

MANAGEMENT  
REPORT  
2021

# MANAGEMENT REPORT

ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

## 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.

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### 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, 29 April 2022

"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

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### 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.

In a worldwide market for aerial work platforms that showed significant growth, Haulotte Group SA's turnover increased by €24 million, so +13%, in 2021 compared to 2020.

In Europe, the Group recorded overall growth in sales in almost all markets compared to the previous year.

In the Asia-Pacific region, the Group which, in the 4th quarter, achieved its best quarter of the year, still showed a decrease in cumulated sales in comparison to 2020.

In North America, the growth in activity continued, which enabled Haulotte to record a turnover on all of its activities, mainly driven by platform sales.

In Latin America, in a well-oriented market in all the countries, Haulotte recorded a growth in sales in comparison with 2020, mainly driven by Brazil.

The financial year ended 31 December 2021, submitted for approval to the ordinary general meeting, is the Company's thirty-seventh year of operations since its creation.

#### 2 - PROGRESS MADE OR DIFFICULTIES ENCOUNTERED

The increasing supply issues for components and the significant increase in prices experienced in the second part of the year, meant that the Group was not able to fully benefit from the excellent sales momentum during the 2021 financial year.

#### 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 2021 are presented below (in € thousands):

RESULTS € thousands	FY 2021	FY 2020	CHANGE (%)
REVENUE	210,616	186,552	12.90%
OPERATING PROFIT	(22,190)	(17,735)	- 25.12%
NET FINANCIAL INCOME	(5,373)	(14,975)	64.12%
EXTRAORDINARY PROFIT	(132)	(1,718)	+92.32%
NET PROFIT (LOSS)	(23,874)	(31,298)	-23.72%

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

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### 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 following point.

Following the IFRS IC Decision, which concluded that the provision of benefits to be accounted for can only include the period covering an employee's last 16 years of service (or between the date of employment and the date of retirement if the period, thus determined, is less than 16 years), an upturn of €1m was calculated at the opening.

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 the increase in volumes, the net margin decreased by €4 million between 2020 and 2021, i.e. a decline of -13%. At the same time, structural costs were up by €1 million (+4%) in 2021. The level of fees received from our foreign plants was down by -€3 million due to the decline in margins impacted by the supply difficulties and the increase in the price of components. Haulotte Group SA's operating result for the year came to -€22 million for 2021 compared to -€18 million in 2020. The financial loss is linked to the depreciation in the net situations of the subsidiaries which is offset in part by the effect of positive change.

In light of the above, FY2021 ended with a net loss of -€34 million.

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.

## 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.

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### 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 L.225-100-1 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 outsources a significant share of its production, the sourcing capacities of 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.

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

The majority of the Company’s sales is generated through its distribution subsidiaries. Despite fierce competition, these subsidiaries have successfully maintained the level of sale prices for new products.

As provided for in the syndicated credit agreement signed on 17 July 2019, a request for an extension of one additional year was accepted unanimously by the lenders, bringing the expiry date of the contract to 17 July 2026.

The impact of the strong recovery of activity and the resulting supply difficulties led Haulotte to submit to all lenders participating in the Syndicated Credit Facility a request to waive compliance with the ratios for the period from December 2021. This request was unanimously and unconditionally accepted on 15 February 2022.

### 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 rather than for speculative purposes.



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

In a global context which remains uncertain, the excellent sales momentum observed in the last few months, which has translated into historic order levels, should result in a sustained recovering in the activity at the Haulotte Group SA's production sites, and thus result in an increase in sales levels of around 45%.

In 2022, despite the upturn in activity, the pressure on the price of raw materials will continue and the operational profit should remain negative.

### 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.

2021 stood out for the launch of several new models:

- In February: launch of the new range of PULSEO all-terrain electric scissor lifts. Two new 15- and 18-metre models are available in two versions: HS15E and HS15E PRO, HS18E and HS18E PRO. The presence of an optional removable Range Extender is one of the main innovations of this new range. Introduced in 2018, this electrical design will continue to build on the Group's "Blue Strategy", as borne by the PULSEO brand and recognisable on the Group's all-terrain electric versions of the machines.
- In March: replacement of the range of 15-metre electric platforms now available in two 16-metre versions: Sigma 16 and Sigma 16 PRO.

In addition, from January onwards, the Group offered its SHERPAL telematics solution which includes several functionalities for managing teams remotely, proposing three levels of offer ranging from geolocation, through equipment monitoring and remote troubleshooting services, to on-site fleet management.

At the same time, the Company expanded its research into energy transition applicable to its products, specifically regarding fuel cells.

The medium-term objective of these R&D efforts is to accelerate the roll-out of new machines and to renew the services offered.

Research and development expenditure amounted to €13,877,000 in 2021.

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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 2021.

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
<b>(A) Portion in arrears</b>						
Number of invoices concerned						1,004
Total amount of invoices concerned including VAT	1,850,053	843,137	175,946	322,964		3,192,100
% of total amount of purchases for the period incl. VAT	0.88%	0.40%	0.08%	0.15%		210,374,305
<b>(B) Invoices excluded from (A) relating to disputed receivables and subsidiaries</b>						
Number of supplier invoices paid at the beginning of January						1,139
Number of disputed supplier invoices						747
Total number of subsidiary invoices involving a current account-related payables						180
Number of supplier invoices paid at the beginning of January						3,748,021
Amount of disputed invoices						1,857,047
Amount of subsidiary invoices involving a current account-related payable						1,649,492
<b>(C) Reference payment terms used (contractual or legal terms - article L.441-6 or L.443-1 of the French Code of Commerce)</b>						
Payment terms used to calculate payment delays						Legal terms: 60 Days
<b>Accounts Receivable</b>						
	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
<b>(A) Portion in arrears</b>						
Number of invoices concerned						263
Total amount of invoices concerned including VAT	421,737	275,583	15,443	899,392		1,612,156
% of Revenue for the period excl. VAT	0.20%	0.13%	0.01%	0.43%		210,615,586
<b>(B) Invoices excluded from (A) relating to disputed receivables and subsidiaries</b>						
Number of disputed customer invoices						115
Total number of subsidiary invoices involving a current account-related receivable						5,438
Amount of doubtful customer invoices incl. VAT						1,157,887
Amount of subsidiary invoices involving a current account-related receivable incl. VAT						75,877,166
<b>(C) Reference payment terms used (contractual or legal terms - article L.441-6 or L.443-1 of the French Code of Commerce)</b>						
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, Credit Management, 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.

