

STATUTORY ACCOUNTS 2020



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STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2020

BALANCE SHEET - ASSETS

In thousands of Euros	Note	Gross	Amort. Deprec.	31/12/2020	31/12/2019
INTANGIBLE ASSETS	4.1				
Software, patents		17,742	12,943	4,799	4,688
Goodwill		168	-	168	168
Other intangible assets		1,156	-	1,156	1,572
PROPERTY, PLANT AND EQUIPMENT	4.1				
Land		882	-	882	882
Buildings		17,508	12,930	4,578	5,026
Machinery and equipment		25,498	20,456	5,042	5,947
Other PPE		6,993	5,009	1,984	675
Fixed assets in progress		2,149	-	2,149	509
FINANCIAL ASSETS	4.2				
Long-term investments	4.4	64,155	5,708	58,446	34,597
Receivables from investments	4.4	98,537	25,143	73,395	138,372
Other investments	4.3	13,889	3,267	10,622	9,493
Other financial assets		4,274	2,657	1,617	1,608
NON-CURRENT ASSETS		252,952	88,112	164,840	203,535
INVENTORIES AND WORK IN PROGRESS	5				
Raw materials		19,954	470	19,484	20,933
Work in progress		552	-	552	1,622
Finished goods		15,888	562	15,325	41,048
Trade goods		9,525	971	8,553	8,580
Advances paid to suppliers		703	-	703	715
ACCOUNTS RECEIVABLE					
Accounts receivable	6	110,097	37,650	72,448	86,919
Other receivables	7	63,327	220	63,106	20,703
CASH AND CASH EQUIVALENT					
Marketable securities		437	-	437	346
Cash at hand		8,050	-	8,050	12,291
ACCRUALS	8				
Prepaid expenses	8	1,113	-	1,113	1,090
CURRENT ASSETS		229,646	39,873	189,772	194,248
Unrealised foreign exchange losses	8	6,733	-	6,733	1,902
TOTAL		489,331	127,986	361,345	399,686

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BALANCE SHEET - LIABILITIES AND EQUITY

In thousands of Euros	Note	31/12/2020	31/12/2019
Share capital	10	4,078	4,078
Additional paid-in-capital		71,902	81,627
Legal reserves		448	448
Other reserves		-	-
Retained earnings		408	406
PROFIT (LOSS) FOR THE YEAR		(31,298)	(3,229)
Investment grants		3	4
Regulated reserves	2.2	936	1,648
SHAREHOLDERS' EQUITY	10	46,477	84,981
Provisions for contingencies		13,409	8,898
Provisions for charges		6,916	6,425
COMMITMENTS AND CONTINGENCIES	12	20,325	15,323
Miscellaneous loans and borrowings ⁽¹⁾	13.1	135,713	132,516
Down payments received		134	2,568
Trade payables		31,493	51,475
Tax and employee-related liabilities		4,897	8,221
Fixed asset creditors		6,953	-
Other payables		107,590	86,023
ACCRUALS	8		
Deferred revenue	8	1,704	1,335
TOTAL LIABILITIES		288,484	282,139
Unrealised foreign exchange gains	8	6,058	17,243
TOTAL		361,345	399,686

⁽¹⁾ of which less than a year: 39 207k€

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INCOME STATEMENT

In thousands of Euros	Note	31/12/2020	31/12/2019
NET SALES	15	186,552	286,257
Change in inventories of finished goods and work in progress		(27,095)	15,188
Capitalised production		1,270	264
Operating grants		14	18
Reversals of provisions, depreciation and expense transfer		7,584	3,352
Other income	17	13,671	20,229
OPERATING INCOME		181,996	325,307
Purchase of trade goods		16,232	23,482
Change in inventories (trade goods)		3	30
Purchase of raw materials and other supplies		85,696	180,291
Change in inventories (raw materials and other supplies)		1,628	6,572
Other purchases and external charges		37,233	54,577
Taxes other than on corporate income		3,011	3,627
Wages and salaries		28,539	31,092
Social charges		12,257	13,146
Depreciation and amortisation of fixed assets	4	5,147	4,602
Increase in provisions for current assets	5 - 6	2,945	6,729
Provisions for contingencies and commitments	12	1,817	2,700
Other expenses	17	5,222	2,272
OPERATING EXPENSES		199,731	329,120
OPERATING PROFIT (LOSS)		(17,735)	(3,812)
Dividends received from subsidiaries		-	6,106
Interest income		4,071	2,167
Reversals of provisions		4,491	3,634
Currency gains		2,023	1,179
Net proceeds from the disposal of marketable securities		-	-
FINANCIAL INCOME		10,586	13,084
Allowances for depreciation and reserves		17,315	10,253
Interest expenses		4,120	4,578
Currency losses		4,125	1,163
Net expenses from the disposal of marketable securities		1	1
FINANCIAL EXPENSES		25,561	15,995
NET FINANCIAL PROFIT (LOSS)	18.1	(14,975)	(2,910)
PRE-TAX PROFIT BEFORE EXTRAORDINARY ITEMS		(32,710)	(6,723)
Extraordinary income sundry business operations		381	1,384
Extraordinary income on transactions		34	625
Reversal of provisions, expenses reclassifications		1,388	1,871
EXTRAORDINARY INCOME		1,804	3,880
Extraordinary expenses sundry business operations		1,469	1,719
Extraordinary expenses on transactions		907	1,301
Depreciation and provisions		1,146	1,158
EXTRAORDINARY EXPENSES		3,522	4,178
EXTRAORDINARY PROFIT (LOSS)	18.2	(1,718)	(298)
Corporate income tax	19	(3,131)	(3,792)
NET PROFIT (LOSS)		(31,298)	(3,229)

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NOTE 1 - SIGNIFICANT EVENTS DURING THE YEAR

COVID-19 health crisis

a) Operational impacts

The vast majority of the Group's businesses (production sites, distribution subsidiaries, headquarters) across all regions of the world were affected by the COVID-19 health crisis in the first half of the year. At the height of the crisis, business broadly dropped 50-70%.

In the second half of the year, almost all services returned to normal operations, whether on-site or working remotely. This enabled the Group to support its customers and continue those strategic projects that it did not wish to defer.

b) Crisis management

The Group placed the health and safety of all its employees as a priority during the entire year.

