2019 UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

MANITOU GROUP

UNIVERSAL REGISTRATION DOCUMENT SUBMITTED TO THE AMF (FRENCH MARKET AUTHORITY)

This universal registration document was submitted on April 21, 2020 to the AMF in its capacity as competent authority pursuant to Regulation (EU) no. 2017/1129, without prior approval in accordance with Article 9 of said regulation.

The universal registration document may be used for the purposes of offering financial securities to the public or admitting financial securities for trading on a regulated market, if it is accompanied by an offering notice and, as applicable, a summary and all amendments made to the universal registration document. The whole set of documents is then approved by the AMF in accordance with Regulation (EU) no. 2017/1129.

The universal registration document incorporates the annual financial report (AFR) as of December 31, 2019.

CONTENTS

EDITORIAL

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Speaking on behalf of the Board of Directors, I would like to express our satisfaction regarding the balance sheet and income statement for fiscal year 2019, a record year with sales exceeding the €2 billion mark.

This success was made possible thanks to our ambitions and the work of all of our employees and our network, as well as the trust of our customers, who recognize our efforts to offer them high quality equipment and services that also meet the criteria that are so important today relating to our regard and respect for societal and environmental standards.

To achieve this result, it required a great deal of flexibility and ability to adapt to demand, for which our personnel and our suppliers must be commended. Agility has become the watchword to achieve our objectives and adapt to market fluctuations.

Our Board of Directors is actively working to support the executive management to advance on our road map. We have made decisions to support this great work, and we have implemented a very significant investment plan of more than 93 million to prepare the group for the challenges that await it and help it to transform itself to adapt to the needs and requirements of the future.

The investments made over the last two years in India are in the development phase, and new machine projects are taking shape.

In France and in Italy, we have further expanded our production capacities at all of our sites, and at the Ancenis site, we built and commissioned our new modern, user friendly, adapted, and communicative functional Training Center to allow us to train our dealers' technicians on site or remotely so that they will be as well prepared as possible to service and maintain their customers' equipment.

A new factory is being built at the Candé site, which specializes in manufacturing aerial work platforms. It will allow us to meet our ambitions concerning the development of platforms, especially towards North America.

The group is continuing the deployment of its new ERP as a guarantee of the improvement of our processes, our efficiency, and our customer response. After a successful deployment in France, Belgium, and Portugal in 2019, the deployment for Germany, our Italian production site, and the United Kingdom will take place in 2020.

At the same time, we have been developing more and more services for our customers so that they can best monitor their uses and costs, and our equipment is now connected.

I cannot forget to mention the measures put in place at the Human Resources level to make Manitou Group a modern company but one that is still human and continues to attract the talents we need to progress.

We are solidly rooted in our region, with primarily family shareholders, but this does not prevent us from seeing far into space and time, and our Board and myself are determined to make sure that Manitou Group continues to be known and recognized for its innovative and reliable products.

So everything was looking excellent until the appearance of this terrible pandemic, Covid-19, which is affecting the whole world and whose duration and consequences we unfortunately still do not know. Therefore, our company will weather this storm, and we are making every attempt to adapt to the situation in order to preserve the company and start up again with the same determination once this scourge is over.

We are working in total confidence with the President & CEO and the entire Management team. Together, we will continue to move Manitou Group forward towards new challenges.

Jacqueline Himsworth
Chairman of the Board of Directors

MESSAGE FROM THE PRESIDENT & CEO

ANOTHER RECORD YEAR

In 2019, our development, our performance, and our results, which were consistent with the 2018-2022 road map, has led to a new record: for the first time, the group passed the €2 billion sales threshold.

Sales were driven in particular by the success of our ranges of telehandlers and aerial work platforms. The agricultural sector benefited from the launch of Manitou articulated loaders and compact equipment, which expand the depth of the offering. In the industrial sector, the group was able to demonstrate its resilience by consolidating its market shares, despite a slowdown in business.

MATERIALIZATION OF STRONG COMMITMENTS

Two major facts have demonstrated our ability to constantly innovate to improve the customer experience and contribute to the preservation of people and their environment:

The strong development of services, with in particular the expansion of connectivity in all of our ranges: now offered standard in all of our products, the digital twin of each machine reinforces the group's image as an innovator and represents a powerful performance factor for the end users.

The launch of the Oxygen label: this label, which identifies our low-emission solutions, is the perfect embodiment of our CSR and sustainable development policy. Our first 100% electric platform dedicated to construction combines comfort, handling, and increased rough-terrain capacity, for a TCO (Total Cost of Ownership) that is much lower than conventional machines.

COLLECTIVE PERFORMANCE

We owe this performance to the coordinated efforts and unwaivering commitment of the group's employees, motivated by the same passion, as well as the loyalty and expertise of our network of dealers located in more than 140 countries around the world, and finally the agility of our suppliers, who support our responsible approach. We thank each and every one of them.

UNCERTAIN TIMES TO BE WEATHERED TOGETHER

Although generally positive, 2019 saw a slight decline in business in the second half of the year due to a less favorable economic environment. This decrease must be put into perspective, since it followed a growth of 55% in only three years. However, this reminds us to be vigilant, and our outlook for 2020 is cautious.

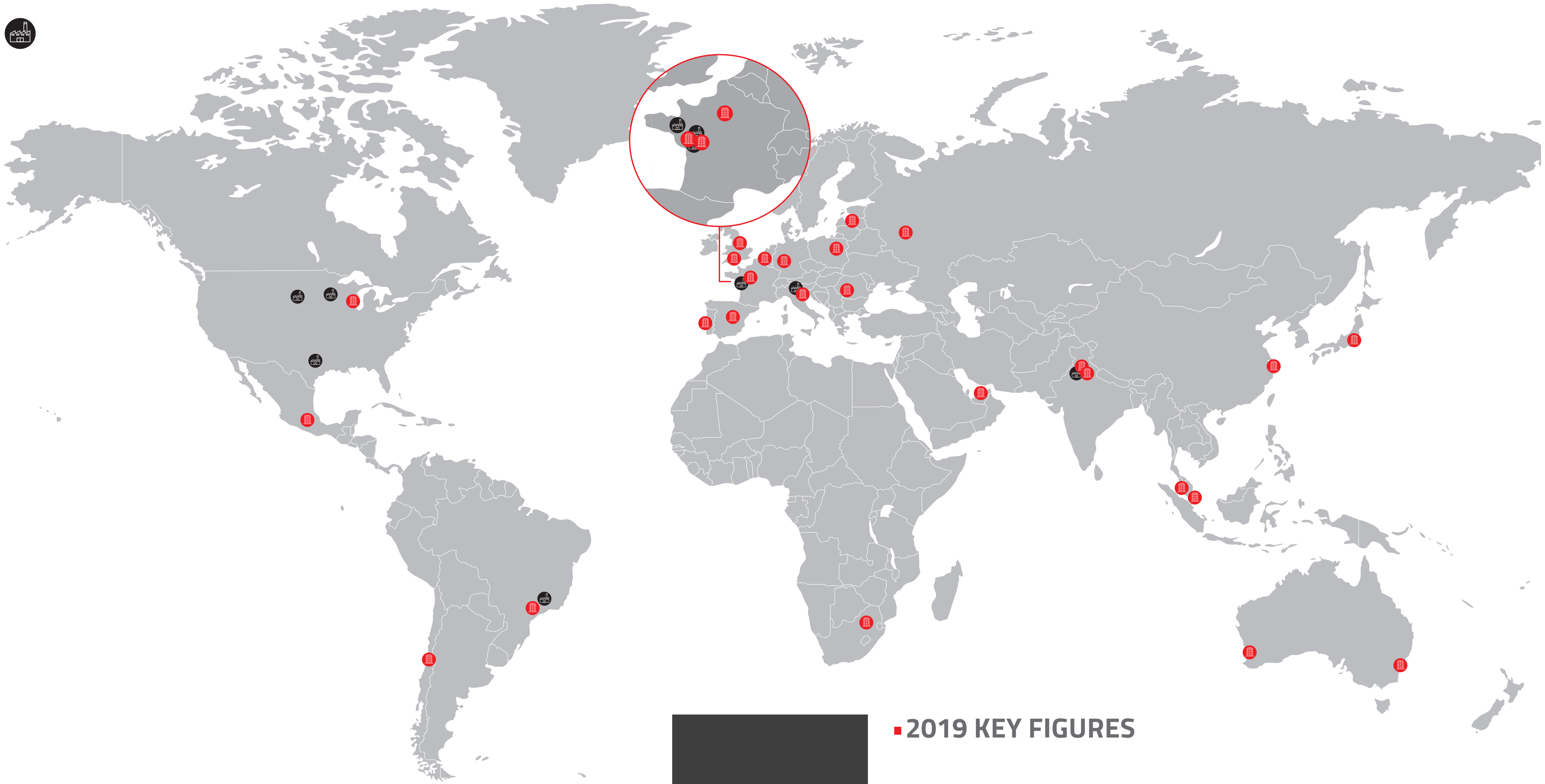
Given the particularly troubled start to the year, with the Covid-19 virus impacting business worldwide, we must put everyone's health first and demonstrate our ability to adapt. Just as we have always been able to meet the most specific demands, we will be able to get through this period of uncertainty by relying on the values that have made our group strong.