During 2021, this group worked on the following elements:

- Defining a corporate risk assessment methodology, tailored to risks of any kind,
- Identifying the existing control procedures,
- Linking said risks and procedures to the process mapping in place in the organization,
- Establishing an audit plan to begin in 2022 and the procedures for its implementation (by the employees responsible or, where appropriate, by third parties).

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

#### **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:

#### • **Internal control**

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

#### • **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.

#### • **Cash Management Department:**

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:

In 2019, Haulotte decided to modernize its IT system and to inject new governance, in connection with the strategic plan through the "Shift to a Digital Company" pillar. Over two years, the Group's ISD has modernized in terms of project management, with a robust methodology, aimed at securing project completions. Today, performance culture is at the heart of the ISD's activity, both in terms of BUILD (projects) and also RUN (daily support activities). In two years, the number of completed projects has doubled, whilst still maintaining a constant workforce on the project teams. The number of unresolved user requests has greatly decreased, going from 1,600 to less than 300. By mid-2021, this enabled us to have an effective and operational ISD, recognized by all for its efficiency.

At the halfway point in 2021, a new strategic IT plan was put in place to improve performance even further. Named "5 Foundations", it is based on maintaining build and run performance basics (IT Basic), developing an offer for the business divisions and subsidiaries and an IS value creator (Business Value), shifting towards developing digital skills: both human and technical (User Centricity), a paradigm shift to put DATA at the heart of the Group's mechanisms (DATA) and, lastly, focusing significantly on taking security into account in light of the cybercrime situation (IT Security).

The strategic plan has already been partly implemented and is assessed each month to ensure it aligns and fits with the Group's ambitions. In this context, topics such as Green-IT, user satisfaction, implementing a CRM system, developing ERP, supporting activities in Asia, and putting in place digital training for users, Haulotte connected platforms, IS penetration tests and data monetization, all take shape within the project plan - without impairing the 2021 fundamentals.

### **Secretariat General:**

#### • Group Legal Division

The company's Legal Division, which expanded recently, 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 Middlednext, 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 2021 and will be renewed again in 2022.

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, was deployed at Group level during the 2021 financial year. In this regard, 80 maturity grids were produced by different teams within several entities. Each entity is then responsible for putting an action plan in place to improve their maturity level and their performance level.

In addition, initial training on the operational excellence tools and methods took place: 45 people responsible for implementing said policy were trained, as well as around twenty facilitators.

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.

### **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 2021.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

### 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 8 March 2022 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 2021.

The Board of Directors reviewed these regulated agreements at its meeting of 8 March 2022. 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 2021 on related-party transactions.



# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

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

The Company's ordinary and extraordinary general meeting of 25 May 2021 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 2021, information on trading by the Company in its shares is provided below:

<b>Number of shares purchased in FY2021</b>	<b>184,774</b>
Average purchase price of own shares in FY2021	6.09
Execution fees	N/A
Number of shares sold in the period	161,905
Average sale price of own shares in the period	6.25
Number of shares cancelled in the period	0
Number of treasury shares recorded in the name of the Company at 31 December 2021	1,862,120
Percentage of treasury shares held at 31 December 2021	5.94%
Net carrying value of treasury shares at 31 December 2021	9,006,370
Nominal value of treasury shares at 31 December 2021	242,076
Market value of treasury shares at 31 December 2021 (share price of €4.8 on that date)	8,938,176

The breakdown according to purpose for the use of own shares at 31 December 2021 was as follows:

<b>Purposes of share buy-backs</b>	<b>Number of shares</b>
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	163,715
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
<b>TOTAL</b>	<b>1,862,120</b>

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

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

### 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 33 subsidiaries. The results of these subsidiaries are summarised below (€ thousands):

Subsidiary	Percentage of holding	2021 revenue in € thousands	2020 revenue in € thousands	2021 net profit (loss) in € thousands	2020 net profit (loss) in € thousands
HAULOTTE FRANCE. SARL.	99.99%	72,450	73,982	3,394	2,212
HAULOTTE SERVICES France SARL	100% by HAULOTTE FRANCE SARL	- 0	- 0	- 0	- 0
TELESCOPELLE SAS	100.00%	116	120	69	65
HAULOTTE ACCESS EQUIPMENT MANUFACTURING (CHANGZHOU) CO. Ltd.	100.00%	42,017	49,335	1,090	4,109
HAULOTTE ARGENTINA SA	100.00%	8,826	4,000	484	- 1,160
HAULOTTE ARGES SRL	100.00%	88,229	75,959	4,278	4,407
HAULOTTE AUSTRALIA Pty Ltd	100.00%	46,669	38,108	- 214	- 43
HAULOTTE DO BRAZIL Ltda	99.98%	10,132	6,036	- 2,236	- 8,529
HAULOTTE HUBARBEITSBUHNEN GmbH	100.00%	40,292	35,739	2,216	1,476
HAULOTTE IBERICA S.L	98.71%	30,532	21,611	2,895	1,287
HAULOTTE ITALIA S.r.l.	99.00%	33,561	27,362	2,195	1,111
HAULOTTE MEXICO SA DE CV (2)	99.99%	5,882	4,864	237	- 173
HAULOTTE MIDDLE EAST FZE	100.00%	2,994	1,923	- 82	- 1,343
HAULOTTE NETHERLANDS B.V	100.00%	24,003	14,579	1,167	496
HAULOTTE POLSKA SP ZOO	100.00%	10,973	13,242	745	871
HAULOTTE SCANDINAVIA AB	100.00%	14,620	16,786	1,203	158
HAULOTTE SINGAPORE Ltd	100.00%	11,248	9,782	8	- 490
HAULOTTE TRADING (SHANGHAI) CO LTD	100.00%	16,268	18,789	- 2,974	1,276
HAULOTTE UK Ltd	100.00%	16,530	14,981	1,049	518
HAULOTTE US Inc	100.00%	72,949	45,015	- 2,727	- 9,224
HAULOTTE VOSTOK OOO	100.00%	31,608	28,822	1,729	706
HORIZON HIGH REACH LIMITED	100.00%	5,687	4,450	861	- 732
LEVANOR MAQUINARIA DE ELEVACION SA	91.00%	- 0	- 0	- 35	- 14
MUNDIELEVACAO, ALUGER E TRANSPORTE DE PLATAFORMAS LDA	90% by LEVANOR	- 0	- 0	918	- 3
EQUIPRO / BIL-JAX (1)	100% by HAULOTTE US Inc.	30,897	24,299	454	- 1,585
Haulotte North America Manufacturing LLC.	100% by BIL-JAX	37,264	25,049	- 728	- 2,130
HAULOTTE CHILE SPA	100.00%	3,767	2,384	131	- 218
HORIZON HIGH REACH CHILE SPA	100.00%	2,382	2,096	- 1,468	- 224
HAULOTTE INDIA PRIVATE LTD	100.00%	8	5	33	32
ACARLAR DIS TICARET VE MAKINA SANAYI A.S.	100.00%	6,329	6,643	1,339	616
HAULOTTE DIGITAL SUPPORT CENTER	100.00%	- 9	975	- 95	- 16
HAULOTTE JAPAN	100.00%	0	1	27	- 19
HAULOTTE CANADA	100.00%	- 0	- 0	- 0	- 0