Decisions were also taken to ensure closer relationships with the Group's principal partners (suppliers, customers, banks, etc.) in order to better manage the direct consequences of the crisis and prepare for the upturn in activity.

Furthermore, to optimize its liquidity and match operational expenses as closely as possible to business, Haulotte Group SA primary objectives focused on:

- The use of business support measures (mainly, lay-offs) wherever it was possible: €2.2M in cost savings compared to the previous year,
- No use of the State Guaranteed Loan (PGE) available to businesses in France,
- The reduction of fixed costs by -12% (at constant exchange rates) over the year,
- 39% lower inventory levels over the year,
- The obtaining of a waiver from all the lenders of the syndicated loan, unanimously and unreservedly, on June 30, 2020, concerning compliance with the ratios for two periods (June and December 2020), and a one-year extension of the syndicated loan contract, extending its maturity to July 17, 2025.

All these decisions along with the resilience of its business model enabled Haulotte to avoid any liquidity problems. Its expected future cash flows do not cast any doubt over the Group as a going concern (see Notes 3.2.2 and 20).

c) Asset valuation

- Valuation review of tangible and intangible assets, trade receivable: no loss has been booked,
- Costs relating to the sub-activity were excluded in the valuation of inventory as of December 31, 2020 (see Note 5 - Inventory).

New headquarters

In mid-September 2020, Haulotte moved to its new headquarters, located in Lorette in the Loire county of France. This operation was financed by a lease with an option to buy which was signed in January 2019. This operation was considered an in-substance purchase of an item of property, plant and equipment. Details are provided in Note 24.

Since July 1, 2020, Haulotte's headquarters have been established at: Rue Emile Zola, 42420 Lorette (FRANCE).

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NOTE 2 - ACCOUNTING POLICIES

The company's annual financial statements have been prepared in accordance with the laws and regulations applicable in France and with regulation 2014-03 of France's national Accounting Standards Body (Autorité des Normes Comptables).

Accounting conventions of establishment and presentation of the annual accounts have been applied in compliance with the prudence concept, in accordance with the following basic assumptions:

- the going concern concept,
- the time period concept,
- the consistency principle.

The statutory accounts have been prepared according to the historical cost convention.

Only significant information is disclosed.

As of January 1, 2020, the company reclassified some receivables as current accounts. This change in accounting estimate leads to consider short-term current accounts as cash and cash equivalents and to disclose them in other receivables.

Long-term current accounts that can be considered as financing transactions remain recognized as receivables from investments.

2.1 INTANGIBLE FIXED ASSETS

Intangible assets are recognised at their purchase price, excluding financial charges. Software is depreciated on a straight-line basis over 3 to 7 years according to its useful life.

Models and designs are depreciated over 5 years.

Goodwill is not subject to depreciation. An impairment is recorded when its value in use is less than the amount initially recognised. Under regulation 2015-06 of ANC, it was considered that this goodwill had an indefinite useful life.

Research and development expenditure is expensed in the period incurred.

2.2 PROPERTY, PLANT AND EQUIPMENT

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

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

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

Subsequent costs are recognised as separate assets and subject to different depreciation rates if the related assets have different useful lives. The carrying amount of the renewed or replaced part is derecognised, the new costs incurred being separately capitalised.

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

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

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

The gains or losses on disposals of fixed assets are recognised within 'Extraordinary income/expenses on transactions'.

- **Regulated tax reserves**

Regulated reserves include in particular additional tax depreciation allowances calculated by utilising the most favourable tax option. This mainly concerns depreciation on residual values of equipment recorded as fixed assets.

2.3 FINANCIAL ASSETS

- **Equity Investments**

Investments are recognised in the balance sheet at historical cost, including transaction costs such as transfer rights, commissions and fees directly attributable to the acquisition of the securities. These expenses are included in the cost of securities and are subject to special accelerated depreciation over five years.

At year-end, their balance sheet value is compared with their value in use, determined with reference to the share in net equity owned and the earnings prospects. When applicable, a provision for impairment is recorded. When necessary (notably for subsidiaries with negative net equity), additional provisions are recognised first against intra-group assets (receivables, current accounts) and further as a provision for charges if necessary.

Most of the long-term investment are valued in relation with the share in net equity owned, this approach does not use sensitive estimation assumptions.

- **Receivables from investments**

Receivables from investments relate to current account advances and loans granted to subsidiaries.

These items are recognised at face value. Long-term current accounts and loans granted to our subsidiaries in foreign currencies are translated into Euros at the year-end exchange rate. Gains arising on translation are recognised as 'unrealised foreign exchange gains' and recorded in the balance sheet. Losses arising on translation result in the recognition of a provision for foreign exchange losses and go therefore through the income statement.

Long-term current accounts are subject to impairment in the cases described in the preceding paragraph. There is no translation adjustment recorded for the impaired portion of foreign currency current accounts.

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• *Other receivables*

Short-term current accounts in foreign currencies are converted into euros at the closing rate. Any exchange gains and losses are recognized in currency gains or losses.

The depreciated portion of current accounts in foreign currencies does not lead to book currency gains or losses.

• *Treasury shares*

Treasury shares acquired in connection with the Group's share buy-back program are recorded as financial assets. They are recognised at purchase price. At the end of the year, their carrying value is determined on the basis of the average quoted price of the shares for the last month of the year. If the carrying value is lower than the purchase price, an impairment loss is recorded for the difference.

2.4 INVENTORIES AND WORK IN PROGRESS

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

- Materials and supplies cost is determined using the average cost method based on the weighted average cost per unit,
- The cost of finished products and work in progress includes direct production costs and factory overhead (based on normal operating capacity),
- Traded goods inventories are recorded at purchase price (spare parts) or at their trade-in value (second-hand machines),
- The net realisable value is the estimated selling price in the ordinary course of business less applicable expenses to recondition or sell the goods.

Impairment is recognised when the net realisable value corresponding to the estimated selling price in the ordinary course of business less applicable expenses to recondition or sell the goods, is less than the carrying value of inventories defined above.

The materials and spare parts inventories are eventually impaired following the last buying date and the turnover rate.

2.5 RECEIVABLES AND PAYABLES

Receivables and payables are recognised at their face value.