Michel Denis
President & CEO

1. MANITOU GROUP

AN INTERNATIONAL GROUP

- 30 COMPANIES
- 11 PRODUCTION SITES



3 main brands:

MANITOU
GEHL
MUSTANG BY MANITOU

2019 KEY FIGURES

€2 094 M net sales

4 600 employees worldwide

79% of net sales outside of France

7.1% operating margin

€93 M investments

€190 M* net debt

64% of the capital held by the founding families

*excluding lease commitment

1.2. HISTORY AND HIGHLIGHTS

HISTORY OF THE COMPANY

1945: Andrée Braud developed a construction company in Ancenis.

1958: Creation of the Manitou rough-terrain forklift truck based on the idea of Marcel Braud.

1972: Beginning of internationalization with the opening of the first subsidiary in the United Kingdom.

1981: Launch of the first Manitou rotating telehandlers.

1984: Entry to the Secondary Stock Market in Paris.

1993: Launch of the first MRT rotating telehandlers and aerial work platforms.

1993: Acquisition of Loc Manutention.

1995: Launch of the first truck-mounted forklifts.

2008: Takeover of the American company Gehl.

2015: Celebration of the 500,000th machine produced.

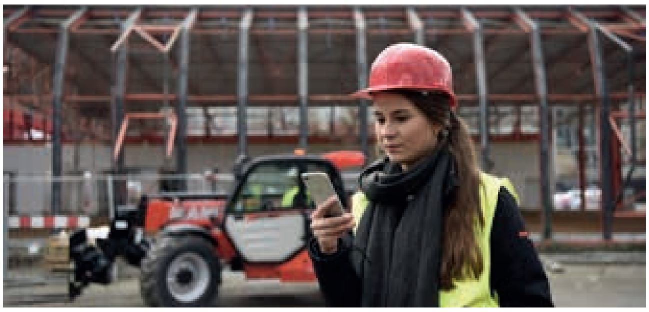
2017: Acquisition of the company Terex Equipment India.

SIGNIFICANT EVENTS IN 2019

January

Machines ordered in Europe are now connected machines. *

Launch of the first PRME “Principles for Responsible Management Education” challenge, organized in partnership with the United Nations.



** Applies to all Manitou machines in Europe, apart from industrial forklift trucks, warehousing equipment, TMM/TMT, excavators, scissor platforms and compact articulated loaders. Connected machines available as an option on the North American market.*

February

Launch of the ultra-compact agricultural telehandler MLT 420- 60 H at the Sima trade show.

March

Manitou Group boarded a more sustainable means of transport by supporting the Neoline ro-ro cargo ship project.

April

Oxygen Label: a new label for low-emission solutions.

My Manitou and My Gehl apps: two new applications to make users’ lives easier.

Launch of the MHT 12330, designed for mining activities.

May

Stronger Together: launch of solutions devoted to construction for emerging markets.

June

Implementation of a new bond issue of €105 M.

The Spanish subsidiary inaugurated its new premises.

September

First stone laid at a new platform factory in Candé.

Launch of the very first series of CSR podcasts.

The Gehl RT 105 was recognized in the United States.

The American Madison site was affected by floods, which stopped production for 6 weeks.

October

Majority stake acquired in Mawsley Machinery Ltd in the United Kingdom.

Elisabeth Ausimour was named President of the MHA division and joined the Executive Committee.

Opening of the new training center in Ancenis.

Gaia Index: the group is ranked 18th of 230 companies.

The “Ecostop” function on the MLT agricultural telehandlers was recognized at the Sommet de l’élevage trade show in Clermont-Ferrand.

1.3. GROUP GOVERNANCE

The group relies on its strong corporate governance structure led by the Board of Directors, comprised of 11 members, 4 of whom are independent members, and one employee representative, as well as by the Executive Committee, which is comprised of 7 members, one of whom is the President & CEO.

The primary mission of this corporate governance structure is to define and implement the group's strategy.

For more information, see chapter 5 "Corporate Governance."

COMPOSITION OF THE BOARD OF DIRECTORS

1 **Jacqueline Himsworth** - Chairman of the Board of Directors

2 **Emilie Braud** - Board member

3 **Marcel-Claude Braud** - Board member

4 **Sébastien Braud** - Board member

5 **Christopher Himsworth** - Board member

6 **Gordon Himsworth** - Board member

7 **Dominique Bamas** - Independent Board member

8 **Cécile Helme-Guizon** - Independent Board member

9 **Carole Lajous** - Independent Board member

10 **Pierre-Henri Ricaud** - Independent Board member

11 **Stéphane Renaud** - Employee Board member

COMPOSITION OF THE EXECUTIVE COMMITTEE

1 **Michel Denis** - President & CEO

2 **Elisabeth Ausimour** - President, Material Handling & Access division

3 **Maxime Deroch** - President, Services & Solutions division

4 **Richard L. Alton** - President, Compact Equipment Products division

5 **Laurent Bonnaure** - Executive Vice President, Sales & Marketing

6 **Guillaume Rabel-Suquet** - Executive Vice President, Human Resources

7 **Hervé Rochet** - Corporate Secretary - CFO

1.4. PRESENTATION OF ACTIVITIES AND MARKETS

1.4.1. THE GROUP'S ACTIVITIES

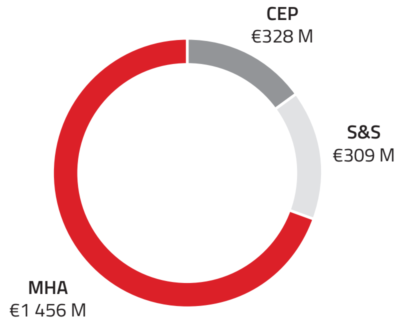
A worldwide reference in handling, access platforms, and earth moving equipment, Manitou Group's mission is to improve working conditions, safety, and performance around the world, while preserving.people and their environment.

Through its three iconic brands - Manitou, Gehl, and Mustang by Manitou - the group develops, manufactures, and provides equipment and services for construction, agriculture, and industries.

The group's organization is based on three divisions around which its operational activities revolve: Material Handling and Access (MHA), Compact Equipment Products (CEP), and Services and Solutions (S&S).

The distribution of the group's range of products and services is led by the sales and marketing division, which both develops the network of 1 050 dealerships and builds direct relationships with key accounts (international groups and rental companies). The group is active in 140 countries.

NET SALES BY GEOGRAPHIC AREA AS OF DECEMBER 31, 2019



MHA DIVISION – MATERIAL HANDLING AND ACCESS

The MHA "Material Handling and Access" division designs, assembles, and distributes handling and access platforms equipment for construction, agriculture, and industries (environment, defense, oil & gas, mines and quarries, etc.) markets. It boosts group development through the quality, appeal, and competitiveness of its products, thus pursuing the historic tradition. The product ranges cover rough-terrain fixed, rotating and heavy tonnage telehandlers, rough-terrain, semi-industrial, and industrial forklift trucks, articulated loaders, truck-mounted forklifts, aerial work platforms, warehousing equipment, and attachments. The division develops and manufactures its products at sites in Ancenis, Candé, Laillé and Beaupréau (France), Castelfranco (Italy), Waco (United States), Vinhedo (Brazil), and Greater Noida (India).

FIXED TELEHANDLERS

With a reach of between 4 and 18 meters and a lifting capacity of up to 6 tons, the fixed telehandlers are used in both the construction and agricultural sectors, and the utilization rate of the telehandler may be up to 1500 hours per year. A wide variety of attachments (bucket, jib, winch, cup, clamps, etc.) make the use of the telehandlers very versatile.

ROTATING TELEHANDLERS

The rotating telehandlers make it simple to lift loads or personnel to heights ranging from 14 to 32 meters with a load capacity of up to 7 tons. These characteristics make it the telehandler with the largest lifting capacity in the world. The very large range of available attachments and the 360 degree rotation make these machines very versatile for any work site, including civil engineering works.

HEAVY TONNAGE TELEHANDLERS

The heavy tonnage rough-terrain telehandler allows us to offer specialized handling solutions for the environmental, mining, and industrial sectors, as well as to institutional customers such as the armed forces and organizations such as the UN, civil protection bodies, etc.

This equipment, with attachments such as tire clamps or cylinder handlers, can be used to maintain large, heavy machinery.

The highest-performing equipment can lift loads of over 35 tons to a height of up to 12 meters.

AERIAL WORK PLATFORMS

The platforms are articulated, telescopic, and vertical platforms. They allow a working height of between 8 and 28 meters depending on the model.

The engines of the platforms are primarily combustion engines for rough-terrain outdoor uses or electric engines for interior industrial applications. The platforms are primarily marketed through independent regional, national, or international rental companies, which makes this a cyclical business.

Internal combustion industrial platform

Electric industrial platform

ROUGH-TERRAIN FORKLIFT TRUCKS

Robust and easy to use, the rough-terrain forklift trucks are ideal for outdoor applications where stability and handling are critical, With a load capacity ranging from 1.8 to 7 tons, they can be used to transport heavy and bulky loads and are designed to work on all terrains, even the most rugged.

INDUSTRIAL AND SEMI-INDUSTRIAL FORKLIFT TRUCKS

The forklift trucks are designed for industrial handling applications. Several ranges are offered to meet various user needs: semi-industrial forklift trucks, combustion forklift trucks, and electric forklift trucks.

TRUCK-MOUNTED FORKLIFTS

The truck-mounted forklifts are compact forklifts that use telescopic booms or masts and are intended to meet the handling needs of carriers.

The days of waiting for a forklift truck to become available before unloading are over. A forklift mounted directly on the truck gives the carrier total autonomy and provides a complete handling service.