We inform you that N.D.U Maquinaria Y Plataformas Elevadoras S.L., a company 100% owned by Haulotte Iberica S.L. was liquidated on 24 November 2021.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

### 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 R.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)

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

### 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 2021, 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 <sup>1</sup>	57.50%	
66% 2/3 to 90%			74.90 %
90% to 95%			
More than 95%			

By letter dated 5 March 2021, Amiral Gestion (103 rue de Grenelle, 75007 Paris) reported having crossed above the threshold of 1% of Haulotte Group's capital on 2 March 2021 and holds 324,671 shares representing 1.03% of capital and 0.66% of voting rights in the Company.

By email dated 10 March 2021, Amiral Gestion (103 rue de Grenelle, 75007 Paris) reported having crossed above the threshold of 1% of Haulotte Group's capital on 8 March 2021 and holds 527,184 shares representing 1.68% of capital and 1.08% of voting rights in the company.

By email dated 12 March 2021, Norges Bank Investment Management (Bankplassen 2, Oslo 0151, Norway), reported having crossed below the threshold of 2% of Haulotte's capital on 11 March 2021 and holds 619,122 shares representing 1.97% of the company's capital.

By letter dated 11 May 2021, the Caisse des Dépôts et Consignations (56 rue de Lille, 75356 Paris 07 SP) reported having crossed below, indirectly through the intermediary of CDC Croissance, the legal threshold of 2% of voting rights in the Haulotte Group and holds, indirectly through the intermediary of CDC Croissance, 973,584 shares representing 3.10% of capital and 1.99% of voting rights in the company.

By email dated 28 May 2021, Norges Bank Investment Management (Bankplassen 2, Oslo 0151, Norway) reported having crossed below the threshold of 1% of Haulotte Group's capital on 27 May 2021 and holds 418,649 shares representing 0.86% of the company's capital.

By letter dated 23 August 2021, the Caisse des Dépôts et Consignations (56 rue de Lille, 75356 Paris 07 SP) reported having crossed below the legal threshold of 3% of Haulotte Group's capital on 19 August 2021 and holds, indirectly through the intermediary of CDC Croissance, 930,429 shares representing 2.96% of capital and 1.91% of voting rights in the company.

<sup>1</sup> Based on a share capital made up of 31,371,274 shares representing 48,707,691 theoretical voting rights.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

By email dated 1 September 2021, Norges Bank Investment Management (Bankplassen 2, Oslo 0151, Norway) reported having crossed below the threshold of 1% of Haulotte Group's capital on 31 August 2021 and holds 312,656 shares representing 0.9966% of the company's capital.

By letter dated 6 September 2021, Sycomore Asset Management (14 avenue Hoche, 75008 Paris) reported having crossed above the threshold of 1% in Haulotte Group's capital on 31 August 2021 and holds 327,615 shares representing 1.04% of capital and 0.67% of voting rights in the company.

### 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 L.443-1 to L.443-9 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 chapter III of Law 88-1201 of 23 December 1988 on collective investment undertakings and the creation of debt investment funds. Also taken into account are registered shares held directly by employees in accordance with articles L.225-187 and L.225-196 of said Code according to the version previous to the entry into force of Law 2001-152 of 19 February 2001 on company saving plans, article L.225-197-1 of this Code, article L.3324-10 of the French labour code, article 31-2 of Ordinance 2014-948 of 20 August 2014 on governance and equity transactions on companies with public participation and article 11 of the Privatisation Act 86-912 of 6 August 1986 in its version prior to implementation by the aforementioned Ordinance 2014-948 of 20 August 2014.

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

We inform you that a free shares allocation plan for ordinary shares was implemented by the Board of Directors on 13 March 2018 for the benefit of employees of the Company and eligible subsidiaries.

This free shares allocation plan concerns 70,000 shares awarded to seven employees, or 10,000 shares per beneficiary which represents 0.22% (rounded) of the share capital.

Please be informed that the Board of Directors decided on 17 July 2020, in the context of the COVID-19 health crisis, to modify the free shares allocation plan adopted on 13 March 2018, extending the vesting period from three (3) to four (4) years starting from the Allocation Date, so a Final Allocation Date moved from 14 March 2021 to 14 March 2022.

We hereby inform you that the Board of Directors meeting on 8 March 2022 closing the financial statements for the year ending on 31 December 2021 noted, based on the Haulotte Group's consolidated accounts on said date, that the Haulotte Group's performance objectives, as defined in the Rules on the free shares allocation plan, dated 13 March 2018 and as amended on 17 July 2020, and upon which the final allocation of shares in particular was conditional, were not achieved and that, consequently, said plan has become null and void and that no shares will be allocated in this regard.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

