all significant inputs are based on observable market data).

There is also a translational risk due to the geographic diversification of the Group's activities. Haulotte Group is exposed to the risk of conversion of the financial statements of its subsidiaries outside the Euro zone. Thus, an unfavorable change in exchange rates could deteriorate the balance sheet, the income statement and consequently the Group's financial structure ratios, when the accounts of foreign subsidiaries outside the Euro zone are converted into euros in the Group's consolidated accounts.

b) Credit risk

Credit risk results primarily from exposure to customer credit and notably outstanding trade receivables and transactions.

To limit this risk, the Group has implemented rating procedures (internal or independent) to evaluate credit risk for new and existing customers on the basis of their financial situation, payment history and any other relevant information.

Risk is also limited by Haulotte Group's ability in the event of default by one of its customers to repossess the equipment representing the receivable. The provisions for impairment loss on trade receivables are determined based on this principle (cf note 4.7).

c) Liquidity risk

As detailed in note 3.2.2., the Group's cash management is centralized. Changes relating to the Group's debt in 2022 are detailed in note 2 on major events, note 21 and note 48 on subsequent events.

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d) Other financings:

In 2022, in addition of the State Guaranteed Loan (cf. notes 2 and 21), Haulotte Group had subscribed a new financing line (outside the banking syndicate loan) for 4 M€ with reimbursements of 5 years.

Haulotte Group subscribed in 2021 new financing lines (outside the banking syndicate loan) for 20 M€ with reimbursements from 7 to 10 years. The Group had subscribed in 2019 a loan from banks outside the syndicated loan pool of a total amount of 5M€ with repayments over 5 years. Two another bilateral lines have been subscribed for a total amount of 10 M€, with a maturity of 10 years, also obtained from an institution outside the pool of the credit loan. Haulotte Group also obtained in 2018, from banks outside the banking syndicate loan, loans for an amount of 8 M€ (reimbursement on 5 years) and 5 M€ (reimbursement on 7 years).

NOTE 6 - PRINCIPLES AND METHODS OF MEASUREMENT FOR THE INCOME STATEMENT

6.1 REVENUE RECOGNITION

« Sales and Revenue » includes the goods and services sales comprising notably:

- sales self-financed by the customer,
- sales funded through back-to-back arrangements and the corresponding financial income (cf. note 4.7),
- sales including financial guarantees given by Haulotte Group to allow the customer to obtain financing (cf. note 4.7),
- sales within remarketing agreements with financial institution after they had taken back equipment from defaulting clients,
- equipment rental,
- services offers.

Revenue from the sale of goods reflect the transfer to the customer of the control of a good or service, in an amount that reflects the consideration to which the seller expects to be entitled when the contractual obligations are fulfilled. Sales of goods are recorded without VAT.

Sales financing income is the result of sales financing transactions carried out with some of our customers. These financings are constituted of loans and, consequently, are recorded on the balance sheet at amortized cost using the effective interest rate method, less any impairment recorded. Income on these contracts is calculated to generate a constant interest rate over the period. They are included in the turnover.

Accounting treatments applied in function of the type of contracts and according to IFRS 15 standard are the followings:

Contract type	Accounting treatment IFRS15
Sale of machines	Recognition of revenue upon delivery of the good according to IFRS 15.
Financed sales of machines	Recognition of revenue upon delivery of the good according to IFRS 16.
Machine rental	Recognition of revenue upon the rental of the good according to IFRS 16.
Service agreement involving the provision of a service - basic sale / service	Recognition of revenue upon performance of the service according to IFRS 15.
Services – Long-term contracts	Recognition of revenue on a straight-line basis over the term of the contract according to IFRS 15.

6.2 COST OF SALES

The cost of sales includes direct production costs, factory overhead, changes in inventory, provisions for inventory losses, warranty costs, fair value adjustments of currency hedges and interest expense paid in connection with back-to-back arrangements.

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6.3 SELLING EXPENSES

This item includes notably costs related to sales and commercial activity.

6.4 GENERAL AND ADMINISTRATIVE EXPENSES

This item includes indirect leasing costs, administrative and management expenses, changes in the provision on trade receivables and the write-off of bad debts.

6.5 RESEARCH AND DEVELOPMENT EXPENDITURES

Research expenditures are expensed in the period they are incurred.

Development expenditures are expensed in the period except when they meet the criteria defined under IAS 38 (cf. 4.2.a) for recognition as intangible assets. This concerns expenditures incurred in connection with development projects for new categories of machines or components considered technically viable with a probability of generating future economic benefits.

6.6 OTHER OPERATING INCOME AND EXPENSES

This heading includes:

- gains or losses from disposals (excluding those by rental companies treated as sales of second-hand equipment and recognized consequently under revenue),
- amortization of capitalized development expenditures,
- income or expenses related to litigations of an unusual, abnormal or infrequent nature,
- impairment losses on goodwill.
- potential costs of industrial reorganisation

6.7 OPERATING INCOME

Operating income covers all income and expenses directly relating to Group activities, whether representing recurring items of the normal operating cycle or events or decisions of an occasional or unusual nature.

6.8 COST OF NET FINANCIAL DEBT

Cost of net financial debt includes total finance costs consisting primarily of interest expense (according to the effective interest rate) as well as the fair value adjustments of interest rate hedges.

6.9 OTHER FINANCIAL INCOME AND EXPENSES

This item includes income from cash and cash equivalents (interest income, gains and losses from the disposal of short-term securities, etc.) and the exchange gains and losses on the financial current accounts. This caption also includes the depreciation of financial assets (allocation / reversal) and the updating .

6.10 EARNINGS PER SHARE

Earnings per share presented at the bottom of the income statement is determined by dividing the net income of Haulotte Group S.A. for the period by the weighted average number of ordinary shares outstanding during the period excluding treasury shares.

Diluted earnings per share are calculated on the basis of the average number of shares outstanding during the year adjusted for the dilutive effects of equity instruments issued by the company such as stock options

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NOTE 7 - SCOPE OF CONSOLIDATION

Companies consolidated at 31 December 2022 are:

Entity	Country	Interest %	Consolidation method as at	
			31/12/2022	31/12/2021
Haulotte Group S.A.	Lorette(France)	Mother company		
Acarlar Dis Ticaret Ve Makina Sanayi A. s.	Istanbul (Turquie)	100%	Full consolidation	Full consolidation
Bil Jax Service, Inc.	Archbold (Etats-Unis)	100%	Full consolidation	Full consolidation
Bil Jax, Inc.	Archbold (Etats-Unis)	100%	Full consolidation	Full consolidation
Equipro, Inc.	Archbold (Etats-Unis)	100%	Full consolidation	Full consolidation
Haulotte Access Equipment Manufacturing (Changzhou) Co., Ltd.	Changzhou (Chine)	100%	Full consolidation	Full consolidation
Haulotte Argentina S.A.	Buenos Aires (Argentine)	100%	Full consolidation	Full consolidation
Haulotte Arges S.R.L.	Arges (Roumanie)	100%	Full consolidation	Full consolidation
Haulotte Australia Pty. Ltd.	Dandenong (Australie)	100%	Full consolidation	Full consolidation
Haulotte Canada	Vancouver (Canada)	100%	Full consolidation	Full consolidation
Haulotte Chile SPA	Santiago (Chili)	100%	Full consolidation	Full consolidation
Haulotte Do Brazil LTDA	Sao Paulo (Brésil)	99.98%	Full consolidation	Full consolidation
Haulotte DSC	Pitesti (Roumanie)	100%	Full consolidation	Full consolidation
Haulotte France Sarl	St Priest (France)	99.99%	Full consolidation	Full consolidation
Haulotte Hubarbeitsbühnen GmbH	Eschbach (Allemagne)	100%	Full consolidation	Full consolidation
Haulotte Iberica S.L.	Madrid (Espagne)	98.71%	Full consolidation	Full consolidation
Haulotte India Private Ltd.	Mumbai (Inde)	100%	Full consolidation	Full consolidation
Haulotte Italia S.R.L.	Milan (Italie)	99%	Full consolidation	Full consolidation
Haulotte Japan	Osaka (Japon)	100%	Full consolidation	Full consolidation
Haulotte Mexico SA de CV	Mexico (Mexique)	99.99%	Full consolidation	Full consolidation
Haulotte Middle East FZE	Dubai (Emirats Arabes Unis)	100%	Full consolidation	Full consolidation
Haulotte Netherlands B.V.	Oosterhout (Pays-Bas)	100%	Full consolidation	Full consolidation
Haulotte North America Manufacturing	Archbold (Etats-Unis)	100%	Full consolidation	Full consolidation

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Entity	Country	Interest %	Consolidation method as at	
			31/12/2022	31/12/2021
Haulotte Polska SP Z.O.O.	Janki (Pologne)	100%	Full consolidation	Full consolidation
Haulotte Scandinavia AB	Mölnådal (Suède)	100%	Full consolidation	Full consolidation
Haulotte Services France	St Priest (France)	99.99%	Full consolidation	Full consolidation
Haulotte Services SA de CV	Mexico (Mexique)	99.99%	Full consolidation	Full consolidation
Haulotte Singapore Ltd.	Singapour (Singapour)	100%	Full consolidation	Full consolidation
Haulotte Trading (Shanghai) co. Ltd.	Shanghai (Chine)	100%	Full consolidation	Full consolidation
Haulotte U.S., INC.	Virginia Beach (Etats-Unis)	100%	Full consolidation	Full consolidation
Haulotte UK Limited	Wolverhampton (Angleterre)	100%	Full consolidation	Full consolidation
Haulotte Vostok	Moscou (Russie)	100%	Full consolidation	Full consolidation
Horizon High Reach Chile SPA	Santiago (Chili)	100%	Full consolidation	Full consolidation
Horizon High Reach Limited	Buenos Aires (Argentine)	100%	Full consolidation	Full consolidation
Levanor Maquinaria de Elevacion S.A.	Madrid (Espagne)	91.00%	Full consolidation	Full consolidation
Mundilevação, Aluger e Transporte de Plataformas LDA	Paio Pires (Portugal)	81.90%	Full consolidation	Full consolidation
N.D.U Maquinaria y Plataformas Elevadoras, S.L.	Madrid (Espagne)	0.00%	Liquidated	Liquidated
Scaffold Design & Erection	Archbold (Etats-Unis)	100%	Full consolidation	Full consolidation
Seaway Scaffold & Equipment	Archbold (Etats-Unis)	100%	Full consolidation	Full consolidation
Telescopelle S.A.S	L'Horme (France)	100%	Full consolidation	Full consolidation

The closing date for financial statements of consolidated companies for each period presented is 31 December except for Haulotte India Private Ltd. which closes books on 31 March of each year.

N.D.U Maquinaria y Plataformas Elevadoras, S.L. owned at 99% and without activity was wound up in November 2021, having no impact on the Group's consolidated financial statements.

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NOTE 8 - GOODWILL

	31/12/2021	Increase	Decrease	Translation adjustment	31/12/2022
North America CGU	17,596			1,089	18,685
Acarlar CGU	8,521	11,781		(2,019)	18,283
Horizon CGU	136			(51)	85
Manufacturing and Distribution CGU (excluding North America)	54				54
<i>Haulotte France</i>	54				54
GROSS VALUE	26,307	11,781	-	(982)	37,107
North America CGU	(13,247)	-		(820)	(14,067)
Acarlar CGU		(12,262)			(12,262)
Manufacturing and Distribution CGU (excluding North America)	(54)				(54)
<i>Haulotte France</i>	(54)				(54)
DEPRECIATION	(13,301)	(12,262)	-	(820)	(26,382)
NET VALUE	13,006	(481)	-	(1,801)	10,724

	31/12/2020	Increase	Decrease	Translation adjustment	31/12/2021
North America CGU	16,241			1,355	17,596
Acarlar CGU	14,243			(5,722)	8,521
Horizon CGU	154			(18)	136
N.D.U CGU	772		(772)		-
Manufacturing and Distribution CGU (excluding North America and Turkey)	54				54
<i>Haulotte France</i>	54				54
GROSS VALUE	31,464	-	(772)	(4,385)	26,307
North America CGU	(12,227)	-		(1,020)	(13,247)
N.D.U CGU	(772)		772		-
Manufacturing and Distribution CGU (excluding North America and Turkey)	(54)				(54)
<i>Haulotte France</i>	(54)				(54)
DEPRECIATION	(13,053)	-	772	(1,020)	(13,301)
NET VALUE	18,411	-	-	(5,405)	13,006

North America CGU

The last impairment test for the "North America" region considered as a cash generating unit (CGU) was performed on 31 December 2021. A new impairment test was performed on 31 December 2022 on the CGU that includes the US entities of the Group.

The recoverable value of the « North America » CGU was based on calculations of value in use. These calculations were carried out using forecast future cash flows for a five-year period based on budgets approved by management.

The main assumptions used to perform this impairment test were as follows:

- significant growth in market share in the sector of the sale of aerial work platforms in the "North American" market, on a 5 years horizon;
- an assumption of long-term growth of 1.7% and a discount rate (WACC) of 11.4%.

As a reminder, the following impairments has been accounted:

- 5 000 KUSD as at 31 December 2013 on the basis of the impairment test performed at that date;
- 5 000 KUSD as at 31 December 2018 on the basis of the impairment test performed at that date;
- 5 000 KUSD as at 31 December 2020 on the basis of the impairment test performed at that date.

On the basis of this impairment test, the value in use of the "North America" CGU is higher than its accounting value leading to the conclusion that no further depreciation is needed.

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Sensitivity analysis have been carried out on the following key assumptions:

- Assumptions sales forecast in the business plan: a decrease by 42% would not result an obligation to record a goodwill impairment change for this CGU.
- Discount rate: increase of this rate by 7.4 points would not result an obligation to record a goodwill impairment change for this CGU.
- Long-term growth rate: no long-term growth rate would not result an obligation to record a goodwill impairment change for this CGU.

Acarlar CGU

The last impairment test for "Acarlar" considered as a cash generating unit (CGU) was performed on 31 December 2021. On December 31, 2022, the Group applied the IAS29 Standard relating to hyperinflation for the first time. The Goodwill is considered to be a non-monetary element and is subject to a re-evaluation for an amount of € +12.0 million on December 31, 2022. The impairment test takes into account this re-evaluation.

The recoverable value of the « Acarlar » CGU was based on calculations of value in use. These calculations were carried out using forecast future cash flows for a five-year period based on budgets approved by management.

The main assumptions used to perform this impairment test were as follows:

- Recovery of the industrial equipment market at medium term ;
- Long-term growth of 10% and a discount rate (WACC) of 19.5%.

Based on the test dated December 31, 2022, the value in use for this CGU led to the calculation of an impairment for an amount of € (12.3) million.

The impacts (gross value and depreciation) have been calculated in the other products and operational costs line for an amount of € +1.5 million and in the equity a) for € (2.0) million in "other movements" (total impacts on December 31, 2021) and b) the conversion impacts the year for € (2.0) million.

Sensitivity analysis have been carried out on the following key assumptions:

- Assumptions sales forecast in the business plan : a decrease by 10% (on the whole BP) would lead to an additional impairment of 2.0 M €.
- Long-term growth rate : a decrease of this rate by 1 point would not lead to an additional impairment.
- Discount rate : an increase of this rate by 1 point would lead to an additional impairment of 0.6 M€.

Horizon CGU

Regarding entity and CGU Horizon, the value in use, which is taking into account the fair value of the rental equipment (disposal costs deducted), is higher than its accounting value.

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NOTE 9 - INTANGIBLE ASSETS

	31/12/2020	Increase	Decrease	Reclassification and other changes*	Translation adjustment	31/12/2021
Development expenditure	37,484	3,491	-	-	237	41,212
Customers portfolio	6,539	-	-	-	(2,627)	3,912
Concessions, patents, licenses	18,915	198	(7)	723	45	19,874
Other intangible and in progress	2,256	1,040	(92)	(644)	65	2,625
GROSS VALUE	65,194	4,729	(99)	79	(2,280)	67,623
Depreciation / impairment of development expenditure	15,023	2,555	-	-	10	17,588
Depreciation of customers portfolio	1,472	569	-	-	(769)	1,272
Depreciation of concessions, patents, licenses	13,727	2,511	(7)	-	62	16,293
Depreciation of other intangibles and in progress	414	62	(3)	-	19	492
ACCUMULATED DEPRECIATION AND IMPAIRMENT	30,636	5,697	(10)	-	(678)	35,645
NET VALUE	34,557	(968)	(89)	79	(1,602)	31,977

*Amounts indicated under "Reclassifications and other changes" mainly concern the transfer of "Fixed assets in progress" into the other Assets captions, as well as presentation reclassifications.

	31/12/2021	Increase	Decrease	Reclassification and other changes*	Translation adjustment	31/12/2022
Development expenditure	41,212	5,136	-	621	190	47,159
Customers portfolio	3,912	-	-	-	4,481	8,393
Concessions, patents, licenses	19,874	69	-	606	9	20,558
Other intangible and in progress	2,625	1,808	-	(609)	51	3,875
GROSS VALUE	67,623	7,013	-	618	4,731	79,985
Depreciation / impairment of development expenditure	17,588	4,076	-	-	12	21,676
Depreciation of customers portfolio	1,272	298	-	-	1,998	3,568
Depreciation of concessions, patents, licenses	16,293	1,894	-	-	27	18,214
Depreciation of other intangibles and in progress	492	62	-	-	14	568
ACCUMULATED DEPRECIATION AND IMPAIRMENT	35,645	6,330	-	-	2,051	44,026
NET VALUE	31,977	683	-	618	2,679	35,959

*Amounts indicated under "Reclassifications and other changes" mainly concern the transfer of "Fixed assets in progress" into the other Assets captions, as well as presentation reclassifications.

Acquisitions recorded in 2022 are mainly linked to the capitalization of development costs for 5 136 K€ (see note 31).

Amortization on developments costs for 4 076 K€ are included in "research and development expenditures" in the P&L .

The clients' portfolio fully concerns the Acarlar entity and is considered as a non-monetary element being subject to a re-evaluation in application of IAS29. The amortization is reviewed based on this re-evaluation. The counterpart to the variation in the balance sheet (gross value & amortizations) has been calculated in the other products and operational costs line for an amount of € +1.9 million and in the equity: a) for € +1.2 million in "other movements" (impacts on December 31, 2021) and b) the conversion impacts the year for € (0.6) million.

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NOTE 10 - TANGIBLE ASSETS

	31/12/2020	Increase	Decrease	Reclassification and other changes*	Translation adjustment	31/12/2021
Land	11,956	(36)	-	(1,693)	482	10,709
Building	61,428	283	-	(26)	743	62,428
Plant machinery	41,386	898	(565)	2,957	703	45,379
Equipment for rental	18,328	8,077	(1,113)	1,395	5,457	32,144
Other PPE	16,195	1,055	(687)	83	377	17,023
Fixed assets in progress	8,520	21,624	(83)	(4,490)	1,400	26,971
GROSS VALUE	157,813	31,901	(2,448)	(1,774)	9,162	194,654
Depreciation/impairment of building	29,034	2,216	93	8	787	32,138
Depreciation/impairment of plant machinery	32,904	2,294	(600)	(31)	394	34,961
Depreciation/impairment of equipment for rental	8,911	2,385	(613)	-	2,220	12,903
Depreciation/impairment of other PPE	12,381	1,707	(441)	(16)	291	13,923
ACCUMULATED DEPRECIATION AND IMPAIRMENT	83,230	8,602	(1,561)	(23)	3,692	93,925
NET VALUE	74,583	23,299	(887)	(1,751)	5,470	100,729

*Amounts indicated under "Reclassifications and other changes" mainly concern the transfer of "Fixed assets in progress" into the other Assets captions, as well as presentation reclassifications.

	31/12/2021	Increase	Decrease	Reclassification and other changes*	Translation adjustment	31/12/2022
Land	10,709	-	(3)	(3,413)	109	7,402
Building	62,428	3,000	(75)	16,533	43	81,929
Plant machinery	45,379	2,561	(91)	8,993	211	57,053
Equipment for rental	32,144	1,715	(1,990)	-	3,801	35,670
Other PPE	17,023	1,627	(789)	254	272	18,387
Fixed assets in progress	26,971	1,873	(127)	(26,402)	346	2,661
GROSS VALUE	194,654	10,776	(3,075)	(4,035)	4,782	203,102
Depreciation/impairment of building	32,138	2,714	(20)	(1,909)	706	33,629
Depreciation/impairment of plant machinery	34,961	2,141	(65)	1,910	306	39,253
Depreciation/impairment of equipment for rental	12,903	3,354	(851)	-	2,664	18,070
Depreciation/impairment of other PPE	13,923	1,817	(877)	(2)	280	15,141
ACCUMULATED DEPRECIATION AND IMPAIRMENT	93,925	10,026	(1,813)	(1)	3,956	106,093
NET VALUE	100,729	750	(1,262)	(4,034)	826	97,009

*Amounts indicated under "Reclassifications and other changes" mainly concern the transfer of "Fixed assets in progress" into the other Assets captions, as well as presentation reclassifications.

The variation in the land item is principally explained by the application of the IFRS 16 standard for the land for the new Changzhou factory, leading to the recording of an asset under right of use assets.

The variation in fixed assets in progress mainly comes from activating the construction costs for our new Chinese factory.

The variation in the rental equipment fleet item is connected to the re-evaluations under IAS29 in Argentina. The amortization is reviewed based on this re-evaluation.

The amortization accruals of rental equipments are booked in costs of sales in the P&L. The amortization accruals of Land, building and other PPE are booked in cost of sales and/or commercial and administrative costs in the P&L.

A provision for impairment is recorded when the carrying value of an intangible asset falls below its recoverable value. The recoverable value of rental equipment is based on the estimated realizable inventory value on the market.

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NOTE 11 - IFRS 16

Balance sheets impacts of the application of IFRS 16 standard are the following:

- **Right of use assets:**

	31/12/2021	Increase	Decrease	Translation adjustment	31/12/2022
Building	24,275	6,391	(3,627)	165	27,204
Machinery equipment	1,669	324	(138)	19	1,874
Other tangible fixed assets	5,475	3,497	(1,968)	(28)	6,976
GROSS VALUE	31,419	10,212	(5,733)	156	36,054
Depreciation of building	10,021	5,188	(2,002)	128	13,335
Depreciation of machinery equipment	1,086	248	(107)	7	1,234
Depreciation of other tangible fixed assets	2,577	3,006	(1,775)	(31)	3,776
DEPRECIATION AND PROVISIONS	13,684	8,442	(3,884)	103	18,345
NET VALUE	17,735	1,770	(1,849)	53	17,709

- **Lease liabilities:**

	31/12/2022
Non-current lease liabilities	12,138
Current lease liabilities	4,878
LEASE LIABILITIES	17,016

- **The variation of lease liabilities is disclosed in the following table, according to IAS7:**

K€	31/12/2021	Cash flow			Non cash flow		31/12/2022
		Issue / Refund	Interests	Overdrafts	Conv.	Other	
Current and non-current lease liabilities	18,274	(8,415)	1,251	-	-	5,906	17,016

P&L impacts are the following :

	31/12/2022
Lease liabilities' financial expenses	(1,251)
Right-of-use assets amortization	(6,053)
Impact on consolidated net result	(139)

The Group is using the exception for the short-term contracts or low value assets.

Impacts are the following:

	31/12/2022
Short terms contracts lease expenses	(283)
Lease expenses linked to low value assets contracts	(84)

The weighted average marginal debt rate amounts to 5.0% for 2022.

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NOTE 12 - OTHER FINANCIAL ASSETS

Financial assets include loans, deposits and guarantees to non-Group entities. Their changes over the period are as follows:

	31/12/2021	Increase	Decrease	Reclassification	Translation adjustment	31/12/2022
Financial assets	3,167	2,260	(233)	-	(54)	5,140

Increase corresponds to deposits done during the year.

Decrease corresponds to receivables reimbursements received during the year.

NOTE 13 - INVENTORY

	31/12/2021	Changes of the period	Translation adjustment	31/12/2022
Raw materials	75,215	30,274	618	106,107
Work in progress	7,857	16,157	11	24,026
Semi finished and finished goods	61,697	25,194	(15)	86,876
Trade goods	17,120	2,477	31	19,628
GROSS VALUE	161,889	74,103	645	236,637
Raw materials	(1,835)	(283)	(17)	(2,134)
Work in progress	(3)	-	-	(3)
Semi finished and finished goods	(821)	137	(11)	(695)
Trade goods	(2,412)	601	(17)	(1,828)
PROVISION	(5,071)	455	(46)	(4,661)
NET VALUE	156,818	74,558	599	231,975

The inventory valuation does not include idle capacity .

The increase in inventory of 75 157 K€ on 31 December 2022 versus an increase of 22 582 K€ at 31 December 2021 is recognized under the cost of sales in the income statement.

Provisions for inventory impairment losses break down as follows:

	31/12/2021	Increase	Decrease	Translation adjustment	31/12/2022
Provision for inventory impairment losses	5,071	1,390	(1,846)	46	4,661

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NOTE 14 - TRADE RECEIVABLES

31/12/2022	Gross value	Provision	Net value
NON-CURRENT ASSETS			
Receivables from financing activities exceeding one year	36,179	0	36,179
<i>including finance lease receivables</i>	19,968		19,968
<i>including guarantees given</i>	16,211		16,211
SUB-TOTAL	36,179	0	36,179
CURRENT ASSETS			
Trade receivables	164,451	(15,542)	148,910
Receivables from financing activities less than one year	20,867	0	20,867
<i>including finance lease receivables</i>	14,774		14,774
<i>including guarantees given</i>	6,093	0	6,093
SUB-TOTAL	185,318	(15,542)	169,777
TOTAL	221,497	(15,542)	205,956

31/12/2021	Gross value	Provision	Net value
NON-CURRENT ASSETS			
Receivables from financing activities exceeding one year	49,185	0	49,185
<i>including finance lease receivables</i>	30,981		30,981
<i>including guarantees given</i>	18,204		18,204
SUB-TOTAL	49,185	0	49,185
CURRENT ASSETS			
Trade receivables	127,785	(15,777)	112,008
Receivables from financing activities less than one year	21,684	0	21,684
<i>including finance lease receivables</i>	13,200		13,200
<i>including guarantees given</i>	8,484	0	8,484
SUB-TOTAL	149,469	(15,777)	133,692
TOTAL	198,654	(15,777)	182,877

As at 31 December 2022, receivables assigned, for the balance factoring contract, amounted 17.0 M€ compared to 8.4 M€ as at 31 December 2021.

Assignments of receivables are carried out once or twice a month. These receivables are derecognized to the extent that the contractual rights relating to cash flows have been transferred, as well as most of the risks and rewards associated with these receivables.

The fair value of "Trade receivables" recorded under current assets equals the carrying value given their short maturity (less than one year).

Fair value of receivables from back-to-back equipment leases and finance leases represents the lower of the fair value of the item at the inception (cash sales price net of rebates) or the discounted value of lease payments at the lease's implicit interest rate.

As described in note 4.7, the fair value of receivables guarantees granted by Haulotte Group to the lending institution of the customer, represents:

- either the amount of capital remaining due by the customer of Haulotte Group to the financial institution
- or the maximum amount of the risk incurred by Haulotte Group,

The corresponding receivables and payables are discharged as customers make lease payments to the financial institution.

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On an outstanding sold to financial institution amounting to 120 M€ to date, the residual risk kept by Haulotte amounts to 15.3 M€ and is disclosed in Trade receivables from financing activities in the balance sheet and in Borrowings under the lines "Guarantees".

Due receivables are analyzed on a case-by-case basis with particular attention to customer quotations established by the Group (see note 5.b). In light of these elements and the resulting risk analysis, the Group determines the relevance of booking a depreciation. Where applicable, depreciations are recorded in order to cover the difference between the book value of the receivable and the estimated resale value of the machine assessed on the basis of sales history and market conditions at the closing date.

Provisions for trade receivables break down as follows:

	31/12/2021	Increase	Decrease	Translation adjustment	31/12/2022
Provisions for trade receivables	(15,777)	(1,432)	2,486	(819)	(15,542)

Decrease is mainly due to the write-off of some receivables with no impact on the result of the year.

The provisions for trade receivables correspond mainly to receivables due over 120 days.

The trade receivables net amount split as follows by maturity date:

	Total	Not due or less than 30 days	Due less than 60 days	Due 60 to 120 days	Due more than 120 days
Net trade receivables 2022	205,956	195,717	3,627	1,848	4,764
Net trade receivables 2021	182,877	173,534	1,940	1,756	5,647

NOTE 15 - OTHER ASSETS

	31/12/2022	31/12/2021
Other current assets	24,419	22,201
Advances and instalments paid on orders	1,898	1,333
Prepaid expenses	4,828	3,283
Depreciation of other current assets	(220)	(220)
TOTAL OTHER CURRENT ASSETS	30,925	26,597
Other non-current assets	5,190	2,629
TOTAL OTHER ASSETS	36,115	29,226

The caption « Other current assets » includes mainly:

- VAT receivables for 16 553 K€,
- tax credits for 1 942 K€,
- tax receivables for 712 K€,
- various debtors for 5 210 K€ of which an accrued income from an insurance policy of 2 813 K€ for the payment (virtually certain) of a claim

Other non-current assets are corresponding to tax credits non usable at short term.

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NOTE 16 - RECEIVABLES BY MATURITY

31/12/2022	Amount	Less than 1 year	1 to 5 years
Trade receivables*	148,910	148,910	-
Trade receivables from financing activities	57,046	20,867	36,179
Other assets	36,115	30,925	5,190
TOTAL	242,071	200,702	41,369

*Including receivables overdue or more than 30 days for € 10 239 thousand (cf. note 14)

31/12/2021	Amount	Less than 1 year	1 to 5 years
Trade receivables*	112,008	112,008	-
Trade receivables from financing activities	70,869	21,684	49,185
Other assets	29,226	26,597	2,629
TOTAL	212,103	160,289	51,814

*Including receivables overdue or more than 30 days for € 9 343 thousand (cf. note 14)

NOTE 17 - FOREIGN EXCHANGE RISK MANAGEMENT

The following table presents the foreign currency exposures of trade receivables and payables:

Au 31/12/2022 - in thousands of euros	EUR	AUD	GBP	USD	RMB	Others	TOTAL
Trade receivables	77,454	26,929	3,585	60,836	36,679	16,014	221,497
Trade payables	(71,329)	(1,020)	(372)	(18,905)	(11,434)	(6,840)	(109,900)
NET AMOUNT	6,125	25,909	3,213	41,931	25,245	9,174	111,597

Au 31/12/2021 - in thousands of euros	EUR	AUD	GBP	USD	RMB	Others	TOTAL
Trade receivables	69,539	18,753	5,524	44,477	46,587	13,774	198,654
Trade payables	(59,254)	(794)	(501)	(12,740)	(14,888)	(3,690)	(91,867)
NET AMOUNT	10,285	17,959	5,023	31,737	31,699	10,084	106,787

A 10 % increase in the value of the euro against the pound sterling would represent, excluding the impact of hedges, an impact in the consolidated financial statements of 292 K€.

A 10 % increase in the value of the euro against the US dollar would represent, excluding the impact of hedges, an impact in the consolidated financial statements of 3 812 K€.

A 10 % increase in the value of the euro against the Australian dollar would represent, excluding the impact of hedges, an impact in the consolidated financial statements of 2 355 K€.

A 10 % increase in the value of the euro against the Brazilian Real bi would represent, excluding the impact of hedges, an impact in the consolidated financial statements of 575 K€.

A 10 % increase in the value of the euro against the Renminbi would represent, excluding the impact of hedges, an impact in the consolidated financial statements of 2 295 K€.

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NOTE 18 - CASH AND CASH EQUIVALENTS

	31/12/2022	31/12/2021
Cash at bank and in hand	30,403	32,860
Money market funds	7,049	343
TOTAL	37,452	33,203

NOTE 19 - DERIVATIVES INSTRUMENTS

All of the derivatives instruments held by the Group on December 31, 2022, calculated at level 2 true value in accordance with the IFRS 7 definitions, as detailed in note 5. The positive real values are as follows:

	31/12/2022	31/12/2021
Currency swap GBP	-	-
Forward sales USD	1,620	-
Currency swap USD	-	-
TOTAL	1,620	-

	31/12/2022	31/12/2021
Interest rate swaps	-	-
Forward sales USD	-	-
TOTAL	-	-

NOTE 20 - SHARE CAPITAL AND PREMIUMS

	31/12/2022	31/12/2021
Number of shares	31,371,274	31,371,274
Nominal value in euros	0.13	0.13
SHARE CAPITAL IN EUROS	4,078,266	4,078,266
SHARE PREMIUMS IN EUROS	3,753,485	71,901,865

Treasury shares at 31 December 2022 are as follows:

	31/12/2022	31/12/2021
Number of treasury shares	1,876,529	1,862,120
Treasury shares as a percentage of capital	5.98%	5.94%
Market value of treasury shares in K€*	6,512	8,938

* based on quoted value of the last business day of the year

Since 14 April 2015, Haulotte Group S.A appointed Exane BNP PARIBAS for the implementation of a liquidity contract on its shares. This liquidity contract complies with the Charter of Ethics established by the AMAFI and approved by the "Autorité des Marchés Financiers". This contract is yearly renewable by tacit agreement.