WAREHOUSING EQUIPMENT

Warehousing equipment is distributed under the Loc and Manitou brand names and is designed for warehouse handling activities. Numerous adaptations allow the equipment to be used for specific purposes.

CEP DIVISION - COMPACT EQUIPMENT

The CEP “Compact Equipment Products” division manages all activities related to Gehl and Mustang by Manitou products as well as certain products of the Manitou brand, from design to production. With its headquarters and an R&D center located in West Bend (Wisconsin), the division produces all of its machines at the group's production sites based in India (Greater Noida) and at three US sites (Madison - SD, Yankton - SD, Waco - TX). The main CEP ranges include the wheeled or tracked skid-steer loaders, articulated loaders, backhoe loaders, and compact excavators for global construction and agriculture markets. The range of CEP products also includes telehandlers intended for the North American construction market.

SKID-STEERS

Skid-steers are compact handling machines that are both highly agile and versatile and can pivot 360°. Their small size means they can be used in cramped environments. Simple and robust, these machines can be equipped with multiple attachments for a wide range of applications.

The main businesses using skid-steers are the construction and agricultural sectors, and to a lesser extent, the industrial sector.

BACKHOE LOADERS

In 2017, the group added to its offering with a range of backhoe loaders produced by its production site located in India. This range is aimed at the Asian markets and is suitable for the construction industry in these countries.

ARTICULATED LOADERS

Articulated loaders are compact and versatile machines of small, medium, or high capacity making it possible to conduct handling operations in tight spaces.

TELEHANDLERS

The range of telehandlers assigned to the CEP division is composed exclusively of simple, robust equipment suitable for the North American market. Customers for these products mainly consist of regional and national rental companies.

TRACK LOADERS

The track loaders are designed with tracks, which make them particularly agile on loose surfaces. This type of equipment is mainly used for construction and agriculture.

S&S DIVISION - SERVICES AND SOLUTIONS

The S&S "Services & Solutions" division seeks to develop offerings that meet the expectations of its users. Beyond the products and their performance, Manitou Group's strategy includes the development of complete handling solutions for its customers. To achieve this, it associates a series of services with each product: training of the network and key accounts, new or reconditioned spare parts, after-sales service, machine connectivity, financing solutions, maintenance contracts, warranty and warranty extension contracts, "rent to rent" contracts, full service contracts, and recovery and resale of used equipment. Developed in partnership with its dealerships and key accounts, these services allow the group to innovate and differentiate itself in order to strengthen ties and build customer loyalty.

SPARE PARTS

Four main platforms for storage and shipping are based in France, the United States, Italy, and India to ensure the delivery of parts to its customers within the shortest possible time frame. For regions that are farther away, some of the group's distribution subsidiaries are also equipped with logistics platforms for improved responsiveness.

ATTACHMENTS

A wide range of traditional or customized attachments is offered to make the machines versatile, an essential advantage for customers.

FINANCING SOLUTIONS

End customers are offered a complete range of solutions incorporating financing and services (extension of warranty / maintenance).

Stock financing solutions for the Manitou network are also available in certain countries, to give customers a simple solution to ensure that cash flow problems are not an obstacle to sales development.

FLEET MANAGEMENT

In order to respond to the operational needs of its key accounts, the S&S division offers direct management of the maintenance of industrial forklift trucks and other leased equipment (including a full-service contract and long or short-term rentals).

CONNECTED MACHINES

Most of the equipment is connected (in standard or as an option) to improve the service rendered and enable the end customers to benefit from real-time data on their machine. The group has developed a solution and turnkey tools to optimize the customer experience as well as customer satisfaction throughout the customer pathway.

WARRANTY EXTENSIONS / MAINTENANCE CONTRACTS

Maintenance contracts and warranties of up to 6 years, depending on the model, are offered so that customers can concentrate on their businesses without worrying about the costs of maintenance and repairs inherent in using the group's products.

TRAINING

A range of training for the dealers, maintenance technicians, and end customers is available in order to ensure that the quality of the service and maintenance is consistent around the world. This training is given in the production entities in France or the United States as well as locally in certain subsidiaries in order to provide timely training in evolutions of the equipment. Video tutorials are also made available for distance learning.

SECOND-HAND EQUIPMENT

Second-hand equipment is also offered for dealers and end customers. The division has a platform dedicated to reconditioning and refurbishment as well as a support website for this activity: **used.manitou.com**

1.4.2. SALES REGIONS AND MARKETS

SALES REGIONS

The distribution of the group's full range of products and services is led by the sales and marketing division (S&M), which both develops the network of business partners (dealers) and builds direct relationships with key accounts (international groups and rental companies). The group is active in 140 countries.

These sales and marketing teams are divided into 4 geographical regions:

- the Northern Europe region represented 39% of the group's revenue in 2019. The primary countries in this region are the United States, Germany, and Belgium, with business primarily driven by MHA products,
- the Southern Europe region represented 32% of the group's revenue in 2019. The primary countries in this region are France, Italy, and Spain, with business essentially concentrated in MHA products,
- the Americas region represented 19% of the group's revenue in 2019. The United States are the main contributor, with a strong business in CEP products,
- the APAM region (Asia, Pacific, Africa, Middle East), where the significant countries are Australia, South Africa, and India, represented 10% of the group's revenue in 2019, with strong business in MHA products.

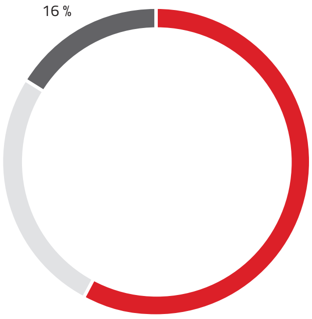
NET SALES BY GEOGRAPHIC AREA

*Asia, Pacific, Africa and Middle East

THE MARKETS

In response to users' needs, Manitou Group developed a range of products to meet the requirements of markets as diverse as agriculture, construction, or industries.

NET SALES BY MARKET

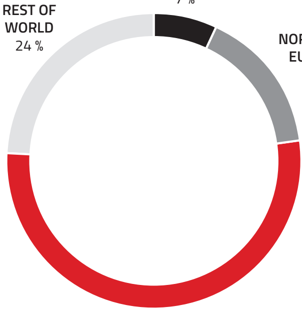


1.4.3. ADDRESSABLE MARKETS AND COMPETITIVE POSITION

ADDRESSABLE MARKETS IN 2019

The markets on which the group's machines may potentially be sold are estimated at €42 billion. The breakdown by region and product range is as follows:

ADDRESSABLE MARKET BY REGION



ROUGH-TERRAIN HANDLING ADDRESSABLE MARKET BY PRODUCT RANGE

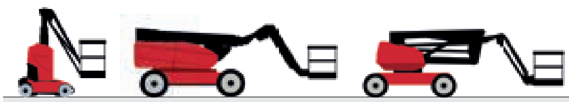
Products	Billions of euros	%
Telehandlers	4.5	24
Compact track loaders	3.6	20
Compact excavators	2.2	12
Backhoe loaders	1.8	10
Compact skid-steer loaders	1.5	8
Aerial work platforms	3.1	17
Compact loaders	1.3	7
Rough-terrain forklift trucks	0.2	1
Truck-mounted forklifts	0.2	1
TOTAL	**18.4**	**100**

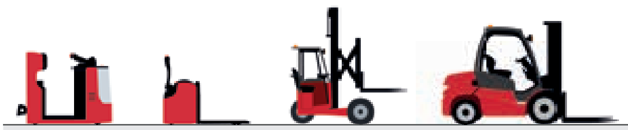
INDUSTRIAL HANDLING ADDRESSABLE MARKET BY PRODUCT RANGE

Products	Billions of euros	%
Internal combustion forklift trucks	11.3	47
Electric warehousing trucks	7	29
Electric forklift trucks	5.6	24
TOTAL	**23.9**	**100**

MANITOU GROUP'S POSITION IN 2019

1. Leader 2. Challenger 3. Outsider





	World	Europe	North America	Rest of world
ROUGH-TERRAIN HANDLING EQUIPMENT	1. Leader	1. Leader	2. Challenger	1. Leader
MOBILE AERIAL WORK PLATFORMS	2. Challenger	1. Leader	Launch end 2017	3. Outsider
COMPACT EQUIPMENT	3. Outsider	2. Challenger	3. Outsider	3. Outsider
INDUSTRIAL AND WAREHOUSING TRUCKS		3. Outsider	Launch 2018	

COMPETITIVE POSITION OF THE GROUP

For the MHA and CEP divisions, the main competitors in the construction and agricultural markets are the following:

Name	Nationality	Listed/unlisted
Ausa	Spain	Unlisted
Bobcat (Doosan Group)	South Korea	Listed
Caterpillar	United States of America	Listed
Claas	Germany	Unlisted
CNH Industrial	United States of America	Listed
Dieci	Italy	Unlisted
Genie (Terex Group)	United States of America	Listed
Haulotte	France	Listed
JCB	United Kingdom	Unlisted
JLG (Oshkosh Group)	United States of America	Listed
John Deere	United States of America	Listed
Magni	Italy	Unlisted
Merlo	Italy	Unlisted

For the MHA division, the main competitors in the industry sector are the following:

Name	Nationality	Listed/unlisted
Kion	Germany	Listed
Jungheinrich	Germany	Listed
Nacco	United States of America	Listed
Toyota	Japan	Listed

1.5. STRATEGY AND BUSINESS MODEL

1.5.1. VISION AND STRATEGIC PRIORITIES (2022 AMBITION)

VISION

Manitou Group sees human life and the environment as capital to be preserved and developed. It contributes to this through its engaged brands by designing safe and efficient solutions while limiting their environmental impact.

