



**CONSOLIDATED
FINANCIAL
STATEMENT
2022**

CONSOLIDATES FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED BALANCE SHEET - ASSETS

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

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

CONSOLIDATES FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED BALANCE SHEET - LIABILITIES

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

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

CONSOLIDATES FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED INCOME STATEMENT

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

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

CONSOLIDATES FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

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

CONSOLIDATES FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

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

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF CHANGES IN EQUITY

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

*Consolidated reserves primarily consist of retained earnings.

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

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

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

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

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NOTE 1 - GENERAL INFORMATION

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

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

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

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

NOTE 2 - MAJOR EVENTS OF THE FISCAL YEAR

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

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

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

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

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

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NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 STATEMENTS OF COMPLIANCE

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

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

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

Amendments and interpretations of standards in issue taking effect in 2022

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

Standard or interpretation	Nature of the expected change in accounting principles and methods	Impact of the first application by the Haulotte Group
Amendments to IAS 37	These amendments clarify the costs to be considered when analyzing the loss-making contracts	The application of these amendments does not have a significant effect on the Group's accounts, nor on their comparative.
Amendments to IAS 16	These amendments prohibit deducting the net income generated during the asset function test from the cost of a tangible asset. The income of the sale of said elements is recognized in the income statement	The application of these amendments does not have a significant effect on the Group's accounts, nor on their comparative.
Amendments to IFRS 3	These amendments update the conceptual framework without affecting the accounting treatment of the company groupings	The application of these amendments does not have a significant effect on the Group's accounts, nor on their comparative.
Annual improvement of IFRS - 2018-2020 cycle	<p>These improvements concern the IFRS published in 2020 (2018-2020 cycle):</p> <ul style="list-style-type: none"> - IFRS 9: Detail on the costs to include in the test of the 10% - IAS 41: Tax in the evaluations of the true value of the biological asset - IFRS 16: Rental incentives - Deletion of illustrative example 13 from the standard - IFRS 1: Detail on the evaluation of the exchange differences 	The application of these improvements does not have a significant effect on the Group's accounts, nor on their comparative.

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

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

New standards, amendments or interpretations applicable in advance

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

New standards and interpretations not yet adopted by the European Union

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

Application of the IAS 29 Standard in Turkey

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

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

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

3.2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

3.2.1 Critical accounting estimates and assumptions

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

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

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

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

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

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

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

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

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

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

3.2.3 Consideration of risks related to climate change

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

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

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

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

3.3 CONSOLIDATION

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

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

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

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3.4 INTERCOMPANY BALANCES AND TRANSACTIONS

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

3.5 FOREIGN CURRENCY TRANSLATION OF FOREIGN SUBSIDIARIES FINANCIAL STATEMENT

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

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

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

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

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

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

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

3.6 TRANSLATION OF TRANSACTIONS IN FOREIGN CURRENCY

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

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

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3.7 BUSINESS COMBINATIONS

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

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

3.8 SEGMENT REPORTING

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

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

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

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

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

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

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

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

4.1 GOODWILL

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

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

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

The Group has defined different CGUs:

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

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

Goodwill impairment charges are irreversible.

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

4.2 INTANGIBLE ASSETS

Developpement expenditures

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

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

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

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

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

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Customer Portfolio

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

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

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

Other intangible assets

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

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

4.3 PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

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

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4.4 LEASE CONTRACTS

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

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

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

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

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

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

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

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

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

4.5 OTHER FINANCIAL ASSETS

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

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

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

This caption also includes deposits and sureties.

4.6 INVENTORIES AND WORK IN PROGRESS

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

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

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

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

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4.7 TRADE RECEIVABLES

There are four categories of trade receivables:

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

The accounting treatment for each transaction category is described below.

4.7.1 Sales without Group financing or guarantees

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

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

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

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

4.7.2 Sales including guarantees granted by the Group

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

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

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

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

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

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

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

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

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

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

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

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

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

4.7.3 Financial leases and credit sales

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

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

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

The accounting treatment for these agreements is as follows:

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

4.7.4 Back-to-back lease arrangements

Haulotte Group can sometimes use that type of financing.