### 5 - INFORMATION ON THE COMPANY'S SHARE

At 31 December 2021, the Company's share capital was comprised of 31,371,274 shares. The market capitalisation at 31 December 2021 was €151 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.-21	6.560	11/01/2021	5.600	28/01/2021	6.030	6,159	6,134	538,601	3.30	20
Feb.-21	6.950	19/02/2021	5.920	01/02/2021	6.580	6,477	6,476	755,518	4.95	20
Mar.-21	7.340	04/03/2021	6.060	31/03/2021	6.060	6,605	6.568	1,135,222	7.66	23
Apr.-21	6.650	27/04/2021	6.020	01/04/2021	6.350	6.330	6.329	642,007	4.02	20
May.-21	6.520	03/05/2021	6.040	04/05/2021	6.150	6.209	6,184	234,187	1.45	21
Jun.-21	6.640	17/06/2021	6.140	01/06/2021	6.400	6,383	6,399	336,474	2.15	22
Jul.-21	6.450	05/07/2021	5.590	23/07/2021	6.010	6,111	6,085	235,306	1.42	22
Aug.-21	6.620	13/08/2021	5.800	09/08/2021	6.020	5,994	5,999	170,109	1.03	22
Sep. -21	6.290	17/09/2021	5.620	30/09/2021	5.620	5,971	5,950	150,234	0.89	22
Oct.-21	5.640	01/10/2021	4.905	20/10/2021	5.000	5,297	5,253	199,407	1.04	21
Nov.-21	5.440	01/11/2021	4.810	30/11/2021	4.900	5,029	5,021	231,601	1.16	22
Dec. -21	4.985	01/12/2021	4.720	22/12/2021	4.800	4,851	4,844	125,297	0.60	23

During the past financial year, the highest level reached by the Haulotte Group share was €7.34 (on 4 April 2021), while the lowest was €4.72 (on 22 December 2021).

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

### 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 €35,453 based on a theoretical tax rate of 27.5%.

#### 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:

	<b>Dividends eligible for the reduction distributed (excl. treasury shares)</b>	<b>Distributed amount provided for under article 158-3-2 of the French general tax code.</b>	<b>Distributed amount not eligible for the reduction provided for under article 158-3-2 of the French general tax code.</b>
Financial year ended 31 December 2020	€0	€0	None
Financial year ended 31 December 2019	€6,493,979.58	€6,493,979.58	None
Financial year ended 31 December 2018	€ 6,495,638.38	€ 6,495,638.38	None

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

### 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 2021.

#### 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 2021 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.

Following the IFRS IC Decision, which concluded that the provision of benefits to be accounted for can only include the period covering an employee's last 16 years of service (or between the date of employment and the date of retirement if the period, thus determined, is less than 16 years), an upturn of €1.1m was calculated at the opening.

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

With a strong recovery in the worldwide market for aerial work platforms in all geographical areas, Haulotte recorded an increased turnover between the two periods, driven by all of its activities.

The Group posted a higher current operating result for the year compared to 2020. The increased difficulties regarding the supply of components and the significant increase in their price observed in the second part of the year impacted the Group's results despite the excellent sales momentum and the good control over fixed costs observed during the financial year.



# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

### 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 period break down as follows:

In € millions	FY 2021	FY 2020
Revenue	497.3	438.5
Current operating income	17.6	11.0
Operating profit	12.0	3.9
Profit before tax	16.1	(15.6)
<b>NET INCOME OF CONSOLIDATED COMPANIES</b>	<b>8.1</b>	<b>(26.0)</b>
<b>Net profit attributable to owners of the Group</b>	<b>7.9</b>	<b>(26.1)</b>

Total revenue for 2021 came to €497.3 million compared to €438.5 million in 2020, representing an increase of 13% between the two periods at a constant exchange rate.

Annual cumulative sales in Europe grew by +13%.

The Asia-Pacific Region recorded a decline in sales of -16%.

Sales in the Americas grew by +44%.

Over the year, equipment sales were up +11%, the equipment rental business registered an increase of +40% and the Service business grew by +22%.

Current operating income for the Group came to €17.6 million compared to €11 million in 2020. The increased difficulties regarding the supply of components and the significant increase in their price observed in the second part of the year impacted the Group's results despite the excellent sales momentum and the good control over fixed costs observed during the financial year.

Operating profit came to €12 million, compared to €3.9 million for the previous year.

At 31 December 2021, consolidated net income for the period was €8.1 million compared to €(26.0) million in 2020.

Group net debt (including guarantees) increased in the period from €162.2 million at 31 December 2020 to €167.6 million at 31 December 2021. This debt is primarily carried by HAULOTTE GROUP S.A., with in particular the Group's syndicated credit facility, of which €101 million had been drawn down at 31 December.

### 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 2021 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 the European market, the Group recorded overall growth in sales in almost all markets.

In the Asia-Pacific region, the Group recorded a decrease in sales.

In North America, business growth continued.

In Latin America, in a well-oriented market in all the countries, Haulotte recorded a growth in sales, mainly driven by Brazil.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

The equipment rental business saw a pronounced increase over the period.

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

Based on the level of cash resources and credit lines open and available at 31 December 2021 compared with cash forecasts for the first few months of 2022, the Group's ability to cover its liquidity requirements remains intact. Information on borrowings and payables 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.

#### **7.1 Exchange rate risk**

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

#### **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 2022.

### **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 47 of the annexes to the consolidated accounts.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

### **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 €15,854,000.

### **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.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

### APPENDIX 1 - FIVE-YEAR FINANCIAL SUMMARY

Closing date	31/12/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017
Length of the financial year (months)	12	12	12	12	12
<b>SHARE CAPITAL AT YEAR-END</b>					
<b>Common stock</b>	<b>4,078,266</b>	<b>4,078,266</b>	<b>4,078,266</b>	<b>4,078,266</b>	<b>4,078,266</b>
Number of shares					
- ordinary shares	31,371,274	31,371,274	31,371,277	31,371,274	31,371,274
- treasury shares:	1,862,120	1,839,251	1,853,642	1,836,567	1,777,898
- dividend-right shares	29,509,154	29,532,023	29,517,635	29,534,707	29,593,376
Maximum number of future shares to be created					
- from the conversion of bonds					
- from subscription rights					
<b>OPERATIONS AND RESULTS</b>					
<b>Sales ex-VAT</b>	<b>210,615,586</b>	<b>186,552,400</b>	<b>286,256,556</b>	<b>279,519,047</b>	<b>244,466,351</b>
Profit before income tax, profit-sharing, depreciation and provisions	- 5,874,712	- 18,772,589	12,275,616	-4,400,505	-23,071,567
<b>Corporate income tax</b>	<b>- 3,821,087</b>	<b>- 3,130,979</b>	<b>-3,791,511</b>	<b>-2,908,722</b>	<b>-2,802,161</b>
Employee profit-sharing					
Allowances and Reversals of depreciation, amortisation and provisions, expense reclassifications	21,820,373	15,655,902	19,296,382	4,870,294	-29,551,919
<b>Net income</b>	<b>- 23,873,999</b>	<b>- 31,297,512</b>	<b>-3,229,255</b>	<b>-6,362,077</b>	<b>9,282,513</b>
<b>Distributed profit</b>	<b>6,492,014</b>		<b>6,493,980</b>	<b>6,495,638</b>	<b>6,507,391</b>
<b>EARNINGS PER SHARE</b>					
Profit after income tax, profit-sharing, and before depreciation, amortisation and provisions	- 0.07	- 0.50	0.51	- 0.05	- 0.65
Profit after income tax, profit-sharing, depreciation, amortisation and provisions	- 0.76	- 1.00	- 0.10	- 0.20	0.30
Distributed dividends	0.22		0.22	0.22	0.22
<b>PERSONNEL</b>					
<b>Average number of employees for the financial year</b>	<b>651</b>	<b>676</b>	<b>676</b>	<b>643</b>	<b>618</b>
<b>Total payroll</b>	<b>29,533,343</b>	<b>28,538,810</b>	<b>31,091,823</b>	<b>27,776,208</b>	<b>25,641,354</b>
<b>Benefits paid (social security, welfare benefits, etc.)</b>	<b>12,814,904</b>	<b>12,257,418</b>	<b>13,145,674</b>	<b>13,247,689</b>	<b>12,335,070</b>