MISSION

"Our mission is to improve working conditions, safety, and performance around the world, while preserving people and their environment."

OUR ACTIONS

Through its three iconic brands - Manitou, Gehl, and Mustang by Manitou - the group develops, manufactures, and provides equipment and services for construction, agriculture, and industries. Through innovation, we continuously strive to bring value to our customers.

We are committed to inspiring and cultivating the passion of the men and women of the group. We make every effort to "elevate" our talents to promote their personal and professional development.

AMBITION 2022

Between now and 2022, Manitou Group will expand its leadership everywhere in the world through its cutting edge and innovative solutions and thanks to the expansion of its products and services.

By continuously providing value added to its stakeholders, the group will continue to expand its sales presence to increase its market shares and deliver sustainable growth.

Assuming stable or growing market conditions for the 2018-2022 period, Manitou Group is aiming to achieve a recurring operating income in 2022 of more than 8% of revenue.

STRATEGY

With its strong sales positions, its products and services ranges in the handling, access platforms, and earth moving sectors, the group is capitalizing on its know how and innovation to enhance its commercial presence, while providing more value to its customers.

Its expansion in the medium and long term also relies on the expansion of addressable markets both from a products range and regional point of view.

STRATEGIC PRIORITIES

The strategic priorities of the 2022 plan are based around four areas:

1. EXPAND OUR MACHINE AND SERVICE PORTFOLIO

- Anticipate and meet customer expectations in order to always provide them with more value, especially through associated services.
- Expand its addressable markets: expansion of the product range by developing new products based on existing products in order to serve new applications.
- Diversification of market segments (construction, agriculture, industries) in order to smooth out cyclicality.

2. IMPROVE OUR CUSTOMER COMMITMENT ACROSS CONTINENTS

- Bring the group closer to its customers and markets on all continents, especially in North America.
- Expansion of the existing product range to address new regions, in particular the emerging countries and Southeast Asia.
- Expansion of the existing product range to make Manitou's offering more attractive to its users and its distribution networks.
- Diversification of regions in order to smooth out cyclicality of the markets.

3. CREATE VALUE AND PERFORMANCE THROUGH INNOVATION, DIGITALIZATION, AND TRANSFORMATION

- Thanks to a constant push towards innovation, the group is able to provide its customers with increasingly high performing and safe products with continuously improving costs of ownership and environmental impact.
- Increase performance, enhance, and accelerate transformation through digital innovations.

4. PROMOTE OUR TALENTS

- Offer a safe work environment in which employees can develop their talents and progress within the group.
- Make Manitou Group employer brand a point of attraction for new talents to the group.

Improve the customer commitment across continents.

Expand the machine and service portfolios

Create value and performance through innovation, digitization, and transformation

Elevate **talents**

STRENGTHS & RESOURCES

HUMAN CAPITAL

4 574 employees

87% fixed-term contracts

78% employee commitment rate (result of the internal opinion survey conducted in 2018)

INTELLECTUAL CAPITAL

5 R&D centers in France and 3 internationally

333 employees in R&D

116 patents held

3 emblematic brands

FINANCIAL CAPITAL

Shareholders' equity of €665 M

Controlled net financial debt with gearing of 28.6%*

Stable shareholding structure: 64% of the capital held by the founding families

INDUSTRIAL CAPITAL

Global presence with 30 companies in 23 countries

11 production sites

8 logistics centers

ENVIRONMENTAL CAPITAL

- **Supply**

Metals | Elastomers | Mineral oils

- **Production****

Energy: 2 400 kWh/truck

Water: 1m³/truck

Greenhouse gas emissions: 620 $KgCO_2$ eq/truck

- **Use**

80% of environmental impact linked to the use and maintenance of the products

ECONOMIC MODEL

MISSION

Improve working conditions, safety, and performance around the world, while preserving people and their environment

STRATEGIC PRIORITIES

Improve customer commitment across continents, Expand the machines and services portfolio, Create value, Elevate talents

BUSINESS LINES

Design, Production, Distribution, Services

OFFER

Handling, Access Platforms, Earth moving

MARKETS

Construction, Agriculture, Industries

DISTRIBUTION CHANNELS

1 050 dealerships in 140 countries

END CUSTOMERS / USERS

More than 500 000 end users, for a usage time of between 500 and 3 000 hours a year

2019 DEVELOPMENTS

HUMAN CAPITAL

777 new recruits with open-ended contracts

17 hrs training on average***

Drop of 15% in accident frequency rate and 29% in accident severity rate***

INTELLECTUAL CAPITAL

Product development and innovation

30 patents filed

5 prizes won

47% of new products incorporate eco-design criteria

FINANCIAL CAPITAL

Net sales: +11% compared to 2018

Recurring operating income: €149 M

Dividend paid per share: €0.78

Group portion of net recurring income per share as of December 31, 2019: €2.5

INDUSTRIAL CAPITAL

€93 M in investments

Continuation of external growth with acquisition of the Mawsley company

ENVIRONMENTAL CAPITAL

- **Supply**

13% of suppliers assessed in a global weighting were audited for CSR

- **Production****

Implementation of the Manitou Environmental Footprint (MEF) at production sites

- **Use**

REDUCE program and launch of the Oxygen label

VALUE CREATION SHARED WITH STAKEHOLDERS

NET SALES 2019:
€2 094 M

SUPPLIERS (PURCHASES OF RAW MATERIALS):
€1 448 M

EMPLOYEES (COMPENSATION IN 2019):
€322 M

STATES (CORPORATE TAX IN 2019):
€45 M

SHAREHOLDERS (DIVIDENDS PAID IN 2019):
€30 M

SUSTAINABLE DEVELOPMENT GOALS [1]

3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 10 REDUCED INEQUALITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 17 PARTNERSHIPS FOR THE GOALS

(1) The United Nations have defined 17 Sustainable Development Goals. Manitou Group's strategy is based on nine of these goals.
** Excluding lease commitment*
*** Forklift equivalent: definition on page 3*
**** For 90% of the workforce*

1.6. SIMPLIFIED ORGANIZATIONAL CHART

The simplified organizational chart below shows the structure of the general legal organization of Manitou Group and the key figures of its main subsidiaries.

The Manitou BF company directly or indirectly owns the companies comprising the group and coordinates the group's primary functions and activities. It designs and assembles MHA equipment and has a logistics center for S&S activities. It distributes all of the group's products and services for France and for the regions not covered by the group's other subsidiaries.

Manitou BF

Manitou Americas - United States (100%**/*)	Design and assembly of compact equipment (CEP): The distribution of all group products in the United States and the Compact Equipment Products range in countries not covered by the group's sales subsidiaries.	2019 net sales = €423 M/ 2019 workforce = 869 employees
Manitou Italia - Italy (100%**)	Design, assembly, and distribution of rough terrain fixed and rotating telehandlers and heavy tonnage telehandlers. The company also distributes all the group's products in Italy.	2019 net sales = €330 M/ 2019 workforce = 306 employees
Manitou UK - United Kingdom (99.4%**)	Distribution of group products in the United Kingdom and Ireland.	2019 net sales = €176 M/ 2019 workforce = 46 employees
Manitou Deutschland - Germany (100%**)	Distribution of group products through dealers and to key accounts in Germany, Austria and Switzerland. Direct management of a dealership in Germany.	2019 net sales = €128 M/ 2019 workforce = 46 employees
Manitou Benelux - Belgium (100%**)	Distribution of all group products in Belgium, the Netherlands, and Luxembourg.	2019 net sales = €163 M/ 2019 workforce = 29 employees
23 other subsidiaries (of which 20 distribution subsidiaries and 3 production subsidiaries).		

** Manitou Americas includes Manitou Equipment America & Manitou North America*
*** Percentage held by Manitou BF*

The detailed list of subsidiaries is available in Note 17 of the consolidated financial statements.

2. 2019 ACTIVITIES & FINANCIAL RESULTS AND 2020 OUTLOOK

The group's consolidated financial statements are drawn up in accordance with the IFRS published by the International Accounting Standards Board (IASB) and as approved by the European Union. The accounting principles are explained in detail in the notes to the consolidated financial statements.

The consolidated financial statements for fiscal year 2019 were closed by the Board of Directors on March 3, 2020. The consolidated financial statements were audited and certified by the statutory auditors.

2.1. 2019 KEY FIGURES

Net sales	Recurring operating income	Net income attributable to the equity holders of the parent	Net debt[2]	Orders
€2 094 M	€149 M	€96 M	€190 M	€1 376 M
	7.1% margin	or a NEPS[1] of €2.50		
+11% ↑	+15% ↑	+14% ↑	1,0 x EBITDA ↑	-28% ↓
Sustained internal growth at +11%	€20M improvement in recurring operating income with comparable data 7.1% improvement in operating margin	14% improvement of net income	Gearing of 29%[2]	28% decrease in orders

2019 vs 2018 variation

2.2. MAJOR EVENTS

APPLICATION OF IFRS 16

As of January 1, 2019, the group now applies IFRS 16 "Leases," which changes the accounting method for leases and requires lessees to implement a single accounting method for these contracts.