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

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

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4.8 CASH AND CASH EQUIVALENTS

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

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

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

4.9 TREASURY SHARES

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

4.10 EMPLOYEES BENEFITS

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

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

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

4.11 PROVISIONS AND CONTINGENT LIABILITY

In general, a provision is recorded when:

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

Warranty Provision

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

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Litigation

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

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

Contingent liability

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

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

4.12 BORROWINGS

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

4.13 DEFERRED TAXES

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

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

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NOTE 5 - MANAGEMENT OF FINANCIAL RISK

a) Foreign exchange risk and Interest rate risk

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

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

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

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

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

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

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

b) Credit risk

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

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

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

c) Liquidity risk

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

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d) Other financings:

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

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

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

6.1 REVENUE RECOGNITION

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

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

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

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

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

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

6.2 COST OF SALES

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

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6.3 SELLING EXPENSES

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

6.4 GENERAL AND ADMINISTRATIVE EXPENSES

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

6.5 RESEARCH AND DEVELOPMENT EXPENDITURES

Research expenditures are expensed in the period they are incurred.

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

6.6 OTHER OPERATING INCOME AND EXPENSES

This heading includes:

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

6.7 OPERATING INCOME

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

6.8 COST OF NET FINANCIAL DEBT

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

6.9 OTHER FINANCIAL INCOME AND EXPENSES

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

6.10 EARNINGS PER SHARE

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

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

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NOTE 7 - SCOPE OF CONSOLIDATION

Companies consolidated at 31 December 2022 are:

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

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

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

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

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NOTE 8 - GOODWILL

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

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

North America CGU

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

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

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

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

As a reminder, the following impairments has been accounted:

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

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

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

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

Acarlar CGU

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

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

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

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

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

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

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

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

Horizon CGU

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

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NOTE 9 - INTANGIBLE ASSETS

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

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

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

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

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

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

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

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NOTE 10 - TANGIBLE ASSETS

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

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

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

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

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

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

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

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

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

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NOTE 11 - IFRS 16

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

- **Right of use assets:**

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

- **Lease liabilities:**

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

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

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

P&L impacts are the following :

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

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

Impacts are the following:

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

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

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NOTE 12 - OTHER FINANCIAL ASSETS

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

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

Increase corresponds to deposits done during the year.

Decrease corresponds to receivables reimbursements received during the year.

NOTE 13 - INVENTORY

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

The inventory valuation does not include idle capacity.

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

Provisions for inventory impairment losses break down as follows:

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

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NOTE 14 - TRADE RECEIVABLES

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

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

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

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

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

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

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

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

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

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

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

Provisions for trade receivables break down as follows:

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

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

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

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

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

NOTE 15 - OTHER ASSETS

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

The caption « Other current assets » includes mainly:

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

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

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NOTE 16 - RECEIVABLES BY MATURITY

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

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

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

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

NOTE 17 - FOREIGN EXCHANGE RISK MANAGEMENT

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

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

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

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

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

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

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

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

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NOTE 18 - CASH AND CASH EQUIVALENTS

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

NOTE 19 - DERIVATIVES INSTRUMENTS

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

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

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

NOTE 20 - SHARE CAPITAL AND PREMIUMS

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

Treasury shares at 31 December 2022 are as follows:

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

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

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

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

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

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

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

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

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NOTE 21 - BORROWINGS AND FINANCIAL LIABILITIES

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

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

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

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

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

Concerning the commitments:

Syndicated loan:

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

Club deal financing:

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

State Guaranteed Loan (PGE):

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

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

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

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

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

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

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

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

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

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

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

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

Cash flow situation in Russia

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

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NOTE 22 - MANAGEMENT OF INTEREST-RATE RISKS

Borrowings, excluding guarantees given, break down as follows:

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

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

NOTE 23 - PROVISIONS

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

Customer warranties

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

Restructuring provision

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

Other provisions

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

Contingent liabilities

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

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

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NOTE 24 - PENSION AND RELATED BENEFITS

Main assumptions used for the valuation of liabilities

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

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

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

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

The Group does not hold any plan assets.