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

### 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 8 March 2022.

#### 1 - CORPORATE GOVERNANCE

In accordance with the provisions of article L.22-10-10 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 L.22-10-12 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 L.22-10-10, 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](http://www.middlednext.com)).

In accordance with the Middlednext Code recommendation 22 revised in September 2021, the Board of Directors duly noted on 8 March 2022 the specific items calling for vigilance listed therein.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

### 1.1.2 Composition of the Board of Directors

The composition of the Company's Board of Directors on the date of the report<sup>1</sup> 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
<b>Pierre Saubot</b> <b>Chair of the Board of Directors - Chief Executive Officer</b> <b>Director</b>	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	-
<b>Alexandre Saubot</b> <b>Deputy Chief Executive Officer</b> <b>Director</b>	1999	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2021 <sup>2</sup>	No	-
<b>Elisa Savary</b> <b>Director</b>	1998	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2021 <sup>3</sup>	No	Member
<b>Hadrien Saubot</b> <b>Director</b>	2004	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2021 <sup>3</sup>	No	Member
<b>José Monfront</b> <b>Director</b>	2004	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2021 <sup>3</sup>	No	Member
<b>Anne Danis-Fatôme</b> <b>Director</b>	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
<b>Elodie Galko</b> <b>Director</b>	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.

<sup>1</sup> Mr Michel Bouton resigned from his position as Director during the Board of Directors meeting on 8 March 2022.

<sup>2</sup> Mr Alexandre Saubot's mandate as Deputy Chief Executive Officer was renewed by the Board of Directors on 8 March 2022 (renewed for the duration of his mandate as Director), under the condition precedent that his mandate as Director is renewed by the general meeting of shareholders called to approve the accounts for the financial year closed on 31 December 2021.

<sup>3</sup> Renewal of the mandates as Directors of Ms Elisa Savary and Messrs Alexandre Saubot, Hadrien Saubot and José Monfront will be proposed to the general meeting of shareholders called to approve the accounts for the financial year closed on 31 December 2021.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

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 8.33% at 31 December 2021, a decrease of 1.05 points compared to the financial year closed on 31 December 2020.

### 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 follows:

- 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 8 March 2022, the Board of Directors re-examined the situation of its membership with respect to these criteria of independence. On that basis, it was determined that three were independent under the definition of the MiddleNext code: Mr. Michel Bouton, Ms. Anne Danis-Fatôme and Ms. Elodie Galko

### 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.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

### 1.1.7 Training for Board Members

Following the new Recommendation 5 added to the Middlednext 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.

### 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 8 March 2022, in accordance with Middlednext 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 8 March 2022, the Board of Directors became aware of the addition made to Recommendation 2 of the Middlednext Code, as revised in September 2021, recommending that services, other than certifying the accounts (excluding certification coming under the scope of due diligence directly connected to the role of the auditor and services provided in application of legal or regulatory texts), be entrusted to a different firm to the company's auditor. The Board of Directors noted that, at the present time, the Company does not comply with this recommendation, taking into consideration the nature of the services entrusted to date, their limited nature, and the efficient services performed to the best of the Company's knowledge by its auditors. However, the Board of Directors confirmed that it will devote some thought to this subject for the forthcoming financial years.

### 1.1.9 Choice of members of the Board of Directors

In accordance with Recommendation 10 of the Middlednext 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 closed on 31 December 2021 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 Middlednext Code.

We inform you that during the meeting on 8 March 2022, the Board of Directors decided, in the expectation of clarification on the application conditions, that it will comply as soon as possible with Recommendation 14 of the Middlednext Code, as revised in September 2021, which recommends that the Board pays specific attention to negative votes by analysing, among others, how the majority of minority voters expressed themselves and, in view of the next general meeting, to look at opportunities to change what may have given rise to the negative votes and at the possibility of communication on this subject.



# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

Said Board meeting also took note of the fact that Recommendation 14 of the Middledenext 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 Middledenext 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 2021, 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 Middledenext 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 8 March 2022, it appeared that the composition and functioning of the Board of Directors and the Audit Committee are in line with members' expectations.

During this Board meeting, it was reiterated, in accordance with Recommendation 13 of the Middledenext Code, as revised in September 2021, that the Board, if it so wishes, can be supported by a third party.

### 1.1.12 Creation of committees:

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

After being made aware of the new Recommendation 8 of the Middledenext Code, as revised in September 2021, recommending that every Board provides itself with a special committee on Corporate Social Responsibility (CSR), the Board of Directors decided to consider creating such a committee.

#### 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.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

### 1.1.12.2 Composition<sup>1</sup>

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 five 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 2021

The audit committee met four (4) times with an average attendance rate of 75 %.

## 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 and 20 January 2017 and recently on 8 March 2022, 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

### 1.2.3 Report on the Board of Directors' activities in the period ended 31 December 2021

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 2021, the Company's Board of Directors met four (4) times, on the dates indicated below.