The group applied the simplified retrospective method, calculating the right-of-use from the beginning for contracts in progress as of January 1, 2019. The cumulative effect of the initial application was accounted for at January 1, 2019. The group has thus reduced the amount of its opening equity by €1.0M, net of deferred tax, to reflect the cumulative effect of the initial application of the standard. Application of IFRS 16 has led to an increase in net debt of €15.5M and in the right-of-use assets of €14.2M. Over 2019, the application of this standard had a positive impact on the recurring operating income of €1.0M and lowered the financial result by €1.1M.

The main qualitative and quantitative impacts caused by the application of this standard are detailed in note 4 of the consolidated financial statements "Impact of application of IFRS 16 on the financial statements."

FINANCING

In June 2019, Manitou BF finalized a new €105 million corporate bond issue. The bonds are divided into three tranches with 6, 7 and mainly 8-year maturities. This private placement, concluded on favorable terms for Manitou Group, allows it to extend the maturity of its debt and pursue its strategy of diversifying its financing sources. The product of these issues will be used to refinance the existing bond debt and will be used mainly for the company's development.

ACQUISITION OF THE MAWSLEY COMPANY

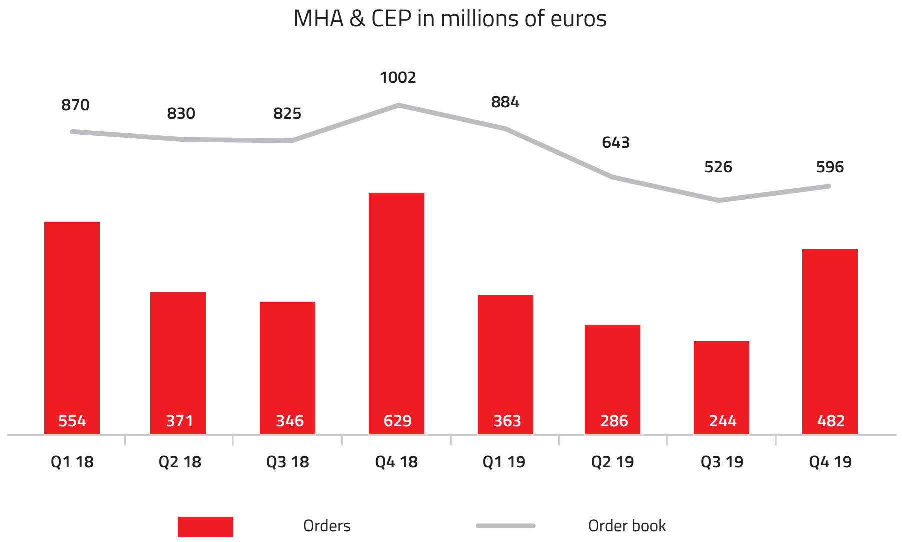
On October 29, 2019, the group acquired a majority interest in the British company Mawsley Machinery Ltd, based near Northampton (Great Britain), following the retirement of its main shareholders. Founded in 1981, Mawsley Machinery Ltd distributes construction equipment and associated services to its customers. Mawsley Machinery is the group's historical distributor in the Midlands. The company earned revenue of 19.2 million pounds in 2018 and employs 27 people.

The group executed this transaction through its British holding, Manitou PS, which is 85% owned by the group and which acquired all shares of Mawsley Machinery Ltd, jointly with two managers of Mawsley Machinery Ltd. The group benefits from an additional purchase option allowing it to buy back the remaining 15% of the British holding, Manitou PS.

(1) Net earnings per share
(2) Excluding lease commitment

2.3. ACTIVITY

ORDERS

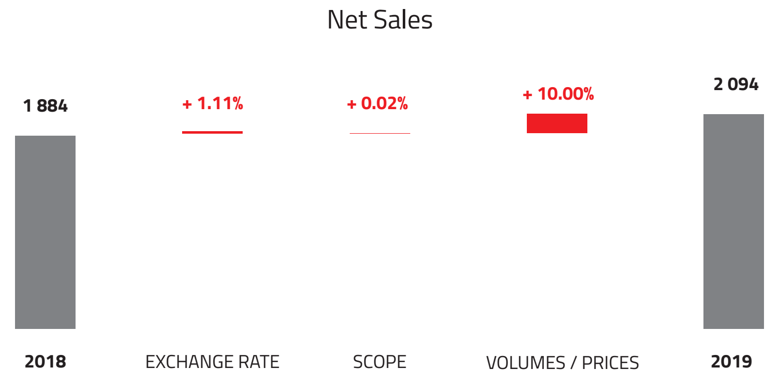


In 2019, orders reached a total of €1 376 million, versus €1 901 million in 2018.

This contraction is due to declining markets (US and Northern Europe, in particular) and the tightening of delivery deadlines.

Therefore, as of December 31, 2019, the group's order book stood at €596 million, down by 41% compared to the previous year. It represents nearly four months of billing based on the 2019 revenue of the MHA and CEP divisions. The group therefore has found its optimal balance point between its customers' expectations in terms of delivery deadlines and its suppliers' visibility requirements for efficient procurement, after the cyclical peak in deadlines that occurred at the end of 2018.

NET SALES IN MILLIONS OF EUROS



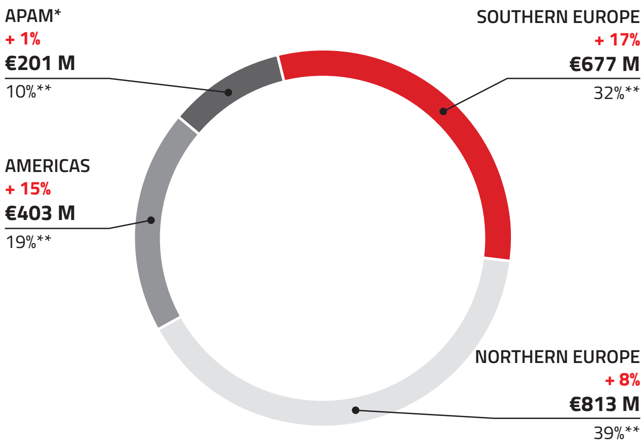
In 2019, the group earned revenue of €2 094 million, up 11.1% using actual data and 10.0% using comparable data. The internal growth is primarily due to volumes. The impact change is limited to only 1.1%, and the scope effect contributes €0.5M to the total growth. It corresponds to the integration of the Mawsley company since November 1, 2019.

The group's three divisions grew their business, especially the MHA and S&S divisions, with growth of 13% and 12% respectively. The business of the CEP division grew by 5% (+1% at constant exchange rates).

Revenue increased in all geographical regions and especially in Southern Europe (+16.9%) and North America (+15.1%).

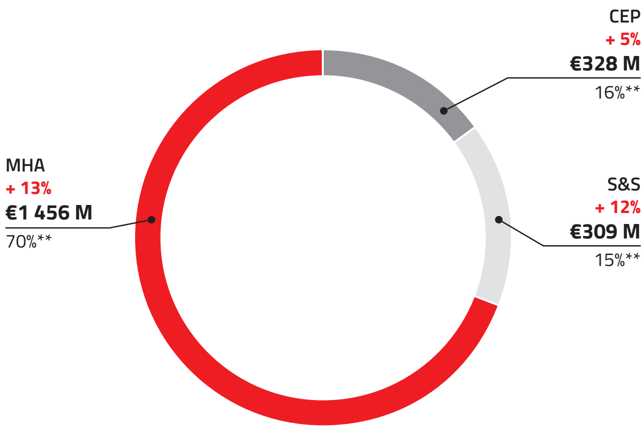
Activity trends by region

(% of 2018/2019 variation of net sales)



Activity trends by division

(% of 2018/2019 variation of net sales)



* Asia, Pacific, Africa and Middle East
** 2019 net sales by market

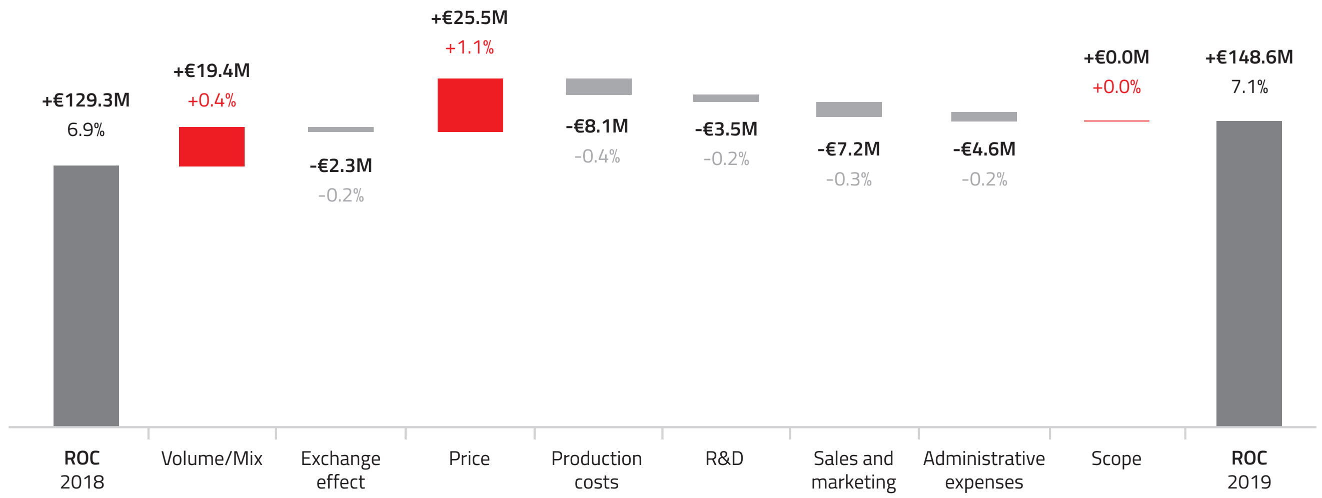
This growth was driven by the construction market, which increased by 26%, while the agricultural market was stable and the industry market was in decline (-12%).