For the implementation of this contract, the following resources have been allocated to the liquidity account:

- 102 171.80 Euros in cash,
- The equivalent of 11 524.85 Euros in money market funds,
- 139 418 Haulotte Group shares

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Change in treasury shares during the years 2021 and 2022 was as follows:

Type		2022	2021
Liquidity agreement	Number of shares purchased	163,588	184,774
	Purchase price of shares (*)	616,121	1,124,857
	Average price per share	3.8	6.1
	Number of shares sold	149,179	161,905
	Original value of shares sold	919,176	781,645
	Sale price of shares sold (*)	561,578	1,012,142
	Net gain/(loss)	(357,598)	230,496
	Number of shares cancelled	-	-
	Number of shares	178,124	163,715
	Original value of shares	745,682	1,048,737
Buyback autorisation	Number of shares purchased		
	Purchase price of shares		
	Average price per share		
	Number of shares sold		
	Original value of shares sold		
	Selling price of shares sold		
	Net gain/(loss)		
	Number of shares cancelled		
	Number of shares	1,698,405	1,698,405
	Initial value of shares	13,183,551	13,183,551
Global	Number of shares	1,876,529	1,862,120
	Original value of shares	13,929,233	14,232,288
	Provision for treasury shares		
	Closing quoted value of shares	3.47	4.80

(*) : Cash flows generated from treasury shares correspond to the sale price of the shares less the purchase price of shares purchased. This amounted to (55) K€ for the year ended 31 December 2022.

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NOTE 21 - BORROWINGS AND FINANCIAL LIABILITIES

	31/12/2022	31/12/2021
Syndicated loan	89,893	-
Other borrowings	37,435	44,751
Other advances	5,949	6,962
Guarantees	16,211	18,204
NON-CURRENT FINANCIAL LIABILITIES	149,488	69,916
Syndicated loan	(266)	71,521
Other borrowings	12,205	10,606
Other advances	1,013	1,013
State-guaranteed loan	96,000	
Guarantees	6,093	8,484
Others	528	191
Syndicated loan - overdrafts	30,093	29,050
Other overdrafts	10,672	10,060
CURRENT FINANCIAL LIABILITIES	156,338	130,924
TOTAL BORROWINGS AND FINANCIAL LIABILITIES	305,826	200,840

Movements in the syndicated credit facilities in the 2022 financial period may be summarized as follows:

	31/12/2021	Repayment schedule	Net change of the revolving credit line	Net change of the bank overdraft	Amortization of fees	31/12/2022	Balance available for future drawing on at 31 december 2022
Revolving credit limit	72,000		18,000			90,000	
TOTAL EXCLUDING OVERDRAFTS	72,000		18,000			90,000	-
Overdrafts	29,050	-	-	1,043	-	30,093	9,907
Commissions and fees	(479)	-	-	-	107	(372)	
TOTAL	100,571	-	18,000	1,043	107	119,721	9,907

As part of the syndicated loan contract signed in 2019 and the State Guaranteed Loan signed in 2022, no real security has been required by the banking pool. However, these two lines provide for a certain number of obligations which must be complied with by the Group throughout the duration of the contracts.

A certain number of ratios will be measured every six months based on the selected ratios derived from the consolidated financial statements for the half-year periods ended 30 June and 31 December of each year (notably Group EBITDA, shareholders' equity, net debt).

Concerning the commitments:

Syndicated loan:

- As of December 31, 2022, the syndicated loan in force, which expires on July 17, 2026, for a value of € 130 million, has been used up to € 120 million.

Club deal financing:

- This loan was subscribed in July 2021 with some of the syndicated loan pool banks. As of December 31, the outstanding capital is € 10 million. The financial ratios requirements are the same as for the syndicated loan.

State Guaranteed Loan (PGE):

- On June 28, 2022, Haulotte obtained from all the lenders of its syndicated loan, as well as BPI France, a State Guaranteed Loan of € 96 million, with a maximum maturity of 6 years (so June 2028).
- The Group will make a decision on the extension between now and the end of April 2023, as stipulated in the contract.

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Financial ratios monitoring and continuity of the Group's financing:

- A waiver request concerning compliance with the ratios applicable to both of the funds described above for the period from December 2022, has been submitted to all the lenders and has been accepted unanimously without conditions, on the date of December 23, 2022.
- Haulotte has the operating levers and financial resources to meet its operational cash requirements in 2023. These cash flow projections are based on the following assumptions :
 - completion and delivery of the current backlog
 - gradual effect of price increases
 - continued recovery of component supply conditions
 - continued availability of open credit lines (as authorized by the syndicated loan terms) as of December 31, 2022
- However, the Group will not be in a position to respect with its contractual financial ratios in June 2023, which according to the syndicated Loan, Club deal, and PGE terms, could result in a total of € 226 million being payable. Such a situation would jeopardize the going concern.

In this context, since December 23, 2022, the Group continues its regular exchanges with all the lenders and it has been agreed with them that a new waiver request will be submitted to them in order to ensure the going concern.

This request is based on the achievements at the end of March 2023 and on the business perspectives confirmed during the 2022 results presentation on March 23, 2023.

At the closing, the Group had not obtained the banks agreement, a necessary condition to ensure the Group's liquidity for the next 12 months. However, based on discussions with the banking pool, the Group considers that the waiver would be obtained before June 30, 2023.

Group debt is denominated in the following currencies (excluding guarantees given)

Translated value in thousands of euros	31/12/2022	31/12/2021
Euros	275,988	164,604
Others	7,537	9,550
TOTAL	283,525	174,154

The variation of financial debts is disclosed in the following table, according to IAS 7:

	31/12/2021	Cash flow			Non cash flow		31/12/2022
		Issue / Refund *	Interests	Overdraft	Conv.	Other	
Short Term	130,924	96,906		(1,788)	3,310	(73,014)	156,338
Long Term	69,916	7,603	3,339		-	68,630	149,488
TOTAL	200,840	104,509	3,339	(1,788)	3,310	(4,384)	305,826

**The difference between the amount of issues and refunds of borrowings disclosed in the table above and the amount disclosed in the consolidated statement of cash flow comes from flows on financial assets (deposits or loans).*

Non-cash flows are mainly impacted by the change in guarantees on financing operations (disclosed as "other").

Cash flow situation in Russia

The subsidiary had cash in the order of € 5.2 million (of which € 2.3 million is in the local currency) on December 31, 2022. These amounts are used for the subsidiary's current operations. The sanctions and restrictions in Russia continue to change and therefore have direct and indirect effects on these amounts.

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NOTE 22 - MANAGEMENT OF INTEREST-RATE RISKS

Borrowings, excluding guarantees given, break down as follows:

	31/12/2022	31/12/2021
Fixed rate borrowings	64,804	71,922
Variable rate borrowings	218,721	102,232
TOTAL	283,525	174,154

A 1 % rate increase would result in a maximum additional interest expense, excluding hedges, of 2 187 K€.

NOTE 23 - PROVISIONS

	31/12/2021	Allowance	Provision used in the period	Reversal of unused provision	Translation adjustment	31/12/2022
Provisions for product warranty	6,283	1,296	(622)	(169)	22	6,810
Restructuring provision	2,174	630	(959)	(402)		1,443
Provisions for litigation	1,679	1,179	(435)		60	2,483
Short-term portion of pensions provisions	18					18
CURRENT PROVISIONS	10,154	3,105	(2,016)	(571)	82	10,754
Long-term portion of pensions provisions	5,516	164	(127)	(1,674)	(19)	3,860
NON-CURRENT PROVISIONS	5,516	164	(127)	(1,674)	(19)	3,860
TOTAL PROVISIONS	15,670	3,269	(2,143)	(2,245)	63	14,614

Customer warranties

Customer warranties provision remains stable mainly explained by the effects of quality indicators improvement over the year.

Restructuring provision

During the financial year 2021, a provision was recognized in connection with the industrial reorganization of a French production site on which a job protection plan was implemented. The costs related to this operation are disclosed in note 35.

Other provisions

Other amounts booked as at December 31, 2022 are considered as individually non significant.

Contingent liabilities

In the purpose of its current activities, the Group is involved in various procedures inherent to its activities. The Group considers that the provisions made for these risks, disputes or contentious situations known or in progress at the balance sheet date, are of a sufficient amount so that the consolidated financial situation is not significantly affected in the event of an unfavorable outcome.

- Since 2017 closing, the Group has identified financial assets relating to a customer for who a reimbursement would not take place according to the original schedules. During the second half of 2018, a litigation situation has been identified and resulted in a summons in May 2019. As of today, the progress of the legal litigation leads the Group to consider it as a contingent liability, in connection with the note 35.
- The distribution subsidiary of Haulotte Group in Brazil, Haulotte do Brazil is currently being the subject of a proceeding concerning the settlement of import tax duties prior to 2010. The Group is currently studying with its counsel the actual risk of this proceeding. At 31 December 2022, it was not possible to reliably measure this risk (notably as the amounts cited were considered as very excessive) and this litigation is in consequence classified as a contingent liability.

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NOTE 24 - PENSION AND RELATED BENEFITS

Main assumptions used for the valuation of liabilities

The only post-employment benefits of Group employees correspond to retirement severance benefits and long-service awards, mainly in the French entities.

Provisions are recorded for retirement liabilities according to the principles described in paragraph 4.10, taking into account the following assumptions:

	31 December 2022	31 December 2021
Turnover rate	based on historical data available to the Group with no changes between the two periods	
Rate of wage increases (according to seniority, the projected career profile, collective bargaining agreements, and long-term inflation rate)	based on seniority, expected career profile, collective labor agreements and long-term inflation rate calculated on a historical basis	
Discount rate	3.45%	1.00%
Retirement age	Employees born before 1 January 1950	
	Management	62 years old
	Supervisors / office employees and workers	60 years old
	Employees born after 1 January 1950	
	Management	65 years old
	Supervisors / office employees and workers	63 years old

With respect to retirement severance payments, the scenario adopted is voluntary departure of employees whereby social charges are taken into account (45 %). This calculation method complies with the framework of the Fillon Law (enacted on 21 August 2003, and amended by Law 2010-1330 of 9 November 2010 for the reform of retirement systems published in the French official journal on 10 November 2010).

The Group does not hold any plan assets.

A general decline in the discount rate of 0.25 points would result in a 4.0 % increase in benefit obligations.

Following the decision of IFRS IC (1st application in 2021) which concluded that the provision to be recognized for the benefit should only be constituted over the period which covers the last 16 years of service rendered by the employee (or between the date of employment and the date of retirement, if the duration determined is less than 16 years).

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Change in accumulated benefit obligations

	31/12/2022	31/12/2021
PRESENT VALUE OF THE COMMITMENT AT THE BEGINNING OF THE PERIOD	5,534	7,304
Service costs of the year	576	558
Discount costs	53	23
SUBTOTAL OF AMOUNTS RECOGNISED IN PROFIT OR LOSS	629	581
Benefits paid in the period	(29)	(9)
SUBTOTAL OF OUTFLOWS (BENEFITS AND CONTRIBUTIONS PAID BY THE EMPLOYER)	(29)	(9)
Changes in assumptions	(1,629)	(935)
Actuarial (gains) and losses arising from experience adjustments	(607)	(248)
Translation adjustments	-	-
Change of method	-	(1,142)
SUBTOTAL AMOUNTS RECOGNISED IN OTHER COMPREHENSIVE INCOME	(2,236)	(2,325)
Change in consolidation scope	-	-
CURRENCY TRANSLATION	(20)	(18)
PRESENT VALUE OF THE COMMITMENT AT THE END OF THE PERIOD	3,878	5,533

Total amounts recognized in Other Comprehensive Income (excluding deferred taxes)

	31/12/2022	31/12/2021
TOTAL AMOUNTS RECOGNISED IN OCI AT THE BEGINNING OF THE PERIOD	1,200	3,525
Revaluation of net liabilities / assets of the period	(2,236)	(2,325)
TOTAL AMOUNTS RECOGNISED IN OCI AT THE END OF THE PERIOD	(1,036)	1,200

NOTE 25 - PAYABLES BY MATURITY

31/12/2022	Gross value	Less than 1 year	1 to 5 years	More than 5 years
Bank borrowings	265,061	115,573	136,822	12,666
<i>Including guarantees given</i>	22,304	6,093	16,211	-
Bank overdrafts	40,765	40,765	-	-
Trade payables	109,900	109,900	-	-
Lease liabilities	17,016	4,878	8,925	3,213
Other current liabilities	35,503	35,503	-	-
TOTAL	468,245	306,619	145,747	15,879

31/12/2021	Gross value	Less than 1 year	1 to 5 years	More than 5 years
Bank borrowings	161,730	91,814	52,777	17,139
<i>Including guarantees given</i>	26,688	8,484	18,204	-
Bank overdrafts	39,110	39,110	-	-
Trade payables	91,867	91,867	-	-
Lease liabilities	18,275	4,642	9,949	3,683
Other current liabilities	22,792	22,792	-	-
TOTAL	333,774	250,225	62,726	20,822

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NOTE 26 - OTHER CURRENT LIABILITIES

	31/12/2022	31/12/2021
Down payments received	4,290	2,136
Tax and employee-related liabilities	23,583	18,407
Prepaid income	2,829	1,406
Others	4,801	843
	35,503	22,792

NOTE 27 - DEFERRED TAXES

Deferred tax assets are offset by deferred tax liabilities generated in the same tax jurisdiction.

Deferred tax assets resulting from temporary differences or tax losses carried forward are recognized only to the extent that is really probable that future taxable profit will be available against which the temporary differences can be utilized over the next five years. When this probability cannot be demonstrated, deferred tax assets are capped to the amount of deferred tax liabilities recognized on the same tax jurisdiction and deferred tax assets on tax losses carried forward are not recognized.

The global amount of tax losses carried forward for which no deferred tax assets were recorded amount to 132 557 K€ for the Group at 31 December 2022 (100 549 K€ at 31 December 2021) and the major part can be indefinitely carried forward.

The change in net deferred tax breaks down as follows:

	31/12/2022	31/12/2021
Deferred taxes from adjustments of the fair value of rental equipment	(85)	325
Deferred taxes from adjustments on finance leases and back-to-back leases	5	(57)
Deferred taxes from provisions of pensions	832	1,270
Deferred taxes from adjustments of internal margin on inventory and fixed assets	2,228	2,249
Deferred taxes from non-deductible provisions	3,660	4,019
Deferred taxes from differences in depreciation periods and R&D costs	(4,167)	(5,424)
Deferred taxes on Acarlar customers portfolio	(974)	(581)
Deferred taxes from tax losses	7,038	6,725
Deferred taxes from other consolidation adjustments	(904)	819
Deferred taxes from other temporary differences	(1,871)	(663)
Impact of the capping of deferred tax assets	(3,739)	(3,915)
TOTAL	2,023	4,768

The change in net deferred tax breaks down as follows:

	31/12/2022	31/12/2021
OPENING NET BALANCE	4,768	6,335
Income / (loss) from deferred taxes from continued activities	(727)	(2,668)
Deferred taxes recognised in other comprehensive income	(2,230)	(2,701)
Other	(170)	2,295
Translation adjustment	382	1,507
CLOSING NET BALANCE	2,023	4,768

Deferred taxes recognized in other comprehensive income concerned mainly the net impact of unrealized foreign exchange losses and gains on current accounts classified as net investments.

The other line consists of a reclassification of a tax generated by temporary tax differences generating deferred taxes.

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NOTE 28 - SALES AND REVENUE

Note 40 on segment reporting provides with details on sales and revenue.

NOTE 29 - COST OF SALES

	31/12/2022	31/12/2021
Production cost of sales	(500,154)	(382,726)
Change in inventory provisions	272	(175)
Warranty costs	(6,833)	(6,428)
TOTAL	(506,715)	(389,329)

NOTE 30 - GENERAL AND ADMINISTRATIVE EXPENSES

	31/12/2022	31/12/2021
Administrative expenses	(46,213)	(40,177)
Provision for depreciation of trade receivables	1,195	256
Management expenses	(11,435)	(8,400)
TOTAL	(56,453)	(48,321)

NOTE 31 - RESEARCH AND DEVELOPMENT EXPENDITURES

	31/12/2022	31/12/2021
Development expenditures recognised as intangible assets	5,726	5,348
Amortisation of development expenditures	(3,888)	(3,744)
Research tax credit	2,457	2,479
Development expenditures	(17,853)	(15,854)
TOTAL	(13,558)	(11,771)

NOTE 32 - EXCHANGE GAINS AND LOSSES

In current operating income	31/12/2022	31/12/2021
Realised exchange gains and losses	2,232	(845)
Unrealised exchange gains and losses	(863)	1,230
TOTAL	1,369	385
In financial income	31/12/2022	31/12/2021
Realised exchange gains and losses	(242)	728
Unrealised exchange gains and losses	(2,431)	8,336
TOTAL	(2,673)	9,064
TOTAL	(1,304)	9,449

Foreign exchange gains and losses related to underlying considered as financing items (mainly of our subsidiaries) are presented within the financial result.

For the year ended 31 December 2022, the application of IAS 29 for Argentinian entities (reevaluation of the accounts in pesos and conversion of the income statement at closing rate), and for Turkish entities (reevaluation of the accounts in Turkish Lira and conversion of the income statement at closing rate) generated a total loss of (0.2) M€ in foreign exchange gains and losses and recognized as a financial income

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NOTE 33 - EXPENSES BY NATURE OF CURRENT OPERATING INCOME

	31/12/2022	31/12/2021
Purchases of raw materials and other consumables and changes in finished products inventory	(369,343)	(278,233)
External charges	(111,743)	(80,621)
Taxes and related items	(2,777)	(4,561)
Staff costs	(109,109)	(97,170)
Net depreciation, impairment and provisions	(20,303)	(19,515)
Currency gains and losses	1,369	384
Other operating income and expenses	726	43
TOTAL	(611,180)	(479,674)

NOTE 34 - STAFF COSTS

	31/12/2022	31/12/2021
Salaries and wages	(81,272)	(69,997)
Social security and related expenses	(26,862)	(25,418)
Employee profit-sharing	(585)	(710)
Pensions costs	(390)	(1,045)
TOTAL	(109,109)	(97,170)

Staff costs are allocated to the appropriate captions of the income statement by function.

NOTE 35 - OTHER OPERATING INCOME AND EXPENSES

	31/12/2022	31/12/2021
Industrial reorganization costs	(276)	(3,575)
Cost of litigation net of increases/ decreases in provisions	(1,852)	(1,343)
Various adjustments for previous financial years	(150)	
Goodwill depreciation	3,425	
Others	(646)	(708)
TOTAL	501	(5,626)

The costs of litigation consist mainly of movements linked to the client litigation mentioned in note 23, representing € (1.2) million (fees and asset depreciation) in 2022.

In addition, € +3.4 million is recorded in application of IAS 29 in Turkey (balance sheet impacts presented in notes 8 and 9).

CONSOLIDATES FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 36 - COST OF NET FINANCIAL DEBT, OTHER FINANCIAL INCOME AND EXPENSES

	31/12/2022	31/12/2021
Interest expenses and fees on loans and bank overdrafts	(3,872)	(2,956)
Cost of transfers of financial assets	(319)	(154)
Interests on leasing contracts	(1,266)	(914)
COST OF NET FINANCIAL DEBT	(5,457)	(4,024)
Gains and losses on realization of financial instruments	-	-
Others	981	(919)
OTHER FINANCIAL INCOME AND EXPENSES	981	(919)
TOTAL	(4,476)	(4,943)

NOTE 37 - CORPORATE INCOME TAX

	31/12/2022	31/12/2021
Current tax	(4,910)	(5,288)
Deferred tax	(727)	(2,668)
TOTAL	(5,637)	(7,956)

NOTE 38 - EFFECTIVE INCOME TAX RECONCILIATION

The difference between the effective tax rate of -58.83% (49.44% in December 2021) and the standard rate applicable in France of 25.83 % breaks down as follows:

	31/12/2022		31/12/2021	
Consolidated income before tax	(9,582)		16,094	
TAX (INCOME)/ EXPENSE CALCULATED AT THE TAX RATE APPLICABLE TO THE PARENT COMPANY'S PROFIT	(2,475)	25.83%	4,572	28.41%
Effect of differential in tax rates	(187)		(836)	
Effect of permanently non-deductible expenses or non-taxable income	8,581		30	
Effect of use of loss carry forwards previously not recognised	(1,790)		(854)	
Effect of tax assets not recognised	(2,034)		1,854	
Effect of loss carry forwards not recognised	7,471		5,913	
Effect of tax consolidation and income tax credits	(1,271)		(3,821)	
Effect of the reversal of unused deferred tax assets	-		3,408	
Tax relating to previous years	(369)		-	
Effect of income tax in comprehensive income	(2,230)		(2,291)	
Others	(58)		(19)	
EFFECTIVE TAX (INCOME)/ EXPENSE	5,637	-58.83%	7,956	49.44%

CONSOLIDATES FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 39 - EARNINGS PER SHARE

Earnings per share are calculated by dividing net profit or loss of the Group for the period by the weighted average number of shares outstanding during the period, excluding treasury shares acquired.

Diluted earnings per share are calculated by adjusting the weighted number of shares outstanding in order to take into account all shares issued on conversion of potentially dilutive securities, and notably stock options. A calculation is made to determine the number of shares acquired at fair value (the annual average for traded shares) according to the monetary value of rights attached to outstanding stock options. The resulting number of shares is then compared with the number of shares that would have been issued if the options have been exercised.

In Euros	31/12/2022	31/12/2021
NET INCOME FOR THE GROUP IN THOUSANDS OF EUROS	(15,282)	7,934
Total number of shares	31,371,274	31,371,274
Number of treasury shares	1,876,529	1,862,120
NUMBER OF SHARES USED FOR THE EARNINGS PER SHARE AND THE DILUTED EARNINGS PER SHARE CALCULATION	29,494,745	29,509,154
Earnings per share attributable to shareholders		
- basic	(0.52)	0.27
- diluted	(0.52)	0.27

NOTE 40 - SEGMENT REPORTING

40.1 SALES BREAKDOWN

Sales by business segment	31/12/2022	%	31/12/2021	%
Sales of handling and lifting equipment*	522,773	86	423,981	85
Rental of handling and lifting equipment	21,276	3	17,541	4
Services	64,198	11	55,749	11
CONSOLIDATED SALES	608,247	100	497,272	100

*Financed sales amount to 62.3 M€ (versus 67.3 M€ as per 31 December 2021) and interests income on financed sales amount 3.4 M€ (versus 3.3 M€ as per 31 December 2021).

40.2 MAIN INDICATORS BY BUSINESS SEGMENT

The column « Others » includes items not allocated to the Group's three business segments as well as inter-segment items.

In K€ (continuing operations)	31/12/2022					31/12/2021				
	Manufacturing and Sale of equipment	Equipment rental	Services	Others	Total	Manufacturing and Sale of equipment	Equipment rental	Services	Others	Total
INCOME STATEMENT HIGHLIGHTS										
Sales and revenues to external customers	522,773	21,276	64,198		608,247	423,981	17,541	55,749		497,272
Current operating income	17,221	4,254	11,688	(36,096)	(2,933)	30,772	2,449	7,906	(23,530)	17,598
ASSETS										
Inventories	215,698	-	16,277	-	231,975	144,133	-	12,685	-	156,818
Trade receivables*	185,016	5,460	15,480	-	205,956	165,571	5,458	11,848	-	182,877

* includes receivables on financing operations

CONSOLIDATES FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Notes 41 to 43 provide with information regarding the cash flow statement

NOTE 41 - ANALYSIS OF CHANGE IN WORKING CAPITAL

	31/12/2022	31/12/2021
Change in inventories	(73,451)	(19,896)
Change in provision for inventories	(316)	381
Change in trade receivables	(36,287)	(32,468)
Change in provision for trade receivables	(1,025)	100
Charge in trade payables	17,808	44,897
Change in other assets and liabilities	1,208	8,265
CHANGE IN OPERATING WORKING CAPITAL CONTINUED OPERATIONS	(92,063)	1,279

NOTE 42 - ANALYSIS OF CHANGE IN RECEIVABLES FROM FINANCING ACTIVITIES

	31/12/2022	31/12/2021
Change in gross value	9,314	7,868
Change in provisions	0	0
CHANGE IN RECEIVABLES FROM FINANCING ACTIVITIES	9,314	7,868

Revenue from financing activities includes back-to-back arrangements, direct financing leases, lease payment obligations and risk pool commitments.

Transactions involving risk pool commitments and lease payment obligations by Haulotte Group SA represent transactions for which receivables and payables are fully offset. In consequence, they do not generate cash flow. The receivables and payables (for the same amount) are discharged as customers make lease payments to their financial institution. In consequence, these transactions are eliminated in the cash flow statement because they have no impact on net cash.

Changes in back-to-back lease arrangements and finance leases are presented as a cash component of the above business. In contrast, changes in the corresponding payable (fully matched by the receivable or resulting from a comprehensive financing arrangement after the back-to-back lease agreements were repurchased through a syndicated loan) are presented under cash flows from financing activities.

NOTE 43 - CASH COMPONENTS

	31/12/2022	31/12/2021
Cash on hand and deposit accounts	30,403	32,860
Money market funds and negotiable instruments	7,049	343
CASH AND CASH EQUIVALENT - BALANCE SHEET	37,452	33,203
Bank overdrafts (refer to note 21)	(40,764)	(39,110)
CASH AND CASH EQUIVALENT - CASH FLOW STATEMENT	(3,312)	(5,907)

CONSOLIDATES FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 44 - INFORMATIONS ON RELATED PARTIES

44.1 RELATED PARTIES TRANSACTIONS

Solem S.A.S. is the majority shareholder of Haulotte Group S.A., with 57.57 % of the share capital at 31 December 2022.

Solem paid to Haulotte Group S.A. income of 30 K€ in 2022 and 30 K€ in 2021, and invoiced charges of 1 491 K€ in 2022 and 1 455 K€ in 2021 corresponding to the expenses incurred for the Group by two Directors as described in the note below.

Telescopelle paid 57 K€ to Solem (57 K€ in 2021) under the terms of a financial recovery clause following a debt waiver granted on 31 December 2001 for 1 220 K€. The debt waiver balance for which the payment is expected amounted to 326 K€ at 31 December 2022.

44.2 FEES ALLOCATED TO DIRECTORS AND OFFICERS

Amounts allocated to Board members paid by the Group amounts to 739 K€ for 2022 (760 K€ for 2021). This whole amount corresponds to short term advantages (fix and variable wages).

In compliance with the agreement to provide general administrative and commercial assistance signed by Solem S.A.S. the cost of the services is subject to a 10% mark-up.

No loans or advances have been granted to directors and officers. There are no other pension obligations or related commitments in favor of current or former executives.

NOTE 45 - OFF-BALANCE SHEET COMMITMENTS

Commitments given	31/12/2022	31/12/2021
Repurchase commitments*	8	24
Commitments given by Haulotte Group SA to GE Capital for the benefit of Haulotte US**	0	0
Guarantees on export financing***	573	926

(*) : Repurchase commitments cover guarantees for the residual values granted by the Group in connection with customer financing agreements.

(**) : In connection with product financing agreements executed in 2014, Haulotte Group SA is the first call guarantor in the event of default by Haulotte US Inc., for up to US\$5,000 thousand, in favour of different GE Group companies (General Electric Capital Corporation US, GE Commercial Distribution Finance Corporation US, GE Canada Equipment Financing G.P.). This commitment expired on 19 December 2021.

(***) : Financing export agreements are put in place for some customers. Specialized financial institutions guarantee these agreements to the banks for a certain percentage. Then, the Group gives an additional guarantee to the financial institution for the percentage not covered.

CONSOLIDATES FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 46 - AVERAGE NUMBER OF EMPLOYEES

	31/12/2022	31/12/2021
Average headcount for the year	1,983	1,819

NOTE 47 - AUDITORS' FEES

In euros (excluding VAT)	PricewaterhouseCoopers Audit SAS		BM&A	
Reports on financial statements	193,287	93%	173,485	100%
Other services	13,500	7%		0%
TOTAL	206,787	100%	173,485	100%

Other services are related to independent report on corporate social responsibility information.

NOTE 48 - SUBSEQUENT EVENTS

At the accounts closing date by the Board of Directors, the 22nd of March 2023, no subsequent events have occurred.

Regarding the earthquakes in Turkey, no impact has been identified for the group's Turkish subsidiary, ACARLAR.

Concerning elements related to the continuity of the Group's financing, please see note 21.

SATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

PricewaterhouseCoopers Audit

Grand Hôtel Dieu
3 Cour du Midi, CS 30259
69287 Lyon Cedex 02

BM&A

11 rue de Laborde,
75008 Paris

To the annual general meeting of Haulotte Group SA

Rue Emile Zola

42420 Lorette

This is a free translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and is provided solely for the convenience of English-speaking readers. This statutory auditors' report includes information specifically required by European regulations and French law, such as information about the appointment of statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual general meeting,

OPINION

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Haulotte Group SA ("the Group") for the year ended December 31, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence with independence requirements of the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for statutory auditors, for the period from January 1, 2022 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

EMPHASIS OF MATTER

We draw attention to the following matter described in Note 21 “Borrowings and financial liabilities” to the consolidated financial statements which outlines the company's financing situation regarding the expected breach of its financial covenants as of June 30, 2023. This situation could trigger the demand for total debts of 226 million euros. The continuation of these financial arrangements depends on obtaining a new waiver agreement from the lenders regarding the breach of ratios. Failure to obtain such an agreement could cast significant doubt on the Company's ability to continue as a going concern.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming in our opinion thereon and we do not provide a separate opinion on specific items of the consolidated financial statements.

MEASUREMENT OF THE GOODWILL ALLOCATED TO THE “NORTH AMERICA” & “ACARLAR” CGU

Description of risk

At 31 December 2021, total goodwill amount to €10,724 thousand net and goodwill for the “North America” & “Acarlar” CGU (cash-generating unit) came to € 4,618 thousand net, and € 6,021 thousand net, respectively. The procedures for the impairment tests used are described in Notes 4.1 and 8 to the consolidated financial statements.

The recoverable amounts of the “North America” & “Acarlar” CGU are determined based on their value in use, which are calculated using the discounted value of cash flows expected over a period of five years from the group of assets allocated to the “North America” & “Acarlar” CGU. Forecast data includes assumptions in terms of volume, sale price and production costs and the use of a discount rate and a long-term growth rate.

Given the use of assumptions and estimates to assess the recoverable value, we deemed the measurement of goodwill to be a key audit matter.

How our audit addressed this risk

We examined the methodology used by the Group for performing impairment tests.

Our work consisted primarily in:

- Reconciling the data underlying the “North America” & “Acarlar” CGU carrying amount with the consolidated financial statements;
- Ensuring the correct calculation of discounted cash flows;
- Verifying the mathematical accuracy of the data and reconciling forecast data with the budget approved by management;
- Assessing the consistency of the operational assumptions made by management to establish cash flow projections, including by comparing them to past performances and market outlook;
- Assessing the discount rate calculations and corroborating certain inputs of this rate with available market data, particularly in the context of inflationary pressures;
- Assessing the sensitivity of the recoverable amount to inputs such as discount rate and the assumptions used.

We also examined the appropriateness of the disclosures provided in Notes 4.1 and 8 “Goodwill” to the consolidated financial statements.

ASSESSMENT OF CUSTOMER CREDIT RISK

Description of risk

The Group has a diverse portfolio of customers whose financial positions may be impacted by the cyclical nature of the markets and changing geopolitical environments, which could, in the short term, result in limited liquidity and ultimately affect their ability to make payments.

At 31 December 2022, trade receivables, including receivables from financing activities, represented a gross value of €221,497 thousand and a net value of €295,956 thousand.

As indicated in Notes 4.7, 5 and 14 to the consolidated financial statements, the assessment of customer risk, and consequently the measurement of potential impairment, relies on (i) an analysis of customers' individual financial situations based primarily on past relationships with those customers and the outlook of the markets in which they operate, and (ii) the likelihood that the Group would recover underlying assets in the event of customer default.

Given the materiality of receivables with varying maturities depending on the type of financing and the judgements and assumptions made by management to measure impairment of trade receivables, we deemed the measurement of customer credit risk to be a key audit matter.