<sup>1</sup> Mr Michel Bouton resigned from his position as Director of the Haulotte Group during the Board of Directors meeting on 8 March 2022 due to his roles as Chair and member of the Audit Committee of the latter.

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

Meeting dates	Number of directors present or represented	Rate of participation	Main items of business on the agenda
9 March 2021	7	87.5%	<p>Examination of the conclusions of the Audit Committee meeting of 9 March 2021</p> <p>Review and approval of the separate parent company and consolidated financial statements for the period ended 31 December 2020</p> <p>Proposal for the appropriation of net income for the period ended 31 December 2020</p> <p>Annual review of agreements covered by article L.225-38 et seq. of the French Code of Commerce entered into and authorised in prior periods and remaining in force in the year in question</p> <p>Implementation of a procedure serving to assess, on a regular basis, whether the ordinary agreements entered into under normal conditions properly fulfill these conditions.</p> <p>Review of conflicts of interest known to the Company (R2 Middenext in the September 2016 version)</p> <p>Review of the independence of members of the Board of Directors (R3 Middenext in the September 2016 version)</p> <p>Annual review of the Middenext "items calling for vigilance" (R19 Middenext in the September 2016 version)</p> <p>Evaluation of activities of the Board of Directors (R11 Middenext in the September 2016 version)</p> <p>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</p> <p>Establishment of the remuneration policy applicable to the Chair and chief executive officer, the Deputy Chief Executive Officer and directors for the financial year before closing on 31 December 2021, in application of the new article L.22-10-8 of the French Code of Commerce</p> <p>Review of information relating to remuneration of corporate officers referred to in article L.22-10-9 of the French Code of Commerce</p> <p>Review of the components of remuneration paid or granted for the period ended 31 December 2020 to Messrs. Pierre Saubot and Alexandre Saubot on the basis of their mandates</p> <p>Proposal to renew the mandate of the joint statutory auditor, the firm BM&amp;A</p> <p>Proposal to renew the mandate of the substitute joint statutory auditor, Mr Jean-Luc Loir</p> <p>Proposal to grant authority to the Board of Directors in view of the Company purchasing its own shares</p> <p>Proposal to grant authority to the Board of Directors to increase the share capital by issuing ordinary shares or any securities giving access to the capital while maintaining the preferential subscription right of its shareholders</p> <p>Proposal to grant authority to the Board of Directors Grant to increase the share capital by issuing ordinary shares or any securities giving access to the capital while cancelling the preferential subscription right and through a public offering, excluding offerings provided for in paragraph 1 of article L.411-2 of the French Financial and Monetary Code</p> <p>Proposal to grant authority to the Board of Directors Grant to increase the share capital by issuing ordinary shares or any securities giving access to the capital while cancelling the preferential subscription right as part of a public offering, as provided for in paragraph 1 of article L.411-2 of the French Financial and Monetary Code</p> <p>Proposal to grant authority to the Board of Directors in connection with issues entailing waiver of preferential subscription rights through a public offer in order to set the issue price according to the procedures established by the general meeting within the limit of 10% of the share capital per year</p>

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

Meeting dates	Number of directors present or represented	Rate of participation	Main items of business on the agenda
			<p>Proposal to grant authority to the Board of Directors to increase the number of shares to be issued in the event of a capital increase, with or without shareholders' preferential subscription rights</p> <p>Proposal to grant authority to the Board of Directors to increase the share capital by issuing shares or any securities giving access to the capital while cancelling the preferential subscription right to the benefit of employees who are members of a company savings plan or a Group savings plan, whether existing or to be created</p> <p>Proposal to set the total aggregate amount of capital increases that may be carried out by virtue of these delegations of authority granted under the terms of (i) the 13th and 14th resolutions adopted by the general meeting on 26 May 2020 and (ii) the above delegations of power</p> <p>Proposal to grant authority to the Board of Directors to make necessary changes to the articles of association to ensure they comply with legislative and regulatory provisions</p> <p>Review and adoption of the management report and the Group management report for the period ended 31 December 2020</p> <p>Review and adoption of the Board of Directors' report on corporate governance</p> <p>Review and adoption of forward-planning documents</p>
26 March 2021	6	75%	Prior authorization to conclude a sales agreement for lifting and handling equipment between the Company and Solem in application of Article L.225.38 of the Code of Commerce
25 May 2021	5	62.5%	Implementation of the authorization granted to the Board by the general meeting for the purchase by the Company of its own shares
15 September 2021	6	75%	<p>Review and approval of the interim consolidated accounts established on 30 June 2021</p> <p>Preparation of the interim report in compliance with article L.451-1-2 III of the French monetary and financial code;</p> <p>Production of forward-planning documents in accordance with articles L. 232-2, R. 232-2 and R. 232-3 of the French Code of Commerce</p>

### 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).

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

### 2 - LIST OF OFFICES AND FUNCTIONS EXERCISED BY EACH CORPORATE OFFICER FOR THE PERIOD ENDED 31 DECEMBER 2021

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 2021 by each corporate officer is provided below:

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

# MANAGEMENT REPORT

## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

### 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 2021.

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 three 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 25 May 2021 (sixth resolution) in accordance with article L.22-10-8 II of the Code of Commerce with over 95% 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 24 May 2022 in accordance with said article.

### 4 - REMUNERATION OF OFFICERS PAID IN THE PERIOD ENDED 31 DECEMBER 2021

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 2020		Financial year ended 31 December 2021	
	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	99%	€ 91,773.11	100%
Variable annual remuneration paid by Solem <sup>1</sup> for the office of chief executive officer exercised within this company	€350	1%	€0	0%
<b>TOTAL</b>	<b>€92,123.11</b>	<b>100%</b>	<b>€91,773.11</b>	<b>100%</b>

  

Mr Alexandre Saubot Deputy Chief Executive Officer	Financial year ended 31 December 2020		Financial year ended 31 December 2021	
	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	€345,829.77	78%	€346,698.11	78%
Variable annual remuneration paid by Solem for the office of chairman exercised within this company	€95,000	22%	€95,000	22%
<b>TOTAL</b>	<b>€440,829.77</b>	<b>100%</b>	<b>€441,698.89</b>	<b>100%</b>

<sup>1</sup> 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 2020	Financial year ended 31 December 2021
	Amounts paid (Gross base remuneration before tax)	Amounts paid (Gross base remuneration before tax)
None	None	None
<b>TOTAL</b>	<b>None</b>	<b>None</b>