The scope effect contributes 0.02 points to total growth and corresponds to the integration of the Mawsley company.

Total growth incorporates a favorable foreign exchange impact of 1% for the year, primarily due to the appreciation of the US dollar and pound sterling against the euro.

2.4. RESULT

2.4.1. RECURRING OPERATING INCOME



The group's recurring operating income comes to €148.6 million, or 7.1% of revenue, up 0.2 points compared to 2018 (€129.3 million, or 6.9% of revenue), primarily due to:

- the increase in business volume for all activities,
- a slight decrease in gross margin due to additional production costs related to the increase in production capacities,
- a 7% increase in overheads, for an 11% growth in revenue, primarily in research and development and distribution costs (new subsidiaries, strengthening of sales teams).

The year's result incorporates other income and expenses, for a net +€3.7 million, including insurance compensation of €2.8 million due to the floods and shutdown at the CEP production site in Madison (USA) and a commercial indemnity of +€0.9 million to offset costs connected with late deliveries of engines by one of our suppliers in the United States.

2.4.2. OPERATING INCOME

The operating income comes to €146.1 million, or 7.0% of revenue, up €20.0 million compared to 2018 (€126.1 million, or 6.7% of revenue).

This result includes other operating income and expenses in the amount of -€2.5 million (-€3.2 million in 2018). These net expenses essentially consist of costs related to acquisitions and attorney fees in connection with a pending dispute.

2.4.3. NET INCOME

PROFIT OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

The profit of companies accounted for using the equity method stands at €2.2 million and is stable compared to 2018.

This profit was generated by Manitou Finance France and Manitou Finance LTD, owned 49% by the group and 51% by BNP Paribas Leasing Solutions. They offer financing, leasing, and long-term rental solutions to end users of the products of Manitou Group in France and the United Kingdom as well as stock financing solutions for dealerships.

FINANCIAL RESULT

The financial result stands at -€7.5M. This decline is due to the increase in debt excluding lease commitment (€190M as of December 31, 2019, versus €148M in 2018) to finance working capital requirements and investments resulting from the increase in business. The financial result for the fiscal year is also impacted by financial expenses arising from application of the IFRS 16 on leases.

TAX RATE

The tax rate on net income is 32.0% versus 31.2% in 2018. The increase in the tax rate is due to the decrease in the contribution of the results of our subsidiaries in the United States, which have a tax rate of only 21%.

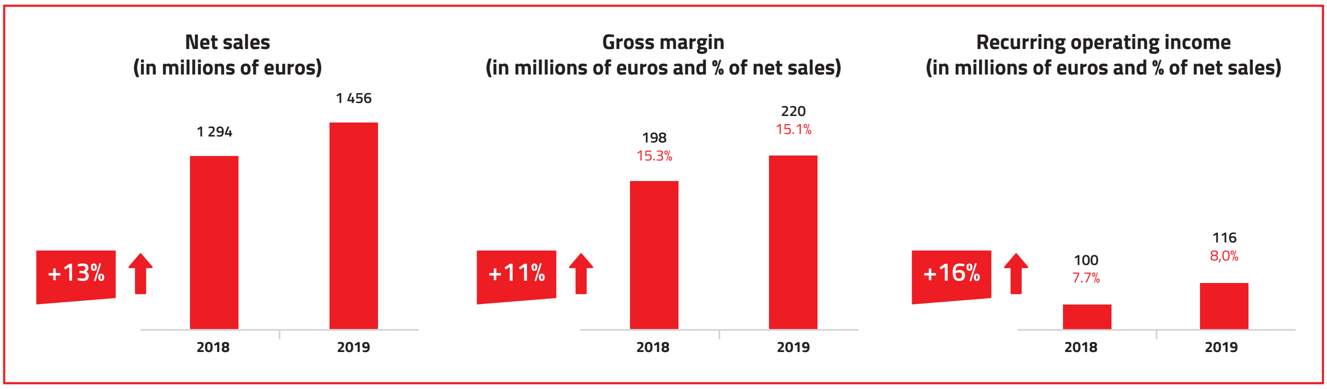
The taxes on income amount to -€45.0 million, versus -€38.1 million in 2018.

NET INCOME

The group share of the net income comes to €95.6 million, or 4.6% of revenue, up €11.5 million compared to 2018.

2.5. OPERATIONAL PERFORMANCE BY DIVISION

2.5.1. MHA DIVISION



The Material Handling & Access division (MHA) earned revenue of €1 455.8 million, up 13% over 12 months (+12% at constant exchange rate and scope). It represents 70% of the group's revenue in 2019, versus 69% in 2018. With record business, the MHA division saw its revenue increase across all geographical regions and especially in the regions of Southern Europe (+17%) and the Americas (+31%), while growth in the APAM region was 8%.

This growth benefited all markets of the division (construction, agriculture, industries).

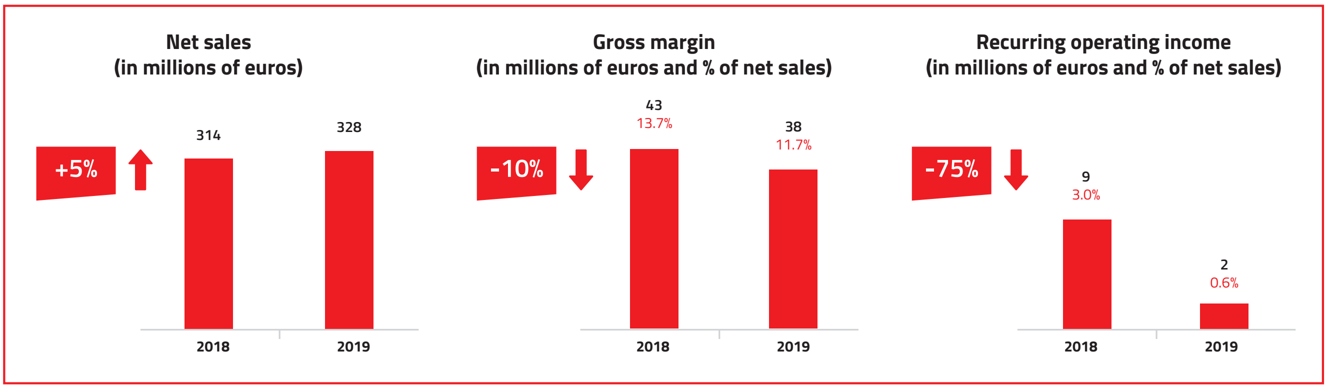
The division's gross margin declined by 0.2 points, penalized by slightly higher warranty costs and additional costs related to multiple adjustments to the production speeds to optimize delivery deadlines and the stock level.

Expenses dedicated to research and innovation increased by €1.3 million to support the division's development plan and meet regulatory requirements (changes in the performance of combustion engines, development of electric equipment).

Sales, marketing, and administrative costs increased by €4.0 million (+5%) to support the projects and initiatives launched by the division to support its growth (new platform factory, expansion of French and Italian production sites, etc.).

The recurring operating income of the MHA division therefore increased by €16.3 million (+16%) to reach €116.3 million (8% of revenue), compared with €100.0 million in 2018 (7.7% of revenue).

2.5.2. CEP DIVISION



The Compact Equipment Products division (CEP) reports revenue of €328.3 million, up 5% over 12 months (+1% at a constant exchange rate and scope).

The division's growth in 2019 was penalized by the shutdown of its main production site (Madison), which was closed for six weeks due to a flood.

The gross margin is down 2.0 points at 11.7%, penalized by the recurring difficulty in finding personnel for the production sites, the appreciation of the dollar, which impacts the division's export markets, and the increase in supply chain expenses.

The division implemented a multi-year productivity plan to adapt to the highly competitive skid-steer loaders market.

R&D costs increased by €2.5M (+62%) in order to accelerate the launch of new products on the market.

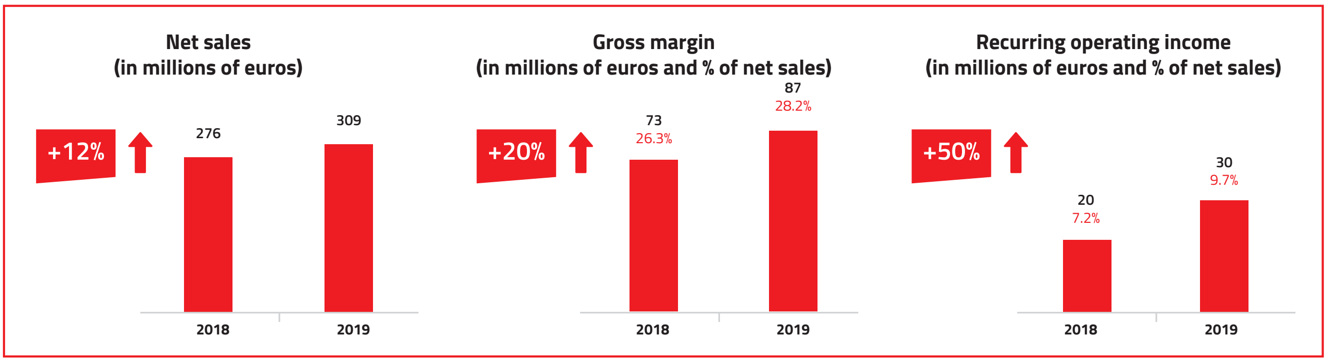
The sales, marketing, and administrative costs increased €4.3 million to support the development of the North American sales network. They represent 10.2% of revenue in 2019, compared to 9.3% in 2018.