A provision for impairment is recorded when their collection value, determined on a case-by-case basis, is estimated to be lower than the carrying value.

As soon as there are indications of a real and serious collection risk, a provision for impairment is recorded.

2.6 TRANSLATION OF TRANSACTIONS IN FOREIGN CURRENCY

Transactions in foreign currencies are translated at the exchange rate on the transaction date. At the end of the period, receivables and payables balances are translated at the closing rate. The resulting translation differences for payables and receivables in foreign currency at the end of the period are recognised in the balance sheet under the cumulative translation adjustment. For unrealised foreign exchange losses, a provision for contingencies is recorded.

For receivables for which impairment has been recorded, only the remaining balance is translated at the year-end exchange rate.

Following the ANC regulation No. 2015-5 of 2 July and applicable as from 1 January 2017, allowances and reversals for foreign exchange losses are recognized under operating income for trade receivables and payables, and as financial result for financing operations.

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2.7 MARKETABLE SECURITIES

Marketable securities are initially recognised at their purchase price excluding incidentals. Carrying value of the securities is measured based on quoted values at the closing date. An impairment is recorded when this quoted value is lower than purchase price.

2.8 PROVISIONS

When a contingent liability is identified, for which no reliable estimation can be determined, there is no provision recognized. If applicable, a description of the identified risk is included in a dedicated paragraph within the notes relating to provisions for contingencies and charges (Note 12) or contingent liabilities.

In general a provision is recorded when:

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

• **Warranty provision**

Haulotte Group grants clients a manufacturer's warranty. The estimated cost of warranties on products already sold is covered by a provision statistically calculated on the basis of historical data. The warranty period is generally two years. When necessary, a provision is recognised on a case-by-case basis to cover specific warranty risks identified.

• **Litigations**

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

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

• **Pension**

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

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the income statement in the period incurred.

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2.9 OPERATING PROFIT

• *Revenue recognition*

“Net sales” includes the goods and services sales comprising notably:

- Equipment sales to the distribution and renting subsidiaries of the group
- Direct sales to certain customers
- Spare parts sales
- Services.

Sales of goods are recorded net of value added tax at the date of transfer of risks and benefits of ownership. Revenues related to services are recognised over the period during which the services are rendered.

• *Operating expenses*

Operating expenses include notably material costs, production costs and overheads.

2.10 FINANCIAL INCOME

Financial income consists primarily of changes in provisions on investments and on intercompany current accounts, exchange gains and losses (except those relating to commercial receivable and debt), interest income and expenses on current accounts and financial costs associated with borrowing.

2.11 EXTRAORDINARY INCOME

Items that are exceptional in nature or that do not occur in the normal course of business are recognised under extraordinary profit or loss. In accordance with the French National Accounting Code (Plan Comptable Général), extraordinary profit or loss also includes allowances and reversals of special tax depreciation provisions.

NOTE 3 - POST-CLOSING EVENT

On the date the accounts were closed by the Board of Directors, March 9, 2021, no post-closing event occurred.

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NOTE 4 - FIXED ASSETS

4.1 PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

Gross amounts

In thousands of Euros	31/12/2019	Increase	Decrease	31/12/2020
Intangible assets ⁽¹⁾	15,753	2,156	-	17,909
Intangible assets in progress	1,572	701	1,117	1,156
Land	882	-	-	882
Building	2,848	-	-	2,848
General installations	14,418	245	2	14,660
Machinery and equipment	29,983	1,663	6,148	25,498
Other PPE	5,207	1,786	-	6,993
Fixed assets in progress	509	1,953	312	2,149
TOTAL	71,171	8,503	7,579	72,096

⁽¹⁾ The intangible assets concern primarily software. They also include goodwill of 168 thousand€. The goodwill originated from the creation of Haulotte S.A. in 1995. No depreciation or impairment has been recorded.

Accumulated depreciation and impairment

In thousands of Euros	31/12/2019	Increase	Decrease	31/12/2020
Intangible assets	10,898	2,045	-	12,943
Building	1,369	-	-	1,369
General installations	10,871	692	2	11,561
Machinery and equipment	24,036	1,933	5,513	20,456
Other PPE	4,533	477	-	5,010
TOTAL	51,707	5,147	5,515	51,338

Research and development expenditure, recorded in operating expenses, totalled 13,719 thousand € for the fiscal year .

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4.2 FINANCIAL ASSETS

Financial assets break down as follows on a cost basis :

In thousands of Euros	31/12/2018	Increase	Decrease	31/12/2019
Equity investments ⁽¹⁾	39,855	24,300	-	64,155
Current accounts & loans to subsidiaries ⁽²⁾	153,851	32,745	88,059	98,537
Treasury shares ⁽³⁾	14,212	811	1,134	13,889
Other financial assets	4,509	10	245	4,274
TOTAL GROSS VALUE	212,427	57,866	89,438	180,855

⁽¹⁾ The increase in equity investments is mainly due to the additional acquisition of securities from our subsidiary Haulotte Changzhou following a capital increase.

⁽²⁾ The increase mainly concerns the granting of a loan to our subsidiary Haulotte Changzhou and the classification of the long-term portion of the Haulotte US debt. The decrease is explained by the change in the presentation of the current accounts.

⁽³⁾ The number of treasury shares owned at year end 2020 is 1 839 251. (See §4.3).

In thousands of Euros	31/12/2019	Allowances	Reversals	31/12/2020
Provisions on Equity investments ⁽⁴⁾	5,258	450	-	5,708
Provisions on Current accounts & loans ⁽⁵⁾	15,479	10,936	1,272	25,143
Provisions on Treasury shares	4,719	-	1,452	3,267
Provisions on Other financial assets	2,902	-	245	2,657
TOTAL PROVISIONS	28,358	11,386	2,969	36,775
TOTAL NET VALUE	184,069			144,080

⁽⁴⁾ Haulotte Group as recorded additional provisions on the securities of its subsidiary Horizon.

⁽⁵⁾ The increase in the provisions for receivables attached to holdings is mainly explained by additional provision on Haulotte US.