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

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

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Change in accumulated benefit obligations

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

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

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

NOTE 25 - PAYABLES BY MATURITY

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

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

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NOTE 26 - OTHER CURRENT LIABILITIES

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

NOTE 27 - DEFERRED TAXES

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

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

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

The change in net deferred tax breaks down as follows:

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

The change in net deferred tax breaks down as follows:

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

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

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

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NOTE 28 - SALES AND REVENUE

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

NOTE 29 - COST OF SALES

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

NOTE 30 - GENERAL AND ADMINISTRATIVE EXPENSES

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

NOTE 31 - RESEARCH AND DEVELOPMENT EXPENDITURES

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

NOTE 32 - EXCHANGE GAINS AND LOSSES

In current operating income	31/12/2022	31/12/2021
Realised exchange gains and losses	2,232	(845)
Unrealised exchange gains and losses	(863)	1,230
TOTAL	1,369	385

In financial income	31/12/2022	31/12/2021
Realised exchange gains and losses	(242)	728
Unrealised exchange gains and losses	(2,431)	8,336
TOTAL	(2,673)	9,064

TOTAL	(1,304)	9,449
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Foreign exchange gains and losses related to underlying considered as financing items (mainly of our subsidiaries) are presented within the financial result.

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

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NOTE 33 - EXPENSES BY NATURE OF CURRENT OPERATING INCOME

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

NOTE 34 - STAFF COSTS

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

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

NOTE 35 - OTHER OPERATING INCOME AND EXPENSES

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

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

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

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

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

NOTE 37 - CORPORATE INCOME TAX

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

NOTE 38 - EFFECTIVE INCOME TAX RECONCILIATION

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

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

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NOTE 39 - EARNINGS PER SHARE

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

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

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

NOTE 40 - SEGMENT REPORTING

40.1 SALES BREAKDOWN

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

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

40.2 MAIN INDICATORS BY BUSINESS SEGMENT

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

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

* includes receivables on financing operations

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

NOTE 41 - ANALYSIS OF CHANGE IN WORKING CAPITAL

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

NOTE 42 - ANALYSIS OF CHANGE IN RECEIVABLES FROM FINANCING ACTIVITIES

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

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

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

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

NOTE 43 - CASH COMPONENTS

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

CONSOLIDATES FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 44 - INFORMATIONS ON RELATED PARTIES

44.1 RELATED PARTIES TRANSACTIONS

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

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

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

44.2 FEES ALLOCATED TO DIRECTORS AND OFFICERS

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

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

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

NOTE 45 - OFF-BALANCE SHEET COMMITMENTS

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

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

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

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

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FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 46 - AVERAGE NUMBER OF EMPLOYEES

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

NOTE 47 - AUDITORS' FEES

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

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

NOTE 48 - SUBSEQUENT EVENTS

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

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

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

SATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

PricewaterhouseCoopers Audit

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

BM&A

11 rue de Laborde,
75008 Paris

To the annual general meeting of Haulotte Group SA

Rue Emile Zola

42420 Lorette

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

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

To the annual general meeting,

OPINION

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

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

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

BASIS FOR OPINION

Audit framework

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

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

Independence

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

EMPHASIS OF MATTER

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

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

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

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

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

Description of risk

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

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

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

How our audit addressed this risk

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

Our work consisted primarily in:

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

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

ASSESSMENT OF CUSTOMER CREDIT RISK

Description of risk

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

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

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

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

How our audit addressed this risk

Our work consisted primarily in:

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

ASSESSMENT OF THE CORRECT VALUATION OF INVENTORY

Description of risk

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

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

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

How our audit addressed this risk

Our work consisted primarily in:

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

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

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

SPECIFIC VERIFICATION

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

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French commercial code (code de commerce) is included in the Group’s information given in the management report, it being specified that, in accordance with article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier), prepared under the responsibility of the Group Managing Director, complies with the single electronic format defined in the European Delegated Regulation N° 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

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

As at 31 December 2021, BM&A and PricewaterhouseCoopers Audit were in the eighth year and the twenty-fifth year of total uninterrupted engagement.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objective and audit approach

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

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

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

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

Report to the Audit Committee

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

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

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France, such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence and the related safeguard.

Lyon, May 2nd, 2023

The Statutory Auditors

PricewaterhouseCoopers Audit

BM&A

Matthieu Moussy

Pascal Rhoumy