How our audit addressed this risk

Our work consisted primarily in:

- Gaining an understanding of the internal control procedures put in place by management applicable to the measurement of customer credit risk;
- Assessing the merits of the assumptions made by management in its measurement of potential customer credit risks including, where applicable, the ability to repossess equipment;
- Verifying the basic data used to measure provisions related to trade receivables when payment deadlines are exceeded by more than one year.

ASSESSMENT OF THE CORRECT VALUATION OF INVENTORY

Description of risk

At 31 December 2022, inventory represented a net value of € 231,975 thousand and a gross value of €236,637 thousand including raw materials for €106,107 thousand, work-in-progress for € 24,026 thousand and finished goods for € 86,876 thousand.

As indicated in Note 4.6 to the consolidated financial statements, the value of raw materials is based on the weighted average unit cost and the value of work-in-progress and finished goods includes direct and indirect production based on normal operating capacity. A depreciation is accounted for when the net realizable value, corresponding to the estimated selling price in the ordinary course of business less applicable expenses to sell or recondition the goods, is lower than the net value.

Given the context of inflationary pressure and the difficulties in the supply chain with an impact on the quantities, on the delay of production and on the value of inventory, we deemed the valuation of inventory to be a key audit matter.

How our audit addressed this risk

Our work consisted primarily in:

- Gaining an understanding of the internal control procedures and assessing the correct design and the efficiency of key internal controls designed by the Group and related to the valuation of the different natures of inventory,
- Assessing the correct valuation of raw materials
 - Analysis of the consistency of the evolution of the weighted average unit price compared to the previous year and to the rise in purchase costs,
 - Tests of detail on an extended sample.
- Assessing the compliance of direct and indirect production costs included in the valuation of work-in-progress and finished goods with the applicable accounting principles,
- Assessing the correct valuation of work-in-progress and finished goods
 - Analysis of actual direct and indirect production costs without the impact of under activity
 - Tests of detail on an extended sample.

- Verifying the correct calculation of depreciation for all the different type of inventory based on the Group method and verifying the absence of additional depreciation to be recognized based on margins realized by the Group during the subsequent period.
- Verifying the absence of litigations with suppliers of raw materials regarding purchase prices with a potential significant impact on the value of inventory.

We also examined the appropriateness of the disclosures provided in Notes 4.6 and 13 "Inventory and work-in-progress" to the consolidated financial statements.

SPECIFIC VERIFICATION

We have also performed, in accordance with professional standards applicable in France, the specific verification required by laws and regulations of the Group's information given in the Group's management report.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French commercial code (code de commerce) is included in the Group's information given in the management report, it being specified that, in accordance with article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Format of the presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier), prepared under the responsibility of the Group Managing Director, complies with the single electronic format defined in the European Delegated Regulation N° 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Haulotte Group SA by the General Meetings held on 28 May 2015 for BM&A and on 2 October 1998 for PricewaterhouseCoopers Audit.

As at 31 December 2021, BM&A and PricewaterhouseCoopers Audit were in the eighth year and the twenty-fifth year of total uninterrupted engagement.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union 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 company'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 it is expected to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards 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 specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk 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.
- Obtains 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 internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and the related disclosures made by management in the consolidated financial statements.
- Assesses 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 company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains 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. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France, such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence and the related safeguard.

Lyon, May 2nd, 2023

The Statutory Auditors

PricewaterhouseCoopers Audit

BM&A

Matthieu Moussy

Pascal Rhoumy



STATUTORY ACCOUNTS

2022

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

BALANCE SHEET - ASSETS

In thousands of Euros	Note	Gross	Amort. Dépréc.	31/12/2022	31/12/2021
INTANGIBLE ASSETS	4.1				
Research and development costs		37,603	24,762	12,841	-
Software, patents		19,338	16,976	2,362	3,408
Goodwill		168	-	168	168
R&D costs Intangible assets in progress		14,423	-	14,423	-
OTHER INTANGIBLE ASSETS IN PROGRESS		2,814	-	2,814	1,458
PROPERTY, PLANT AND EQUIPMENT	4.1	-	-	-	-
Land		882	-	882	882
Buildings		18,597	14,420	4,177	4,671
Machinery and equipment		28,458	24,251	4,207	4,557
Other PPE		7,210	5,760	1,450	1,538
Fixed assets in progress		1,780	-	1,780	998
FINANCIAL ASSETS	4.2	-	-	-	-
Long-term investments	4.4	67,038	18,140	48,898	48,896
Receivables from investments	4.4	129,002	29,562	99,440	98,344
Other investments	4.3	13,929	7,431	6,498	9,006
Other financial assets		3,371	1,181	2,190	2,340
NON-CURRENT ASSETS		344,613	142,484	202,129	176,267
INVENTORIES AND WORK IN PROGRESS	5				
Raw materials		50,909	640	50,269	36,863
Work in progress		13,475	-	13,475	3,628
Finished goods		18,622	719	17,903	11,725
Trade goods		11,600	1,274	10,326	7,630
Advances paid to suppliers		713	-	713	710
ACCOUNTS RECEIVABLE		-	-	-	-
Accounts receivable	6	145,875	35,571	110,303	87,851
Other receivables	7	140,106	6,461	133,645	50,515
CASH AND CASH EQUIVALENT		-	-	-	-
Marketable securities		273	-	273	343
Financial instruments	8	1,620	-	1,620	-
Cash at hand		13,615	-	13,615	9,262
ACCRUALS	8	-	-	-	-
Prepaid expenses	8	1,520	-	1,520	1,362
CURRENT ASSETS		398,328	44,666	353,662	209,889
Unrealised foreign exchange losses	8	2,567	-	2,567	1,537
TOTAL		745,509	187,150	558,358	387,693

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

BALANCE SHEET - LIABILITIES AND EQUITY

In thousands of Euros	Note	31/12/2022	31/12/2021
Share capital	10	4,078	4,078
Additional paid-in-capital		3,753	71,902
Legal reserves		448	448
Unavailable reserves		7,512	-
Other reserves		-	-
Retained earnings		26,542	(29,861)
PROFIT (LOSS) FOR THE YEAR		54,211	(23,874)
Investment grants		1	1
Regulated reserves	2.2	781	852
SHAREHOLDERS' EQUITY	10	97,326	23,546
Provisions for contingencies		10,929	7,279
Provisions for charges		2,967	4,674
COMMITMENTS AND CONTINGENCIES	12	13,896	11,954
PAYABLES			
Loans and debts with credit institutions (1)	13.1	261,786	150,697
Down payments received		193	405
Trade payables	14	70,653	56,534
Tax and employee-related liabilities	14	7,995	7,731
Fixed asset creditors		-	-
Other payables	14	78,079	122,140
ACCRUALS	8	-	-
Deferred revenue	8	8,391	2,541
TOTAL LIABILITIES		427,098	340,047
Unrealised foreign exchange gains	8	18,419	12,146
difference valuation liabilities cash instrument	8	1,620	
TOTAL		558,358	387,693

(1) of which less than a year : 231 171K€

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

INCOME STATEMENT

In thousands of Euros	Note	31/12/2022	31/12/2021
NET SALES	15	246,666	210,616
Change in inventories of finished goods and work in progress		16,240	(582)
Capitalised production		7,134	948
Operating grants		292	304
Reversals of provisions, depreciation and expense transfer		11,697	6,941
Other income	18	9,025	10,597
OPERATING INCOME		291,054	228,823
Purchase of trade goods		20,781	18,189
Change in inventories (trade goods)		(2,729)	654
Purchase of raw materials and other supplies		187,863	143,399
Change in inventories (raw materials and other supplies)		(13,036)	(18,069)
Other purchases and external charges		59,847	45,994
Taxes other than on corporate income		2,836	2,397
Wages and salaries		30,648	29,533
Social charges		12,923	12,815
Depreciation and amortisation of fixed assets	4	9,731	5,437
Increase in provisions for current assets	5-6	1,361	7,926
Provisions for contingencies and commitments	12	2,206	436
Other expenses	18	19,511	2,301
OPERATING EXPENSES		331,940	251,013
OPERATING PROFIT (LOSS)		(40,886)	(22,190)
Dividends received from subsidiaries		99,131	10,463
Interest income		8,326	4,646
Reversals of provisions		1,622	9,213
Currency gains		10,546	7,145
Net proceeds from the disposal of marketable securities			
FINANCIAL INCOME		119,625	31,467
Allowances for depreciation and reserves		8,328	23,833
Interest expenses		6,942	8,209
Currency losses		9,077	4,795
Net expenses from the disposal of marketable securities		2	2
FINANCIAL EXPENSES		24,349	36,839
NET FINANCIAL PROFIT (LOSS)	19.1	95,276	(5,373)
PRE-TAX PROFIT BEFORE EXTRAORDINARY ITEMS		54,390	(27,563)
Extraordinary income sundry business operations		546	309
Extraordinary income on transactions		7	262
Reversal of provisions, expenses reclassifications		2,680	3,695
EXTRAORDINARY INCOME		3,232	4,266
Extraordinary expenses sundry business operations		2,178	1,614
Extraordinary expenses on transactions		381	136
Depreciation and provisions		4,668	2,649
EXTRAORDINARY EXPENSES		7,227	4,398
EXTRAORDINARY PROFIT (LOSS)	19.2	(3,995)	(132)
Corporate income tax	20	(3,816)	(3,821)
NET PROFIT (LOSS)		54,211	(23,874)

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FISCAL YEAR ENDED 31 DECEMBER 2022

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NOTE 1 - SIGNIFICANT EVENTS DURING THE YEAR

PUBLIC HEALTH CRISIS AND WAR IN UKRAINE LEAVE INDELIBLE MARK ON 2022

Despite global markets reaching their zenith in 2022 and all regions registering growth, the entire year saw the Group face persistent supply chain issues, rising energy and transportation costs, and disruptions to its logistics, all stemming from the knock-on effects of the coronavirus pandemic and the Russian invasion of Ukraine. Toward the end of the year, there were signs of improvement in container shipping and certain commodity indices (steel).

Given this unprecedented backdrop, Haulotte Group SA posted 17% revenue growth between 2022 and 2021, and an operating loss of €41 million for 2022 (-17% of revenue).

On 28 June, the Group obtained from all its syndicated lenders, as well as BPI France, a state guaranteed loan of €96 million (note 13 sets out the conditions and covenants relating to the different loans taken out by the Group). This state-backed loan is being used to support the Group's strong increase in business and provide flexibility in the face of the many operational disruptions described above.

The loan follows on from the Group's decisions to ramp up production so that it could meet the large increase in its orderbook. However, due to the above complicated operational context, this has led to a significant increase in inventory.

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

NOTE 2 - ACCOUNTING POLICIES

The company's annual financial statements have been prepared in accordance with the laws and regulations applicable in France and with regulation 2014-03 of France's national Accounting Standards Body (Autorité des Normes Comptables).

Accounting conventions of establishment and presentation of the annual accounts have been applied in compliance with the prudence concept, in accordance with the following basic assumptions:

- the going concern concept,
- the time period concept,
- the consistency principle.

The statutory accounts have been prepared according to the historical cost convention.

Only significant information is disclosed.

2.1 INTANGIBLE FIXED ASSETS

Intangible assets are recognised at their purchase price, excluding financial charges. Software is depreciated on a straight-line basis over 3 to 7 years according to its useful life.

Models and designs are depreciated over 5 years.

Goodwill is not subject to depreciation. An impairment is recorded when its value in use is less than the amount initially recognised. Under regulation 2015-06 of ANC, it was considered that this goodwill had an indefinite useful life.

Change in accounting method: Development costs

Haulotte Group has followed the accounting change on how it should record development costs; they are now recorded under intangible assets if they meet the precise conditions for capitalization. This accounting change adjusts the accounts for non-current assets against the counterpart retained earnings on 1 January 2022, as detailed below:

En K€	Loss carry forward	Intangible assets in progress	Fixed Assets	Depreciation
Research and development costs	26 128	10 589	35 441	(19 902)
Total	26 128	10 589	35 441	(19 902)

Research costs are expensed as they occur. Costs incurred for development projects (design of new or improved products) are capitalized as intangible assets where the following criteria are met:

- the technical feasibility needed to accomplish the project is established,
- management shows its intention to complete the project,
- the company can use or sell the asset,
- it is probable that the future economic benefits attributable to the development costs will flow to the company,
- there are adequate technical, financial resources for completing the project,
- the cost of the asset can be reliably measured.

Development costs that do not fulfill these criteria are expensed in the year in which they are incurred. Any development costs expensed in any year are not recorded under intangible assets in progress in later periods.

Capitalized development costs are amortized on a straight-line basis over the asset's useful life from the date on which the asset can be put into service (usually 2-5 years).

Any capitalized development costs that have not yet been completely amortized are subject to an annual impairment test where indicators for a loss of value (economic benefits obtained lower than initially projected) are identified. The value of capitalized development costs and the anticipated cash flow over 2-5 years are compared to determine the impairment to be recorded.

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

2.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised in the balance sheet at purchase cost (less discounts and all costs necessary to bring the asset to working condition for its intended use) or production cost. Finance costs are not included in the cost of fixed assets.

Basis for depreciation of fixed assets is their gross value (cost less residual value). Depreciation starts from the date the asset is ready to be commissioned. Depreciation is recorded over the useful life that reflects the consumption of future economic benefits associated with the asset that will flow to Haulotte Group SA.

When the asset's carrying value is greater than its estimated recoverable amount, an impairment is recorded for the difference.

Subsequent costs are recognised as separate assets and subject to different depreciation rates if the related assets have different useful lives. The carrying amount of the renewed or replaced part is derecognised, the new costs incurred being separately capitalised.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method over their estimated useful lives as follows:

	Depreciation period
Plant buildings:	
Main component	40 years
Other components	10 to 30 years
Buildings fixtures and improvements:	
Main component	10 to 40 years
Other components	5 to 20 years
Plant equipment	5 to 20 years
Other installations and equipment	3 to 20 years
Transportation equipment	5 years
Computer and office equipment	3 to 10 years
Office furniture	3 to 10 years

The assets' residual value and useful lives are reviewed and adjusted, if appropriate, at each balance-sheet date.

The gains or losses on disposals of fixed assets are recognised within 'Extraordinary income/expenses on transactions'.

• **Regulated tax reserves**

Regulated reserves include in particular additional tax depreciation allowances calculated by utilising the most favourable tax option. This mainly concerns depreciation on residual values of equipment recorded as fixed assets.

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

2.3 FINANCIAL ASSETS

• *Equity Investments*

Investments are recognised in the balance sheet at historical cost, including transaction costs such as transfer rights, commissions and fees directly attributable to the acquisition of the securities. These expenses are included in the cost of securities and are subject to special accelerated depreciation over five years.

At year-end, their balance sheet value is compared with their value in use, determined with reference to the share in net equity owned and the earnings prospects. When applicable, a provision for impairment is recorded. When necessary (notably for subsidiaries with negative net equity), additional provisions are recognised first against intra-group assets (receivables, current accounts) and further as a provision for charges if necessary.

Most of the long-term investment are valued in relation with the share in net equity owned, this approach does not use sensitive estimation assumptions. Regarding Acarlar, shares value have been determined using the multiple valuation method.

• *Receivables from investments*

Receivables from investments relate to current account advances and loans granted to subsidiaries.

These items are recognised at face value. Long-term current accounts and loans granted to our subsidiaries in foreign currencies are translated into Euros at the year-end exchange rate. Gains arising on translation are recognised as 'unrealised foreign exchange gains' and recorded in the balance sheet. Losses arising on translation result in the recognition of a provision for foreign exchange losses and go therefore through the income statement.

Long-term current accounts are subject to impairment in the cases described in the preceding paragraph. There is no translation adjustment recorded for the impaired portion of foreign currency current accounts.

• *Other receivables*

Short-term current accounts in foreign currencies are converted into euros at the closing rate. Any exchange gains and losses are recognized in currency gains or losses.

The depreciated portion of current accounts in foreign currencies does not lead to book currency gains or losses.

• *Treasury shares*

Treasury shares acquired in connection with the Group's share buy-back program are recorded as financial assets. They are recognised at purchase price. At the end of the year, their carrying value is determined on the basis of the average quoted price of the shares for the last month of the year. If the carrying value is lower than the purchase price, an impairment loss is recorded for the difference.

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

2.4 INVENTORIES AND WORK IN PROGRESS

Inventories are stated at the lower of cost or net realisable value:

- Materials and supplies cost is determined using the average cost method based on the weighted average cost per unit,
- The cost of finished products and work in progress includes direct production costs and factory overhead (based on normal operating capacity),
- Traded goods inventories are recorded at purchase price (spare parts) or at their trade-in value (second-hand machines),
- The net realisable value is the estimated selling price in the ordinary course of business less applicable expenses to recondition or sell the goods.

Impairment is recognised when the net realisable value corresponding to the estimated selling price in the ordinary course of business less applicable expenses to recondition or sell the goods, is less than the carrying value of inventories defined above.

The materials and spare parts inventories are eventually impaired following the last buying date and the turnover rate.

2.5 RECEIVABLES AND PAYABLES

Receivables and payables are recognised at their face value.

A provision for impairment is recorded when their collection value, determined on a case-by-case basis, is estimated to be lower than the carrying value.

As soon as there are indications of a real and serious collection risk, a provision for impairment is recorded.

2.6 TRANSLATION OF TRANSACTIONS IN FOREIGN CURRENCY

Transactions in foreign currencies are translated at the exchangerate on the transaction date. At the end of the period, receivables and payables balances are translated at the closing rate. The resulting translation differences for payables and receivables in foreign currency at the end of the period are recognised in the balance sheet under the cumulative translation adjustment. For unrealised foreign exchange losses, a provision for contingencies is recorded.

For receivables for which impairment has been recorded, only the remaining balance is translated at the year-end exchange rate.

Following the ANC regulation No.°2015-5 of 2 July and applicable as from 1 January 2017, allowances and reversals for foreign exchange losses are recognized under operating income for trade receivables and payables, and as financial result for financing operations.

2.7 MARKETABLE SECURITIES

Marketable securities are initially recognised at their purchase price excluding incidentals. Carrying value of the securities is measured based on quoted values at the closing date. An impairment is recorded when this quoted value is lower than purchase price.

2.8 FINANCIAL INSTRUMENTS

As of 31 December 2022, the company held an isolated open position of €1,619 thousand in forward currency contracts. Isolated open positions are all the operations not categorized as hedges. Unrealized gains are recorded in the balance sheet but not in the income statement.

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

2.9 PROVISIONS

When a contingent liability is identified, for which no reliable estimation can be determined, there is no provision recognized. If applicable, a description of the identified risk is included in a dedicated paragraph within the notes relating to provisions for contingencies and charges (Note 12) or contingent liabilities.

In general a provision is recorded when:

- the Group has a present legal or constructive obligation as a result of a past event,
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation,
- the obligation has been reliably estimated.

• *Warranty provision*

Haulotte Group grants clients a manufacturer's warranty. The estimated cost of warranties on products already sold is covered by a provision statistically calculated on the basis of historical data. The warranty period is generally two years. When necessary, a provision is recognised on a case-by-case basis to cover specific warranty risks identified.

• *Litigations*

Other provisions are also recorded in accordance with the above principles to cover risks related to litigations, site closures (when applicable) or any other event meeting the definition of a liability. The amount recognised as a provision represents the best estimate of the expenditure required to settle the obligation.

All material lawsuits involving the company were reviewed at year-end, and based on the advice of legal counsel, the appropriate provisions were recorded, when necessary, to cover the estimated risks corresponding to a net out flow of resources.

Orders booked at the balance sheet date for some of the Group's distribution subsidiaries (based on transfer prices) as well as the cost evaluation should generate a negative margin at the time of their deliveries. Haulotte Group SA has recorded a Net Realizable Value provision of €3,811K in its accounts.

• *Pension*

Haulotte Group SA records provisions for retirement severance payment and other post-employment obligations as well as long-service awards. Haulotte Group SA only had defined benefit plans. The corresponding obligation is measured using the projected unit credit method with end-of-career wages. The calculation of this obligation takes into account the provisions of the laws and collective bargaining agreements and actuarial assumptions concerning notably staff turnover, mortality tables, salary increases and inflation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the income statement in the period incurred.

As of January 1, 2021, Haulotte applied the new method relating to provisions for retirement according to ANC recommendation no. 2013-02 amended on November 5, 2021 following a decision of IFRS IC taken in April 2021 which concluded that the provision to be recognized for the benefit should only be constituted over the period which covers the last 16 years of service rendered by the employee.

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

2.10 OPERATING PROFIT

• *Revenue recognition*

"Net sales" includes the goods and services sales comprising notably:

- Equipment sales to the distribution and renting subsidiaries of the group
- Direct sales to certain customers
- Spare parts sales
- Services.

Sales of goods are recorded net of value added tax at the date of transfer of risks and benefits of ownership. Revenues related to services are recognised over the period during which the services are rendered.

• *Operating expenses*

Operating expenses include notably material costs, production costs and overheads.

2.11 FINANCIAL INCOME

Financial income consists primarily of changes in provisions on investments and on intercompany current accounts, exchange gains and losses (except those relating to commercial receivable and debt), interest income and expenses on current accounts and financial costs associated with borrowing.

2.12 EXTRAORDINARY INCOME

Items that are exceptional in nature or that do not occur in the normal course of business are recognised under extraordinary profit or loss. In accordance with the French National Accounting Code (Plan Comptable Général), extraordinary profit or loss also includes allowances and reversals of special tax depreciation provisions.

NOTE 3 - POST-CLOSING EVENT

At the accounts closing date by the Board of Directors, the 22nd of March 2023, no subsequent events have occurred.

Regarding the earthquakes in Turkey, no impact has been identified for the group's Turkish subsidiary, ACARLAR.

Concerning elements related to the continuity of the Group's financing, please see note 13.

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

NOTE 4 - FIXED ASSETS

4.1 PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

Gross amounts

In thousands of Euros	31/12/2021	Increase	Decrease	31/12/2022
Research and development costs ⁽¹⁾	-	37,603	-	37,603
Software	18,663	675	-	19,338
Goodwill / business goodwill ⁽²⁾	168	-	-	168
R&D costs Intangible assets in progress ⁽¹⁾	-	14,423	-	14,423
Intangible assets in progress	1,458	1,356	-	2,814
Total Intangible assets	20,289	54,057	-	74,346
Land	882	-	-	882
Building	2,848	-	-	2,848
General installations	15,534	227	12	15,749
Machinery and equipment	26,872	1,618	32	28,458
Other PPE	7,084	377	252	7,210
Fixed assets in progress	998	799	18	1,780
Total Fixed assets	54,218	3,021	313	56,926
TOTAL	74,507	57,078	313	131,272

(1) Following a change in method, R&D costs meeting the precise conditions for activation are now recorded as intangible assets. The opening amount was impacted by €46,030k. See paragraph 2.1.

(2) They also include goodwill of 168 thousand€. The goodwill originated from the creation of Haulotte S.A. in 1995. No depreciation or impairment has been recorded.

Accumulated depreciation and impairment

In thousands of Euros	31/12/2021	Increase	Decrease	31/12/2022
Research and development costs ⁽¹⁾	-	24,762	-	24,762
Intangible assets	15,255	1,722	-	16,976
Total Intangible assets	15,255	26,484	-	41,738
Building	1,369	-	-	1,369
General installations	12,343	721	12	13,052
Machinery and equipment	22,314	1,963	27	24,251
Other PPE	5,546	465	251	5,760
Total Fixed assets	41,572	3,149	290	44,431
TOTAL	56,827	29,633	290	86,170

(1) Following a change in the method of capitalizing part of the R&D costs, the opening amount of depreciation was impacted by 19,902K€.

Research and development expenditure, recorded in operating expenses, totalled 14,172 thousand € for the fiscal year .

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

4.2 FINANCIAL ASSETS

Financial assets break down as follows on a cost basis :

In thousands of Euros	31/12/2021	Increase	Decrease	31/12/2022
Equity investments ⁽¹⁾	66,601	437	-	67,038
Current accounts & loans to subsidiaries ⁽²⁾	126,002	6,770	3,769	129,002
Treasury shares ⁽³⁾	14,232	616	919	13,929
Other financial assets	3,452	76	157	3,371
TOTAL GROSS VALUE	210,288	7,899	4,846	213,341

(1) The increase in equity investments is mainly due to the additional acquisition of securities from our subsidiary Haulotte Argentina following a capital increase.

(2) The increase mainly concerns the granting of a new loan to our subsidiary H.Brazil, the increase in the current account of H Singapore and the revaluation of the LT current account of H US. The decrease mainly concerns a decrease in the LT account of H UK.

(3) The number of treasury shares owned at year end 1 876 529 (Voir §4.3)

In thousands of Euros	31/12/2021	Allowances	Reversals	31/12/2022
Provisions on Equity investments ⁽⁴⁾	17,704	437	2	18,140
Provisions on Current accounts & loans ⁽⁵⁾	27,659	2,231	327	29,563
Provisions on Treasury shares	5,226	2,205	-	7,431
Provisions on Other financial assets	1,112	69	-	1,181
TOTAL PROVISIONS	51,701	4,943	329	56,315

TOTAL NET VALUE	158,586	157,026
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(4) Haulotte Group as recorded additional provisions of its securities of its subsidiaries H.Argentina (€0.4 million).

(5) The increase in the provisions for receivables attached to holdings is mainly explained by additional provision on Haulotte US.

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

4.3 CHANGES IN TREASURY SHARES

Type	In €	2022	2021
Liquidity agreement	Number of shares purchased	163,588	184,774
	Purchase price of shares (€)	616,121	1,124,857
	Average price per share (€)	3.77	6.09
	Number of shares sold	149,179	161,905
	Original value of shares sold (€)	919,176	781,645
	Sale price of shares sold (€)	561,578	1,012,142
	Net gain / (loss) (€)	(357,598)	230,496
	Number of shares cancelled		
	Number of shares at December 31	178,124	163,715
	Original value of shares at December 31 (€)	745,682	1,048,737
Buyback authorisation	Number of shares purchased		
	Purchase price of shares (€)		
	Average price per share (€)		
	Number of shares sold		
	Number of shares cancelled		
	Number of shares at December 31	1,698,405	1,698,405
Global	Original value of shares at December 31(€)	13,183,551	13,183,551
	Number of shares at December 31	1,876,529	1,862,120
	Initial value of shares at December 31(€)	13,929,233	14,232,288
	Provision for treasury shares at December 31* (€)	(7,431,304)	(5,225,918)
	Closing price of shares at December 31 (€)	3.465	4.8

* On the basis of the average price of shares for the last month

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

4.4 LIST OF SUBSIDIARIES AND AFFILIATES

Company	Share capital	Ownership interest (%)	Reserves and retained earnings	Gross value	Advances and Loans	Dividends received	Revenue
Registered office	Shareholders' equity ⁽¹⁾			Net value of shares			Net income
In thousands of Euros							
Haulotte France Sarl	1,046	99.99%	7,782	3,804	(25,566)		104,819
69 St Priest - France	12,383			3,804			3,535
Telescopelle SAS	37	100.00%	1,086	37	(1,121)		113
L'Horme - France	1,192			37			69
Haulotte Access Equipment Manufacturing (Changzhou) Co., Ltd.	32,376	100.00%	20,353	26,300	34,844		60,188
Chine	50,359			26,300			(2,408)
Haulotte Argentina SA	158	100.00%	(630)	5,968	462		8,284
Argentine	(1,574)						(678)
Haulotte Arges SRL	789	100.00%	11,748	1,100	67,764	60,003	133,511
Roumanie	14,332			1,100			1,801
Haulotte Australia Pty Ltd	0	100.00%	1,350	0	35,220		72,837
Australie	2,650			0			1,338
Haulotte Canada	0	100.00%		0	9		
Canada				0			
Haulotte Do Brazil Ltda	80	99.98%	(29,235)	201	3,874		15,385
Brésil	(26,844)						2,679
Haulotte Digital Support Center	0	95.00%	(602)	0	1,367		(11)
Roumanie	(613)			0			(10)
Haulotte Hubarbeitsbunnen GmbH	30	100.00%	25,325	30	(30,223)		46,235
Allemagne	27,071			30			1,716
Haulotte Iberica SL	310	98.71%	5,311	3	(2,022)	11,845	31,728
Espagne	7,915			3			2,294
Haulotte India	56	99.99%	189	62			5
Inde	259			62			14
Haulotte Japon	34	100.00%	11	46			2
Japon	64			46			21
Haulotte Italia Srl	100	99.00%	4,345	10	(1,289)	10,890	34,005
Italie	7,234			10			2,789
Haulotte Mexico SA de CV	866	99.99%	(1,039)	1,113	1,202		6,328
Mexique	(248)						(82)
Haulotte Middle East FZE		100.00%	849	199	5,148		2,793
Emirats Arabes	1,197			199			116
Haulotte Netherlands BV	20	100.00%	264	20	(1,002)	1,800	32,327
Pays-Bas	1,285			20			1,001
Haulotte Polska SP Z.O.O.	87	100.00%	2,804	105	(4,273)		14,446
Pologne	3,916			105			1,006
Haulotte Scandinavia AB	10	100.00%	4,346	11	(6,881)	13,758	21,805
Suède	4,922			11			546
Haulotte Singapore Ltd.	-	100%	4,294	0	1,895	-	19,388
Singapour	4,274			0			(21)

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

Company	Share capital	Ownership	Reserves	Gross value	Advances	Dividends	Revenue
Registered office	Shareholders' equity ⁽¹⁾	interest (%)	and retained earnings	Net value of shares	and Loans	received	Net income
In thousands of Euros							
Haulotte Trading (Shanghai) co. Ltd.	-	100%	(11,068)	550	-	-	17,426
Chine	(4,045)			-			6,334
Haulotte UK Ltd	1	100%	(590)	2	2,558	-	20,557
Angleterre	410			2			985
Haulotte US Inc	3	100%	(60,721)	3	86,670	-	88,541
Etats Unis	(27,512)			-			(371)
Haulotte Vostok	34	100%	3,573	80	-	322	4,455
Russie	3,370			80			(273)
Horizon High Reach Limited	1,315	100%	13,420	5,065	-	-	7,858
Argentine	15,020			5,065			176
Levanor Maquinaria de Elevacion S.A.	100	91%	586	300	1,378	-	-
Espagne	646			-			(40)
Haulotte Chile	0	100%	645	0	-	-	4,102
Chili	1,272			0			657
Horizon High Reach Chile SPA	0	100%	(3,442)	5	-	-	2,113
Chili	(3,716)			-			(288)
Acarlar	244	100%	1,551	22,024	-	513	9,366
Turquie	4,177			12,024			1,818

(1) Including Capital and Net income

For foreign subsidiaries, figures presented are translated at the year-end closing exchange rate except for revenue and net income which are translated at the average exchange rate of the period.

The amount of balance sheet commitments are presented in notes 24 and 25.

NOTE 5 - INVENTORIES

In thousands of Euros	Inventories at 31/12/2022			Inventories at 31/12/2021		
	Gross	Provisions	Net	Gross	Provisions	Net
Raw materials	50,909	(640)	50,269	38,023	(1,160)	36,863
Work in progress	13,475	-	13,475	3,628	-	3,628
Finished goods	18,622	(719)	17,903	12,230	(505)	11,725
Trade goods	11,600	(1,274)	10,326	8,871	(1,241)	7,630
TOTAL	94,606	(2,633)	91,973	62,751	(2,905)	59,846

The increase in inventories relates mainly to components and Work in progress

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

NOTE 6 - TRADE RECEIVABLES

In thousands of Euros	31/12/2022	31/12/2021
Trade receivables	145,875	129,019
of which Group receivables	140,929	123,679
Provisions	(35,571)	(41,168)
of which Group provisions	(34,412)	(40,043)
NET TRADE RECEIVABLES	110,303	87,851

The reversal of the impairment relates mainly to receivables from our subsidiary Haulotte Shanghai.

NOTE 7 - MATURITY OF RECEIVABLES AND PAYABLES

The receivables are as follows:

In thousands of Euros	Total	< 1 year	> 1 year et < 5 years	> 5 years
Current accounts & loans to subsidiaries	129,002	45,476	-	83,526
Trade receivables	145,875	144,722	-	1,153
Other receivables	140,106	134,922	5,184	-

The other receivables mainly concern short-term current accounts, income tax, VAT.

NOTE 8 - ACCRUALS

In thousands of Euros	31/12/2022	31/12/2021
PREPAID EXPENSES	1,520	1,362
Operating expenses	1,520	1,362
Financial expenses	-	-
DEFERRED REVENUE	8,391	2,541
UNREALISED FOREIGN EXCHANGE LOSSES	2,567	1,537
On receivables	2,480	1,415
On payables	87	122
UNREALISED FOREIGN EXCHANGE GAINS	20,038	12,146
On receivables	18,005	12,131
On payables	413	15
Financial instrument valuation	1,620	-

The main prepaid expenses relate mainly to IT services.

The deferred revenue relates to machines and spare parts.