Due to the flood at the Madison site, net income of €2.8 million was recognized in "Other recurring operating income and expenses." This amount corresponds to the insurance compensation, net costs related to this flood, and covers the operating losses.

The "Other recurring operating income and expenses" also includes income of €0.9 million in connection with supplier compensation following delivery delays.

Given these elements, the recurring operating income of the CEP division decreased to €2.4 million (0.6% of revenue) versus €9.4 million in 2018 (3.0% of revenue).

2.5.3. S&S DIVISION



With revenue of €309.4 million, the Services & Solutions division (S&S) reports growth of 12% over 12 months (11% at constant exchange rate and scope). The strongest growth was reported in the services business, which was strengthened over the past few years.

This growth resulted in a 1.9 point improvement in the gross margin to 28.2% for the year.

Following the development of own distribution activities (Manitou centers) in Australia, India, and the United Kingdom (acquisition of Mawsley Machinery Ltd), the administrative, sales, marketing, and services costs increased by 9.7%.

The division's profitability is up 50% at €30.0 million, or 9.7% of revenue (7.2% in 2018).

2.6. CASH FLOW AND FINANCIAL STRUCTURE

2.6.1. CHANGES IN SHAREHOLDERS' EQUITY

As of December 31, 2019, the consolidated shareholders' equity came to €665 million, versus €597 million as of December 31, 2018. This net increase of 68 million euros is primarily due to the consolidated result for the fiscal year of 96 million and payment of €30 million in dividends to the group's shareholders.

2.6.2. CASH FLOW AND DEBT

Gross cash flow increased from €22.0 million to €144.5 million, as compared with €122.5 million in 2018. This improvement is due to the continuing increase in the group's profitability.

The working capital requirement increased by €60.4 million, for €108.1 million in 2018. The increase in the 2019 working capital requirement is due to the decrease in trade accounts payable following a reduction in production speeds at the end of the year. The stock level is stable and reflects the group's desire:

- to have stocks of components to limit production line stoppages associated with supply interruptions,
- to store Stage IV engines purchased early to benefit from the flexibility afforded by the Stage V standard,
- to maintain acceptable delivery deadlines with stocks of machines for customers, especially for the major rental companies.

The cash flow generated during the period comes to +€63.1 million (-€4.7 million in 2018). This improvement is due to the increase in profitability and a smaller increase in the working capital requirement compared to 2018.

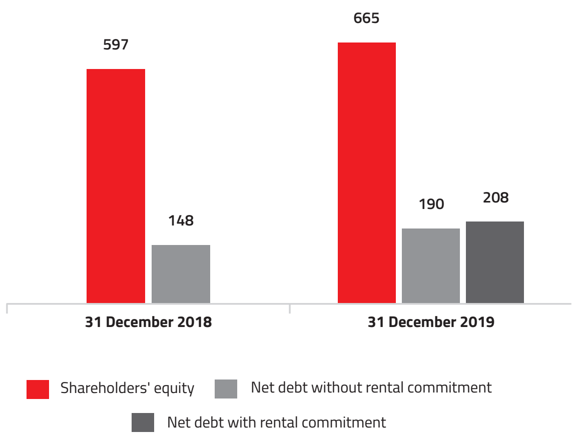
The investment flows (excluding rental fleet) increased by €25.1 million over the previous fiscal year and stand at €66.6 million. This increase is due to the group's investment policy and includes the acquisition of the Mawsley company.

The group also distributed dividends for €30.1 million, compared to €23.9 million in 2018.

Thus, at December 31, 2019, cash flow was -€5.0 million, as compared with an opening cash flow of -€0.6 million.

The net financial debt (excluding lease commitment) comes to €190 million as of December 31, 2019, up €42 million compared to the end of December 2018. The net financial debt ratio (excluding lease commitment) compared to EBITDA is 1.0 (leverage ratio) compared to 0.9 as of December 31, 2018, and the net financial debt ratio (excluding lease commitment) on the shareholders' equity (gearing) is 28.6% as of December 31, 2019, versus 24.8% as of December 31, 2018.

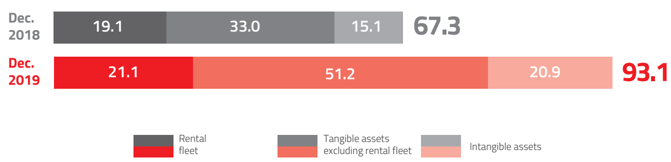
Financial debt in millions of euros



	2018	2019
Net debt excluding lease commitment / Shareholder's equity (Gearing)	24.8%	28.6%
Net debt including lease commitment / Shareholder's equity (Gearing)		31.3%
Net debt excluding rental commitment / EBITDA	0.9	1.0
Net debt including rental commitment / EBITDA		1.1

2.6.3. INVESTMENTS

In millions of euros



To support its growth, the group continued to invest, with investments of €93.1 million in 2019 compared with €67.3 million in 2018.

Intangible investments accounted for 22% of investments, i.e. €21 million. They corresponded to development costs for new products or technologies (€13 million) and investments in IT solutions (€8 million).

Tangible investments accounted for 78% of investments, of which 46% was in buildings, 36% in industrial equipment and 29% in fleets of equipment, with the group pursuing its strategy of developing services, including rental activities.

2.6.4. RESEARCH AND DEVELOPMENT INVESTMENT

Research and innovation are at the heart of the group's strategy and goals. They are intended to offer new solutions for machines, attachments, and associated services, and accordingly to reduce the operating costs for these machines while at the same time improving their performance and environmental impact.

The activity is conducted based on:

- studies that provide a better understanding and appreciation of the technological changes that affect the group's businesses;
- ongoing monitoring of technological changes occurring in associated industry sectors (automotive, etc.);
- close collaboration with suppliers or institutions that develop innovative technological solutions.

It is also intended to meet the needs of the three types of client that may use a machine:

- owners, who expect high performance and a return on their investment;
- users, or drivers, who expect safety, usability, and ease of use;
- those in charge of maintenance, who expect reliability and a high level of associated service.

The group's research and development relies on an international network distributed across seven research offices. The research teams represent 7% of the group's workforce.

In 2019, the group reinforced its research and development costs in order to pursue the defined product plan and comply with the changes in requirements applicable to its products.

in millions of euros and % of net sales for the financial year	2018		2019	
	Amount	% of net sales	Amount	% of net sales
Capitalized expenses	9.6	0.5%	12.5	0.6%
Non capitalized expenses and amortization allowance	23.9	1.3%	27.7	1.3%
TOTAL	**33.5**	**1.8%**	**40.3**	**1.9%**

The group holds a number of patents protecting the innovations developed in its various research offices.

The total number of active patents at the end of the 2019 fiscal year was 116. In addition, more than 30 patent applications were filed in 2019.

DEVELOPMENT OF INNOVATIONS AND LAUNCH OF NEW PRODUCTS

In 2019, Manitou Group continued to roll out innovations, focusing on enhanced user comfort, a reduction in the environmental impact of machines, and improved performance. In particular, the group:

- presented a series of prototypes and low-emission solutions that are in the testing phase and are intended to be put on the market. This group of concepts designated under the name Oxygen Concept illustrates the future trends that will guide the design of the group's low-emission solutions. It contributes to making the TCO as low as possible,
- continued the Reduce approach for its platforms, with the Stop and Go system on the Stage V platform models,
- accelerated the deployment of its connected machine management system on all of its product ranges,
- continued to reduce fuel consumption with the Ecostop system, which automatically turns off the engine when the driver gets out of the cab,
- deployed a unique active vision system on the boom head of telehandlers with a high resolution camera,
- developed a 360° visibility system for track loaders,
- incorporated the Joystick Switch & Move Autopower (JSM) system, which proportionally adjusts the engine speed as a function of hydraulic power required,
- made the range of skid steers electric with interchangeable batteries,
- deployed a digital offer intended for all of its customers with connected machines. An application provides information on the machine's condition and its location and advice, including in the form of videos.

The group is also continuing to launch new products and renew its product ranges in order to incorporate the changes in requirements and make substantial improvements for its users.

2019 saw the launches of:

- a new line of telehandlers and skid-steers loaders dedicated specifically to the emerging markets,
- a complete range of access platforms for the North American markets with Tier 4 engines.

RESPONSES TO REGULATORY DEVELOPMENTS

The equipment designed and distributed by the group is subject to various regulatory standards relating to emissions, pollutants, noise, visibility, safety, electromagnetic compatibility, the environment, etc.

These developments continually change the design of the equipment and entail major investments in product development. These standards impose increasingly strict requirements, notably to limit CO_2 emissions.

The regulatory authorities in the European Union, Japan, the USA (the Environmental Protection Agency (EPA)), and Canada have agreed on regulations for non-road diesel equipment to reduce the following polluting emissions:

- carbon monoxide (CO);
- hydrocarbons (HC);
- particulate matter (PM);
- nitrogen oxides (NOx).