Mr Michel Bouton Director	Financial year ended 31 December 2020	Financial year ended 31 December 2021
	Amounts paid (Gross base remuneration before tax)	Amounts paid (Gross base remuneration before tax)
None	None	None
<b>TOTAL</b>	<b>None</b>	<b>None</b>

Ms Anne Danis-Fatôme Director	Financial year ended 31 December 2020	Financial year ended 31 December 2021
	Amounts paid (Gross base remuneration before tax)	Amounts paid (Gross base remuneration before tax)
None	None	None
<b>TOTAL</b>	<b>None</b>	<b>None</b>

Ms Elodie Galko Director	Financial year ended 31 December 2020	Financial year ended 31 December 2021
	Amounts paid (Gross base remuneration before tax)	Amounts paid (Gross base remuneration before tax)
None	None	None
<b>TOTAL</b>	<b>None</b>	<b>None</b>

Ms Elisa Savary Director	Financial year ended 31 December 2020	Financial year ended 31 December 2021
	Amounts paid (Gross base remuneration before tax)	Amounts paid (Gross base remuneration before tax)
None	None	None
<b>TOTAL</b>	<b>None</b>	<b>None</b>

Mr Hadrien Saubot Director	Financial year ended 31 December 2020	Financial year ended 31 December 2021
	Amounts paid (Gross base remuneration before tax)	Amounts paid (Gross base remuneration before tax)
None	None	None
<b>TOTAL</b>	<b>None</b>	<b>None</b>



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## ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021

### • 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
<p><b>Pierre Saubot</b>  <b>Chair and Chief Executive Officer</b>                      Beginning of the renewed term of office: 13/03/2018</p> <p>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</p>								
<p><b>Director</b>                      Beginning of the renewed term of office: 29/05/2018</p> <p>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</p>		X		X		X		X
<p><b>Alexandre Saubot</b>  <b>Deputy Chief Executive Officer</b>                      Beginning of the renewed term of office: 13/03/2018</p> <p>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 2021<sup>1</sup></p>		X		X		X		X
<p><b>Director</b>                      Beginning of the renewed term of office: 24/05/2016</p> <p>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 2021<sup>2</sup></p>								
<p><b>Elisa Savary</b>  <b>Director</b>                      Beginning of the renewed term of office: 24/05/2016</p> <p>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 2021<sup>2</sup></p>		X		X		X		X
<p><b>Hadrien Saubot</b>  <b>Director</b>                      Beginning of the renewed term of office: 24/05/2016</p> <p>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 2021<sup>2</sup></p>		X		X		X		X
<p><b>José Monfront</b>  <b>Director</b>                      Beginning of the renewed term of office: 24/05/</p>		X		X		X		X

<sup>1</sup> Mr Alexandre Saubot's mandate as Deputy Chief Executive Officer was renewed by the Board of Directors on 8 March 2022 (renewed for the duration of his mandate as Director), under the condition precedent that his mandate as Director is renewed by the general meeting of shareholders called to approve the accounts for the financial year closed on 31 December 2021. He will, therefore, subject to renewal of his mandate as a Director by said general meeting, bring his position as Director to an end at the general meeting which is due to take place in 2028 to approve the accounts for the financial year which will close on 31 December 2027.

<sup>2</sup> Renewal of the mandates as Directors of Alexandre Saubot, Elisa Savary, Hadrien Saubot and José Monfront is submitted to the general meeting to approve the accounts for the financial year closed on 31 December 2021.

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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
2016 End of appointment: At the close of the general meeting called to approve the financial statements for the year ending on 31 December 2021 <sup>2</sup>				
<b>Michel Bouton</b> <b>Director</b> Beginning of the renewed term of office: 24/05/2016 End of appointment: 8 March 2022	X	X	X	X
<b>Anne Danis-Fatôme</b> 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
<b>Elodie Galko</b> 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 2021	
	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	2.11	10.16
Ratio between the remuneration of the corporate officer concerned and the median remuneration of employees on a full-time equivalent basis	2.60	12.52
Ratio between the remuneration of the corporate officer concerned and the minimum wage	4.92	23.68

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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	31/12/2017		31/12/2018		31/12/2019		31/12/2020		31/12/2021	
	Pierre Saubot	Alexandre Saubot	Pierre Saubot	Alexandre Saubot	Pierre Saubot	Alexandre Saubot	Pierre Saubot	Alexandre Saubot	Pierre Saubot	Alexandre Saubot
Corporate offices concerned:										
Total gross remuneration received within Solem	€88,132.00	€408,521.00	€91,374.00	€428,060.00	€91,060.00	€436,055.00	€92,123.11	€440,829.77	€91,773.11	€441,698.89
Change in remuneration between N-1 and N	0.00%	0.00%	3.68%	4.78%	-0.40%	1.87%	1.23%	1.10%	-0.38%	0.20%
Average remuneration of HGSA employees (full-time, excluding senior executives, gross amount)	€41,060.00		€42,551.00		€42,932.00		€41,993.00		€43,473.00	
Change in the average remuneration of employees between N-1 and N	-1.77%		3.63%		0.90%		-2.19%		3.52%	
Median remuneration of HGSA employees (full-time, excluding senior executives, gross amount)	€32,888.00		€33,785.00		€33,822.00		€34,743.00		€35,257.00	
Change in the median remuneration of employees between N-1 and N	-0.30%		2.73%		0.11%		2.72%		1.48%	
Amount of the minimum wage	€17,763.24		€17,981.64		€18,254.64		€18,473.04		€18,654.96	
Change in the minimum wage between N-1 and N	0.93%		1.23%		1.52%		1.20%		0.98%	
Ratio between the remuneration and the average remuneration paid to HGSA employees	2.15	9.95	2.15	10.06	2.12	10.16	2.19	10.50	2.11	10.16
Change in ratio between N-1 and N	1.80%	1.80%	0.05%	1.11%	-1.29%	0.96%	3.49%	3.36%	-3.77%	-3.21%
Ratio between the remuneration and the median remuneration paid to HGSA employees	2.68	12.42	2.70	12.67	2.69	12.89	2.65	12.69	2.60	12.53
Change in ratio between N-1 and N	0.30%	0.30%	0.93%	2.00%	-0.51%	1.76%	-1.46%	-1.58%	-1.83%	-1.26%
Ratio between the remuneration and the minimum wage	4.96	23.00	5.08	23.81	4.99	23.89	4.99	23.86	4.92	23.68
Change in ratio between N-1 and N	-0.92%	-0.92%	2.42%	3.51%	-1.89%	0.34%	0.03%	-0.10%	-1.35%	-0.78%
Indicators of the Company's performance (on a consolidated basis)										
EBIT (current operating income)	€42,400,000.00		€35,600,000.00		€35,900,000.00		€11,004,000.00		€17,598,000.00	
Change in EBIT between N-1 and N	53.07%		-16.04%		-0.84%		-69.35%		59.92%	
Revenue excl. VAT	€499,400,000.00		€555,900,000.00		€609,800,000.00		€438,544,000.00		€497,272,000.00	
Change in revenue excl. VAT between N-1 and N	9.09%		11.31%		9.70%		-28.08%		13.39%	