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

NOTE 9 - OTHER ACCRUED ASSETS AND LIABILITIES

9.1 ACCRUED LIABILITIES

In thousands of Euros	31/12/2022	31/12/2021
Bank borrowings	725	251
Trade payables	38,737	29,084
Tax and employee-related payables	2,966	3,248
Other payables	523	436
TOTAL	42,951	33,019

Other debts mainly concern credit note to be issued on spare parts and machines.

9.2 ACCRUED ASSETS

In thousands of Euros	31/12/2022	31/12/2021
Customer Accounts receivables	6,676	2,688
Other receivables	549	387
Accrued interests	-	-
TOTAL	7,225	3,075

The Trade receivables and related accounts mainly include current account interest billings to our subsidiaries.

Other receivables include credit notes to be received from various suppliers.

NOTE 10 - SHAREHOLDERS' EQUITY

Detail of share capital

In €	31/12/2021	Increase	Decrease	31/12/2022
Number of shares	31,371,274			31,371,274
Nominal value in Euros	0.13			0.13
Share capital in Euros	4,078,265			4,078,265

Statement of changes in shareholders' equity (in thousands of Euros)

Shareholders' equity at 31/12/2021	23,546
Dividends distributed	(6,488)
Change in regulated reserves	(71)
Profit/(loss) for the period	54,211
investment grants	-
Other Variations*	26,129
SHAREHOLDERS' EQUITY AT 31/12/2022	97,326

*The other variations are mainly related to the change in the method of calculating R&D costs 26 128K€ (see paragraph 2.1)

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

NOTE 11 - IDENTITY OF THE PARENT COMPANY CONSOLIDATING THE FINANCIAL STATEMENTS

Company name - registered office	Legal form	Capital	Owned %
SOLEM 93 Epinay sur Seine – France	S.A.S	477	57.57

The consolidated financial statements are available at the headquarter of the company Solem.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

In thousands of Euros	31/12/2021	Reversals	Reversals	Reversal of unused provisions	31/12/2022
Warranty provisions	2,180	1,112	467	84	2,741
Provisions for foreign exchange losses	1,293	1,473	-	1,293	1,473
Provision for foreign exchange losses on commercial receivables and payables	243	1,094	-	243	1,094
Provision for pensions and other employees cost	4,674	-	102	1,606	2,967
Other contingencies and commitments*	3,562	4,667	1,394	1,214	5,621
* of which provision on negative net equity of subsidiaries	812	-	-	812	-
TOTAL	11,954	8,346	1,963	4,441	13,896

	Allowances	Reversals
Recognised under operating profit	2,206	2,502
Recognised under financial profit	1,473	1,293
Recognised under extraordinary profit	4,667	2,608
TOTAL	8,346	6,404

* The increase in other provisions mainly relates to the net realizable value provision.

* The reversal of other provisions mainly concerns the job protection plan for one of our French production sites.

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

Provisions for post-employment benefits

Retirement commitments are estimated according to the projected unit credit method using end-of-career wages according to the procedures described in paragraph 2.8, on the basis of the following assumptions:

- a mortality table INSEE 16-18 (vs 2020 INSEE 15-17)
- a staff turnover rate based on available Group historical data
- a salary increase rate based on the expected length of service, career development, the terms of collective bargaining agreements and the rate of long-term inflation calculated on a historical basis
- a 3.45 % discount rate (vs 2021: 1 %)
- a retirement age for employees born before 1 January 1950 of 62 for managers, 60 for clerical staff
- a retirement age for employees born after 1 January 1950 of 65 for managers, 63 for clerical staff.

Concerning end-of-career severance benefits, the assumption retained is that of voluntary retirement that takes into account social security contributions (45 %). This method of calculation complies with the French Pension Reform Act of 21 August 2003 Loi Fillon, (amended by the law n°2010-1330 dated 9 November 2010 as published in the "Journal Officiel" dated 10 November 2010)

At 31 December 2022, the provision was split between:

- 2,675 thousand € for pensions provisions
- 291 thousand € for long-service award provisions.

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

NOTE 13 - BORROWINGS

13.1 BANK BORROWINGS

In thousands of Euros	31/12/2021	Increase	Decrease	31/12/2022
Syndicated loan	72,000	84,000	66,000	90,000
Other loans	46,084	105,115	14,316	136,883
Overdraft on syndicated loans	29,051	3,146	2,094	30,103
Other overdrafts	3,311	764	-	4,075
Accrued interests	251	475	-	725
TOTAL	150,697	193,500	82,410	261,786

No collateral over real estate was required by the syndicate for the syndicated loan agreement signed in 2019 or the State Guaranteed Loan signed in 2022. These two loans, however, place a number of traditional covenants on the Group over the entire term of the agreements. A number of ratios are calculated every six months based on the consolidated financial statements at the close of 30 June and 31 December and using the aggregate figures from the statements, such as EBITDA, shareholders' equity, net debt of the Group and others.

• *Syndicated loan:*

On 31 December 2022, the Group had used €120 million of the syndicated loan that made €130 million in total available. The loan's maturity date is 17 July 2026.

In thousands of Euros	Loan Balance at 31/12/2021	Net Change of the refinancing facility	Net Change of the revolving porting	Net Change of the bank overdraft	Loan Balance at 2022	Balance available at 31/12/2022 for further drawing
Revolving	72,000	-	18,000	-	90,000	-
TOTAL HORS DÉCOUVERT	72,000	-	18,000	-	90,000	-
Découvert	29,051	-	-	1,052	30,103	9,897
Intérêts courus	144	-	-	40	183	
TOTAL	101,195	-	18,000	1,092	120,287	9,897

• *Club deal financing:*

- This loan was subscribed in July 2021 with some of the syndicated loan pool banks. As of December 31, the outstanding capital is € 10 million. The financial ratios requirements are the same as for the syndicated loan.

• *State Guaranteed Loan (PGE):*

On 28 June 2022, Haulotte obtained from all its syndicated lenders, as well as BPI France, a state guaranteed loan of €96 million with a term of 6 years (i.e., June 2028).

The Group will decide on whether to exercise the extension option available in the contract by late April 2023.

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

• Financial ratio monitoring:

- A waiver request concerning compliance with the ratios applicable to both of the funds described above for the period from December 2022, has been submitted to all the lenders and has been accepted unanimously without conditions, on the date of December 23, 2022.
- Haulotte has the operating levers and financial resources to meet its operational cash requirements in 2023. These cash flow projections are based on the following assumptions :
 - completion and delivery of the current backlog
 - gradual effect of price increases
 - continued recovery of component supply conditions
 - continued availability of open credit lines (as authorized by the syndicated loan terms) as of December 31, 2022

However, the Group will not be in a position to respect with its contractual financial ratios in June 2023, which according to the syndicated Loan, Club deal, and PGE terms, could result in a total of € 226 million being payable. Such a situation would jeopardize the going concern.

In this context, since December 23, 2022, the Group continues its regular exchanges with all the lenders and it has been agreed with them that a new waiver request will be submitted to them in order to ensure the going concern.

This request is based on the achievements at the end of March 2023 and on the business perspectives confirmed during the 2022 results presentation on March 23, 2023.

At the closing, the Group had not obtained the banks agreement, a necessary condition to ensure the Group's liquidity for the next 12 months. However, based on discussions with the banking pool, the Group considers that the waiver would be obtained before June 30, 2023.

13.2 MATURITY OF LOANS AND BORROWINGS

The maturity of borrowings and other financial debts at 31 December 2022 is as follows:

In thousands of Euros	Total	< 1 year	> 1 year et < 5 years	> 5 years
Bank borrowings	261,786	231,171	24,345	6,271
Of which syndicated loan	90,000	-	-	-
Of which other borrowings	136,883	106,267	24,345	6,271
Of which syndicated loan overdraft	30,103	30,103	-	-
Of which other overdrafts	4,075	4,075	-	-
Of which accrued interests	725	725	-	-

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

NOTE 14 - MATURITY OF CREDITORS

The maturity of creditors at 31 December 2022 is as follows:

In thousands of Euros	Total	< 1 year	> 1 year et < 5 years	> 5 years
Trade payables	70,653	70,653		
Tax and employee related liabilities	7,995	7,995		
Payables to fixed assets suppliers	-	-		
Other liabilities	78,079	78,079		
of which current accounts		77,545		

NOTE 15 - NET SALES

In thousands of Euros	France	Export	Total
Sales of equipment	60,805	170,527	231,332
Sales of services	2,558	12,776	15,334
TOTAL	63,363	183,303	246,666

NOTE 16 - EXPENSE TRANSFER

	31/12/2022	31/12/2021
Expense transfer for supplier debits notes	194	117
Expense transfer for related to insurance reimbursements	655	113
Expense transfer for related to reimbursements of social charges over previous years	108	62
Expense transfer for related to reclassifications of exceptional operating expenses excluding staff charges	1,007	445
TOTAL EXPENSE TRANSFER FOR OPERATING PROFIT	1,965	737

	31/12/2022	31/12/2021
Expense transfer for related to supplier disputes	-	-
Expense transfer for related to insurance reimbursements	-	652
Expense transfer for related to the disposal of fixed assets in progress	-	-
TOTAL EXPENSE TRANSFER FOR EXTRAORDINARY PROFIT		652

NOTE 17 - RELATED PARTIES STATEMENT TRANSACTIONS

Transactions between related companies were concluded under normal market conditions.

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

NOTE 18 - OTHER INCOME AND OTHER EXPENSE

In thousands of Euros	31/12/2022	31/12/2021
Other income - exchange gains on trading	3,362	975
Other income	5,663	9,622
TOTAL OTHER INCOME	9,025	10,597
Other expense - exchange losses on trading	1,533	862
Other losses	17,978	1,440
TOTAL OTHER EXPENSE	19,511	2,301
TOTAL	(10,485)	8,295

Other incomes mainly concern trade mark and technology licenses invoiced to our foreign plants.

Other expenses are mainly software royalties from our suppliers and a waiver of debt on our subsidiary H.Shangai.

NOTE 19 - FINANCIAL AND EXTRAORDINARY INCOME AND EXPENSE

19.1 FINANCIAL PROFIT (LOSS)

In K€	31/12/2022	31/12/2021
Change in provisions for impairment of shares and advances to subsidiaries	(4,252)	(18,840)
Change in provisions for other loans	(69)	1,544
Dividends received from subsidiaries	99,131	10,463
Interest on current account	4,775	774
Interest on borrowings bank overdraft and bank fees	(3,421)	(4,269)
Foreign exchange : gains, losses, changes in provisions	1,289	6,985
Details by currency :		
USD	1,466	
GBP	(367)	
AUD	(737)	
Autres	927	
	1,289	
Provisions for own share*	(2,205)	(1,959)
Income from marketable securities	(2)	(2)
Loss on receivables from investments	-	-
Late payment interests and discounts	30	(68)
<i>Financial charges and incomes on Swaps</i>	-	-
TOTAL	95,276	(5,373)

* See § 4.3

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

19.2 EXTRAORDINARY PROFIT (LOSS)

In thousands of Euros	Expense	Income	Expense	Income
	31/12/2022	31/12/2022	31/12/2021	31/12/2021
Fines and penalties	5	-	24	-
Provisions Contingencies and commitments(1)	4,667	2,608	2,514	2,958
Other extraordinary income (expense)(2)	2,173	546	1,589	309
Proceeds from the disposal of PPE	23	5	119	-
Proceeds from the disposal of financial assets	-	-	-	-
Proceeds from investment securities and treasury shares	358	-	17	247
Exceptional depreciation expenses	-	1	134	14
Excess tax depreciation	1	72	1	85
Expense transfer	-	-	-	652
TOTAL	7,227	3,232	4,398	4,266

(1) The increase in the provisions is mainly explained by net realizable value provision

(2) Exceptional expenses are mainly related to a measure taken as part of the industrial reorganization of a French production site on which a job protection plan has been put in place.

NOTE 20 - BREAKDOWN OF TAX INCOME BETWEEN CURRENT INCOME AND EXTRAORDINARY PROFIT (LOSS)

In thousands of Euros	Pre-tax income	Corporate income tax	After tax income
Current income	54,390	3,816	58,206
Extraordinary profit (loss)	(3,995)	-	(3,995)
TOTAL	50,395	3,816	54,211

The breakdown of tax between current income and extraordinary income has been determined by applying the legal tax rate respectively to a current tax income and an extraordinary tax income.

The tax revenue which has been linked to the current result mainly comes from Tax Credit for Research.

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

NOTE 21 - DEFERRED TAXES

In thousands of Euros	Basis	Deferred tax
Expenses recorded not deductible for tax purposes		
Employee profit-sharing		
"Organic" tax	362	91
Provision for inventory losses	1,779	445
Provision for trade receivable losses	1,159	290
Provision for pensions	2,675	669
Taxable income not recorded in the accounting income	18,419	4,605
NET DEFERRED TAXES	24,395	6,099

Haulotte Group SA has accumulated losses for tax carry forwards amounting to 120,399 thousand €:

- 28,851 thousand € acquired for the overall result 2011
- 24,549 thousand € acquired for the overall result 2012
- 1,792 thousand € acquired for the overall result 2013
- (6,170) thousand € used for the overall result 2014
- (3,654) thousand € used for the overall result 2015
- (363) thousand € used for the overall result 2016
- 1,978 thousand € acquired for the overall result 2017
- 2,020 thousand € acquired for the overall result 2018
- 2,520 thousand € acquired for the overall result 2019
- 44,019 thousand € acquired for the overall result 2020
- 13,694 thousand € acquired for the overall result 2021
- 11,162 thousand € acquired for the overall result 2022

NOTE 22 - TAX CONSOLIDATION

Haulotte Group SA is the head of a French tax consolidation that included on 31 December 2022 the entities Haulotte France and Télescopelle .

Under this tax sharing agreement, the income tax of entities is incurred by subsidiaries as if they are not included in a tax group.

NOTE 23 - FEES ALLOCATED TO DIRECTORS AND OFFICERS

Amount allocated to Board members expensed by the Company totalled 739 thousand € in 2022 versus 760 thousand € in 2021.

This amount originates from funds invoiced by Solem S.A.S. for the services rendered on behalf of the Group by two executives. It includes expenses incurred by those executives on behalf of the Group.

In compliance with the agreement to provide general administrative and commercial assistance signed by Solem S.A.S. the cost of the services is subject to a 10% mark-up.

No loans or advances have been granted to directors and officers. There are no other pension obligations or related commitments in favour of former executives.

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

NOTE 24 - OFF-BALANCE SHEET COMMITMENTS

24.1 FINANCE LEASE COMMITMENTS

In thousands of Euros	Cost price ⁽¹⁾	depreciation allowances ⁽²⁾		Net value
		accounting period	accrued	
Other tangible fixed assets	15,295	533	1,305	13,990
TOTAL	15,295	533	1,305	13,990

(1) Cost price.

(2) Allowances that would have been recorded for these assets if they had been acquired.

In thousands of Euros	Fees paid			Fees remaining to be paid			Residual purchase price ⁽¹⁾
	accounting period	accrued	< 1 year	1 - 5 years	> 5 years	Total Due	
Autres immobilisations corporelles	1,423	3,474	1,382	5,486	6,423	13,291	1
TOTAL	1,423	3,474	1,382	5,486	6,423	13,291	1

(1) according to contract.

24.2 OTHER COMMITMENTS GIVEN

Guarantees granted to financial institutions offering financing to group customers :

In line with industry practice, Haulotte Group grants guarantees to financial institutions offering financing to Group customers. Under such arrangements, Haulotte Group sells equipment to the financial institution that in turn contracts with the end user customer through one of two options: the credit sale of the equipment, or the conclusion of a finance lease. .

Haulotte Group may grant several types of guarantees depending on the framework of agreements concluded with financial institutions and the level of risk assigned to the customer by this institution. Those guarantees are: :

- Guarantee in the form of a commitment to continue lease payments
- Guarantee in the form of a contribution to a risk pool
- Specific guarantee covering a determined amount for a given receivable
- Guarantee in the form of commitments to repurchase the equipment.

In thousands of Euros	31/12/2022	31/12/2021
< 1 year	6,093	8,484
> 1 year	16,211	18,204
TOTAL	22,304	26,688

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2022

Repurchase commitments given to institutions providing financing to customers

This concerns commitments given by the company to financial institutions to substitute for customers who do not exercise their purchase option

of which 8 thousand € given to Haulotte France

In thousands of Euros	31/12/2022	31/12/2021
< 1 year	8	17
1 - 5 years	-	8
> 5 years	-	-
TOTAL	8	24

Guarantees for export credit financing

Export credit agreements were arranged for selected customers whereby specialised organisations provide the banks guarantees for a percentage of these agreements and the Group then issues an additional counter-guarantee to the financial institution for the uncovered portion. At the end of December 2022, this commitment amounted to € 573,000 (compared to € 926,000 at 31 December 2021).

Other commitments

This concerns commitments given by the company to suppliers :

In thousands of Euros	31/12/2022	31/12/2021
< 1 year	10	10
TOTAL	10	10

It is guarantees given by the Company to clients :

In thousands of Euros	31/12/2022	31/12/2021
< 1 year	133	181
TOTAL	133	181

It is guarantees given by the Company to the Romanian tax authorities as part of a tax audit of our subsidiary:

In thousands of Euros	31/12/2022	31/12/2021
< 1 year		362
TOTAL		362

NOTE 25 - RECEIVED COMMITMENTS

In thousands of Euros	31/12/2022	31/12/2021
Commitment received from Télescopelle as a beneficiary of a debt waiver with a repayment clause	1,450	1,450

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FISCAL YEAR ENDED 31 DECEMBER 2022

NOTE 26 - AVERAGE HEADCOUNTS

	31/12/2022	31/12/2021
Managers	276	283
Office employees, technicians	146	159
Workers	198	210
TOTAL	621	651

NOTE 27 - FOREIGN EXCHANGE RISKS EXPOSURE

The Company is mainly exposed to foreign exchange risks with receivables in US dollars, Australian dollars and pound sterling. A portion of this exposure is hedged by forward purchases of the relevant currencies and by a specific hedging instrument in US dollars.

Significant receivables (net of provisions), payables, cash positions and commitments in foreign currency not hedged

Foreign exchange exposure	Currencies								
	AUD	SEK	GBP	USD	PLN	RMB	TRY	INR	Other s
BALANCE SHEET									
Receivables ⁽¹⁾	37,691	-	4,352	175,010	-				9
of which Group receivables	37,691	-	4,349	171,296	-				
of which non-Group receivables	-	-	3	3,713	-				9
Debit Cash positions ⁽²⁾	4,100	165	403	7,511	321				
Payables ⁽³⁾	58	5,182	6	7,879	4,273				3
of which Group payables	58	5,182	-	2,862	4,273				
of which non-Group payables	-		6	5,017					3
Creditor Cash positions ⁽²⁾	-	-	-	-	-				
OFF-BALANCE SHEET COMMITMENTS ⁽⁴⁾									
Non-group commitments given	1,566	-	-	4,569		4,269	1,488	1,628	-

(1) Financial receivables, operating receivables.

(2) Cash positions.

(3) Financial debts, operating debts, other.

(4) These are the commitments to continue rents and risk pools mentioned in paragraph 23.2.

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED 31 DECEMBER 2022

PricewaterhouseCoopers Audit

Grand Hôtel-Dieu
3 Cour du Midi
CS 30259 - 69287 LYON CEDEX 02

BM&A

11, rue de Laborde
75008 Paris

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual general meeting,

OPINION

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Haulotte SA for the year ended December, 31st 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December, 31st 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for statutory auditors, for the period from January, 1st 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

EMPHASIS OF MATTER

We draw attention to :

- The Note 13 "Borrowings" to the financial statements which outlines the company's financing situation regarding the expected breach of its financial covenants as of June 30, 2023. This situation could trigger the demand for total debts of 226 million euros. The continuation of these financial arrangements depends on obtaining a new waiver agreement from the lenders regarding the breach of ratios. Failure to obtain such an agreement could cast significant doubt on the Company's ability to continue as a going concern.
- The Note 2.1 "Intangible fixed assets" to the financial statements relating to the impact of the change in accounting method applied for development costs.

Our opinion is not modified in respect of these matters.

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED 31 DECEMBER 2022

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

MEASUREMENT OF EQUITY INVESTMENTS, RECEIVABLES FROM INVESTMENTS AND GROUP TRADE RECEIVABLES

Identified risk

Haulotte Group SA holds equity in Group companies and operates a manufacturing business. As part of the development of the Group, it carries out cash advances to finance its subsidiaries. In addition, it sells equipment to its sales subsidiaries and provides services to the Group as a whole.

Equity investments, loans, receivables from investments and Group trade receivables recognized at 31 December 2022 represent some of the largest entries on the balance sheet. Equity investments are carried at cost and may be impaired based on their value in use. Receivables from investments and Group trade receivables are recognized at par value and may be written down on the basis of their recoverability.

As indicated in Note 2.3 to the financial statements, the value in use of shares in subsidiaries is estimated by management based on equity at the closing date, forecast earnings for the concerned entities and/or the EBITDA multiple method for the shares owned in the Acarlar subsidiary. These same inputs are used to evaluate the recoverability of receivables from investments and trade receivables at Group level.

In order to estimate the value in use of equity investments, management is required to exercise judgement to decide which inputs to use for each investee. These inputs either correspond to historical data (equity) or forecast data (profitability outlook or the economic environment in the countries in which the investees operate).

The geographic location of certain subsidiaries and the competitive and economic environment in which they operate could lead to a drop in their business activity and therefore affect their operating income.

Accordingly, due to the significant amounts at stake and the decisive impact of these measurements on the assessment of the financial situation, assets and liabilities of Haulotte Group SA, we deemed the correct measurement of equity investments, receivables from investments, Group trade receivables and provisions for contingencies to be a key audit matter.

How our audit addressed this risk

Our audit work consisted primarily in verifying that the estimated values determined by management were based on an appropriate measurement method and underlying data and, depending on the investment:

For valuations based on historical data:

- verifying that the equity values used were consistent with the financial statements of the entities for which an audit or analytical procedures were performed and that any adjustments to equity were based on documentary evidence.

For valuations based on the multiple method:

- ensuring the consistency of the panel of entities taken into consideration based on the review of our specialists.

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED 31 DECEMBER 2022

For valuations based on forecast data:

- obtaining the cash and operating cash flow projections for the activities of the entities concerned, as prepared by their operational management teams, and assessing their consistency with the forecast data taken from strategic plans drawn up by general management for each of their activities and approved, where applicable, by the Board of Directors,
- verifying the consistency of the assumptions used with the economic environment at the closing date and at the date on which the financial statements were prepared, particularly in the context of inflationist pressure.

In addition to assessing the values in use of the investees, our work also consisted in:

- assessing the recoverability of receivables from investments in light of the analyses conducted of equity investments,
- verifying the recognition of provisions for contingencies where the Company is exposed to the losses of a subsidiary with negative equity.

We also examined the appropriateness of the disclosures provided in the notes to the statutory financial statements.

ASSESSMENT OF THE CORRECT VALUATION OF INVENTORY

Description of risk

At 31 December 2022, inventory represented a net value of € 91,973 thousand and a gross value of €94,606 thousand including raw materials for €50,909 thousand, work-in-progress for € 13,475 thousand and finished goods for € 18,622 thousand.

As indicated in Note 2.4 to the financial statements, the value of raw materials is based on the weighted average unit cost and the value of work-in-progress and finished goods includes direct and indirect production based on normal operating capacity. A depreciation is accounted for when the net realizable value, corresponding to the estimated selling price in the ordinary course of business less applicable expenses to sell or recondition the goods, is lower than the net value.

Given the context of inflationary pressure and the difficulties in the supply chain with an impact on the quantities, on the delay of production and on the value of inventory, we deemed the valuation of inventory to be a key audit matter.

How our audit addressed this risk

Our work consisted primarily in:

- Gaining an understanding of the internal control procedures and assessing the correct design and the efficiency of key internal controls designed by the company and related to the valuation of the different natures of inventory,
- Assessing the correct valuation of raw materials
 - Analysis of the consistency of the evolution of the weighted average unit price compared to the previous year and to the rise in purchase costs,
 - Tests of detail on an extended sample.
- Assessing the compliance of direct and indirect production costs included in the valuation of work-in-progress and finished goods with the applicable accounting principles,
- Assessing the correct valuation of work-in-progress and finished goods
 - Analysis of actual direct and indirect production costs without the impact of under activity
 - Tests of detail on an extended sample.
- Verifying the correct calculation of depreciation for all the different type of inventory based on the Group method and verifying the absence of additional depreciation to be recognized based on margins realized by the company during the subsequent period.
- Verifying the absence of litigations with suppliers of raw materials regarding purchase prices with a potential significant impact on the value of inventory.

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED 31 DECEMBER 2022

We also examined the appropriateness of the disclosures provided in Notes 2.4 and 5 "Inventory" to the consolidated financial statements.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-46 of the French Commercial Code (Code de commerce).

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-4, L.22-10-10 and L. 22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (code de commerce) relating to remunerations and benefits received or awarded by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlled companies that are included in the scope of consolidation. Based on this work, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (code de commerce), we have verified their compliance with the source documents communicated to us. Based on our work, we have no observation to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Format of the presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (Code Monétaire et Financier), prepared under the responsibility of the Group Managing Director, complies with the single electronic format defined in the European Delegated Regulation N° 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED 31 DECEMBER 2022

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Haulotte Group SA by the General Meetings held on 28 May 2015 for BM&A and on 2 October 1998 for PricewaterhouseCoopers Audit.

As at 31 December 2021, BM&A and PricewaterhouseCoopers Audit were in the eight year and the twenty-fifth year of total uninterrupted engagement.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards 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 financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED 31 DECEMBER 2022

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains 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 internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses 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 Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Lyon, May 2nd, 2023
The Statutory Auditors

PricewaterhouseCoopers Audit

BM&A

Matthieu Moussy

Pascal Rhoumy



NON-FINANCIAL
PERFORMANCE
STATEMENT
2022

NON-FINANCIAL PERFORMANCE
STATEMENT
2022 REPORT

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NON-FINANCIAL PERFORMANCE
STATEMENT
2022 REPORT

ABOUT

As part of the effective transposition of the European directive on the disclosure of non-financial information (decree no. 2017-1265 of 9 August 2017 made for the purposes of order no. 2017-1180 of 19 July 2017), the Haulotte Group, as a listed company with a balance sheet total and net turnover exceeding €100 million and with an average number of permanent staff employed during the fiscal year in excess of 500, must publish its non-financial performance statement in its financial report.

We have verified that the issues described in this document cover the main areas of information provided for in Article R 225-105 II of the French Commercial Code (social information, societal information and environmental information) as well as the areas specifically required in Article L225-102-1 III of the French Commercial Code for listed companies. Code du Commerce for listed companies. Among these specific areas, Haulotte does not provide information on the themes of social commitment to sustainable development, the fight against food waste, the fight against food insecurity, respect for animal welfare and responsible, fair and sustainable food, and the promotion of physical activity and sports, on the grounds that these are not among its main risks.

NON-FINANCIAL PERFORMANCE STATEMENT

2022 REPORT



Our vision "**Let's dare together becoming the most valuable working at height experience maker**" is based on our core values and our original mission of "**TAKING CARE OF PEOPLE**".

Reasons why our contribution is to help our employees and partners to:

- **Taking care of our employees**, by providing them with a secure work environment that allows each of them to achieve their full potential
- **Taking care of our partners** with mutually beneficial collaborations across the value chain
- **Taking care of our planet and its ecosystems** with sustainable solutions that reduce our environmental impact.

The purpose of this Non-Financial Performance Statement is to set out the objectives and actions we have initiated for the coming years.

We hope you enjoy reading it.

Alexandre SAUBOT

Directeur Général

NON-FINANCIAL PERFORMANCE STATEMENT

2022 REPORT



In 2022, **Haulotte placed sustainable development at the heart of its new strategic plan for 2025.**

This line of action is not defined by the group's EXCOM, but **was prepared by committed employees from various group departments**, now forming a CSR committee in charge of managing this strategic line of action for us.

And when I talk about committed employees, I mean employees with a strong interest in social and environmental issues, who in just a

few months helped deliver initial results, as explained in this document, and build a genuine CSR approach. Thus, multiple short, medium and long-term actions have already been decided upon, in terms of the necessary carbon intensity reduction of our industry, or the group's response to the expectations of civil society on matters of inclusion and solidarity.

This approach was built around the UN Sustainable Development Goals. These SDGs are a common language organized around 17 global goals. The group strives to integrate these SDGs to contribute to the joint effort towards a better, more sustainable world. 7 of these goals were selected as priorities by all group employees.

Lastly, since early 2022, our CSR approach has been extremely popular with our customers, and we very much want to work with them and all our stakeholders. We are absolutely convinced that collaboration on these issues is a must, as they must be scrutinized in conjunction with our entire ecosystem.

Patrick MURRIS

Europe & Africa Region Director

Delegated to the deployment of the C.S.R.

NON-FINANCIAL PERFORMANCE
STATEMENT
2022 REPORT

Haulotte Group is a global leader of people lifting equipment.
The group designs, manufactures, and markets a wide range of products, focused on **mobile elevating work platforms**.



NON-FINANCIAL PERFORMANCE
STATEMENT
2022 REPORT

1,900
EMPLOYEES



7 PRODUCT
RANGES



21
SUBSIDIARIES



5
PLANTS



NON-FINANCIAL PERFORMANCE STATEMENT

2022 REPORT

GOVERNANCE

Executive Committee



COMPOSITION OF THE EXECUTIVE COMMITTEE

- 1 - **Alexandre SAUBOT** - CEO
- 2 - **Philippe NOBLET** - Corporate Secretary, in charge of the Group's Human Resources Department
- 3 - **Stéphane HUBERT** - Director of Sales, Marketing & Service
- 4 - **Sébastien MARTINEAU** -C.F.O., in charge of I.T.
- 5 - **Patrice MÉTAIRIE** - C.O.O.
- 6 - **Damien GAUTIER** - M.D. Asia-Pacific area
- 7 - **Carlos HERNANDEZ** - M.D. Americas area
- 8 - **Patrick MURRIS** - .D. Europe & Africa area, delegated to the deployment of the C.S.R.

NON-FINANCIAL PERFORMANCE STATEMENT

2022 REPORT

OFFICERS:



PIERRE **SAUBOT** - Chairman

ALEXANDRE **SAUBOT**

JOSÉ **MONFRONT**

MICHEL **BOUTON**

ELISA **SAUBOT**

HADRIEN **SAUBOT**

ELODIE **GALKO**

ANNE **DANIS FATÔME**

CSR guidelines and performance are presented to the Board of Directors in the course of the financial year. The mandate, powers and operation of the Board of Directors are described in detail in the management report.

BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

The executive committee defines and supports the Haulotte Group's CSR ambition where economic, social and climate issues are concerned. It is responsible for CSR performance and defines the corresponding means of action, policies and processes. Via its sustainable development representative, it oversees their roll-out and implementation throughout the group. The Europe and Africa region director sponsors

and supports the deployment of the group's CSR requirements.

The executive committee directs and validates internal and external communication in terms of social responsibility and performance based on environmental, social and governance criteria.

The CSR approach is under the responsibility of the group's Operational Excellence director, who guarantees the coordination and consolidation of accomplishments and performance achieved in this field. He/she directly reports to the members of the executive committee on these matters.

A CSR committee, made up of members of several departments within the group, was created in 2022.

Its primary role is to clarify CSR issues, key success factors and objectives in accordance with the Group's priorities, to verify and ensure consistency with the strategy, to share significant deviations/inconsistencies with the Operational Excellence director and the EXCOM. The committee must also help mobilize resources where necessary, while supporting change management and buy-in from the entire organization.

DRIVING THE DEPLOYMENT

NON-FINANCIAL PERFORMANCE STATEMENT

2022 REPORT

OUR BUSINESS MODEL

HUMAN RESOURCES



More than 1,000 employees operating on Safety and Environment certified sites

ECONOMIC RESOURCES



Equity: €199 million
Investment (net, excluding IFRS 16): €16 million
Syndicated loan & PGE (State-guaranteed loan): €216 million

OPERATIONAL CAPITAL



Quality Safety and Environment policy deployed on all our sites.