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4.3 CHANGES IN TREASURY SHARES

Type	In €	2020	2019
Liquidity agreement	Number of shares purchased	175,460	267,321
	Purchase price of shares (€)	811,308	1,901,829
	Average price per share (€)	4.62	7.11
	Number of shares sold	189,851	250,246
	Original value of shares sold (€)	1,134,205	2,380,213
	Sale price of shares sold (€)	899,384	1,797,381
	Net gain / (loss) (€)	(234,822)	(582,833)
	Number of shares cancelled		
	Number of shares at December 31	140,846	155,237
	Original value of shares at December 31 (€)	705,525	1,028,423
Buyback autorisation	Number of shares purchased		
	Purchase price of shares (€)		
	Average price per share (€)		
	Number of shares sold		
	Number of shares cancelled		
	Number of shares at December 31	1,698,405	1,698,405
Original value of shares at December 31(€)	13,183,551	13,183,551	
Global	Number of shares at December 31	1,839,251	1,853,642
	Initial value of shares at December 31(€)	13,889,077	14,211,974
	Provision for treasury shares at December 31* (€)	(3,266,984)	(4,718,547)
	Closing price of shares at December 31 (€)	6.07	5.3

* On the basis of the average price of shares for the last month

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4.4 LIST OF SUBSIDIARIES AND AFFILIATES

Company Registered office In thousands of Euros	Share capital Shareholder s'equity ⁽¹⁾	Ownership interest (%)	Reserves and retained earnings	Gross value of shares Net value of shares	Advances and Loans	Dividends received	Revenue Net income
Haulotte France Sarl 69 St Priest - France	1,046 15,888	99.99%	12,610	3,804 3,804	(16,097)		73,982 2,212
Telescopelle SAS L'Horme - France	37 1,054	100.00%	952	37 37	(978)		120 65
Haulotte Access Equipment Manufacturing (Changzhou) Co., Ltd. Chine	22,211 36,840	100.00%	10,598	26,300 26,300	11,409		49,335 4,109
Haulotte Argentina SA Argentine	148 (2,707)	100.00%	(1,695)	3,085 (0)	462		4,000 (1,160)
Haulotte Arges SRL Roumanie	802 66,743	100.00%	61,561	1,100 1,100	(27,720)		75,959 4,407
Haulotte Australia Pty Ltd Australie	0 1,592	100.00%	1,637	0 0	23,267		38,108 (43)
Haulotte Canada Canada	- -	100.00%	-	0 -	8		- -
Haulotte Do Brazil Ltda Brésil	79 (26,626)	99.98%	(18,823)	201 -	1,974		6,036 (8,529)
Haulotte Digital Support Center Roumanie	0 (514)	95.00%	(498)	0 -	1,263		975 (16)
Haulotte Hubarbeitsbuhnen GmbH Allemagne	30 23,139	100.00%	21,634	30 30	(22,255)		35,739 1,476
Haulotte Iberica SL Espagne	310 14,754	98.71%	13,157	3 3	(7,764)		21,611 1,287
Haulotte India Inde	55 208	99.99%	123	62 62	-		5 32
Haulotte Japon Japon	38 27	100.00%	7	46 30	-		1 (19)
Haulotte Italia Srl Italie	100 14,202	99.00%	12,992	10 10	(8,768)		27,362 1,111
Haulotte Mexico SA de CV Mexique	821 (388)	99.99%	(1,037)	1,113 -	6,742		4,864 (173)
Haulotte Middle East FZE Emirats Arabes	- 1,091	100.00%	2,122	199 199	4,956		1,923 (1,343)
Haulotte Netherlands BV Pays-Bas	20 916	100.00%	400	20 20	(418)		14,579 496
Haulotte Polska SP Z.O.O. Pologne	88 2,177	100.00%	1,240	105 105	(1,312)	-	13,242 871
Haulotte Scandinavia AB Suède	10 18,389	100.00%	18,225	11 11	(18,497)		16,786 158
Haulotte Singapore Ltd. Singapour	- 4,096	100.00%	4,552	0 -	(702)		9,782 (490)
Haulotte Trading (Shanghai) co. Ltd. Chine	- (6,388)	100.00%	(8,348)	550 -	-		18,789 1,276

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2020

Company	Share capital	Ownership interest (%)	Reserves and retained earnings	Gross value of shares	Advances and Loans	Dividends received	Revenue
Registered office	Shareholder s'equity ⁽¹⁾			Net value of shares			Net income
In thousands of Euros							
Haulotte UK Ltd	1	100.00%	(2,534)	2	4,998		14,981
Angleterre	(2,021)			-			518
Haulotte US Inc	2	100.00%	(41,583)	3	83,780		45,015
Etats Unis	(19,192)			-			(9,224)
Haulotte Vostok	31	100.00%	2,685	80			28,822
Russie	3,354			80			706
Horizon High Reach Limited	506	100.00%	5,297	5,065	-		4,450
Argentine	5,072			4,631			(732)
Levanor Maquinaria de Elevacion S.A.	100	91.00%	636	300	1,324		-
Espagne	721			-			(14)
Haulotte Chile	0	100.00%	809	0	-		2,384
Chili	582			0			(218)
Horizon Chile	0	100.00%	(2,076)	5	-		2,096
Chili	(2,309)			-			(224)
Acarlar	407	100.00%	1,940	22,024	-		6,643
Turquie	2,891			22,024			616

⁽¹⁾Including Capital and Net income

For foreign subsidiaries, figures presented are translated at the year-end closing exchange rate except for revenue and net income which are translated at the average exchange rate of the period.

The amount of balance sheet commitments are presented in notes 24 and 25.

NOTE 5 - INVENTORIES

In thousands of Euros	Inventories at 31/12/2020			Inventories at 31/12/2019		
	Gross	Provisions	Net	Gross	Provisions	Net
Raw materials	19,954	(470)	19,484	21,582	(649)	20,933
Work in progress	552	-	552	1,622	-	1,622
Finished goods	15,888	(562)	15,325	41,913	(865)	41,048
Trade goods	9,525	(971)	8,553	9,528	(948)	8,580
TOTAL	45,919	(2,004)	43,915	74,645	(2,462)	72,183

The decrease in inventories relates mainly to the inventory of machines.