### 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.

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 2021, 610 employees (so 37.38% of Group employees based on the consolidated accounts at 31 December 2021).

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 2021.

### 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 2021, 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.

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### **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.

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### 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 2021	Residual amounts at 31 December 2021
Grant of authority to the Board of Directors in application of article L.225-197-1 to L.225-197-6 of the 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 II of the Code of Commerce.	26/05/2020  13 <sup>th</sup> resolution	38 months	The total number of shares likely to be allocated freely by the Board cannot exceed 0.5% of the existing share capital on the date of the decision to allocate them.	See the Board of Directors' Special Report produced in application of article L.225-197-4 of the Code of Commerce	See the Board of Directors' Special Report produced in application of article L.225-197-4 of the Code of Commerce
Delegation of authority granted to the Board of Directors to increase the share capital of the company through the capitalisation of reserves, retained earnings and additional paid-in capital	26/05/2020  16 <sup>th</sup> resolution	26 months	The maximum nominal amount of capital increases that may be carried out, immediately or in the future, cannot exceed <b>€1,500,000</b> , 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 forth above.	None	Identical to the maximum nominal value
Delegation of authority granted to the Board of Directors to increase the share capital through the issuance of ordinary shares or all securities giving access to the share capital while maintaining shareholders' preferential subscription right.	25/05/2021  14 <sup>th</sup> resolution	26 months	<p><b>€1,300,000.00</b> (or the equivalent amount in the event of an issue in another currency), whereby it is specified that :</p> <ul style="list-style-type: none"> <li>- the maximum nominal amount of capital increases that may be carried out, immediately or in the future, under this delegation of authority shall be included within the overall ceiling set forth below in the twentieth resolution,</li> <li>- this amount will be increased, as necessary, by the nominal amount of shares to be issued, to preserve, in accordance with the law, and, as necessary, applicable contractual provisions, the rights of holders of securities and other rights giving access to the company's capital.</li> </ul>	None	Identical to the maximum nominal value

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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 2021	Residual amounts at 31 December 2021
<p>Delegation of authority granted to the Board of Directors to increase the share capital through the issuance of ordinary shares or all securities giving access to the share capital, cancelling the preemptive subscription rights of shareholders, and public offering, to the exclusion of the offerings provided for in section 1 of article L.411-2 of the French financial and monetary code</p>	<p>25/05/2021 15<sup>th</sup> resolution</p>	<p>26 months</p>	<p><b>€800,000</b>, (or the equivalent amount in the event of an issue in another currency), whereby it is specified that:</p> <ul style="list-style-type: none"> <li>- the maximum nominal amount of capital increases that may be carried out, immediately or in the future, under this delegation of authority shall be included within the overall ceiling set forth below in the twentieth resolution,</li> <li>- these amounts may be increased, as necessary, by the nominal amount of ordinary shares to be issued, to preserve, in accordance with the law, and, as necessary, applicable contractual provisions providing for other cases for adjustments, the rights of holders of securities and other rights giving access to the company's capital.</li> </ul>	<p>None</p>	<p>Identical to the maximum nominal value</p>
<p>Delegation of authority granted to the Board of Directors to increase the share capital through the issuance of ordinary shares or all securities giving access to the share capital, cancelling the preemptive subscription rights of shareholders, in connection with a public offering for the benefit of qualified investors or a restricted circle of investors as provided for in section 1 of Article L.411-2 of the French financial and monetary code</p>	<p>25/05/2021 16<sup>th</sup> resolution</p>	<p>26 months</p>	<p><b>€800,000</b>, nor in any case, exceed the limits provided for by applicable regulations on the issue date (by way of indication, to date, the issue of equity securities carried out by an offering covered by section 1 of article L.411-2 of the French monetary and finance code is limited to 20% of the share capital of the Company per 12-month period, where said capital is determined on the date of the decision by the Board of Directors to use this delegation of authority), whereby it is specified that:</p> <ul style="list-style-type: none"> <li>- these amounts may be increased, as necessary, by the additional amount of shares to be issued, to preserve, in accordance with the law, and, as necessary, applicable contractual provisions providing for other cases for adjustments, the rights of holders of securities and other rights giving access to shares,</li> <li>- the nominal amount of all capital increases that may be carried out shall be included within the overall ceiling set forth below in the twentieth resolution.</li> </ul>	<p>None</p>	<p>Identical to the maximum nominal value</p>
<p>Delegation of authority granted to the board of directors to increase the number of shares to be issued in the event of a capital increase, with or without shareholders' preferential subscription rights</p>	<p>25/05/2021 18<sup>th</sup> resolution</p>	<p>26 months</p>	<p>In accordance with Article L.225-135-1 of the French Code of Commerce, within the limit of 15% of the initial issue.</p> <p>The nominal amount of all capital increases decided by virtue of this delegation of authority in connection with capital increases of the Company, with or without preferential subscription rights granted by virtue of the fourteenth and sixteenth resolutions above, will be included under the total ceiling provided for below in the twentieth resolution.</p>	<p>N/A</p>	<p>N/A</p>

# MANAGEMENT REPORT

**ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2021**

## **APPENDIX 3 - SPECIAL REPORT ON THE ALLOCATION OF FREE SHARES PRESENTED TO THE ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 24 MAY 2022 (ARTICLE L. 225-197-4 OF THE FRENCH Code of Commerce)**

To the shareholders:

We hereby inform you that, to date, no use has been made of the authorisation granted by resolution 13 of the extraordinary general meeting of 26 May 2020.