OUR OTHER RESOURCES

- > 1 integrated QSE management system in the process of deployment
- > More than 9,500 active customers in 2022
- > 1 solid network of suppliers and partners
- > Teams dedicated to R&D, innovation and continuous improvement
- > R&D expenditure: €18 million
- > 1 Design office, 1 study center, 1 E-Lab

ENVIRONMENTAL RESOURCES



Energy consumption of the sites: 55 MWh
ISO 14001 certification on all our industrial sites (Changzhou plant undergoing certification)



OUR STRENGTHS

- 5 Industrial sites
- 21 Sales & service subsidiaries
- 1,900 Employees
- +150 Countries covered
- 7 Logistics platforms



PRIORITY SDGS



CONTRIBUTORS



SOCIAL VALUE



- > 29% of new recruits were under the age of 27 in 2022
- > Gender equality index 87
- > 38,920 training hours
- > 90% of employees attended a training course in 2022

ECONOMIC VALUE



Turnover (excluding IAS 29): €610 million
Cash flow (excluding IAS 19 / IFRS 16): €7 million
Taxes paid in France and abroad: €5 million

OPERATIONAL VALUE



- > Digital fleet management offers: MyHaulotte, Sherpal, etc.
- > PULSEO Range
- > Local distribution and production logic for at least 50% of our customers' needs
- > Safety solutions: Activ' Shield Bar, Safety Guarding Systems

CSR PERFORMANCE



ECOVADIS score = 46/100
(score equal to or greater than 44% of the companies assessed)
CSR performance assessed by ECOVADIS as adopted in accordance with its own rating scale



ENVIRONMENTAL VALUE



- > Turnover associated with the circular economy in excess of €5 million
- > 70% of the machines we sell are electric
- > More than 70% of our waste is recycled

NON-FINANCIAL PERFORMANCE STATEMENT

2022 REPORT

QUALITY SAFETY AND ENVIRONMENT POLICY

The group operates a Quality, Safety and Environment policy which contributes to its action in terms of corporate social responsibility. It includes Haulotte's QSE ambitions and objectives as well as the 7 priority Sustainable Development Goals.

This policy is implemented throughout the group, and regular communications are produced via the Haulotte Academy (the group's Learning Management System)

It focuses on 3 major areas: **PEOPLE, PRODUCTS, PROCESSES.**

LET'S DARE EXCELLENCE

QHSE POLICY

Our commitment to our customers and ourselves is to establish Haulotte's position as the most valuable and safest working-at-height solution maker in creating the serenest customer experience.

TOGETHER WE WORK BETTER

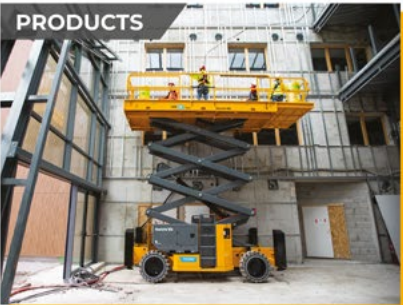
OUR AMBITIONS

PEOPLE



- Involve all employees in the development of a genuine health and safety culture
- Provide users of our products and solutions the necessary tools and training for their safety
- Embark all employees in a social and environmental approach

PRODUCTS



- Design, industrialize and deliver products, solutions and services that meet customer expectations
- Deliver safe products and solutions that live up to our safety promise, our brand's DNA
- Design products and solutions based on our electrification strategy in order to reduce emissions and noise pollution

PROCESSES



- Rely on our robust processes and on our teams to ensure lasting satisfaction to our partners
- Be able to provide quick, simple or complex solutions thanks to our agile and flexible organization
- Improve and control our manufacturing and transport processes in order to reduce our energy consumption and carbon footprint

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS

The ambitions, objectives and actions of our QHSE policy contribute to 7 of the 17 United Nations Sustainable Development Goals.

17/01/2023

Haulotte LET'S DARE TOGETHER

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NON-FINANCIAL PERFORMANCE STATEMENT

2022 REPORT



A diagram consisting of three overlapping rectangular boxes. The top-left box is dark grey and contains the word 'PEOPLE' in white. The top-right box is light grey and contains the word 'PROCESSES' in white. The bottom box is orange and contains the word 'PRODUCTS' in white. The boxes overlap in the center, creating a triangular shape.

LET'S DARE EXCELLENCE

QHSE POLICY

Our commitment to our customers and ourselves is to establish Haulotte's position as the most valuable and safest working-at-height solution maker in creating the serenest customer experience.

TOGETHER WE WORK BETTER

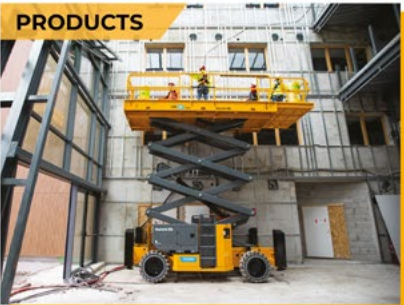
OUR OBJECTIVES

PEOPLE



- Infuse a health and safety culture that allows us to aim for zero accidents
- Increase the percentage of employees who «recommend Haulotte as good place to work» in our internal satisfaction survey
- Increase the number of employees working on Quality, Safety and Environment certified sites

PRODUCTS



- Achieve a best-in-class level of our products by reducing our warranty rate
- Increase the standardisation of our machine components so that they can be used on all our ranges.
- Reduce our carbon footprint
- Increase the customers satisfied with our solutions in our customer satisfaction survey

PROCESSES



- Our Operational Excellence approach is recognized as a benchmark
- Increase and stabilise our Fill Rate
- Increase our suppliers assessed as «exemplary»

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS

The ambitions, objectives and actions of our QHSE policy contribute to 7 of the 17 United Nations Sustainable Development Goals.

17/01/2023

Haulotte LET'S DARE TOGETHER

Some of the key performance indicators featured in each CSR issue are monitored as part of the QSE policy, as are several others relevant to our activity.

13

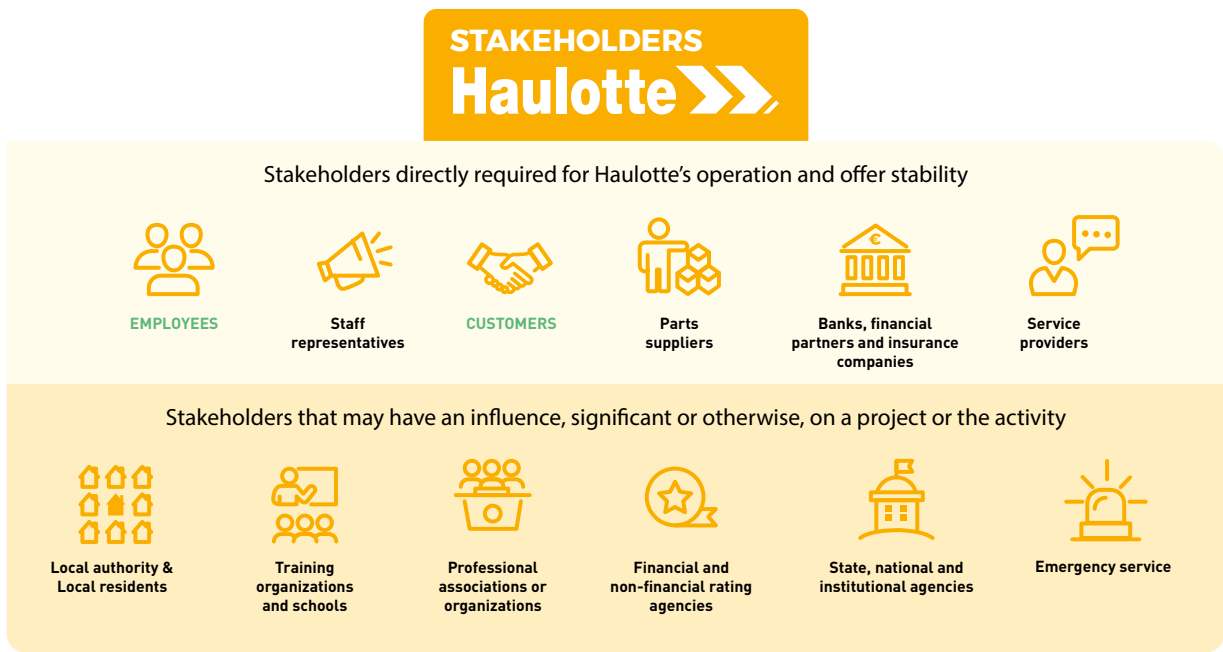
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NON-FINANCIAL PERFORMANCE
STATEMENT
2022 REPORT

DIALOG WITH
STAKEHOLDERS

Dialog with stakeholders is one of the pillars of any sustainable development approach. It is key to the legitimacy and effectiveness of the strategies pursued. This is why Haulotte maintains regular and constructive dialog with its primary stakeholders. The group completed a map with a view to identifying internal and external stakeholders and classifying them based on their influence and impact on our CSR strategy and our business.

The result of this mapping process is presented below:



The table hereafter summarizes the main forms of dialog with the stakeholders directly required for Haulotte's operation and offer stability, i.e. stakeholders to whom the group is committed and with whom it is cooperating proactively.

NON-FINANCIAL PERFORMANCE
STATEMENT
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STAKEHOLDERS	MAIN EXPECTATIONS	MAIN FORMS OF DIALOG
EMPLOYEES	- Job appeal (career development, quality of the tasks, values) - Skills development - Integration of well-being, occupational health and safety - Integration of an environmentally aware, eco-friendly approach	- Intranet - In-house journal/Newsletter - Satisfaction survey - Deployment of values - Annual development interviews - Safety and Environment Days - Social media
STAFF REPRESENTATIVES	- Compliance with regulations - Listening to demands - Ongoing, transparent and constructive social dialog	- Regular meetings - Consultations - Negotiations
CUSTOMERS	- Compliance with regulations - Compliance with product characteristics - Contributing innovative and lasting technical solutions - Value for money - Integration of an environmentally aware, eco-friendly approach	- Satisfaction surveys - Trade shows and exhibitions - Customer events - Responses to questionnaires
PARTS SUPPLIERS	- Clear definition of technical specifications - Formal agreement on a price, quantity and timeframe, ensuring sufficient financial visibility	- Regular monitoring of suppliers - Responsible purchasing charter - Supplier audits - Partnerships
BANKS, FINANCIAL PARTNERS AND INSURANCE COMPANIES	- Long-term view of the strategy - Regular communication, exchange - Profitability and sustainable financial stability - Compliance with regulations - Risk management (industrial, financial, non-financial risks)	- Results presentation conferences - Annual management report - Responses to evaluation questionnaires - Press releases
SERVICE PROVIDERS	- Long-lasting relations - Mutual trust	- Regular meetings - Responsible purchasing charter - Partnerships - Service contracts

For other stakeholders, regular dialog is maintained in a variety of ways, corresponding with the stakeholder's activity. The mapping of stakeholders was completed in 2022 based on analyses carried out in entities where a QSE management system is in place. It will be updated whenever a new entity enters the scope of certification, subject to material change.

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CSR PERFORMANCE AND COMMITMENTS

ecovadis

ECOVADIS rating

Score **46/100**

First assessment in March 2022

ISO 9001 / ISO 14001 / ISO 45001 certification

69% of the group's employees work on certified sites



In 2022, Haulotte signed the CSR commitment charter of UIMM (Union of Metalworking Industries)

The signing of this charter reflects the group's commitment in accordance with UIMM's CSR framework, supporting a Global Industrial Performance approach. The signing of the commitment charter is conditional upon an initial level 1 assessment carried out on 02/17/2022 by a UIMM-approved adviser and giving rise to a report. Haulotte thus undertakes to implement the improvement actions decided upon during the assessment, subject to a follow-up assessment every year.

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QUALITY, SAFETY AND ENVIRONMENT CERTIFICATIONS

Haulotte wants all its entities to be awarded Quality, Safety and Environmental certifications, with a view to improving its customers' satisfaction, protecting the health and safety of its stakeholders and taking into account its impact on the environment.

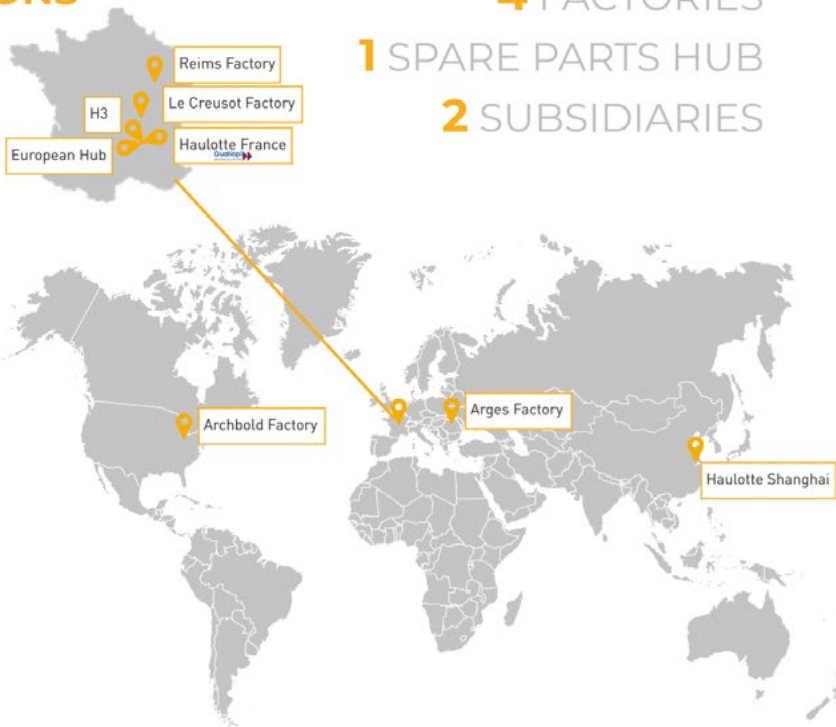
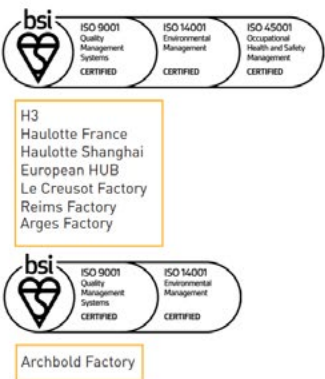
These certifications are borne by the YELLO program, which provides all the tools required by the entities to drive these management systems.

In 2022, 2 entities joined the group's scope of certification for the 3 themes: Haulotte France and Haulotte Shanghai.

69% of the group's employees are now working on certified sites.

The map below presents all our certifications.

HAULOTTE ISO CERTIFICATIONS



10/2022

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OPERATIONAL EXCELLENCE PROGRAM

YELLO is the operational excellence program launched by Haulotte at the end of 2020. Unlike many operational excellence programs, it is not based on standards but chooses to put **People at the center of the system**. The goal is to create a dynamic to ensure employee engagement so that employees can embrace the approach and become actively involved in the change process. Rather than imposing a group standard, the program is consistent with a “bottom-up”, co-creation approach, as employees themselves determine their new way of working through the construction of a common framework. In addition, everyone can evaluate their level of progress in a given practice by using maturity grids developed by employees. These grids not only let you know where you are in terms of progress, they also help share good practices between those at the lowest levels of the grid and those at the highest levels.



You are the heart of the change:
Every employee will become actively involved in the change process. Yello allows them to come up with improvement and optimization ideas in all departments of the group.

- Excellence is our new way of working:**
Not only improve but build a mindset and a system that will allow Haulotte to exceed its targets and outperform competitors.
- Laugh and be happy:**
Excellence cannot be achieved if the working environment is not ideal for all employees. Thus, in each initiative of the program, performance objectives will always be associated with working conditions to strike the right balance.
- Learn from each other:**
The purpose of Yello is to enable employees to create, test and share new practices. Thus, we will do away with silos while creating a trusting, mutual aid environment within the company.
- Outside the box:**
If we are to be innovative, we must think outside the box and make breakthrough changes. The objective in this case is to involve all employees in a different form of reflection to achieve better results.

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The YELLO program is one of the 3 pillars that drive the group’s strategy.

The **QHSE approach** (Quality approach extended to Health & Safety and the Environment) is coordinated by our Operational Excellence program, with its 3 areas to leverage the company’s performance:

-  **A bottom-up logic of employee engagement.**
-  **Structuring and developing the practices of all business lines.**
-  **Deployment of tools & methods to improve**

This system, focused on the inside of the organization, was supplemented in 2022 by the new CSR approach which aims at expanding the QSE field of vision to encompass the company’s stakeholders.

This global system forms the “Drive Operational Excellence” pillar, with QSE and CSR approaches defining the “What”, and the structure and operation of our Operational Excellence program defining the “How”.



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2020 and 2021 were construction years during which the Group's framework was created. 80 key business practices have already been identified by employees and integrated into the framework (YCloud).

2022 was a milestone for Yello, as it transitioned from construction mode to the steering of improvement action plans and progress in terms of maturity throughout the Group's business lines. Now there is greater understanding of the program and its ambitions within the Group, with greater support from the management, and the system that underpins the program is in place.

Here are a few accomplishments of the Yello program in relation to this key transition.

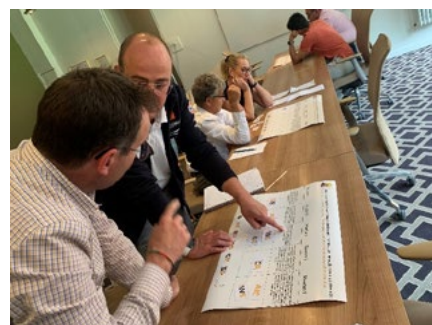
Internal training of industrial management in Yello tools and methods

In keeping with an improvement dynamic, the management must position itself as a "sponsor". A sponsor no longer acts as a line manager and adopts a "coaching" position to provide the resources needed by project managers, unblock situations and, generally speaking, assist them in their initiatives.



Yello TV - Episode 5: "outside the box training in tools & methods"

"As sponsors of the approach, we realized that, to become more involved, we needed to be trained in the basic tools and methods of the program, so as to play our role to the fullest and provide our teams with all the support they need", says Jean-Philippe Jouandin, Technical Director, in episode 5 of the internal TV series created by the employees for the employees, titled "Yello TV".



INDUSCOM training - exercise consisting of choosing the right method for a given situation.

2022 was marked by a two-day training course organized internally for all the members of the Industrial Committee (made up of the COO and their direct subordinates), during which said members learned a great deal about:

- The genesis of the Yello program
- The main tools and methods of Yello
- How to use them in the right place at the right time
- And what is their role as sponsors

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This training was a light-bulb moment for the INDUSTRIAL COMMITTEE. The desire to go further resulted in the roll-out of this training among the respective managers of the Programs, R&D and Purchases/Supply Chain departments. These courses helped improve the skills of INDUSCOM directors as well as managers, who now have a more scientific approach to problem-solving, allowing them to better support improvement project managers.



Training in tools & methods adapted to the Programs team

Launch of certified training courses on the Six Sigma methodology



DMAIC training with catapult exercise



In parallel with the manager-sponsor training, 2022 was also marked by the launch of certified training courses on a project management methodology known as "Six Sigma". Yello is a win-win contract and came to fruition thanks to a Green Belt certification, awarded to 6 project managers, in return for successfully completed projects that complied with the methodology and delivered important quantitative and qualitative results for the Group.

How did it go? In practical terms, employees from various departments volunteered to attend training provided by the Six Sigma Academy. Next, they each initiated an improvement project before taking a theory test followed by a presentation to a jury.

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The grade achieved at the theory test, the attainment of the project's objective and compliance with the methodology were the determining factors in awarding the Green Belt certification to 6 of the 8 managers who undertook different kinds of project: supply chain, productivity, quality, energy consumption, etc. This was highlighted in episode 6 of "Yello TV", dedicated to the launch of certified training courses.



Episode 6: launch of certified training courses

In addition to providing the Group with value added and upgrading our employees' skills, the success of these initial DMAIC projects reinforced the management's ambition to continue in this direction, and makes many other employees feel like taking up the challenge.

2023 will see the pursuit of the external certification of employees who have undertaken DMAIC-type optimization projects. In parallel, the ambition of the program is to build an internal certification system for project managers who undertook "Yello Worksession" projects, the equivalent of the "Yellow Belt" level in the parlance of Six Sigma. All this is intended to become part of a tutoring system, in order to promote internal exchanges of Hard and Soft skills as much as possible.

Launch of training courses on workstation ergonomics, analysis and optimization of Value Added/Non-Value Added

2022 was also marked by the launch of the first internal training course on VA/NVA analysis, provided in Le Creusot for 15 employees from various departments: assembly, methods & industrialization, paintshop, human resources, the local "Yello" manager, and even the plant manager!



After 2 hours of theory, the employees conduct a VA/NVA analysis exercise on an item of their choice by taking photos, measuring time and distance

This VA/NVA training is perfectly consistent with the ambition to "steer" improvement, by enabling employees to take a step back and open their eyes to their everyday work, whether industrial or transactional, to detect the non-value added in their everyday tasks and determine what to do to reduce it.

This training is the beginning of a long series that complements DMAIC-type optimization projects, which themselves are jumps in performance, and is now backed by managers-sponsors.

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Deployment of the "YOG" methodology as a means of taking ownership of the Group's strategy

In 2022, the famous "YOG" methodology, which many employees had heard of before, acquired an extra dimension.

"YOG" stands for "Yello Operational Goals".



All employees of the Haulotte France subsidiary were asked about how they perceive their profession in the future.

This is a key exercise to be conducted when launching the program in a department or an entity. This exercise is used by employees to define how they see their business line or entity in the future, thus ensuring the reasoned deployment of the program that responds to the constraints and needs of the business line or entity. These elements are determined by operational employees, as they are best placed to point the finger at everyday problems and often have the best solutions to suggest. As a result, their involvement in this exercise is absolutely compulsory.



YOG exercise with the Marketing department

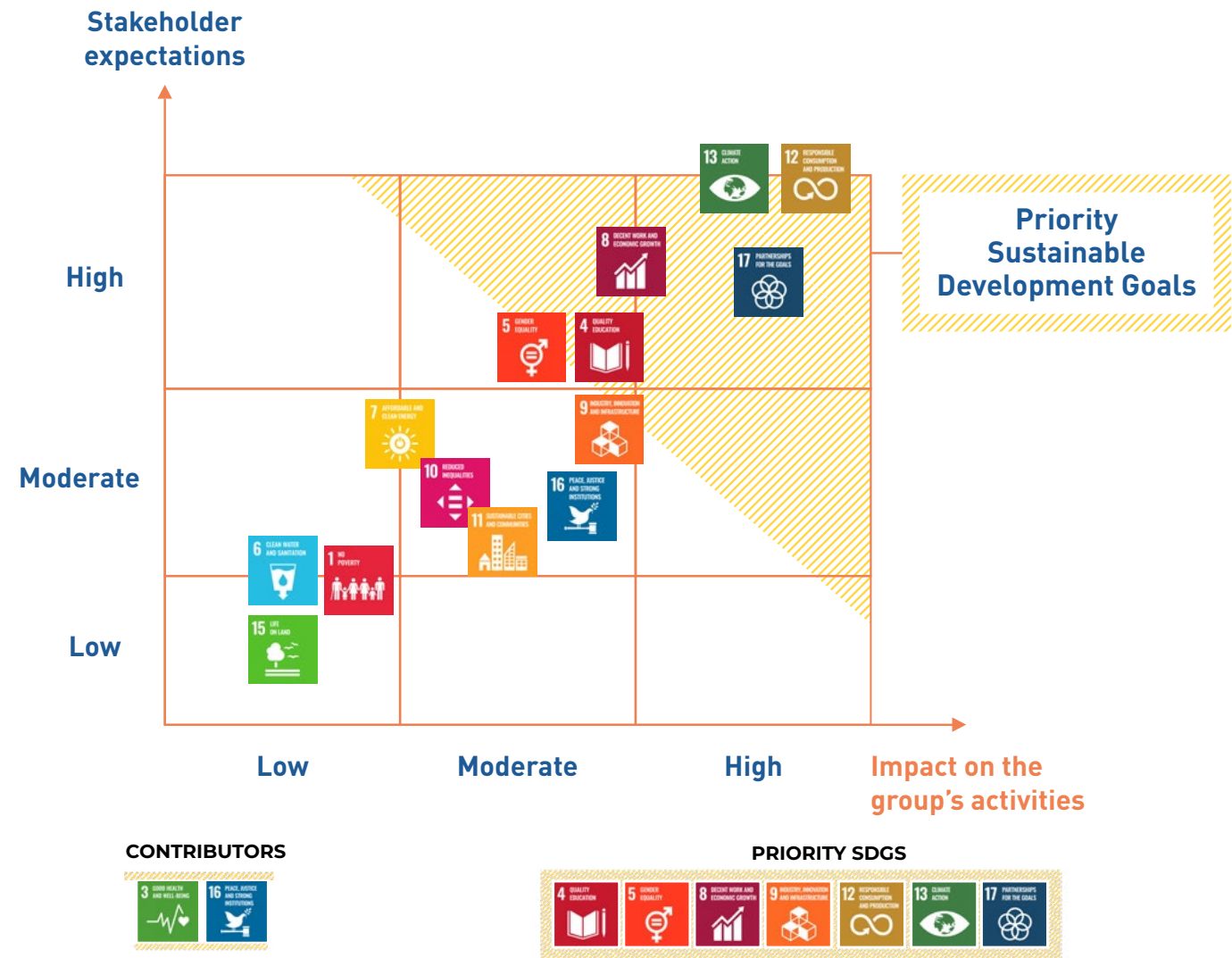
A YOG consists of multiple steps as this exercise should make for a "bottom-up" approach intended to involve operational staff, while ensuring that the output data of the exercise is consistent with the Group's strategic ambitions. "This tool allows employees to express their needs, their desires, market trends, the projects we want to undertake, while also giving us a 360 vision of the company's strategic projects and gradually aligning with the EXCOM's requirements under the 2025 plan", says Rémi Heidelberg, Product Marketing Manager.

This exercise was conducted in all the plants as well as in many departments and subsidiaries and, most impressively, was conducted up to executive committee level, thus strengthening the dynamic of change at work within the Group for the past few years.

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IDENTIFICATION OF THE MAIN NON-FINANCIAL CHALLENGES, RISKS AND OPPORTUNITIES OF THE HAULOTTE GROUP



To meet its obligations, Haulotte completed a map of its non-financial risks for the first time in 2018. Supplementing the macro-mapping of risks already carried out by the Group, this analysis helped identify the major non-financial risks to which it is exposed.

This risk analysis was updated in 2021, as part of the work carried out on the implementation of an integrated Quality, Safety and Environment management system and an Operational Excellence program within the group.

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Furthermore, in 2022, a materiality analysis was carried out with employees from various departments and entities of the group. Its purpose was to define priority Sustainable Development Goals and challenges for Haulotte.

Haulotte thereby confirmed the existence of 12 priority non-financial challenges, corresponding with 9 Sustainable Development Goals (SDG). 7 of these 9 SDGs are considered a priority and will determine the roadmap of the group's sustainable development approach.

They were all validated by the EXCOM, and the policies, key performance indicators and actions taken for these challenges are presented throughout this document.



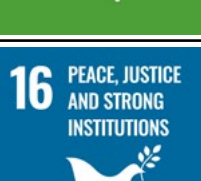
NON-FINANCIAL PERFORMANCE STATEMENT

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SDG	CSR challenges	Risks and opportunities	Reference to policies and areas of commitment
	- Fight against climate change - Environmental impact of our activities	- Deterioration in stakeholder relations by failing to take their needs and expectations into account - Breach of regulations (human rights, intellectual property, GDPR, Sapin II Law, preservation of resources, etc.) - Implementation of an operational excellence program facilitating better cooperation and the sharing of good practices - Insufficient eco-design, recyclability, and end-of-life management of our machines - Direct and indirect environmental impacts (airborne emissions, water discharge, waste production, energy consumption and greenhouse gas emissions, etc.) of our activities.	P. 31 & P. 33
	- Fight against climate change - Environmental impact of our activities	- Deterioration in stakeholder relations by failing to take their needs and expectations into account - Breach of regulations (human rights, intellectual property, GDPR, Sapin II Law, preservation of resources, etc.) - Implementation of an operational excellence program facilitating better cooperation and the sharing of good practices - Insufficient eco-design, recyclability, and end-of-life management of our machines - Direct and indirect environmental impacts (airborne emissions, water discharge, waste production, energy consumption and greenhouse gas emissions, etc.) of our activities.	P. 31 & P. 33
	- Talent attraction and retention - Occupational Health and safety - Social Dialog	- Accidents and occupational diseases, specifically linked to our industrial activity - Improper management of human resources generating a lack of commitment, departures or staff shortage - Implementation of an operational excellence program facilitating better cooperation and the sharing of good practices - Breach of regulations (human rights, intellectual property, GDPR, Sapin II Law, preservation of resources, etc.)	P. 16, P. 37 & P. 42
	- Stakeholder relations - Responsibility when conducting business	- Sharp fluctuation in the price and availability of raw materials - Deterioration in stakeholder relations by failing to take their needs and expectations into account - Risk of corruption and unethical practices, which may affect the group's image and reputation - Implementation of an operational excellence program facilitating better cooperation and the sharing of good practices - Failure to take into account or respond in a timely manner to customers' comments (complaints, customer satisfaction survey), including lack of communication (deadlines, delivery, interventions)	P. 29 & P. 39
	- Talent attraction and retention - Skills management - Diversity and disability	- Accidents and occupational diseases, specifically linked to our industrial activity - Improper management of human resources generating a lack of commitment, departures or staff shortage - Implementation of an operational excellence program facilitating better cooperation and the sharing of good practices	P. 16, P. 19 & P. 45

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SDG	CSR challenges	Risks and opportunities	Reference to policies and areas of commitment
	- Diversity and disability - Respect for human rights	- Improper management of human resources generating a lack of commitment, departures or staff shortage - Breach of regulations (human rights, intellectual property, GDPR, Sapin II Law, preservation of resources, etc.)	P. 45 & P. 36
	- IT systems and data protection - R&D and intellectual property policy	- Inaccessibility of working tools / cyber-crime / Loss of information and data - Breach of regulations (human rights, intellectual property, GDPR, Sapin II Law, preservation of resources, etc.)	P. 24 & P. 27
	Occupational Health and safety	Accidents and occupational diseases, specifically linked to our industrial activity	P. 42
	- R&D and intellectual property policy - Respect for human rights	- Breach of regulations (human rights, intellectual property, GDPR, Sapin II Law, preservation of resources, etc.) - Deterioration in stakeholder relations by failing to take their needs and expectations into account	P. 27 & P. 36

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Talent attraction,
retention and skills
development

CONTRIBUTION TO SDGs

4 QUALITY
EDUCATION

8 DECENT WORK AND
ECONOMIC GROWTH

CHALLENGES:
Taking care of employees
Building an environment where employees can thrive

Haulotte’s mission, as defined in its corporate project, is to “take care of people”.

“Taking care of people” is structured around three closely connected topics:

- Taking care of employees, by providing them with an environment where they can thrive
- Taking care of our partners
- Taking care of the Society

Our values, the cornerstone of our corporate project, are entirely consistent with our mission.
All employees form an integral part of this Mission, which is promoted and developed by a dynamic HR/Empowerment policy.

Our 2025 ambition dedicated a pillar and a strategic focus to the Mission:

- Let’s dare through Empowering Management
- The strategic focus: Becoming a learning company

Challenges:

Haulotte, like many organizations, has had to deal with changes in the labor market, due in particular to upheavals in the digital industry, the arrival of new generations, and tight conditions on market.

As a result, talent attraction, retention and development are key for our employees.

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- The war for talent is escalating and is now affecting increasingly diversified business sectors. With this in mind, and faced with applicants with changing expectations and motivations, Haulotte is more keen than ever to enhance its appeal.
- Developing a working environment conducive to the engagement of every employee is essential to talent retention. There are multiple conditions for this engagement, which must all be addressed so that everyone can find the drivers of their engagement.
- Creating an environment conducive to continuous learning, developing skills, sharing, discovering, taking initiatives... means maximizing the opportunities to develop everyone’s talents and desired advancement.

Employees are more than ever searching for meaning, flexibility, social and environmental commitment, a style of management that would help them grow and become empowered, a good work/life balance, values, transparency and authenticity.

Since 2017, the objective of the **Let’s dare** program has been to create working conditions conducive to employee engagement by developing all the components of engagement, thus promoting, among other things, skills retention, attraction and development. It focuses in particular on 5 primary themes:

- I. The group’s cultural transformation:
 - a Employee involvement culture
 - b Empowerment culture via the leadership model underpinned by our values
- II. Skills development by the Learning Company
- III. Continuous improvement approach via a survey and related action plans (maturity grid)
- IV. HR policy supporting each employee throughout their Haulotte career (induction program, annual reviews and professional interviews, talent review, development initiatives, mobility, etc.)

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS						
Indicator	Unit	2020	2021	2022	2023 objective	Scope
Permanent contract turnover	%	9.7	10.18	20.2	Not determined	Group
Internal mobility (Geographical, Hierarchical, Business line)	Number of employees	Not measured within the same scope	142	117	Not determined	Group
Proportion of employees who attended at least one training course (trained within the year: average number for the year)	%	61	74	90	100	Group
Number of training hours	Hours	21,943	26,187	38,920	>2022	Group
Average number of training hours	Hours	14	16	23	Not determined	Group

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ACTIONS AND RESULTS

I. The group's cultural transformation

a. With the firm belief that every employee contributes to the overall performance and that collective intelligence is the most powerful, numerous involvement and “Bottom up” initiatives are developed within the company.