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2020

NOTE 6 - TRADE RECEIVABLES

In thousands of Euros	31/12/2020	31/12/2019
TRADE RECEIVABLES	110,097	126,309
of which Group receivables	106,006	114,829
PROVISIONS	(37,650)	(39,390)
of which Group provisions	(36,536)	(35,309)
NET TRADE RECEIVABLES	72,448	86,919

The depreciation is mainly explained by the write-off of out of Group receivables offset by an increase in the depreciation of our subsidiary Haulotte Argentina.

NOTE 7 - MATURITY OF RECEIVABLES AND PAYABLES

The receivables are as follows:

In thousands of Euros	Total	< 1 year	> 1 year and < 5 years	> 5 years
Current accounts & loans to subsidiaries	98,537	14,467	-	84,070
Trade receivables	110,097	109,291	-	806
Other receivables	63,327	55,505	7,822	-

The other receivables mainly concern short-term current accounts, income tax, VAT.

NOTE 8 - ACCRUALS

In thousands of Euros	31/12/2020	31/12/2019
PREPAID EXPENSES	1,113	1,090
Operating expenses	1,113	1,090
Financial expenses	-	-
DEFERRED REVENUE	1,704	1,335
UNREALISED FOREIGN EXCHANGE LOSSES	6,733	1,902
On receivables	6,721	1,721
On payables	12	181
UNREALISED FOREIGN EXCHANGE GAINS	6,058	17,243
On receivables	5,873	16,235
On payables	185	1,008

The main prepaid expenses are related to spare parts in transit and IT services.

The deferred revenue relates to machines and spare parts.

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2020

NOTE 9 - OTHER ACCRUED ASSETS AND LIABILITIES

9.1 ACCRUED LIABILITIES

In thousands of Euros	31/12/2020	31/12/2019
Bank borrowings	175	149
Trade payables	15,877	21,643
Tax and employee-related payables	2,807	4,008
Other payables	353	407
TOTAL	19,212	26,206

Other debts mainly concern credit note to be issued on spare parts and machines.

9.2 ACCRUED ASSETS

In thousands of Euros	31/12/2020	31/12/2019
Customer Accounts receivables	2,456	5,572
Other receivables	1,791	2,822
Accrued interests	5	5
TOTAL	4,252	8,399

Other receivables mainly concern accrued income from insurance related to a call for a bank guarantee from defaultings customers.

NOTE 10 - SHAREHOLDERS' EQUITY

Detail of share capital

In €	31/12/2019	Increase	Decrease	31/12/2020
Number of shares	31,371,274			31,371,274
Nominal value in Euros	0.13			0.13
Share capital in Euros	4,078,265			4,078,265

Statement of changes in shareholders' equity (in thousands of Euros)

Shareholders' equity at 31/12/2019	84,981
Dividends distributed	(6,494)
Change in regulated reserves	(711)
Profit/(loss) for the period	(31,298)
investment grants	(1)
SHAREHOLDERS' EQUITY AT 31/12/2020	46,477

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2020

NOTE 11 - IDENTITY OF THE PARENT COMPANY CONSOLIDATING THE FINANCIAL STATEMENTS

Company name - registered office	Legal form	Capital	Owned %
SOLEM 93 Epinay sur Seine – France	S.A.S	477	57.50

The consolidated financial statements are available at the headquarter of the company Solem.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

In thousands of Euros	31/12/2019	Allowances	Provisions used in the period	Reversal of unused provisions	31/12/2020
Warranty provisions	3,646	476	1,359	93	2,670
Provisions for foreign exchange losses	1,522	5,929	-	1,522	5,929
Provision for foreign exchange losses on commercial receivables and payables	381	804	-	381	804
Provision for pensions and other employees cost **	6,425	536	45	-	6,916
Other contingencies and commitments*	3,350	1,143	486	-	4,006
TOTAL	15,323	8,888	1,891	1,996	20,326
* of which provision on negative net equity of subsidiaries	2,093	174	-	-	2,266
** of which provision on restricted stock unit plan	457	-	-	-	457
Recognised under operating profit		1,817	1,878		
Recognised under financial profit		5,929	1,522		
Recognised under extraordinary profit		1,143	486		
TOTAL		8,888	3,886		

The increase in other provisions is explained by the call for a bank guarantee from one of our defaulting customers and provisions on our subsidiaries Haulotte Brazil and Levanor.

Provision for a restricted stock unit plan

By decision of the Board of Directors of 13 March 2018, a restricted stock unit plan was adopted for the benefit of a selected category of employees. The plan highlights are as follows:

Board of director' meeting date :	13/03/2018
Beneficiaries :	Salariés non mandataires
Total number of restricted stock units granted :	70 000
Of which granted to corporate officers :	0
Vesting date of the shares ⁽¹⁾ :	14/03/2022
End of the holding period :	n/a
Number of shares subscribed at 31/12/20 :	0
Total number of shares cancelled or lapsed :	0
Restricted stock units remaining at the end of the period :	70 000

⁽¹⁾ The vesting of shares is subject to the condition whereby the beneficiary remains an employee of the company and achievement of non-market performance conditions. The share price on the grant date was €19.12

By decision of the Board of Directors of 17 July 2020, vesting date of the shares have been changed from 14/03/2021 to 14/03/2022.

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2020

Provisions for post-employment benefits

Retirement commitments are estimated according to the projected unit credit method using end-of-career wages according to the procedures described in paragraph 2.8, on the basis of the following assumptions:

- a mortality table INSEE 14-16 (vs 2019 INSEE 13-15)
- a staff turnover rate based on available Group historical data
- a salary increase rate based on the expected length of service, career development, the terms of collective bargaining agreements and the rate of long-term inflation calculated on a historical basis
- a 0.39 % discount rate (vs 2019 0.80%)
- a retirement age for employees born before 1 January 1950 of 62 for managers, 60 for clerical staff
- a retirement age for employees born after 1 January 1950 of 65 for managers, 63 for clerical staff.

Concerning end-of-career severance benefits, the assumption retained is that of voluntary retirement that takes into account social security contributions (45 %). This method of calculation complies with the French Pension Reform Act of 21 August 2003 Loi Fillon, (amended by the law n°2010-1330 dated 9 November 2010 as published in the "Journal Officiel" dated 10 November 2010)

At 31 December 2020, the provision was split between:

- 5,967 thousand € for pensions provisions
- 318 thousand € for long-service award provisions.

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2020

NOTE 13 - BORROWINGS

13.1 BANK BORROWINGS

In thousands of Euros	31/12/2019	Increase	Decrease	31/12/2020
Syndicated loan	70,000	157,000	157,000	70,000
Other loans	40,008	-	5,030	34,978
Overdraft on syndicated loans	19,159	5,725	275	24,610
Other overdrafts	3,200	2,750	-	5,950
Accrued interests	149	26	-	175
TOTAL	132,516	165,502	162,305	135,713

- **Syndicated credit facility :**

Given the impact of the Covid 19 health crisis on the vast majority of the activities of the group, Haulotte has submitted to all Syndicated Credit lenders a Waiver request concerning compliance with one of the two ratios for the periods of June and December 2020, as well as a request for an extension of an additional year of the maturity date of the Credit (as provided for in the contract signed on July 17, 2019). These two requests were unanimously and unreservedly accepted on June 30, 2020. The term of the Syndicated Credit Agreement was thus extended to July 17, 2025.

In thousands of Euros	Loan Balance at 31/12/2019	Net Change of the refinancing facility	Net Change of the revolving porting	Net Change of the bank overdraft	Loan Balance at 31/12/2020	Balance available at 31/12/2020 for further drawing
Revolving	70,000	-	-	-	70,000	20,000
SUB-TOTAL	70,000	-	-	-	70,000	20,000
Bank overdraft	19,159			5,451	24,610	15,390
Accrued interests	103			22	125	
TOTAL	89,262	-	-	5,473	94,735	35,390

- **Other loans**

Haulotte Group S.A did not subscribe to any new financing lines in 2020. However, the company was able to benefit from measures to postpone 2 quarterly instalments on amortizable contracts excluding syndicated loans, offered by two banking institutions.

13.2 MATURITY OF LOANS AND BORROWINGS

The maturity of borrowings and other financial debts at 31 December 2020 is as follows: t :

In thousands of Euros	Total	< 1 year	> 1 year and < 5 years	> 5 years
Bank borrowings	135,713	39,207	92,404	4,102
Of which syndicated loan	70,000	-	70,000	
Of which other borrowings	34,978	8,472	22,404	4,102
Of which syndicated loan overdraft	24,610	24,610		
Of which other overdrafts	5,950	5,950		
Of which accrued interests	175	175		

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2020

NOTE 14 - MATURITY OF CREDITORS

The maturity of creditors at 31 December 2020 is as follows:

In thousands of Euros	Total	< 1 year	> 1 year and < 5 years	> 5 years
Trade payables	31,493	31,493		
Tax and employee related liabilities	4,897	4,897		
Payables to fixed assets suppliers	6,953			
Other liabilities	107,590	107,590		
of which current accounts		107,216		

NOTE 15 - NET SALES

In thousands of Euros	France	Export	Total
Sales of equipment	46,993	128,999	175,992
Sales of services	2,098	8,462	10,560
TOTAL	49,091	137,461	186,552

NOTE 16 - EXPENSE TRANSFER

	31/12/2020	31/12/2019
Expense transfer for debits notes	410	96
Expense transfer for related to insurance reimbursements	153	119
Expense transfer for related to reimbursements of social charges over previous years	-	767
TOTAL EXPENSE TRANSFER FOR OPERATING PROFIT	562	982

	31/12/2020	31/12/2019
Expense transfer for related to supplier disputes	150	
Expense transfer for related to insurance reimbursements	34	1,643
Expense transfer for related to the disposal of fixed assets in progress	3	86
TOTAL EXPENSE TRANSFER FOR EXTRAORDINARY PROFIT	187	1,729

NOTE 17 - RELATED PARTIES STATEMENT TRANSACTIONS

Transactions between related companies were concluded under normal market conditions.

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2020

NOTE 18 - OTHER INCOME AND OTHER EXPENSE

In thousands of Euros	31/12/2020	31/12/2019
Other income - exchange gains on trading	633	773
Other income	13,038	19,456
TOTAL OTHER INCOME	13,671	20,229
Other expense - exchange losses on trading	707	1,154
Other losses	4,515	1,118
TOTAL OTHER EXPENSE	5,222	2,272
TOTAL	8,448	17,957

Other incomes mainly concern trade mark and technology licenses invoiced to our foreign plants.

Other expenses are mainly explained by the write-off of out of Group receivables.

NOTE 19 - FINANCIAL AND EXTRAORDINARY INCOME AND EXPENSE

19.1 FINANCIAL PROFIT (LOSS)

In thousands of Euros	31/12/2020	31/12/2019
Change in provisions for impairment of shares and advances to subsidiaries	(10,114)	(1,168)
Change in provisions for other loans	245	(1,155)
Dividends received from subsidiaries	-	6,106
Interest on current account	1,863	329
Interest on borrowings bank overdraft and bank fees	(1,954)	(2,799)
Foreign exchange : gains, losses, changes in provisions	(6,513)	438
Details by currency :		
USD	6,480	
GBP	453	
AUD	29	
Others	(449)	
	6,513	
Provisions for own share*	1,452	(4,719)
Income from marketable securities	(1)	(1)
Loss on receivables from investments	-	-
Late payment interests and discounts	43	58
Financial charges and incomes on Swaps	4	-
TOTAL	(14,975)	(2,910)

* See § 4.3

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2020

19.2 EXTRAORDINARY PROFIT (LOSS)

In thousands of Euros	Expense	Income	Expense	Income
	31/12/2020	31/12/2020	31/12/2019	31/12/2019
Fines and penalties	23	-	3	-
Provisions for lawsuit contingencies ⁽¹⁾	1,143	486	1,145	62
Other extraordinary income (expense) ⁽²⁾	1,445	381	1,715	1,384
Proceeds from the disposal of PPE	640	-	718	623
Proceeds from the disposal of financial assets	-	-	-	-
Proceeds from investment securities and treasury shares	267	32	583	0
Exceptional depreciation expenses	-	2	-	2
Excess tax depreciation	4	715	13	81
Expense transfer	-	187	-	1,729
TOTAL	3,522	1,804	4,178	3,880

⁽¹⁾ The expense relating to the provision for litigation mainly corresponds to an allocation linked to a call for bank guarantees on customers, and an allocation for subsidiaries Haulotte Brazil and Levanor.