1) Cascading the 2025 ambition

This was illustrated in 2022, in particular by the launch of the cascading presentation of the 2025 ambition to all group employees. This dedicated presentation was overseen by coordinating managers and included a presentation video, learning and appropriation efforts based on short scenes, while sharing sources of motivation, fears and doubts reported by the employees. All this feedback was compiled to provide responses to the main doubts and questions.

2) Friday talks

“Knowledge is the only thing that grows when you share it” - Sacha Boudjema

Haulotte believes that growing and upskilling is not solely achieved through traditional training.

In 2021, we implemented Friday Talks, i.e. optional conferences organized by the employees for the employees to better share knowledge, in an entertaining and participatory manner. These 1-hour events are organized at the head office on the last Friday of every month.

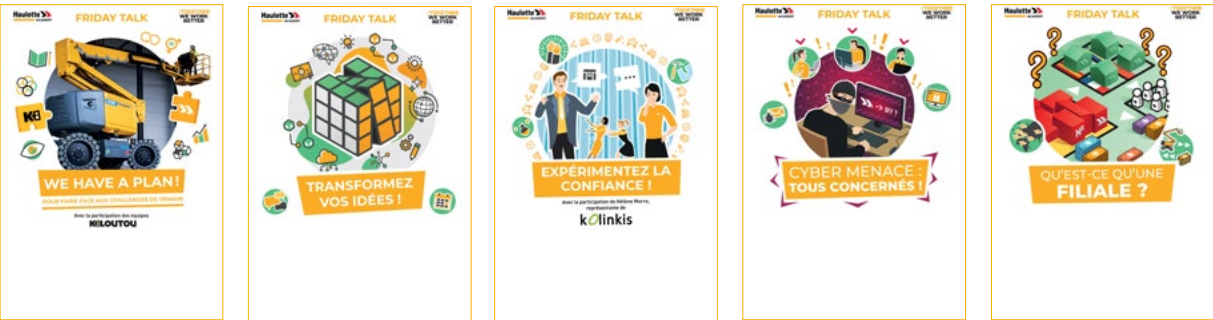
They broached a variety of topics in 2022:

- “Who move my cheese” - Our Yello transformation program,
- Creativity with the e-Lab,
- Innovation
- “We have a plan” - CSR in conjunction with our customer Kiloutou
- One of our values: confidence
- Cybersecurity
- What is a subsidiary?

Friday Talks are filmed, wherever possible (with the exception of experimental topics), to share the event with the other French sites in Le Creusot, Reims and Haulotte France. Replays are available on the Haulotte Academy e-learning platform.

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Indicator	Unit	2021	2022	Scope
Number of Friday Talks	Number	8	7	Loire sites
Number of employees who attended at least one Friday Talk	Number	148	162	
Number of Friday Talk hours	Hours	356	320	



3) Overhaul of our charter of values

As part of the implementation of an empowering management model, more than 70 employees were surveyed in workshops coordinated by consultants to define and propose the model best suited to our culture. The employees involved also worked on the redesign of our charter of values.

OUR VALUES



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4) e-Lab

Created in 2021, the purpose of the E-lab is to develop a digital culture and collect employees' ideas in order to select the most promising ones, get their creators to pitch them to a jury and then, if selected, create a model, present it and promote it with a view to its implementation.

One of the ideas implemented for employees was a carpooling application.



5) YELLO approach



This approach consists of involving employees in close proximity to their job in order to identify improvements in terms of effectiveness, quality but also their working conditions.

6) Intrapreneurship

An idea put forward during a working group led Haulotte to launch an intrapreneurial approach to this subject. A team was appointed to deal with the subject on a part-time basis to start with, and then 2 employees were dedicated full-time to the rest of the project. A conclusive approach that will be the subject in 2023 of a more structured organization, based on this experience.

b. Empowerment culture via the leadership model underpinned by our values

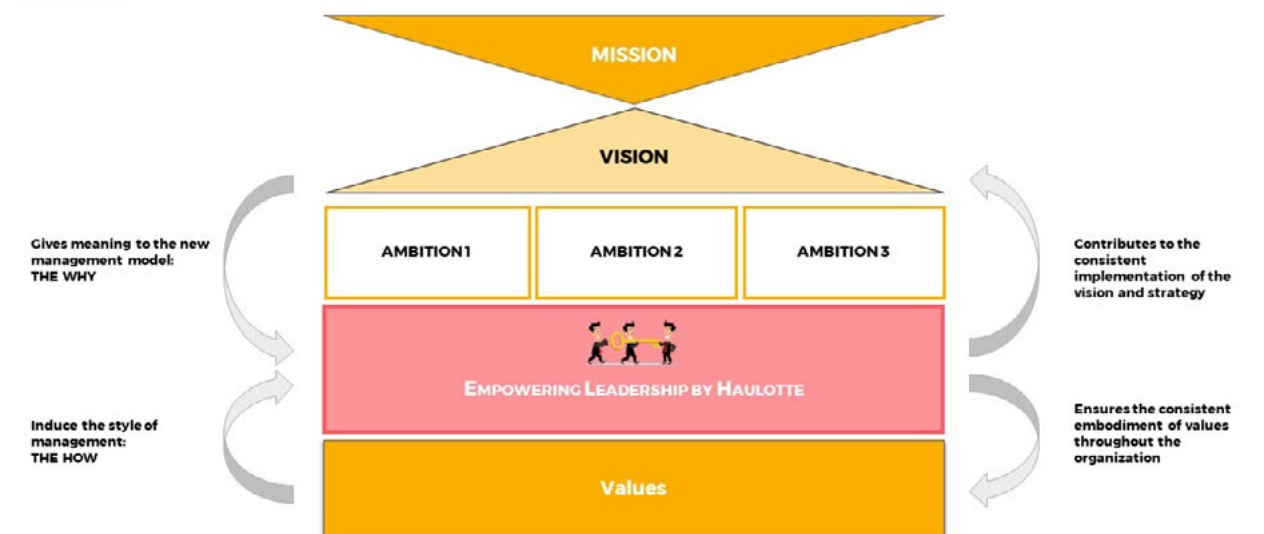
Since the launch of our Vision in 2016, Haulotte has undertaken numerous changes in order to improve the Organization's performance, the satisfaction of its customers, the teams' well-being and commitment. We have continued to make progress in an environment undergoing profound, ongoing changes. To pursue its sustainable growth, Haulotte must still overcome many challenges so as to be even more innovative and quicker when making and implementing decisions.

This model hinges on our defined Values in terms of soft skills, know-how and tools.

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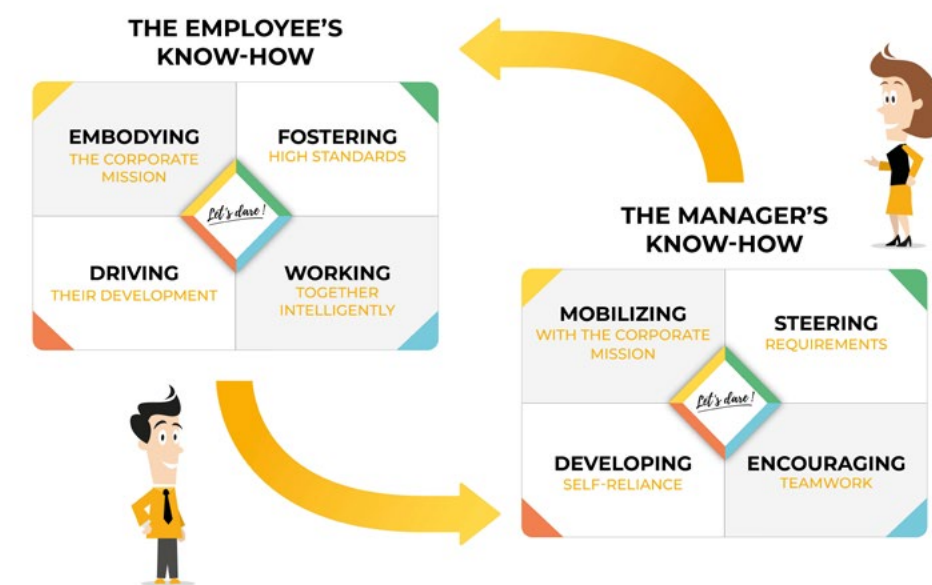
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THE LEADERSHIP MODEL AT THE CORE OF THE CORPORATE PLAN



This model was created as a result of a collaborative process involving nearly 70 people, as part of 7 workshops organized in May 2022 and bringing together directors, managers, employees, from various sites, various business lines, in Europe, Asia and America. This project was presented to the EXCOM by the teams during a two-day seminar dedicated to this topic.

This project, finalized by the EXCOM, aims at clarifying the notion of empowering leadership by outlining the behavior and know-how expected of everyone, with a view to developing effective and motivating relations that contribute to Haulotte's performance and help everyone thrive.



— Let's dare! —

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The manager's role is to pass on, communicate and mobilize around the corporate project and Vision, define the objectives, develop the teams' autonomy and facilitate cooperation. As this is a division of responsibilities, the employees (and the manager, who is also an employee) must embody the corporate project, enforce standards, be actively involved in their development and effectively cooperate. Hence, how they achieve the objectives set is up to each employee, and each team.

"When teams share the same vision and objectives, and feel the confidence of their manager, they know where to go; they feel free to innovate and produce solutions more quickly".

This will be a gradual deployment as this model requires in-depth changes in our attitudes. In 2022, it was deployed among all French managers who all followed the same process:

- The first step allowed every manager to self-assess and be assessed by their manager and employees (and their peers for some functions), based on this leadership model. The manager's objective is to identify one or two areas for improvement for the year before their next assessment.
- The second step involved managers attending 2-day seminars to take ownership of this model. 144 managers and corporate functions were trained in 2022.

II. Skills development by the Learning Company

In this era of skills obsolescence, training employees is not only a performance factor for Haulotte, it is also a key aspect that contributes to retaining our employees.

In 2022, Haulotte embarked on a learning company process. The idea is to create and facilitate an innovative cultural environment conducive to learning. To improve our performance, we need to learn how to solve problems as a group, how to test pilots, learn by experience, learn from other stakeholders, customers, partners, etc. and how to transfer knowledge to ensure equal understanding.

We use training platforms to give our employees free access to content, in an independent or guided mode.



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The Haulotte Academy platform features training courses created by Haulotte to develop business skills specific to the company. Training digitization picked up pace in 2022; the platform now features new courses dedicated to developing the skills of our sales forces, with modules on the knowledge of our products and solutions. All employees of the Group can now access training courses, allowing them to acquire knowledge such as IT tools, safety, CSR and even employee induction programs...

In 2022, we also deployed LinkedIn Learning, to expand our training offer and help all employees (except for China where it is not accessible) develop their skills in a broad range of themes and in their own language.

Discover the testimony of an employee: TIRON, Alexandru, Technical project manager



"On a professional level, as technical project manager, I am constantly looking for ways to improve my skills in terms of leadership, critical thinking, communication, financial education, management, and the list goes on.

This improvement is felt even in my everyday life, as I am more attentive, I gain a better understanding of myself and those around me, and I get better results.

It is difficult to find time in the hectic, busy lives we lead, but believe me it all counts, even 5 minutes listening in your car or in a café!

If I may, I would recommend focusing on short videos and continuing to learn regularly. At the end of the day, you are the master of your own choices! Continue to learn".

Today, every employee decides on the content they wish to follow on LinkedIn Learning; however, Haulotte proposes an event on a cross-functional topic every month: feedback, communication, creativity, energy management, etc.

Although the digitization of our training courses is growing, Haulotte relies heavily on its network of internal instructors to deploy the transfer of knowledge across all our sites. Recognizing the instructor's value added in raising the teams' skills, Haulotte relies on human, social relations and sharing as an educational tool to be prioritized. It is through practice that our learners question themselves, experiment, get it wrong sometimes, but retain the key messages of our training courses.

Our Learning Company program also serves business lines and supports the group's strategic projects. In 2022, to support the group's Operational Excellence project, Yello Program, 6 employees completed a 3-day training course and one hundred hours of support on the DMAIC methodology throughout 2022. To achieve the Green Belt certification, each of these 6 employees undertook a specific project in the field, delivering significant gains for the company, which allowed them to apply the methodology learned during training.

In 2022: **38,920 training hours** in the Group, **1,505 employees trained**, i.e. approximately **25 training hours per employee**.

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III. Continuous improvement approach via a survey and related action plans

a. Engagement Survey section

The transformation approach is measured every 3 years with an engagement survey conducted in 10 languages among all employees. It encompasses 12 themes that cover more than 50 questions on all engagement issues.

The results are used to identify our strengths, areas of improvement, progress, and define new priorities. After February 2017 and February 2020, the new survey will be held in March 2023.

RESULTS OF THE ENGAGEMENT SURVEY				
Indicator	2017	2020	2023 objective	Scope
Level of employee engagement	 57%	 64%	Improved	Group
"I am proud to work for Haulotte"	 71%	 76%	 80%	Group
"I would recommend Haulotte as an employer"	 49%	 65%	 70%	Group
"Haulotte gives me the opportunity of a stimulating and interesting job"	 67%	 76%	 80%	Group

b. Training maturity grid

To improve our practices in terms of the training and development of our employees, the HR team relied on the Yello program through the creation of a maturity grid.

The creation of this grid, and use thereof for assessment purposes, helps identify the actions to be implemented in order to upgrade our practices. For example, one of the work streams was to look at how to make entities autonomous in the deployment of regulatory training courses.

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IV. HR policy supporting each employee in their Haulotte career

a. Attract talent via cooptation

Who better to recommend Haulotte than our employees?

In 2022, Haulotte launched a cooptation policy on the French scope. Cooptation is a recruitment method consisting of encouraging Haulotte employees to recommend applicants for posts open to recruitment. There are many advantages to this practice.

Firstly, cooptation helps recruit applicants who have come recommended by trustworthy employees. The company's current employees are aware of the job requirements and expected skills, which is why they can recommend applicants perfectly suited to the company's needs.

In 2022, we recruited one employee via cooptation.



b. Integration

To benefit from deeper immersion in the company's culture, we created an optional 40min program on our Haulotte Academy e-learning platform, enabling newly recruited employees to find out about our history, our organization, our products and services, our sites, our transformation, etc. 88% of participants find this program useful (even very useful) and interesting (even very interesting).

The induction phase, referred to as onboarding, is particularly important for the retention of employees. On the day, Haulotte looks after the new employee by making sure they have an operational workstation, active access codes, a functional badge, personal protective equipment, etc. For more congeniality, a welcome breakfast may be organized, and a welcome kit (mug, notebook, induction booklet, etc.) is handed out. A tour of the premises facilitates the employee's movements while also helping them get a better idea of the overall atmosphere.

Within days of their arrival, an onboarding program suited to their profile gives them the keys to better understanding the internal processes and tools as well as the vision and culture of our organization.

NON-FINANCIAL PERFORMANCE STATEMENT

2022 REPORT

c. The professional interview: key managerial action when developing employees

Every employee benefits from an annual appraisal interview with their manager. This is an excellent opportunity for the employee and the manager to discuss the employee's professional project. During this interview, the employee expresses their desire for functional, hierarchical and geographical mobility within the group. These mobility desires are analyzed by the Human Resources teams and result in a proactive approach among these employees when a position that suits their wishes becomes available.

This interview is also the opportunity to define the skills development plan necessary for holding their job, but also with a view to future advancement. Various types of development action can be envisaged: training, coaching, managerial support, entrusting an employee with an assignment/project, etc.

This interview contributes to Talent retention by allowing employees to express their career development wishes and assisting them with their projects.

d. Talent Review

The Talent Review is organized following the annual review and professional interview period. The Talent Review is a gathering between the line manager, the manager's superior and the HR team. The objective of the Talent Review is to discuss the employee's strengths and areas for improvement, identify their advancement potential, the risk of departure, while defining their skills development plan and tangible actions to be implemented.

The actions are monitored and implemented by the manager and the HR department. They help the employee grow and, when they wish to, advance within the organization.

e. Professional development at Haulotte

Haulotte promotes internal mobility. Vacancies within the group are advertised internally so that interested parties can apply.

In 2022, 117 employees advanced within the group, hierarchical, functional and geographical mobility combined.

To retain our Talent, it is essential to give perspective and be aware of the possibilities of developing and growing at Haulotte

To support employees with strong expertise in technical fields, Haulotte created an expertise channel within the Research and Development business lines. This channel makes it possible to recognize and promote our employees and their expertise. In 2022, 2 experts were appointed in the Systems Testing and Software domains.

NON-FINANCIAL PERFORMANCE STATEMENT

2022 REPORT

Protection of IT systems and personal data (customers and employees)

CHALLENGES:
As IT tools form an integral part of Haulotte's operation, IT security has become A REAL ISSUE within the Group. In previous years, and still today, computer-related threats and attempted fraud have proliferated. IT security and the protection of our data are two essential approaches to reducing the risk of financial loss and/or damage in terms of image and reputation.

CONTRIBUTION TO SDGs



POLICY:
The IT Division must be a business partner that brings value through innovative, digital, sustainable and secure solutions, by contributing to the implementation of the strategic plan, drawing from the performance of completed projects, an agile organization and appropriate communication, in a context of IS security and data integrity.

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS						
Indicator	Unit	2020	2021	2022	2023 objective	Scope
RUN performance (backlog volume)	Number of tickets	410	299	340	300	Group
Ticket satisfaction Daily survey	%	92	94	97	>95	Group
Overall satisfaction: Annual survey	%	93	93	90	>90	Group

NON-FINANCIAL PERFORMANCE STATEMENT

2022 REPORT

ACTIONS AND RESULTS

I. Raising employee awareness of IT security

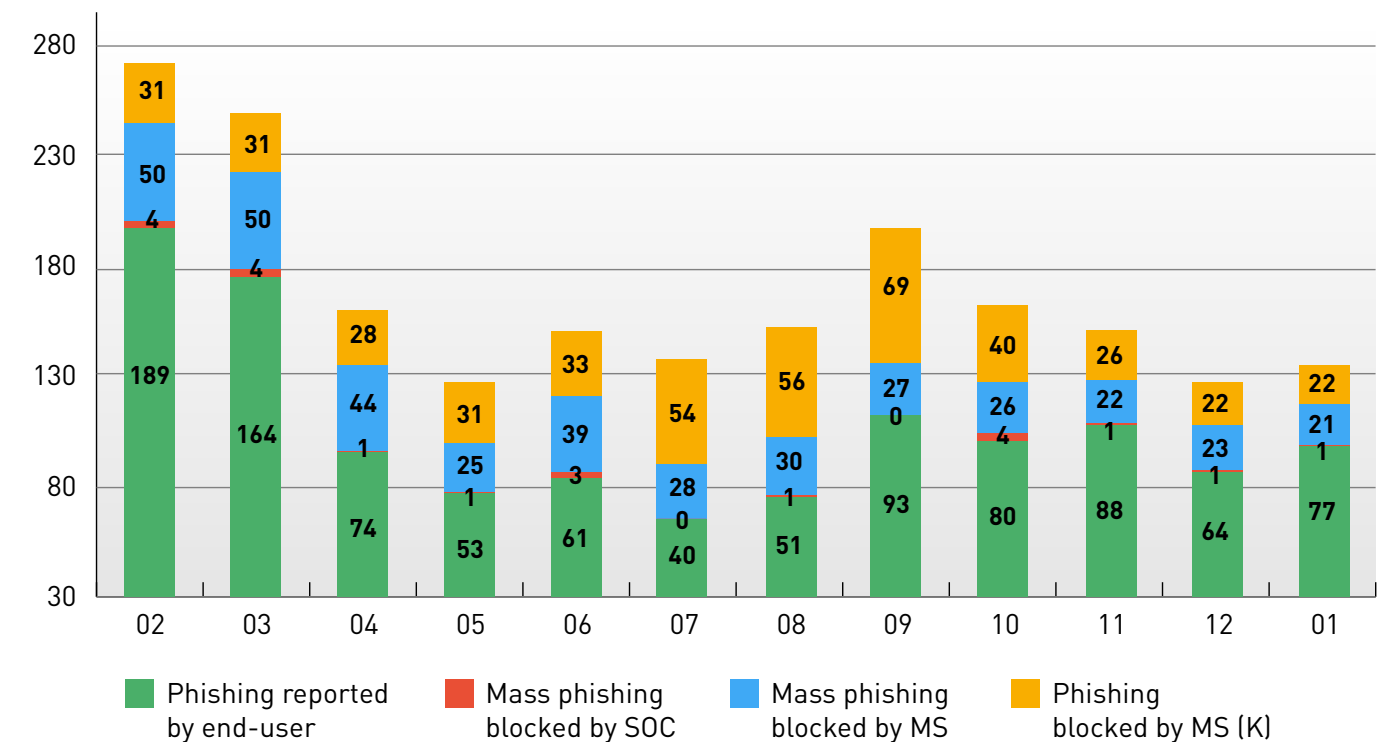
The IT charter aims at raising users’ awareness of the effective use of IT tools. It is signed by employees in France upon induction, and is available on our Intranet, with a view to making it binding and enforceable.

Users are also trained in security and good IT practices as soon as they are given their PCs. In 2022, “IT Ignition” was put in place: as part of their integration, each new Haulotte arrival (in the France region) is invited to attend an information meeting in order to raise their awareness of Information Systems and their IT interactions in the course of their life at Haulotte. To validate their acquired knowledge of the IT ecosystem, during these two awareness sessions, users are asked to complete a quiz.

II. Information System security: an overarching issue

Over the past few years, the rise in and increasing sophistication of cyber attacks against businesses have caused more and more downtime, and therefore loss of income.

This threat can be felt on a daily basis: the diagram below lists the number of phishing attacks foiled:



NON-FINANCIAL PERFORMANCE STATEMENT

2022 REPORT

The IT Division is more than ever committed to protecting the company from potential cyber attacks; this year:

- A CISO (Chief Information Security Officer) was appointed to take charge of these security issues.
- An SOC (Security Operation Center) was set up to ensure 24/7 rotating IS monitoring, between the Chinese, European and US IT teams.
- Multi-factor authentication was implemented across all user email services within the group, to prevent identity theft
- Phishing test campaigns are organized every quarter among 100% of users, to test their response to phishing attacks
- Users who fail the phishing test undergo an individual awareness session on risk and consequences
- The group’s audit committee defined “cyber attack” as the group’s 2nd highest risk
- A real-life cyber-attack test is conducted once a year, without notice, to test our organization’s response capacity,

III. Compliance with personal data protection regulations

Since the entry into force of the GDPR in May 2018, the Haulotte Group has conducted a compliance audit in conjunction with IBM. This audit was used to map out the risks associated with the management and protection of personal data held by Haulotte, and establish an action plan to ensure sustained compliance with the regulation.

To date, the Haulotte group does not trade in personal data entrusted to them. Haulotte secures the consent of the person entrusting their personal data, makes sure said data is used solely for the purposes described and is effectively retained. Haulotte may return or destroy the holder’s personal data, on their express request. This compliance also requires informing and training, as carried out in 2020, the departments in charge of processing personal data and, subsequently, helping said departments update the record of processing operations.

IV. Number of security flaw incidents reported to CNIL

Although the business community was strongly affected by targeted attacks, no incident relating to security or damage to the integrity of the Haulotte Group’s information systems was reported to CNIL.

V. Employee satisfaction

As the satisfaction of IT system users is a good quality of service indicator, a daily satisfaction survey is conducted on closed tickets. This helps monitor user satisfaction in “real time”. In addition, at the end of 2022, a global satisfaction survey was sent to users.

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In 2020, the same survey revealed that 93% of users are satisfied to very satisfied.

	2019	2020	2021	2022
Annual survey	89%	93%	93%	90%
Daily survey	83%	92%	94%	97%

Scope: group

VI. Development prospects for the IT part

In 2021, the IT&Solutions Division presented its new strategic plan for the next 5 years. This strategic plan is in keeping with the group's operational strategic plan. This master plan is broken down into 5 parts:

- **IT&S Basics:** maintaining a high level of performance, both in terms of projects and our daily support activity. This was supplemented by the deployment of the Responsible IT approach.
- **User centricity:** supporting and accompanying the transition towards a digital business by human resources, tools and through training. A number of initiatives have already been launched in France and are being developed for all regions:
 - **IT Ignition**, an information meeting intended for new arrivals,
 - **Digi'tips**, short 20-minute training sessions in a specific tool
 - And **Citizen Dev'** more recently, a certification program designed to assist employees in using the PowerPlatform tools: PowerBi, PowerApps and PowerAutomate. The idea is to allow users to get hands-on with the applications they would like to develop themselves. These are usually simple applications with little or no interface, and which are not too complex. This program is divided into 4 levels for each tool. The first level of this certification started in France in December.
- **Business Value:** providing a solid, reliable information system, upgrading our ERP. We also aim at implementing a solid CRM solution and developing global solutions.
- **Data Management:** Business Intelligence has become a concern for businesses. The ambition is to acquire modern, suitable tools to cope with these new DATA analysis challenges.
- **IT Security:** every day, businesses get hacked, which delays or disrupts their activities for weeks or even months. With this foundation, we want to guarantee business continuity by implementing an ambitious cyber attack protection and response plan.

The implementation of this plan strategic plan is being monitored: as of the end of 2022, the level of deployment of the strategic plan was 66%.

VII. Responsible IT

A review of Green IT and Responsible IT was launched in early 2022. The management is keen to ensure a transition towards a more ethical, inclusive and environmentally responsible Information System. Several management team members were initially trained in Responsible IT, after which an action plan was prepared. In 2022, a number of activities were carried out:

- Calculation of the Information System's carbon footprint,
- Raising the awareness of IT employees,
- Participation in the sustainable development week (sharing information and challenges),
- Creation of "Green'tips" (short 20-minute sessions for sharing good practices), creation of an Advent calendar based on Responsible IT,
- Communication via our Webzine, etc.

NON-FINANCIAL PERFORMANCE
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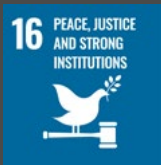
Strengthening of
our R&D policy and
the intellectual
property rights
protection and
enforcement
system

CHALLENGES:

Strengthening of our R&D policy and the intellectual property rights protection and enforcement system

- Innovating to ensure growth, coming up with new machine ranges and/or service lines, thereby maintaining Haulotte's market leadership
- Placing innovation at the heart of Haulotte's strategy, as a key component of its competitiveness.

CONTRIBUTION TO SDGs



POLICY:

Intellectual property as a commercial conquest and communication instrument, and increasingly dynamic R&D policy

Haulotte believes intellectual property must become a commercial conquest and communication instrument. A suitable intellectual property policy can make a considerable contribution to securing and preserving market shares. Furthermore, the adequate protection of the Group's intellectual property rights and know-how creates legal certainty and can generate benefits in terms of profit as well as image. Our objective is to maintain an ever more dynamic R&D policy in order to cope with the new challenges the Group may face, but also to develop our products by factoring in third party rights in this area, while guaranteeing the protection of our own intellectual property rights.

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS						
Indicator	Unit	2020	2021	2022	2023 objective	Scope
Proportion of turnover devoted to R&D	%	3.74	3.2	2.9	Not determined	Group (R&D centralized within the Haulotte Group)
Intellectual property rights registered	Number	16 • 3 patents • 2 US provisional patents • 9 Soleau envelopes • 0 design • 2 trademarks	24 • 4 patents • 1 US provisional patent • 1 US design patent • 16 Soleau envelopes • 2 designs • 0 trademark	26 • 5 patents • 1 design registered • 20 Soleau envelopes • 0 trademark	Not determined	Group (R&D centralized within the Haulotte Group)

Note: only 1st applications are taken into account (non-provisional US applications and extensions abroad based on these 1st applications are not accounted for here)

NON-FINANCIAL PERFORMANCE STATEMENT

2022 REPORT

ACTIONS AND RESULTS

I. Continued dynamism of the R&D policy

Technological developments are continuously monitored to be kept informed of new innovations available on the market.

Haulotte manages the intellectual property risk to implement means to control this risk with all the relevant departments. There is also an Intellectual property Committee used to discuss current topics and disseminate important information.

Furthermore, the Company extensively recognizes creators, beyond patentable inventions. It recognizes and respects inventors and creators of innovative ideas (employee invention policy).

Lastly, during the project creation process, an intellectual property notice is required to complete certain steps.

II. Respect for third party rights and protection of our rights

The main actions in this field are undertaken by the Industrial Property (IP) Manager.

The IP Manager regularly conducts a competitive intelligence and technological watch (freedom to operate, state of the art) to make sure third party rights are not infringed upon.

This also allows them to assess the availability of intellectual property rights and check that the third party respects our rights.

Moreover, the IP Manager strives to optimize our intellectual and industrial property policy by raising the Haulotte employees' awareness of the IP risk and involving them in the management of said risk. Thus, for example, the results of the periodic watch are disseminated within the teams via monthly watch bulletins.

Lastly, the IP Manager reinforces our intellectual property rights by protecting our innovations through patent applications.

As a result, when dealing and working with third parties, we can engage in dialog with complete peace of mind.

NON-FINANCIAL PERFORMANCE STATEMENT

2022 REPORT

Stakeholder relations

CHALLENGES:
Haulotte maintains regular and constructive dialog with its primary stakeholders. The mapping process helped establish the various communication channels with primary stakeholders, in particular customers and suppliers. Customer satisfaction is of course a core component of the group's strategy. As Haulotte specializes in the design and assembly of lifting equipment, suppliers have a key role to play. This is why quality cooperation is needed to optimize the company's added value.

CONTRIBUTION TO SDGs



POLICY:
The Haulotte Group's strategy includes the importance of maintaining ethical and responsible relations with its stakeholders, in particular its customers and suppliers. Having made SDG 17 a priority SDG is an illustration of this policy

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS						
Indicator	Unit	2020	2021	2022	2023-2025 objective	Scope
CUSTOMERS						
Employees concerned by Quality certifications	Number	Not measured	Not measured	 1,191	 >1,200	Group

NON-FINANCIAL PERFORMANCE
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KEY PERFORMANCE INDICATORS						
Indicator	Unit	2020	2021	2022	2023-2025 objective	Scope
SUPPLIERS						
MACHINE PARTS						
Proportion of purchases from suppliers who signed a partnership agreement with a warranty charter	%	51	51	53	55	Group
Including suppliers covered only by the signing of a partnership agreement	%	34	36	39	41	Group
Proportion of purchases from suppliers covered by the signing of a responsible purchasing charter	%	60	64	71	75	Group
SPARE PARTS						
Proportion of purchases from suppliers covered by the signing of a responsible purchasing charter	%	Not measured	62	64	70	Group
GENERAL EXPENSES PURCHASES						
Proportion of purchases from suppliers covered by the signing of a responsible purchasing charter	%	Not measured	Not measured	43	50	France
CSR QUESTIONNAIRE						
Percentage of purchase volume represented by suppliers who were rated based on CSR criteria	%	/	/	9.34	46	Group

ACTIONS AND RESULTS

I. Customer relations

a. Customer satisfaction

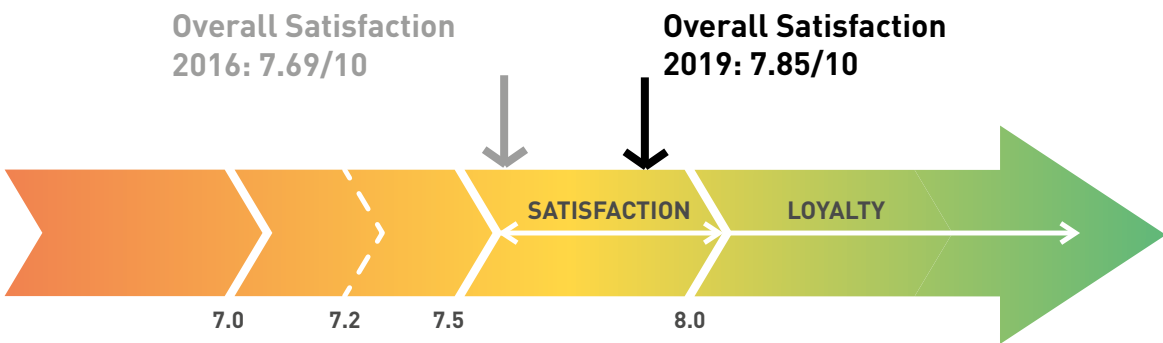
A Quality approach has been in place within the group’s production sites for years, with ISO 9001 certifications. This approach has now been extended to distribution subsidiaries, with Haulotte France and Haulotte Shanghai certified in 2022.