⁽²⁾ Extraordinary expense mainly linked to a call for a bank guarantee on a customer.

NOTE 20 - BREAKDOWN OF TAX INCOME BETWEEN CURRENT INCOME AND EXTRAORDINARY PROFIT (LOSS)

In thousands of Euros	Pre-tax income	Corporate income tax	After tax income
Current income	(32,710)	3,131	(29,579)
Extraordinary profit (loss)	(1,718)	-	(1,718)
TOTAL	(34,428)	3,131	(31,297)

The breakdown of tax between current income and extraordinary income has been determined by applying the legal tax rate respectively to a current tax income and an extraordinary tax income.

The tax revenue which has been linked to the current result mainly comes from Tax Credit for Research.

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2020

NOTE 21 - DEFERRED TAXES

In thousands of Euros	Basis	Deferred tax
Expenses recorded not deductible for tax purposes		
Employee profit-sharing		
“Organic” tax	261	73
Provision for inventory losses	1,494	418
Provision for trade receivable losses	1,113	312
Provision for pensions	5,967	1,671
Taxable income not recorded in the accounting income	6,058	1,696
NET DEFERRED TAXES	14,894	4,170

Haulotte Group SA has accumulated losses for tax carry forwards amounting to 95,542 thousand €:

- 28,851 thousand € acquired for the overall result 2011
- 24,549 thousand € acquired for the overall result 2012
- 1,792 thousand € acquired for the overall result 2013
- (6,170) thousand € used for the overall result 2014
- (3,654) thousand € used for the overall result 2015
- (363) thousand € used for the overall result 2016
- 1,978 thousand € acquired for the overall result 2017
- 2,020 thousand € acquired for the overall result 2018
- 2,520 thousand € acquired for the overall result 2019
- 44,019 thousand € acquired for the overall result 2020

NOTE 22 - TAX CONSOLIDATION

Haulotte Group SA is the head of a French tax consolidation that included on 31 December 2020 the entities Haulotte France, Télescopelle and Haulotte Services.

Under this tax sharing agreement, the income tax of entities is incurred by subsidiaries as if they are not included in a tax group.

NOTE 23 - FEES ALLOCATED TO DIRECTORS AND OFFICERS

Amount allocated to Board members expensed by the Company totalled 766 thousand € in 2020 versus 892 thousand € in 2019.

This amount originates from funds invoiced by Solem S.A.S. for the services rendered on behalf of the Group by two executives. It includes expenses incurred by those executives on behalf of the Group.

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

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

STATUTORY ACCOUNTS

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NOTE 24 - OFF-BALANCE SHEET COMMITMENTS

24.1 FINANCE LEASE COMMITMENTS

In thousands of Euros	Cost price ⁽¹⁾	Depreciation allowances ⁽²⁾		Net value
		Accounting period	Accrued	
Other tangible fixed assets	15,701	162	232	15,469
TOTAL	15,701	162	232	15,469

⁽¹⁾ Cost price

⁽²⁾ Provisions that would have been recorded for these assets if they had been acquired.

In thousands of Euros	Fees paid		Fees remaining to be paid				Residual purchase price ⁽¹⁾
	Accounting period	Accrued	< 1 year	1 - 5 years	> 5 years	Total Due	
Other tangible fixed assets	477	609	1,441	5,692	9,551	16,683	1
TOTAL	477	609	1,441	5,692	9,551	16,683	1

⁽¹⁾ According to contract.

24.2 OTHER COMMITMENTS GIVEN

Guarantees granted to financial institutions offering financing to group customers :

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

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

- Guarantee in the form of a commitment to continue lease payments
- Guarantee in the form of a contribution to a risk pool
- Specific guarantee covering a determined amount for a given receivable
- Guarantee in the form of commitments to repurchase the equipment.

In thousands of Euros	31/12/2020	31/12/2019
< 1 year	10,302	8,394
> 1 year	18,830	20,598
TOTAL	29,132	28,992

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2020

Repurchase commitments given to institutions providing financing to customers

This concerns commitments given by the company to financial institutions to substitute for customers who do not exercise their purchase option

of which 57 thousand € given to Haulotte France

In thousands of Euros	31/12/2020	31/12/2019
< 1 year	24	9
1 - 5 years	33	46
> 5 years	-	-
TOTAL	57	56

Guarantees for export credit financing

Export credit agreements were arranged for selected customers whereby specialised organisations provide the banks guarantees for a percentage of these agreements and the Group then issues an additional counter-guarantee to the financial institution for the uncovered portion. At the end of December 2020, this commitment amounted to €1,473,000 (compared to €1,458,000 at 31 December 2019).

Other commitments

This concerns commitments given by the company to suppliers :

In thousands of Euros	31/12/2020	31/12/2019
< 1 year	10	10
TOTAL	10	10

It is guarantees given by the Company to clients :

In thousands of Euros	31/12/2020	31/12/2019
< 1 year	41	-
TOTAL	41	-

It is guarantees given by the Company to the Romanian tax authorities as part of a tax audit of our subsidiary:

In thousands of Euros	31/12/2020	31/12/2019
< 1 year	368	-
TOTAL	368	-

Commitments given to GE Capital for the benefit of Haulotte US for US\$5 million

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

STATUTORY ACCOUNTS

FISCAL YEAR ENDED 31 DECEMBER 2020

NOTE 25 - RECEIVED COMMITMENTS

In thousands of Euros	31/12/2020	31/12/2019
Commitment received from Télescopelle as a beneficiary of a debt waiver with a repayment clause	1,450	1,450

NOTE 26 - AVERAGE HEADCOUNTS

	31/12/2020	31/12/2019
Managers	297	275
Office employees, technicians	164	174
Workers	211	228
TOTAL	672	677

NOTE 27 - INDIVIDUAL TRAINING BENEFITS

The law of March 5, 2014 replaced the individual right to training (DIF) by the personal training account (CPF) from January 1, 2015. It opens for employees with a long-term employment contract under indefinite private law, a right to training lasting 24 hours per year for the first five years, then 12 hours per year, for a full-time working period, up to the ceiling of 150 hours.

The law for "the freedom to choose one's professional future" of September 5, 2018 has changed the CPF system with, from January 1, 2019, the monetization of hours credited to the CPF.