Customer satisfaction is measured regularly by all teams in direct contact with customers. Thus, sales representatives, mobile technicians and call center teams receive feedback, comments, improvement suggestions and complaints, and deal with them promptly. Satisfaction is therefore measured regularly in the group’s entities.

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Every 3 years, Haulotte conducts a large-scale Customer Satisfaction Survey, with the help of a specialist firm. The objective of this survey is to measure the satisfaction and loyalty of Haulotte’s customers and compare the trend with the previous survey, while also identifying customer expectations and the points of satisfaction to be measured.

The last survey was conducted in 2019, and led to numerous improvement actions. The result of these actions will be measured during the next survey in 2023.



The customer satisfaction indicator we monitor on a monthly basis is the average intervention rate, or warranty rate. It is used to calculate the breakdown percentage of machines under warranty. The lower this indicator is, the more reliable our machines are over the first few years. Reliability is of great importance to us, guaranteeing our customers’ satisfaction.

b. Customer events

Haulotte organizes many meetings with its customers, covering all subjects relating to its activity. With these events, the group showcases its expertise and positions itself as a provider of advice, solutions and skills.

Several events were organized in 2022, at our headquarters, in our plants or in our distribution subsidiaries.

The most salient event was the organization in September 2022 of a *Comme à la maison* (Welcome Home) event, when our head office welcomed more than 130 customers from all over the world.

The event was organized into several “experiential” workshops, allowing the Haulotte experts to present the new products and solutions and latest innovations, but also to share the group’s vision for the future. The objective was clearly to demonstrate our ability to be at the vanguard on a constantly changing market and, more importantly, to be a genuine Business Partner for our customers.



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Stéphane Hubert, CSO
(Chief Strategy Officer)

The OPEN UP “Welcome Home” event was, according to our customers, a memorable experience that they will remember fondly. That was the best feedback we could hope for!

*Our guests were impressed with the expertise and availability of our teams, in particular the 2-day organization, the diversity of the workshops and interactivity. **96% were very satisfied, according to the survey conducted after the event.***

And, in the face of this increasingly challenging world, our teams are without a doubt our greatest asset!



Damien Gautier, Asia-Pacific Region director

*I think organizing **OPEN-UP in the H3 teams’ department created a different atmosphere** for the event, as APME customers rarely have the opportunity to pay us a visit in France, least of all at our new headquarters. I really think that these events organized for customers are the best way to build relationships. **Customers really enjoyed taking part in the event and interacting with Haulotte’s teams, who came from various backgrounds (and not just with their usual contacts).***

*We have held several events of this type over the past 10 years and we continue to improve their organization. **Our customers truly appreciated this experience that makes us so unique.***

c. Customer recognition

All our everyday activities in favor of customer satisfaction are regularly recognized by customers or professional organizations. Below are the some of the outstanding awards for 2022:



January 2022

Haulotte Iberica was awarded the best after-sales service trophy by LOXAM HUNE



March 2022

The SIGMA 16 articulated platform rewarded at the 2022 Mât d’Or



May 2022

Haulotte rewarded at HIRE22 (Australia): Supplier of the year award, Product of the year award with SIGMA 16, Woman of influence for our employee Robyne Kerr



October 2022

Haulotte rewarded for its COMPACT scissors range by Spanish journal Movicarga



NON-FINANCIAL PERFORMANCE STATEMENT

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II. Supplier relations

a. Maintaining long-lasting relationships with our suppliers

For any new supplier, a panel admission procedure must be followed, and audits are conducted. The results of the supplier audit are shared with all suppliers so that corrective actions can be taken if required to enter the panel.

Haulotte is currently working on a multi-year agreement for all new projects.

With new suppliers, we have developed a partnership agreement to be signed prior to production launch. These agreements define all modes of operation, expression of requirements, payment terms, prices, warranty, quality standards, insurance (...), to commit to long-lasting relationships together. The improvement plans agreed upon are also featured in the agreement, with the same objective in mind, i.e. building sustainable relations.

Proportion of purchases from suppliers covered by the signing of a partnership agreement: 39% in 2022 vs. 36% in 2021. Haulotte focuses on all suppliers generating a significant part of the annual turnover as well as core and strategic suppliers.

For existing suppliers, Haulotte organizes management meetings to share our respective expectations, our development strategies and the progress of projects relating to new products. These exchange meetings, which involve the management of both companies, help build a long-term vision with our supplier partners.

b. Maintaining ethical and responsible relationships with our suppliers

Responsible purchasing charter:

262

Number of suppliers who signed a responsible purchasing charter
(Suppliers with whom we worked in 2022)

The responsible purchasing charter was initially deployed for suppliers of series parts in 2019. Its objective is to create a long-lasting, balanced relationship, while respecting the respective rights and obligations of each party. HAULOTTE’s objective is for 75% of the 2023 annual turnover to be covered by a signed charter.

In 2021, this approach was extended to the purchase of spare parts, and HAULOTTE’s objective is for 70% of the 2023 annual turnover to be covered by a signed charter.

In 2022, HAULOTTE extended the approach to general expenses purchases, with a target of 50% of the annual turnover covered by the end of 2023.

At the same time, a confidentiality agreement is signed between Haulotte and all its suppliers to preserve the information of each party.

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b. Supplier evaluation

A supplier evaluation grid was prepared to rate their level of maturity with regard to CSR criteria during the panel admission process.

The themes addressed in this evaluation are linked to our sustainable development approach:

- Health and safety theme (certifications, risk analysis, etc.)
- Environmental theme (certifications, waste sorting, carbon assessment)
- Ethical theme (fight against corruption, fight against modern slavery)
- Business continuity and insurance theme

It was used in 2022 for a purchase volume representing 9.34% of annual purchases.

This supplier evaluation process encountered difficulties, marked by tensions in our supply chains (price of raw materials, increase in capacity, workload affecting team availability), hence our inability to deploy it as extensively as we would have hoped.

PERCENTAGE OF PURCHASE VOLUME REPRESENTED BY SUPPLIERS WHO WERE RATED BASED ON CSR CRITERIA BY TYPE OF SUPPLIER						
Indicator	Unit	2020	2021	2022	2023-2025 objective	Scope
Component suppliers	%	not measured	/	8	38	Group
Welded part suppliers	%	/	/	11	46	Group
Spare part suppliers	%	/	/	0.2	35.2	Group

NON-FINANCIAL PERFORMANCE
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Fight against
climate change

CHALLENGES:
In the current context where climate change is at the center of discussions, this topic must be one of our primary concerns going forward. Thus, as a Group operating on various continents subject to climate constraints, Haulotte is exposed to this issue and takes it into consideration.

CONTRIBUTION TO SDGs



POLICY:
Haulotte needs to take climate change into account in its activities, when it comes to its products, production process, production sites and points of sale.
Thus, the objective is to continue the electrification of the range of machines, ensure all sites are ISO 14001 certified, and develop offers relating to the circular economy, such as the second life of machines and spare parts

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS						
Indicator	Unit	2020	2021	2022	2025 objective	Scope
Employees concerned by environmental certifications	Number	<700	<1,100	1,191	>1,500	Group
Electric machines sold in relation to the total number of machines sold	%	73	73	70	80	Group
Turnover associated with the circular economy	€k	/	5,376	5,235	Not determined	Group

NON-FINANCIAL PERFORMANCE STATEMENT

2022 REPORT

ACTIONS AND RESULTS

I. Electrification of the range of our machines

Cities around the world face the same challenge: combating air pollution, combating global warming and providing their residents with the best possible living conditions. Many cities and countries have adopted measures to limit, or even ban the use of highly polluting vehicles and equipment. Regulations on engines, such as STAGE in Europe and TIER in North America, are increasingly strict and require ever more sophisticated and costly technologies.

In April 2018, Haulotte announced its sustained commitment by phasing out all diesel or gasoline-powered machines to focus its production on electric-powered equipment, thereby becoming a pioneer in the access platform industry, as a Blue-oriented company.

As first evidence of its belief, Haulotte launched the PULSEO generation.



PULSEO is Haulotte's range of all-terrain electric mobile lifting platforms. Reduced energy costs, less air and noise pollution, while guaranteeing optimal performance: these are the potential benefits of the electric architecture of PULSEO machines. End users and operators benefit from a multitude of new opportunities: indoor and outdoor applications, all-terrain capabilities, operation suited to low-emissions and low-noise zones. HA20 LE and HA20 LE PRO are the first models of the PULSEO product line.

To complement this PULSEO range, two 15m and 18m all-terrain electric scissor lifts were released in 2022.

Due to a shortage of spare parts, in particular electric and electronic parts, the proportion of electric machine sales decreased slightly in 2022.

II. Partnership based on Hydrogen

As part of its "Blue Strategy", Haulotte announced its collaboration on hydrogen energy with Bouygues Energies & Services.

For one year, Bouygues Energies & Services will test, under real-life conditions, a Haulotte machine equipped with a fuel cell system on several of its work sites. The energy, digital and industrial transition company will also study the hydrogen supply ecosystem of work sites.



NON-FINANCIAL PERFORMANCE STATEMENT

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Caroline Mazzoleni, Head of Smart Energy Division (Bouygues Energies & Services) and Patrice Metairie, Industrial Director (Haulotte Group)

This partnership between the two groups aims at confirming the technical feasibility in usage situation of the hydrogen technology in the construction industry, to provide a low-carbon and zero emission solution to climate, environmental and public health issues.

Haulotte is therefore exploring completely carbon-free solutions for this future personnel lifting equipment. The project teams of Haulotte and Bouygues Energies & Services are looking forward to this cooperation, that heralds a key partnership between different players in the value chain: manufacturer, energy providers, customers, users, to deploy the first Hydrogen projects.

III. Management of environmental risks and ISO 14001 environmental certifications

When establishing our various entities, the climate context of the area selected is taken into account to anticipate any weather events likely to affect our activity.

For new locations, we take into account, among other things, the earthquake risks of the areas in question, and are assisted by our insurers for studies relating to the location of the premises selected.

Every entity certified by an ISO 14001 environmental management system analyzes its context and environmental impact in order to reduce it through action plans.

Two new entities joined the group's ISO 14001 certification scope in 2022: Haulotte France and Haulotte Shanghai.

69% of our employees are now working on ISO 14001 certified sites.

On these sites, in addition to guaranteeing the monitoring of and compliance with local environmental regulations, waste sorting and energy saving actions are regularly undertaken. Mechanisms intended to collect good practices and improvement ideas on environmental issues are also in place through our YELLO operational excellence approach.

IV. Development of offers associated with the circular economy

In response to new consumer patterns geared towards the circular economy, Haulotte provides its customers with a number of offers.

NON-FINANCIAL PERFORMANCE
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a. Certified used machinery – RESTART BY HAULOTTE

Haulotte has introduced a refurbishment program dedicated to the brand’s second-hand machines. The RESTART by Haulotte program is part of an approach that favors more sustainable development: Haulotte’s used lifting platforms are bought back and then recovered in the RESTART CENTER, the first “manufacturer” reconditioning center for used lifting platforms in Europe.



With a workspace covering 3,000 m², it capitalizes on a high-performance industrial equipment and the technical expertise of the Haulotte teams to extend the service life of the machinery.

This program responds to economic and environmental expectations. RESTART by Haulotte provides a financially advantageous alternative and a more virtuous business model, as this program takes an active part in the circular economy. By buying back and repairing used machinery, Haulotte is rethinking the life cycle of its machines and extending their service life. Reconditioning is supported by more responsible resource management in order to reduce overall energy consumption.

b. Machine refurbishment - 2nd LIFE

Our offers also feature an activity dedicated to the second life of machines, Second Life.

These refurbishment solutions also extend the life of our customers’ machines. They can consist of a mere aesthetic renewal, the repair and replacement of major parts, or even the addition of new technology. In any event, during these operations, Haulotte takes into account all the latest user Safety standards, as well as the latest environmental standards.



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Reduce the
environmental
impact of our
activities

CHALLENGES:

The consequences of climate change and environmental risks associated with greenhouse gas emissions can no longer be denied, particularly in light of the latest IPCC publications.

Haulotte has decided to take this risk into account and integrate it into its approach.

POLICY:

For the past few years, the group has had a Quality, Safety and Environment policy. The environmental part includes the consideration of the most significant environmental aspects of its activity. This policy is communicated to all group employees via the Haulotte Academy, and is reiterated during the many events organized throughout the year. With this policy, Haulotte’s ambition is to improve and control its manufacturing and transport policy with a view to reducing its carbon footprint and energy consumption, while recovering its industrial waste as much as possible.

CONTRIBUTION TO SDGs



KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS						
Indicator	Unit	2020	2021	2022	2025 objective	Scope
Waste recycling rate	%	66	74	72	Not determined	France and Romanian plant
Amount of waste per metric ton of machines produced	kg	63	62	110	Not determined	European production sites
Weight of CO ² per metric ton of machines produced	Tons	not calculated within the same scope	not calculated within the same scope	2.9	Not determined	Europe

NON-FINANCIAL PERFORMANCE STATEMENT

2022 REPORT

ACTIONS AND RESULTS

I. Carbon assessment

To identify the major emitters of CO₂, in December 2022 Haulotte performed a carbon assessment across its entire value chain, with help from an external consulting firm. This assessment made it possible to analyze all sources of greenhouse gas emissions generated directly or indirectly by the group's activities, both upstream and downstream (scopes 1, 2 and 3 according to the GHG protocol).

Now the group will prepare a roadmap with a view to reducing its greenhouse gas emissions from the largest consumption items identified

II. Scope of the carbon assessment

The carbon assessment covers scopes 1, 2 and 3 of all European activities of the group, based on data collected in 2021.

Thus, our carbon assessment covers 62% of the group's workforce, in terms of Full Time Equivalent.

III. Assessment results

The results of this carbon assessment showed that the group emitted just over 100,000 tons of CO₂ equivalent in 2021.

The emissions were classified and listed in accordance with the GHG protocol, before being reallocated to the 3 scopes. For 2021, downstream emissions from the use and end of life of products sold were disregarded.

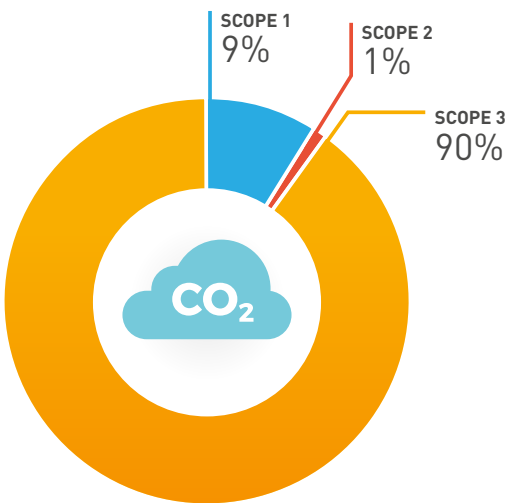
SCOPE ACCORDING TO THE GHG PROTOCOL	
	Teq CO ₂
SCOPE 1	9,349
SCOPE 2	658
SCOPE 3	90,818
TOTAL	100,825

According to the GHG protocol:

SCOPE 1 = direct emissions from sources owned or controlled by the reporting entity

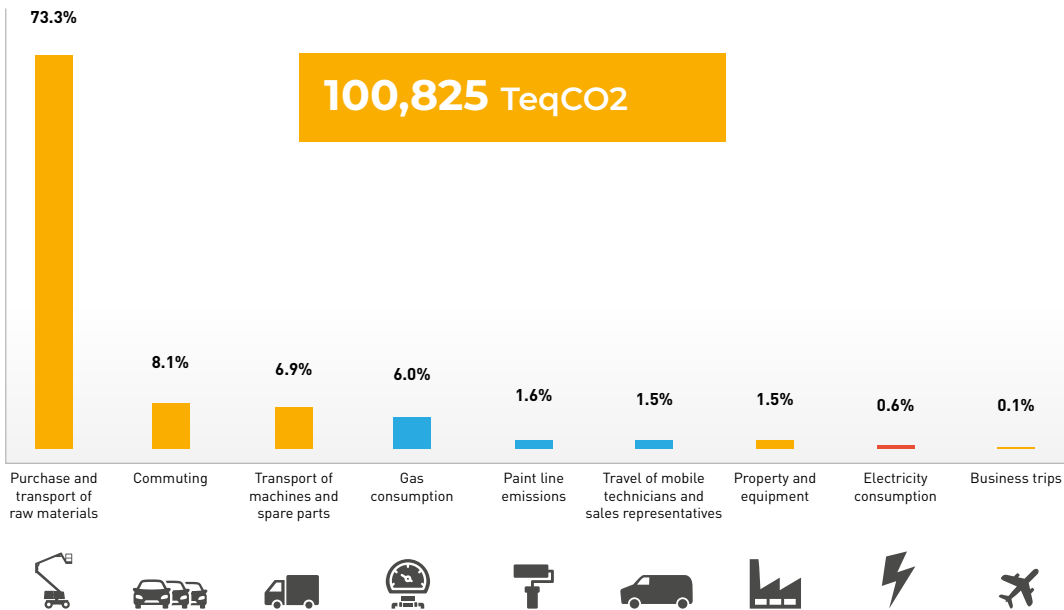
SCOPE 2 = indirect emissions from the consumption of electricity, heat or steam needed to manufacture the product or for the operation of the reporting entity

SCOPE 3 = other indirect emissions associated with the supply chain and the use of products and services over their life cycle



NON-FINANCIAL PERFORMANCE STATEMENT

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To follow up on this first carbon assessment, Haulotte intends to define roadmaps for every significant item in this assessment. This assessment should also be extended to all entities of the group.

Action has already been undertaken in 2022 within the group to start reducing some of its emission sources.

IV. Reduce the carbon footprint of the use of our machines by our customers

a. Hydrotreated Vegetable Oil (HVO) for all our diesel machines

To improve our CSR policy and support that of our customers, HVO (Hydrotreated Vegetable Oil) is now authorized on our diesel machines. The transition from diesel to HVO gives us an opportunity to significantly reduce CO₂, NO_x and particulate emissions. Customers are now free to refuel their machine with diesel or HVO100.



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Hydrotreated Vegetable Oil (HVO) is a renewable, environmentally friendly fuel. HVO is made of renewable raw materials from 100% sustainable sources, such as waste fractions and fat residues from the food industry, as well as from non-food vegetable oil fractions. This leads to a significant reduction in greenhouse gas emissions throughout the life cycle of the fuel compared with fossil diesel. The result is a renewable form of diesel with a similar chemical composition to that of fossil diesel.

Benefits of HVO:

- High-quality fuel which does not compromise on engine performance,
- Environmental benefits:
 - Reduction in CO2 emissions of up to 90% over the fuel life cycle compared with fossil diesel,
 - Reduction in particulate emissions of up to 33% during combustion. The particle filter is not subjected to such heavy use and remains clean for longer,
 - Reduction in NOx of up to 6% during combustion,
- The manufacturer's warranty for the engine is maintained.

b. SHERPAL, our remote monitoring solution

SHERPAL is the remote monitoring solution providing our customers with the data they need to increase productivity, optimize operations and grow their business.



Among other things, this solution helps:

- Carry out remote diagnostics and optimize interventions, in order to optimize the movements of our customers' technical teams
- Monitor hazardous behavior by being informed of certain situations. This raises awareness of the risks incurred by users.
- Adopt good energy practices and extend the lifespan of batteries and engine components. The Energy Management module ensures compliance with maintenance instructions.

Other features are being developed so that our customers can obtain even more data on the use of our machines.

V. Reduce the carbon footprint of our movements

In 2022, Haulotte initiated a mobility study for its French entities. This project, consistent with the group's sustainable development approach, aims at improving working conditions for all our employees, and developing the use of modal means of transport.

To date, a map of the employees' places of residence in relation to their working area has been created on all French sites.

NON-FINANCIAL PERFORMANCE STATEMENT

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Acting upon this study, a carpooling application was made available to all French employees of the group in November 2022. This application was created in conjunction with JEEKAN, and is used to facilitate car pooling. It can also collect data on our employees' daily commute.

A major communication campaign was organized for the launch.



VI. Optimize and reduce our energy consumption

Figures are now consolidated at group level.

The table below represents the energy consumption of all group entities.

Energy consumption	2020	2021	2022
Gas in kWh	/	/	40,445,090
Electricity in kWh	/	/	15,079,614

2022 scope: group

In 2022, our actions focused on gas consumption, as this consumption is mainly located on our production sites. On these sites, gas is mainly used to run our paint lines.

In 2022, actions were undertaken on our Reims production site to reduce gas consumption. This is how optimizations were achieved on line equipment, in terms of opening time and baking and drying temperatures.

Consumption meters have been installed on the main sources of consumption, facilitating the monitoring of potential deviations on a weekly basis.

All these actions contributed to a **35% reduction in the site's gas consumption**. These practices are now due to be deployed across all our paint lines.

NON-FINANCIAL PERFORMANCE STATEMENT

2022 REPORT

VII. Optimize the recycling and recovery of our waste

a. Recyclability rate of our machines

In 2022, Haulotte began a study on the life cycle of its machines, and calculated a recyclability rate for those that are still on the market.

Recyclability is the theoretical recycling process, irrespective of the existence of recycling channel(s), and the associated recyclability index is calculated solely based on the type of material and treatment steps. This index is used to determine the maximum recycling capacity. This index takes into account all possible recovery steps in accordance with standard ISO 16714 for earth-moving machinery.



This is the recyclability rate of our machines. This is an average recyclability rate calculated based on 28 machines currently on the market.

This figure is now communicated to R&D teams, and will be used to facilitate our eco-design approach which is currently being deployed, in particular when developing new products and services.

b. Waste management in our entities

Haulotte strives to control the waste generated at all stages of its activity, on production sites as well as in distribution hubs and subsidiaries.

We distinguish between 2 types of waste:

- Non-Hazardous Industrial Waste (NHIW), whose composition is similar to that of household waste and which can be regarded as such. It is not inert or hazardous. It takes the form of offcuts, scraps or packaging, and essentially consists of glass, plastic, metals, rubber, textile, paper, wood, organic animal or plant matter.
- Hazardous Industrial Waste (HIW), which can adversely affect humans and the environment due to one or more of the hazardous properties listed in annex I to the decree of 18 April 2002. These properties require taking special precautions and are submitted to a tighter administrative control.

Haulotte has established a waste tracking and management mechanism, in keeping with the development of recycling and recovery.

Indicator	2020	2021	2022
Metric tons of Non-hazardous Industrial Waste (NHIW)	1,824	2,388	3,560
Metric tons of Hazardous Industrial Waste (HIW)	461	564	520

Scope: European production sites, Lorette H3 and Lorette Hub

NON-FINANCIAL PERFORMANCE STATEMENT

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Thus, for production waste, we recover our industrial waste in proportion to the level of production so that it can be reused in some cases. For added reliability, the monitoring indicator uses the amount of waste used per machine according to its weight (kg of waste / kg of machine), as there can be a significant difference in weight from one machine model to another.

We also carry out sorting to recover/recycle certain types of non-hazardous waste. On our sites, waste management revolves around a few basic steps:

- Identification of waste with instructions presented during environmental training,
- Verification of the regulatory compliance of our waste service providers,
- Color chart: 1 type of waste = 1 container = 1 color: this method helps create reflexes while improving source separation,
- Waste storage (retention cabinet for liquid waste, respect for product compatibility, identification to facilitate disposal, use of a cardboard compactor, etc.),
- Waste traceability (hazardous waste tracking slip, waste records, declarations),
- Waste treatment, with technical and regulatory knowledge of processes, under the site's responsibility,
- Periodic monitoring during field visits,
- Waste disposal according to its composition: essentially material or energy recovery and recycling

c. Waste reduction actions

Haulotte also distributes spare parts. These original Haulotte spare parts are designed to work with the brand's lifting platforms seamlessly. Parts are tested to maximize user safety and optimize the service life and residual value of the machines.

While the carbon footprint of a spare part is not restricted to its storage and transport, these two aspects can be improved on to reduce the environmental impact of a part before it is delivered to a customer. With this in mind, the Supply Chain department for Haulotte spare parts worked on numerous process improvements. Its objective is to reduce upstream and downstream "pollution" factors as far as possible, without affecting shipment efficiency and packaging performance. 4 main actions were taken in 2022:

Recycled, recyclable and reusable packaging



All shipments under 30 kg to Europe will have this new packaging. The packaging is made from kraft cardboard in different shapes and sizes, produced using paper from FSC certified forests.

The main feature of this new packaging is that it has very few markings or printings, thus encouraging the recipient to reuse it for a future shipment or in any other way to give the box a second life. What little printing there is uses water-based ink. The security strips on the boxes are also made from paper so the entire packaging can be recycled.

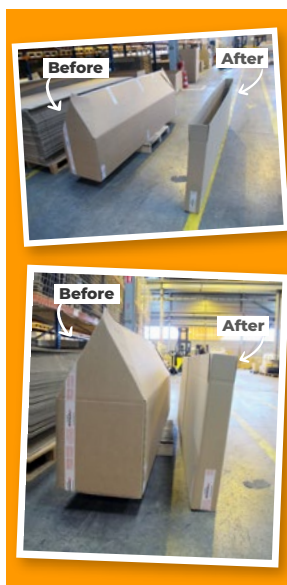
NON-FINANCIAL PERFORMANCE STATEMENT

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Reusing received packages

All of Haulotte's logistics platforms almost systematically reuse all packaging materials (cardboard, dunnage) in which they receive spare parts. The cardboard is reused for delivering to end customers after making sure it is appropriate for the delivery in question.

Adapted and improved package protection



Whenever possible, the materials for dunnage, strapping and protection, which are usually plastic, have been replaced with paper and cardboard that are 100% recyclable. It is sometimes difficult to find paper and cardboard packaging that will properly protect more fragile parts. In such cases, packaging from bio-based plastics are preferred. Supply Chain staff work to improve all materials used for dunnage and packing so that, ultimately, the package and all protective materials are completely recyclable.

Another substantial improvement was to adapt the size of shipping boxes to the shape of spare parts. For example, for the shipment of guardrails, the size of the item required a very large cardboard box and the use of a full pallet, which meant high shipment costs. The Supply team worked on creating a box specific to the exact dimensions of the guardrails, thus reducing the box's volume and removing the need for a pallet. This change had a cascading effect: lower volume = fewer pallets = lower land or air transport weight = reduced carbon footprint.

An indicator is calculated based on this carbon assessment, which will serve as a key performance indicator in the years to come, in order to highlight the progress made in reducing our carbon footprint: the amount of CO2 emitted per metric ton of machines produced.

Until 2021, it was calculated based on a 100% French scope. It now covers the scope of the carbon assessment.

NON-FINANCIAL PERFORMANCE STATEMENT

2022 REPORT

Respect for human rights

CHALLENGES:

As multinational corporations are exposed to a variety of cultures and regulations as a result of their location, the important thing is to make sure Human rights are respected within the Group, irrespective of the activity (production, distribution, central services, etc.) and geographical situation of the entities in question.

CONTRIBUTION TO SDGs



POLICY:

It is therefore important for Haulotte to ensure consistent respect for Human rights throughout its value chain, within our internal as well as external environment

ACTIONS AND RESULTS

Haulotte's mission is to **"Taking care of people"**

This applies to its own employees as well as those of its partners and, more generally, everyone across "Society".

With the "Let's dare" approach, disseminated via multiple communication channels (training sessions, participatory events, etc.), and its associated Charter of values, the Haulotte group has placed humans at the heart of its activities. As mentioned above, the Group's values have been determined by the employees themselves, during various workshops bringing together populations from all backgrounds, all countries and all departments, Respect being one of our core values. It is illustrated in particular by the following practices:

- **Treat everyone kindly and with equal consideration, whatever their position, culture, language**
- **Put your trust in others from the get-go**
- **Respect everyone's ideas, whatever their position in the company**

Besides the values applied by the Group to human resources within its organization, the Haulotte Group's intention was also to extend a shared vision of core and basic values to its business partners. This is why the Haulotte Group introduced a Responsible Purchasing Charter, inviting the company's suppliers to apply basic principles for healthy and ethical business relations. This Charter continued to be deployed throughout 2022.

NON-FINANCIAL PERFORMANCE STATEMENT

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It features in particular a section on social commitments undertaken by Haulotte on topics such as the elimination of child labor, the fight against undeclared work or the fight against discrimination and harassment. The Haulotte Group believes it is of the utmost importance that the Group's commitments in this regard are adopted and observed by its partners in order to ensure this approach is as efficient and consistent as possible. We are confident that sharing these commitments will lead us to a better, sustainable partnership together.

Lastly, an anti-slavery charter was introduced within the Haulotte UK and Haulotte Australia companies (wholly-owned subsidiaries of Haulotte Group S.A). In accordance with local regulations, this charter describes the principles and good practices in combating modern slavery applied at group level.

NON-FINANCIAL PERFORMANCE STATEMENT

2022 REPORT

Social dialog

CHALLENGES:

Social dialog is a factor of economic efficiency and social progress as it balances the interests of the various parties in the company, who act with a common purpose. Haulotte encourages ongoing and constructive dialog between Employees, Managers, Staff representatives and the Management. As such, the role of Staff representatives elected by employees is recognized as major.

CONTRIBUTION TO SDGs



POLICY:

The positive social climate within the group is based on the implementation of constructive social dialog, illustrated by company agreements and Human Resources policies translated into local or harmonized practices, on topics such as Quality of life and working conditions and Social dialog.

The provisions below relate to the French scope (Haulotte Group SA & Haulotte France), and the Romanian scope for the provisions identified.

Drawing from a tradition of dialog, a number of Collective agreements were negotiated and signed within the company in 2022, illustrating the excellent level of discussions within the various bodies and their positive impact on the company's social climate and human environment.

ACTIONS AND RESULTS

I. Changes in the agreement on regular Telework

With the firm belief that telework is an effective lever making it easier to combine professional with personal life, reduce the constraints and risks associated with the trips, but also a way of enhancing the attractiveness of Haulotte's social model, the Management suggested initiating discussions with social partners on this new organization of working time in 2019.

A new agreement, signed in December 2022, marks a new development. The parties want to develop telework through flexibility in terms of the number of regular telework days and conditions for taking them, by adding the possibility of taking an extra day during one week per month. At a time of major economic and market challenges and in order to deal with global competition, the Management and Social Partners agree that the quality of exchanges and collaborative work remain critical success factors in project management.

An agreement was signed in January 2022 for the introduction of telework in the Romanian plant.

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II. Agreement on Quality of Life and Working Conditions and gender equality in the workplace

Diversity and guaranteed working conditions conducive to good quality of work life form the basis for social performance and therefore the company's overall success. As such, negotiations on this theme, initiated in December 2022, led to an agreement in January 2023. This four-year agreement aims at promoting balance between quality of work life, collective performance and the quality of the services delivered to customers.

Employee engagement is a condition for achieving the company's ambitions and is at the source of innovation. This engagement depends on a number of conditions, in particular work content, career advancement opportunities, management and working relations.

In keeping with the "Let's Dare Together" change program, the commitments made in this agreement and actions taken are as follows:

- Help our employees better reconcile their work and family responsibilities, in particular through flexibility in working hours or the implementation of carer's leave;
- Create working conditions conducive to the quality of work life, making sure everyone directly contributes to improving their working conditions using the tools of the YELLO program, making work and action more meaningful by adjusting the application of the strategy, and developing quality working relations with the empowering Leadership model;
- Guarantee the right to disconnect;
- Promote a gender-balanced workforce and equal opportunities, from the recruitment process to professional development.

III. Agreement on the running of the CSE (economic and social committee) and modernization of the right to organize

The Management and trade union organizations share the belief that quality social dialog requires an elected staff representation structure reflecting the employees' concerns and priorities, sharing the strategic objectives and issues of the company and properly resourced for effective running.

As CSEs were being renewed within the company's establishments, the parties decided to define the organizational arrangements for the staff representation structure in the company, while reiterating the importance and the role of trade union organizations, by signing two Company agreements: one on the running of the CSE and the other on the Central CSE.

In Romania, a new Collective work Agreement was signed for the 2022-2024 period, and new Union members were elected.

IV. Framework agreement on the deployment of the classification system of the new national collective bargaining agreement for the metalworking industry

In keeping with the principles that governed industry-level bargaining, the Management wants to implement these provisions in a concerted manner, aware of the implications in terms of change management. The Management and trade union organizations decided to collaborate on its deployment as part of a constructive social dialog policy.

This Company agreement describes the methodology defined for the deployment of the new classification system. Furthermore, to support the key role played by staff representative bodies, as provided by law, in the implementation of the new Metalworking classification system, a joint monitoring commission has been set up.

NON-FINANCIAL PERFORMANCE STATEMENT

2022 REPORT

Responsibility when conducting business

CONTRIBUTION TO SDGs



CHALLENGES:

All multinational corporations are exposed to various tax regulations, which complicates flows and controls. The Group has 5 production sites and business operations in more than 100 countries, making for a broad variety of tax regimes. As a result, Haulotte must pursue a responsible tax policy. Furthermore, multinational corporations located in different parts of the world subject to different regulations, cultures or customs are faced with a major challenge, i.e. the fight against corruption.

POLICY:

In accordance with the Sapin 2 law, to actively combat all forms of corruption, the company adopted a code of conduct, while also implementing prevention tools and processes. With an implementation in 24 countries, the Group is committed to complying with the local tax regulations in force. The Group strives to guarantee the arm's length principle via a transfer pricing policy. In France, a proactive fiscal partnership approach was initiated in 2019.

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS						
Indicator	Unit	2020	2021	2022	Objective	Scope
Alerts issued in the dedicated tool	Number	0	0	0	Not determined	France
Average processing time of the corruption alerts issued	Days	N/A	N/A	N/A	Less than 20d	France
"Mandatory" employees trained in combating corruption (Access to Haulotte Academy)	%	/	/	96	100	France
Group's effective tax rate	% of consolidated net income before tax	-66.67	49.41	-51.2	N/A	Group

NON-FINANCIAL PERFORMANCE
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ACTIONS AND RESULTS

I. Application of a healthy business model consistent with our know-how and French regulations

Haulotte Group S.A. and Haulotte France adopted an anti-corruption code of conduct (Sapin 2 Law) validated by the Management and staff representative bodies for the French scope. This code of conduct is attached to their company regulations and was released on 12 November 2019.

Since 2021, this code of conduct has been attached to the employment contract of any new recruit.

It can be reviewed on the company’s intranet and at www.haulotte.com. With the adoption of the Anti-Corruption code of conduct, the company reasserts its commitment to conducting its business by upholding the highest ethical standards, in accordance with all its applicable legal obligations.

In addition, the Company also introduced an anonymous whistleblowing tool for any employee in possession of information on or suspecting misconduct that may constitute corruption. The platform is hosted by the WhistleB Company, which guarantees the anonymity of any alerts and the encryption of the data collected.

This tool is open to anyone, including third parties, wishing to issue an alert via a link accessible at haulotte.com.

Potential alerts are sent to the Group’s Secretary General or, if this person is accused, the group’s Deputy CEO.

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Maximum number of days for taking alerts into account on this platform. The risk manager is granted administrator access to the platform to make sure alerts are taken into account within this period.

This tool can also be used to ask questions on an anonymous basis to assist in decision-making.

On 27 February 2022, an e-learning tool was put on line on the Haulotte Academy platform, in particular with a view to training employees in the principles defined in the code of conduct, raising their awareness of the various aspects of the “corruption” concept and explaining how the alert platform works.

The Company determined the positions for which employees must take part in this e-learning module based on the likelihood of exposure to the risk of corruption.

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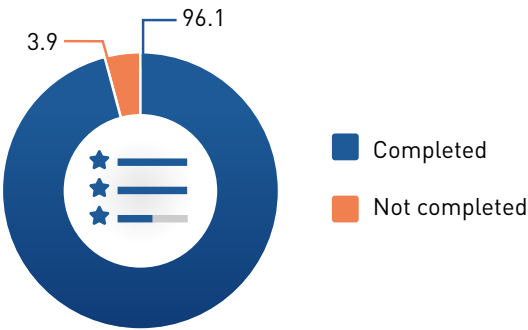
Number of personnel identified, by virtue of their function, as likely to be exposed to the risk of corruption and, as such, must be trained in fighting corruption.

Type of learner	Completion rate as of 12/31/2022 (i.e. 10 months after the launch)
Employees registered on a mandatory basis ¹	96% = 123 staff
Employees registered on a voluntary basis (excluding mandatory participants) ²	74% of those registered + 13% of registered employees who did not complete training are underway

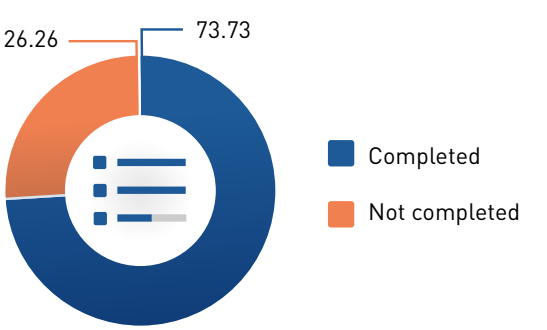
¹ Still on the Company’s payroll on 12/31/2022
² Still on the Company’s payroll on 12/31/2022

NON-FINANCIAL PERFORMANCE
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2022 REPORT

Participation rate of those registered as mandatory



Participation rate of those registered as non-mandatory



This e-learning tool forms part of the induction of new recruits whose job makes this training necessary. It is recommended but not mandatory for the others.

To monitor regulatory developments and ensure good practices in the fight against corruption, Haulotte continues to participate in the working group initiated by Middenext.

A supplier evaluation grid was prepared in 2021 to rate their level of maturity with regard to CSR criteria, in particular the fight against corruption and modern slavery, during the panel admission process. It was used in 2022 for a purchase volume representing 9.34% of annual purchases.

This supplier evaluation process encountered difficulties, marked by tensions in our supply chains (price of raw materials, increase in capacity, workload affecting team availability), hence our inability to deploy it as extensively as we would have hoped.

II. Compliance with applicable tax regulations

Haulotte has operations in more than 20 different tax jurisdictions. Haulotte is committed to the payment of taxes and contributions in every country. There is no structure aimed at implementing tax optimization schemes within the Group.

Two tax consolidations were put in place between Group entities, one in France (between Haulotte Group S.A., Haulotte France and Telescopelle) and one in the USA (between Haulotte US and Equipro). The subsidiaries’ financial officers (along with consultants where appropriate) are responsible for complying with tax obligations. Most subsidiaries submit tax returns and can, where appropriate, be subject to audits.

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Haulotte follows all the findings of these various audits (some of them giving rise to a specific focus on the transfer pricing policy). No significant tax adjustment has been reported as a result of the latest audits. For example, this was the case for the last two tax audits of the Haulotte Group S.A. Company. For the monitoring of fiscal developments, the Group works with consultants (local or international) to monitor changes in standards. In addition, the levels of taxes owed are reviewed by central teams to verify the consistency and changes in the amounts paid locally. The consolidated accounts feature proof of tax to explain the Group's effective level of tax. The application of the IFRIC 23 standard also helps anticipate tax risks.

III. Transfer pricing policy

When determining its transfer prices, Haulotte seeks to find the most traditional method, consistent with OECD principles, while keeping simple benchmarks and calculation methods.

This policy is developed so as to leave in each Group company the arm's length operational income defined through comparable studies and according to the subsidiaries' roles, risks and responsibilities. Comparables are determined with the support of specialized tax lawyers working for a consultancy firm whose expertise is acknowledged.

Transfer prices are regularly audited by tax inspectors during their tax audits.

IV. Fiscal partnership with the French government

On 14 March 2019, Haulotte became a fiscal partner of the French administration. This partnership is based on a voluntary principle and is intended for major groups and mid-cap companies. It helps establish regular, transparent dialog between businesses and the administration, to secure a firm position from said administration on complex tax issues, likely to pose a financial or legal risk. This is achieved through more transparency from both parties. With this partnership, the authorities can ensure that businesses comply with tax regulations much more effectively, while stepping up their fight against fraud and guaranteeing enhanced legal certainty.

In 2022, the Group requested this partnership on different topics, securing written rulings for some of them, where necessary.

NON-FINANCIAL PERFORMANCE
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Occupational health
and safety

CHALLENGES:
Health and safety at work and, first and foremost, the prevention of occupational risks, are major concerns for the Haulotte Group's General Management. We take concrete action on a daily basis to prevent and reduce occupational risks, while guaranteeing safe working conditions for our employees.

CONTRIBUTION TO SDGs



POLICY:
Our goal is to drastically reduce our number of work-related accidents on all our sites worldwide. The Group's QSE policy expresses our goal to disseminate a health and safety culture, aiming for zero accident. In 2022, we reinforced our risk prevention policy. To facilitate shared analysis based on common indicators, frequency rates and severity rates have been calculated for all industrial sites and distribution subsidiaries since 2020. The Operational Excellence program in particular helped increase everyone's contribution to improving health and safety on a daily basis, by promoting free expression and developing the exchange of good practices.

KEY PERFORMANCE INDICATORS

Indicator	Unit	2020	2021	2022	2023 objective	Scope
Frequency rate (Number of lost-time work-related accidents/number of hours worked * 1,000,000)	/	9.97	6.78	12.83	Aim for 0 accident	Group
Severity rate (Number of days lost to work-related accidents/number of hours worked*1,000)	/	0.17	0.63	0.27	Aim for 0 accident	Group
Employees concerned by safety certifications	No.	<600	887	944	>1,200	Group

NON-FINANCIAL PERFORMANCE STATEMENT

2022 REPORT

ACTIONS AND RESULTS

I. Explanation of safety results

To have a clear, comprehensive vision of safety, the group decided to calculate its safety performance indicators for all our employees, including temporary staff.

2022 was marked by increased production on our industrial sites, thereby requiring the hiring of temporary staff to deal with this extra work. As this population is more prone to accidents, we provide the mandatory safety training for the list of risk positions on each site. In spite of these measures, we noticed an increase in the frequency rate.

It should be pointed out however that our 2022 severity rate was halved compared with 2021. In short, accidents were more frequent but less severe than the previous year.

II. Specific health and safety actions

As part of our safety approach, in 2022 we focused on disseminating safety feedback through internal tools and Yello. We emphasized the need to report all types of event (accidents, near misses, dangerous situations, etc.) on all our sites. We also reinforced our integrations.

As proof of our desire to develop the health and safety culture, a “safety committee” meets every quarter to discuss health and safety and proactively review results while sharing good practices. It brings together all those involved in prevention (heads of industrial establishments and European Hub, R&D Director and QSE and Human Resources managers) and monitors action plans.

To foster the employees’ free expression on their working environment, the AIC tool (*Animation à intervalle court* or Short interval events – from the YELLO operational excellence program) is used to address everyday safety issues, for a specific period of time, within each team. Thus, the operational topics identified by the team members are discussed with a view to finding an appropriate solution and defining a tangible action plan, which will be regularly monitored.

This tool was put in place on French industrial sites, where it helped strengthen the operational safety culture, and is being deployed on other sites.

The Operational Excellence program includes the creation of an internal benchmark referred to as “Maturity grid”. This benchmark was subdivided into four Maturity grids in the health and safety domain:

- Health and safety culture
- Lead risk assessment for Health, safety and the environment
- Manage external companies safely
- Conduct emergency tests for Health, safety and the environment

The objective is for each site to assess its maturity and performance in every domain, and to identify potential improvements.

NON-FINANCIAL PERFORMANCE STATEMENT

2022 REPORT

A new site was awarded the **ISO 45001 certification** in 2022: Shanghai, bringing the number of employees working on QSE certified sites to 944.

This figure is slightly down on 2021, as the activity on some of the group’s sites changed, such as the L’Horme plant, and they are no longer part of the group’s scope of certification. They will be again in a few weeks.

NON-FINANCIAL PERFORMANCE
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Diversity and
Disability

CHALLENGES:
We must support the company’s transformation by regarding the different workstations as completely mixed. In addition to complying with our legal obligations, we need to adopt a proactive job retention policy through supporting and workstation reorganization actions, while further opening positions under recruitment to workers with disabilities.

CONTRIBUTION TO SDGs



POLICY:
Convinced that diversity is an asset for social performance and therefore the company’s overall success, the Haulotte Group has adopted a proactive policy in terms of job desegregation and gender equality in the workplace. Our aim is to improve gender balance, in particular in business lines where men or women are currently underrepresented. The objective is also to develop access to our job offers for workers with disabilities to boost the employment of disabled workers within the Company.

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS						
Indicator	Unit	2020	2021	2022	Objective	Scope
Women in the workforce (out of total workforce)	%	23.10	23.82	23.49	Not determined	Group
Gender equality index	Points	87	87	87	Not determined	Haulotte Group S.A.
Proportion of new recruits under the age of 27 (all contracts combined)	%	/	26.04	29.04	Not determined	Group
Persons with disabilities (out of total workforce)	%	4.07	3.45	3.61	Not determined	Haulotte Group S.A.

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ACTIONS AND RESULTS

I. Actions in favor of diversity

Our agreement on gender equality in the workplace and the quality of life and working conditions was signed on 26 January 2023. This agreement has been worked on throughout 2022.

This agreement provides for the promotion of a better work/life balance, in particular by organizing meetings during normal working hours, promoting carer’s leave or organizing distance training sessions.

The purpose of this agreement is also to promote quality working relations by implementing an empowering leadership model, developing collaborative work and becoming a learning company. A large part of this agreement is also dedicated to promoting a gender-balanced workforce and equal opportunities.

The main actions in terms of recruitment and a gender-balanced workforce include:

- Commitment to diversifying sources of recruitment
- Drafting job postings in a non-discriminatory manner, and adding a sentence reaffirming the company’s values, in particular its commitment to equal opportunities between men and women and a gender-balanced workforce
- Putting forward at least one applicant of each sex in every recruitment process whenever possible
- Ensure that recruitment panels include both men and women

Actions were also selected in terms of actual remuneration:

- Determine, before job postings are advertised, the pay range for the job and comply with it at the time of hiring, irrespective of sex.
- Make sure individual raises are granted regardless of sex by carrying out an annual analysis.

When it comes to the working conditions of pregnant women, it is stipulated that any pregnant employee assigned to production or related production services (unless she already benefits from Flexitime) may ask to leave 15 minutes early at the end of the day. Lastly, parking spaces near the Company’s entrances have been reserved for pregnant women.

Our management program incorporates the wealth of diversity of profiles within a team and the company, in particular by taking into account elements such as self-knowledge (natural and adapted), our personal characteristics and motivations, but also those of others and the fact that they are bound to differ. The group uses the AEC Disc Color method for this purpose, and 56 personnel were trained in using this method in 2022.

These differences are a source of wealth for the group, and regarding them as such helps improve interactions, communication and cooperation (for example they teach us that it is preferable to communicate with someone not as we would like them to communicate with us, but rather as they need us to communicate with them).

All managers and a number of employees have therefore been trained in this wealth and diversity needed to create a team.

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On a voluntary basis on each site, a point of contact was appointed by CSEs and is in charge of combating sexist behavior. They have a preventive role which consists in particular of escalating alerts when inappropriate behavior is identified.

24 Number of countries in which Haulotte operates, i.e. 24 nationalities represented.

II. Actions in favor of disability

For many years, Haulotte has lived up to its obligation to employ disabled workers. Up until now, the main actions focused on job retention. It is now time to deploy actions with a view to increasing the recruitment rate of people with disabilities.

Thus, actions have been undertaken such as subcontracting partnerships with ESAT (Work integration social enterprises), workstation adaptations, assistance with AGEFIPH applications (association for the professional integration of people with disabilities) and cooperation with CAP EMPLOI. Reporting procedures have undergone minor changes since 2020. The average number of disabled workers for HGSA in 2022 is 23, i.e. 3.61% of the workforce instead of the 6% obligation.

When it comes to the working and employment conditions of disabled workers, the equal opportunities agreement stipulates that the company must take special care to guarantee the integration of disabled employees without discrimination. The professional integration of newly recruited disabled employees follows exactly the same process as with any other employee. If adjustments must be made or specific equipment must be acquired, a procedure is initiated for this purpose, in conjunction with the relevant bodies and persons, to guarantee a successful integration into the job and the working group. To guarantee workplace accessibility, parking spaces near the company's entrances are reserved for disabled workers.

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Green taxonomy

CHALLENGES:
Derived from the action plan for finance launched in 2018 by the European Commission, European regulation 2020/852 of 18 June 2020 establishes a framework to facilitate “sustainable” investment, referred to as “EU green taxonomy”. Under this regulation, the Group is therefore subject to:

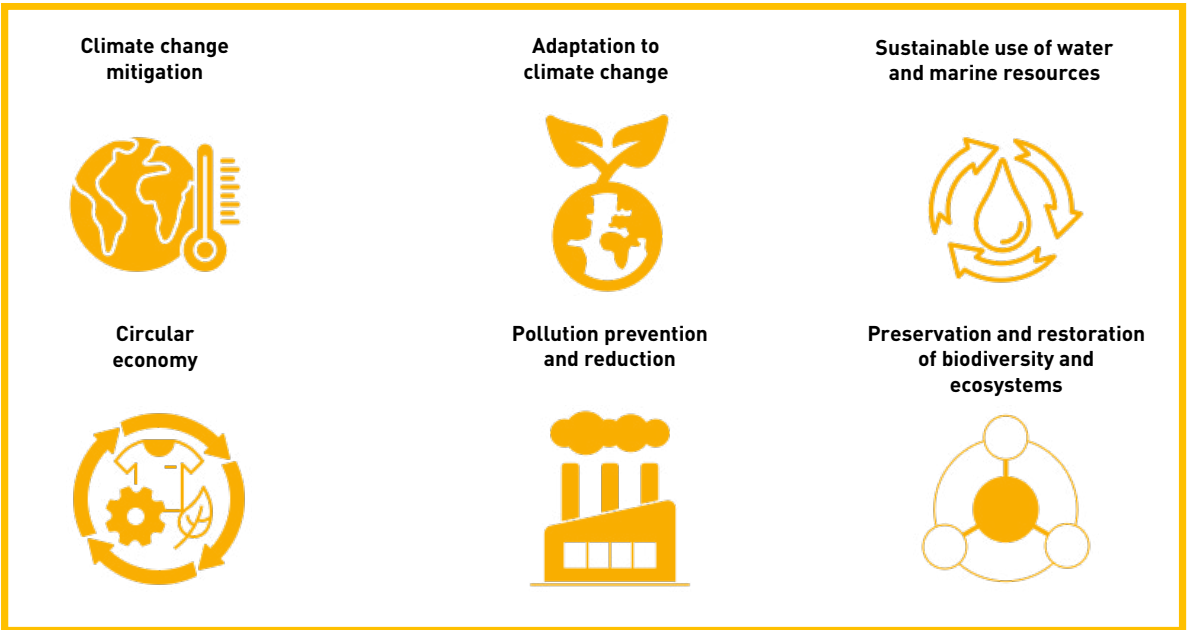
- For the second time, for the 2022 tax year, an obligation to publish the proportion of its business eligible for taxonomy: turnover, capital expenditure (CAPEX) and operating expenditure (OPEX), for the first two environmental objectives relating to climate change.
- For the first time, an obligation to publish the proportion of its business aligned with taxonomy: turnover, capital expenditure (CAPEX) and operating expenditure (OPEX), for the first two environmental objectives relating to climate change.

I. European Green taxonomy

The regulation establishing EU taxonomy sets up the framework needed for the application of this taxonomy, by defining four conditions to be met by an economic activity to be considered environmentally sustainable. An eligible activity must:

- i. Substantially contribute to one or more of the 6 environmental objectives
- ii. Not cause significant damage to any other environmental objective
- iii. Be carried out in accordance with the minimum (social) guarantees
- iv. Comply with the technical review criteria set out by the Commission. Technical review criteria must specify, for any economic activity, the performance requirements used to determine how this activity i) substantially contributes to a given environmental objective; and ii) does not cause significant damage to the other objectives.

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Only the first two objectives are applicable as of the end of 2021

The taxonomy regulation is supplemented by two delegated acts: the first one published in April 2021 outlining the environmental technical criteria for the first two objectives, and the second one published in July 2021 outlining the expected reporting methods on taxonomy.

An economic activity is considered a substantial contributor to preventing and reducing pollution when it substantially contributes to protecting the environment against pollution by preventing or, should this be impossible, reducing emissions of pollutants into air, water or soil, other than greenhouse gases.

II. Group activities

For the 2021 tax year, the Group reviewed all economic activities eligible for taxonomy, listed in the delegated act on climate based on its activities. Following an in-depth review involving all relevant functions within the group, Haulotte identified a number of eligible activities in keeping with a carbon intensity reduction approach. For the 2022 tax year, this analysis was supplemented to identify aligned activities. The activities mentioned below that comply with eligibility criteria cannot yet be considered as being aligned.

Reducing the carbon intensity of transport fleets and infrastructures can be instrumental in climate change mitigation. We should target the reduction in leading sources of emissions by factoring in the need to refocus on less polluting forms of transport and to create infrastructures conducive to clean mobility.

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Among these transitional economic activities, the entire electric range developed and sold by the Group contributes to reducing greenhouse gases. The Group also initiated new activities such as “2nd life”, the refurbishment of machines and sale of second-hand equipment to help extend the service life of machines. Furthermore, the “Sherpal” remote monitoring solution ensures increased vigilance with respect to maintenance operations, thereby allowing for better control over greenhouse gas emissions (e.g. filter problems) while also contributing to extending the service life of their machines. At this stage, these two activities (“2nd Life” and “Used”) are not identified as eligible for the first 2 objectives.

The Group invests in research, innovation and development so that these activities can substantially contribute to climate change mitigation. The OPEX presented in the table above consist primarily of the amortization of capitalized R&D costs. At this stage of the analysis, the CAPEX/OPEX relating to the assembly lines of aligned product ranges is being assessed.

Regarding the evaluation of the percentages of alignment, the Group is in the process of carrying out a decisive step in the exercise, the Life Cycle Assessment (LCA) of the aligned product lines. Thus, the percentages are presented, at this stage, at 0.

III. Key performance indicators (KPI) of the Group

Key performance indicators include those of the turnover, CAPEX and OPEX for 2022. They are published with respect to economic activities eligible for taxonomy and economic activities that are not eligible for taxonomy. No KPI relating to aligned activities may be communicated due to the points set out above.

Denominators are determined as follows:

- The total turnover corresponds with the turnover as featured in financial statements;
- Total CAPEX corresponds with the CAPEX flows as featured in financial statements: Flows of tangible and intangible fixed asset acquisitions;
- The delegated regulation features a restrictive list of OPEX to be taken into account when calculating the denominator: R&D expenses; Building renovation expenses; Short-term leases; Maintenance/servicing and repair expenses; And all other maintenance costs

a. Turnover

Economic activities (1)	Code(s) (2)	Absolute Turnover (3) currency	Proportion of Turnover (4) %	Climate change mitigation (5) %	Water and marine resources (7) %	Climate change adaptation (6) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Pollution (9) %	Substantial contribution criteria					DNSH criteria (Does Not Significantly Harm)					Minimum Safeguards (17) Y/N	Taxonomy - aligned proportion of turnover year N (18) Percent	Taxonomy - aligned proportion of turnover year N-1 (19) Percent	Category (enabling activity or) (20) E	Category (transitional activity) (21) T																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															

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b. CAPEX

Economic activities (1)	Code(s) (2)	Absolute CapEx (3) currency	Proportion of CapEx (4) %	Substantial contribution criteria							DNSH criteria							Minimum Safeguards (17) Y/N	Taxonomy - aligned proportion of turnover year N (18) Percent	Taxonomy - aligned proportion of turnover year N-1 (19) Percent	Category (enabling activity or) (20) E	Category (transitional activity) (21) T		
				Climate change mitigation (5) %	Climate change adaptation (6)%	Water and marine resources (7) %	Circular economy (8) %	Pollution (9)%	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N									
A. TAXONOMY- ELIGIBLE ACTIVITIES %																								
A.1 Environmentally sustainable activities (taxonomy-aligned)			0	0%																				
CaPex of environmentally sustainable activities (taxonomy-aligned) (A.1)			0	0%																				
A.2 Taxonomy-Eligible but does not environmentally sustainable activities (not taxonomy-aligned activities)																								
CaPex of Taxonomy-Eligible but does not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)	3.6	3 908	22%																					
Total (A.1+A.2)		3 908	22%																					
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																								
CaPex of TAXONOMY-NON-ELIGIBLE ACTIVITIES (B)		13 881	78%																					
Total (A+B)		17 789																						

c. OPEX

Economic activities (1)	Code(s) (2)	Absolute Opex (3) currency	Proportion of Opex (4) %	Substantial contribution criteria							DNSH criteria							Minimum Safeguards (17) Y/N	Taxonomy - aligned proportion of turnover year N (18) Percent	Taxonomy - aligned proportion of turnover year N-1 (19) Percent	Category (enabling activity or) (20) E	Category (transitional activity) (21) T		
				Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N									
A. TAXONOMY- ELIGIBLE ACTIVITIES %																								
A.1 Environmentally sustainable activities (taxonomy-aligned)			0	0%																				
Opex of environmentally sustainable activities (taxonomy-aligned) (A.1)			0	0%																				
A.2 Taxonomy-Eligible but does not environmentally sustainable activities (not taxonomy-aligned activities)																								
Opex of Taxonomy-Eligible but does not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)	3.6	2 475	10%																					
Total (A.1+A.2)		2 475	10%																					
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																								
Opex of TAXONOMY-NON-ELIGIBLE ACTIVITIES (B)		22 135	90%																					
Total (A+B)		24 610																						

This second evaluation was made based on an analysis of the Group’s activities, on the reporting processes and systems in place, and on assumptions made in conjunction with the management. Only material elements were included.

The Group will revise this methodology and resulting figures to reflect regulatory developments.

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KEY PERFORMANCE INDICATORS - SUMMARY

Name of the scope	Meaning	Total employees as of 12/31/22	% of the group
Haulotte Group SA	French sites of the group, excluding Haulotte France	635	36%
France	All French sites	630	40%
Europe	All sites in Europe	1,081	62%
Production sites	All production sites of the group	838	48%

	Scope	2023 obj.	2022	2021	2020
TALENT ATTRACTION, RETENTION AND SKILLS MANAGEMENT					
 Turnover of employees on permanent contracts	Group		20.2	10.18	9.7
 Number of internal transfers	Group		117	142	/
 Proportion of employees who attended at least one training course	Group	100	90	74	61
 Number of training hours	Group	>2022	38,920	26,187	21,943
IT SYSTEMS AND DATA PROTECTION					
  Overall IT Satisfaction survey / Annual survey	Group	>90	90	93	93
R&D AND INTELLECTUAL PROPERTY POLICY					
 Portion of turnover devoted to R&D	Group		2.9	3.2	3.74

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	Scope	2023 obj.	2022	2021	2020
STAKEHOLDER RELATIONS					
  Employees concerned by Quality certifications	Group	 >1,200	 1,191	/	/
 Machine Parts / Proportion of purchases from suppliers covered by the signing of a responsible purchasing charter	Group	 75	 71	 64	 60
 Spare Parts / Proportion of purchases from suppliers covered by the signing of a responsible purchasing charter	Group	 70	 64	 62	/
 Overhead expenses / Proportion of purchases from suppliers covered by the signing of a responsible purchasing charter	France	 50	 43	/	/
 Percentage of purchase volume represented by suppliers who were rated based on CSR criteria	Group	 46	 9.34	/	/
FIGHT AGAINST CLIMATE CHANGE					
  Employees concerned by environmental certifications	Group	 >1,500	 1,191	 <1,100	 <700
 Electric machines sold in relation to the total number of machines sold	Group	 80	 70	 73	 73
 Turnover associated with the circular economy	Group		€5,235,000	€5,376,000	/
ENVIRONMENTAL IMPACT OF OUR ACTIVITIES					
 Waste recycling rate	Europe		 72	 74	 66
 Amount of waste per metric ton of machine	European production sites		 110	 62	 63
  Amount of CO2 per metric ton of machine	Europe		 2.9	/	/
  CO2 emissions (Scope 1, 2 and 3)	Europe		100,825 teqCO2	/	/

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		Scope	2023 obj.	2022	2021	2020	
RESPONSIBILITY WHEN CONDUCTING BUSINESS							
		Alerts issued in the dedicated tool	Haulotte Groupe SA	Not determined	0	0	0
		“Mandatory” employees trained in combating corruption	Haulotte Groupe SA			/	/
OCCUPATIONAL HEALTH AND SAFETY							
		Frequency rate	Group	Aim for 0 WRA			
		Severity rate	Group	Aim for 0 WRA			
		Employees concerned by safety certifications	Group	 >1,200	 944	 887	 <600
DIVERSITY AND DISABILITY							
		Women in the workforce	Group	Not determined			
		Gender equality index	Haulotte Groupe SA	Not determined	 87	 87	 87
		Proportion of new recruits under the age of 27 (all contracts combined)	Group	Not determined			/
		Persons with disabilities (out of total workforce)	Haulotte Groupe SA	Not determined			

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INFORMATION COLLECTION PROCESS

Divisions involved:

The non-financial information reporting process is under the responsibility of the Quality and Operational Excellence Division that collects the required data and information from the divisions concerned.

For 2022, the following departments were involved in the process:

- Quality Safety & Environment,
- Human Resources,
- Empowerment,
- Purchasing,
- Risk Management,
- Finance,
- Innovation and R&D,
- IT.

Collection and monitoring of indicators:

The various indicators mentioned in this Non-financial Performance Statement come from internal tracking or information systems maintained by the different Company divisions.

For example, social indicators are produced by the Human Resources Division based on extractions from the personnel and payroll management tool.

Environmental data or data relating to the Purchasing department is monitored via internal tracking files.

Each division is responsible for the data and information transmitted. Consequently, consistency checks are carried out at their level.

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REPORTING PERIOD

The data published covers the period from 1st January 2022 to 31 December 2022.

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REPORT OF ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE VERIFICATION OF THE CONSOLIDATED NON-FINANCIAL STATEMENT

(Year ended December 31, 2022)

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Haulotte Group SA

Rue Emile Zola
42420 Lorette

In our capacity as Statutory Auditor of the company Haulotte Group SA (hereinafter the "Entity"), appointed as an independent third party and accredited by Cofrac (Cofrac Inspection Accreditation n°3-1060, whose scope is available at www.cofrac.fr), we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement (hereinafter the "Information" and the "Statement", respectively), prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2022, presented in the group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (code de commerce).

Conclusion

Based on the procedures we have performed as described under the "Nature and scope of procedures" and the evidence we have obtained, nothing has come to our attention that cause us to believe that the consolidated non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Comments

Without qualifying our conclusion and in accordance with article A. 225-3 of the French Commercial Code, we formulate the following comments:

- Key performance indicators relating to waste recycling rate and amount of waste per ton of machine only cover a limited scope of 19% of the group and the key performance indicator relating to the weight of CO2 per ton of machine only cover a limited scope of 55% of the group.
- The information provided by the key performance indicator presented for the following related risks : Talent attraction, retention and skills development ; Strengthening of our R&D policy and the intellectual property rights protection and enforcement system ; Fight against climate change ; Reduce the environmental impact of our activities and Diversity and disability are not reported to an objective and therefore do not reflect the performance of the entity in relation to the policies concerned.

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Preparation of the non-financial performance statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, the significant elements of which are available on request at the head office.

Inherent Limitations in preparing the Information

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the Entity

Management is responsible for:

- selecting or establishing, on a voluntary basis, suitable criteria for preparing the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- preparing the Statement by applying the Entity's "Guidelines" as referred above; and
- implementing internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by the Board of Directors.

Responsibility of the Statutory Auditor

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

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It is not our responsibility to report on:

- the Entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the French duty of care law and against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to such engagement, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, Intervention du commissaire aux comptes – Intervention de l'OTI – déclaration de performance extra-financière, and acting as the verification programme and with the international standard ISAE 3000 (revised) - Assurance engagements other than audits or reviews of historical financial information.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and French Code of Ethics for Statutory Auditors (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement.

Means and resources

Our work engaged the skills of 5 people between November 2022 and April 2023 and took a total of 3 weeks. We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 22 interviews with people responsible for preparing the Statement, representing in particular HSE, Purchasing, Compliance, Human Resources and Environment departments.

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Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information, we:

- obtained an understanding of all the consolidated entities' activities and the description of the main risks associated;
- assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector;
- verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III as well as information regarding compliance with human rights and anti corruption and tax avoidance legislation;
- verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the main risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code;
- verified that the Statement presents the business model and a description of the main risks associated with of all the consolidated entities' activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, measures and the outcomes thereof, including key performance indicators associated to the main risks;
- referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented, and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; our work was performed at the consolidating entity and, for some specific risks (reduce the environmental impact of our activities, talent attraction, retention and skills development, diversity and disability) our work was carried out for a selection of sites: Argès, H3, Italia, Le Creusot, Lorette, Reims and l'Horme.;
- verified that the Statement covers the consolidated scope, i.e. all the entities within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;

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- obtained an understanding of internal control and risk management procedures the Entity has implemented and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix, implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing sites: Argès, H3, Italia, Le Creusot, Lorette, Reims and l'Horme, and covers between 20% and 30% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- assessed the overall consistency of the Statement in relation to our knowledge of all the consolidated entities

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes); a higher level of assurance would have required us to carry out more extensive procedures.

Lyon, April 28th, 2023

One of the Statutory Auditors,
PricewaterhouseCoopers Audit

Matthieu Moussy
Partner

Anne Parenty
Sustainability Reporting Partner

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