The valuation was made up to € 15 per hour with a ceiling of € 5,000. To face the consequences of the health crisis, the National Assembly adopted an amendment aimed at modifying the deadline of December 31, 2020 for the registration of acquired rights under the Individual Right to Training (DIF).

An additional 6 months has been granted to enter the balance of DIF hours.

Employees now have until June 30, 2021 to enter their DIF hours directly online on the portal or on the My Training Account mobile application.

Once completed, the hours are included in the training rights up to € 15 per hour. They can be used to finance training with no time limit.

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FISCAL YEAR ENDED 31 DECEMBER 2020

NOTE 28 - FOREIGN EXCHANGE RISKS EXPOSURE

The Company is mainly exposed to foreign exchange risks with receivables in US dollars, Australian dollars and pound sterling. A portion of this exposure is hedged by forward purchases of the relevant currencies and by a specific hedging instrument in US dollars.

The Company has used in the period, swaps and forward currency sales accounted for on the basis of isolated open positions. Gains and income from the settlement of positions are recognized under financial income. The Company did not have any financial instruments at the end of the reporting period.

Significant receivables (net of provisions), payables, cash positions and commitments in foreign currency not hedged

Foreign exchange exposure	Currencies								
	AUD	SEK	GBP	USD	PLN	RMB	TRY	INR	Others
BALANCE SHEET									
RECEIVABLES ⁽¹⁾	26,007		4,305	171,868					
of which Group receivables	26,007		4,305	168,331					
of which non-Group receivables				3,537					
Debit Cash positions ⁽²⁾	2,429	521	372	2,442	73				
PAYABLES ⁽³⁾	131	17,789	166	4,253	1,312				3
of which Group payables	127	17,789	158	3,517	1,312				
of which non-Group payables	4		8	735					3
Creditor Cash positions ⁽²⁾				1,479					
OFF-BALANCE SHEET COMMITMENTS ⁽⁴⁾									
Non-group commitments given	1,415			2,129		7,510	5,636	2,597	

⁽¹⁾ Financial receivables, trade receivables

⁽²⁾ Cash positions

⁽³⁾ Financial payables, trade payables

⁽⁴⁾ This concerns commitments to cover lease payments and risk pools mentioned in section 23.2.

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED 31 DECEMBER 2020

PricewaterhouseCoopers Audit

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This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

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

To the annual general meeting of Haulotte Group SA Company,

OPINION

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Haulotte SA for the year ended December, 31st 2020.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December, 31st 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

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

BASIS FOR OPINION

Audit Framework

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

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

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for statutory auditors, for the period from January, 1st 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

Due to the global crisis related to the covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

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

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

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED 31 DECEMBER 2020

Measurement of equity investments, receivables from investments and Group trade receivables

Identified risk

Haulotte Group SA holds equity in Group companies and operates a manufacturing business. As part of the development of the Group, it carries out cash advances to finance its subsidiaries. In addition, it sells equipment to its sales subsidiaries and provides services to the Group as a whole.

Equity investments, loans, receivables from investments and Group trade receivables recognised at 31 December 2020 represent some of the largest entries on the balance sheet. Equity investments are carried at cost and may be impaired based on their value in use. Receivables from investments and Group trade receivables are recognised at par value and may be written down on the basis of their recoverability.

As indicated in Note 2.3 to the financial statements, the value in use of shares in subsidiaries is estimated by management based on equity at the closing date and forecast earnings for the concerned entities. These same inputs are used to evaluate the recoverability of receivables from investments and trade receivables at Group level.

In order to estimate the value in use of equity investments, management is required to exercise judgement to decide which inputs to use for each investee. These inputs either correspond to historical data (equity) or forecast data (profitability outlook or the economic environment in the countries in which the investees operate).

The geographic location of certain subsidiaries and the competitive and economic environment in which they operate could lead to a drop in their business activity and therefore affect their operating income, particularly in the context of the Covid-19 pandemic. Accordingly, due to the significant amounts at stake and the decisive impact of these measurements on the assessment of the financial situation, assets and liabilities of Haulotte Group SA, we deemed the correct measurement of equity investments, receivables from investments, Group trade receivables and provisions for contingencies to be a key audit matter.

How our audit addressed this risk

Our audit work consisted primarily in verifying that the estimated values determined by management were based on an appropriate measurement method and underlying data and, depending on the investment:

For valuations based on historical data:

- verifying that the equity values used were consistent with the financial statements of the entities for which an audit or analytical procedures were performed and that any adjustments to equity were based on documentary evidence.

For valuations based on forecast data:

- obtaining the cash and operating cash flow projections for the activities of the entities concerned, as prepared by their operational management teams, and assessing their consistency with the forecast data taken from strategic plans drawn up by general management for each of their activities and approved, where applicable, by the Board of Directors,
- verifying the consistency of the assumptions used with the economic environment at the closing date and at the date on which the financial statements were prepared, particularly in the context of the Covid-19 pandemic.

In addition to assessing the values in use of the investees, our work also consisted in:

- assessing the recoverability of receivables from investments in light of the analyses conducted of equity investments,
- verifying the recognition of provisions for contingencies where the Company is exposed to the losses of a subsidiary with negative equity.

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED 31 DECEMBER 2020

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-46 of the French Commercial Code (Code de commerce).

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-4, L.22-10-10 and L. 22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (code de commerce) relating to remunerations and benefits received or awarded by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlled companies that are included in the scope of consolidation. Based on this work, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (code de commerce), we have verified their compliance with the source documents communicated to us. Based on our work, we have no observation to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Format of the presentation of the financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation No. 2019/815 of 17 December 2018 to years beginning on or after January 1, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier).

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Haulotte Group SA by the General Meetings held on 28 May 2015 for BM&A and on 2 October 1998 for PricewaterhouseCoopers Audit.

As at 31 December 2020, BM&A and PricewaterhouseCoopers Audit were in the sixth year and the twenty-third year of total uninterrupted engagement, which are the sixth year and the twenty-third year since securities of the Company were admitted to trading on a regulated market, respectively.

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED 31 DECEMBER 2020

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED 31 DECEMBER 2020

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Lyon, April 28, 2021
The Statutory Auditors

PricewaterhouseCoopers Audit



Elisabeth L'hermite

BM&A



Alexis Thura