This led to the introduction of Stage III to V regulations in Europe and Final Tier 4 in the United States. These standards impose further reductions in particulate matter and nitrogen oxide levels. They are accompanied by the development of new fuels (NRD - non-road diesel) and new types of engines, notably using particle filters and nitrogen oxide reduction systems.

Europe is continuing to develop its regulations with Stage V. Since 2019, this standard has imposed further reductions in particulate matter emissions and introduced monitoring of the number of particles emitted. This development would mean extending the use of particle filters.

Therefore, new-generation engines require diesel of a specific quality, which currently makes it impossible to market machines complying with these new standards in those countries with low levels of regulation.

For the past several years, Manitou Group has been attempting to find improved engine technologies that meet the regulations while optimizing the performance of its machines and has mobilized a significant proportion of its research and development resources to achieve such changes. The group has had to establish product ranges that are marketable by region to meet the requirements of those geographical areas where these regulations apply, while continuing to produce machines that are suitable for other areas.

The table below sets out the schedule for transition through phases IIIA to IIIB, IV, and V based on engine power rating.

<table>
<tr><th>Output</th><th>0 - 19 kW</th><th>19 - 37 kW</th><th>37 - 56 kW</th><th>56 - 130 kW</th><th>> 130 kW</th></tr>
<tr><td>2010</td><td rowspan="9">NO REGULATION</td><td rowspan="9">STAGE IIIA</td><td rowspan="3">STAGE IIIA</td><td rowspan="2">STAGE IIIA</td><td>STAGE IIIA</td></tr>
<tr><td>2011</td><td rowspan="3">STAGE IIIB</td></tr>
<tr><td>2012</td><td rowspan="3">STAGE IIIB</td></tr>
<tr><td>2013</td><td rowspan="6">STAGE IIIB</td></tr>
<tr><td>2014</td><td rowspan="5">STAGE IV</td></tr>
<tr><td>2015</td><td rowspan="5">STAGE IV</td></tr>
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<tr><td>2020</td><td rowspan="2">STAGE V</td></tr>
<tr><td>2021</td></tr>
</table>

2.7. POST-CLOSING EVENTS

COVID-19 CRISIS

In light of the very serious health crisis and in accordance with regulatory recommendations or obligations, Manitou Group shut down its production activities in France on March 17, 2020 and in Italy and India the following week.

The group is actively working to prepare to reopen its sites. They will be reopened progressively in order to integrate health measures and restart the entire supply chain.

Activities have also slowed down in the group's distribution companies in most of the geographical regions due to widespread shutdown policies and market uncertainty. When authorized and when the conditions permit, the group is continuing to distribute spare parts in order to serve its customers that are still operating.

In this context, the group remains fully mobilized to address all consequences of the COVID-19 crisis, both with respect to its employees, its customers, its operators, and all of its stakeholders.

See also chapter 4, note 4.4. "Risk Factors".

DIVIDEND REVISION

During its March 3rd meeting, the Board had decided to propose distribution of dividends of €0.78 per share at the General Shareholders' Meeting of June 18, 2020.

Since the Board meeting of March 3, 2020, the health emergency was announced by Law no. 2020-290 of March 23, 2020 to combat the Covid-19 epidemic, and the global economic context and the group's business was profoundly affected.

The Board met on April 15, 2020 and decided to revoke the proposal to pay the dividend that was announced initially.

After October 1st, depending on the situation, the Board of Directors may convene a General Shareholders' Meeting to proceed with a distribution of reserves for its shareholders in lieu of the dividend.

2.8. OUTLOOK FOR 2020

The magnitude and uncertainties of the COVID-19 crisis has led Manitou Group to suspend its financial guidance for 2020.

3. CORPORATE SOCIAL RESPONSIBILITY

The value of Manitou Group's machines and services lies in the functional benefits provided by their use: **they facilitate, enhance safety, add to productivity, and transform uses.**

Materials handling, access platforms and earthmoving lie at the heart of many **agricultural, industrial, human, and environmental challenges**. Population growth, urbanization, and economic development all require an increase in agricultural production and construction and renovation of housing and communications infrastructures, all the while optimizing the use of natural resources.

Manitou Group's mission is to improve working conditions, safety, and performance around the world, while protecting people and their environment:

- **meeting ever growing load transport requirements** with innovative, adapted machines that make people's work easier,
- **meeting growing productivity requirements** with products and service offers specific to each application, limiting the Total Cost of Ownership (TCO) and the environmental footprint as much as possible,
- **meeting the integration requirements of the digital world** with connected machines,
- **meeting customers' needs for innovative approaches** by devising new services that view machine life cycles and accessibility conditions in different ways: leasing and used machines become effective solutions to keeping companies' TCO down and limiting their environmental footprint,
- **meeting requirements for improved working conditions** with machines suited to each use and focusing on promoting the health and safety of people and property.

Corporate Social Responsibility (CSR), at the heart of the group's mission**, helps it move towards a safer, more innovative, sustainable world of handling, access platforms, and earthmoving.**

The name of the CSR approach, the Elevation Plan, therefore conveys several meanings:

- Elevation **is the heart of the business** and the group's "raison d'être," a way of supporting its users to make their work easier and safer.
- Elevation reflects our commitment to rise to the challenges facing society related to the group's business. The group has **acknowledged its responsibilities** and those of its stakeholders and is working with **its entire value chain** to anticipate and respond to these challenges more effectively.
- Elevation also means **mobilizing all of the company's employees** on sustainable development issues, supporting talent by promoting diversity and encouraging entrepreneurial spirit, and rewarding success, while safeguarding optimum quality of life at work.
- And finally, Elevation means the goal of driving the group towards **governance that incorporates the Sustainable Development Goals.**

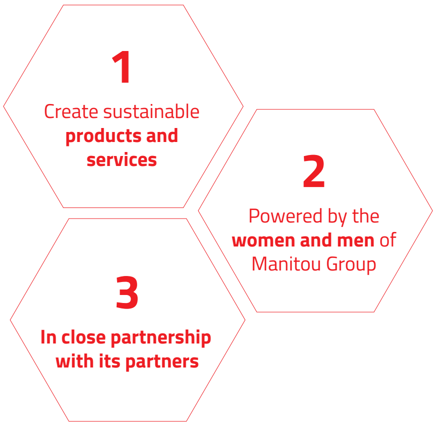
This approach is directly led by Manitou's Executive Committee with the full backing of the Board of Directors.

Since 2015, Manitou Group has adopted the **10 principles of the UN Global Compact.** This adoption, renewed for 2019, has committed the group to integrating each of these principles into its strategy, culture, operations, and stakeholder relations[1].

3.1. AMBITION AND COMMITMENTS

The "Elevation" plan reflects Manitou Group's ambitions in terms of CSR. The group is not working alone: it involves its employees and its value chain to construct the handling, access platform and earthmoving solutions of tomorrow while respecting people and the environment.

In 2018, the group set the objectives of the "Elevation" Plan for 2022:



3 ambitions associated with 13 objectives and key actions.

In line with the Sustainable Development Goals of the United Nations, the road map validated by the members of the Executive Committee demonstrates the group's intention to accelerate its transformation. It aims to anticipate, reduce risks, and create value for all stakeholders.

In 2019, these strategic indicators were deployed throughout the group with the implementation of a steering tool with the managements of the business lines, an internal communication plan, and a biannual review at the General Management level.

This meaningful approach gives new momentum to the Elevation plan.

[1] Global Compact: level GC Advanced.

2018/2022 CSR ROAD MAP

SUSTAINABLE DEVELOPMENT GOALS [2]	Moving towards	2019 significant actions	2022 Goals	Progress (compared to 2017)
PRODUCTS AND SERVICES				
	More optimization	Validation of the fuel consumption measurement process for telehandlers by the EN European standard 16796-4	**x 3** the amount of machines with the "REDUCE" label to better combine security, productivity, and a reduced environmental impact	Reduce Fuel 98%; Reduce Risks 60%
	More functionality	Development of the Eco-Stop option on several models of telehandlers[3]	**x 5** the rate of reduction in the total cost of ownership for the top 50% most sold machines (in net sales)	28%
	More innovation	Development of the Oxygen label to designate low emission solutions Incorporation of an ecodesign checklist in the development process of new products	**100%** of new products will incorporate ecodesign and TCO criteria[4]	47%
	More circularity	Implementation of a local repair loop for "ReMAN"[5] parts in Spain	**8%** of net sales from Parts will be produced from renovated or used parts	5%
PEOPLE				
	More safety	Deployment of action plans for the purposes of ISO 45001	Reduce the employee accident frequency rate by **10%** and the severity rate by **14%**	Frequency rate 135%; Severity rate 386%[6]
	More diversity	Implementation of a mentoring program Second professional gender equality agreement[7]	Achieve a total of **850** women within the group	95%
	More well-being	Continued deployment of Elevation Days[8] in other countries	Ensure that **100%** of entities have initiated at least one initiative to improve the employee experience	57%
	More engagement	Survey no. 2: 89% participation[9] and 78% engagement in 2018	Get **72%** of employees engaged based on the internal opinion survey	Consultation expected in 2020
PARTNERSHIPS				
	More value	Deployment of CSR audits by purchasers	**60%** of suppliers CSR certified (rating > 12/20) after the audit	22%
	More trust	Implementation of a pilot study on Northern Europe Development of Dealer Standards[10]	**25%** of all sales in dealers labeled "Partner Dealer" (dealers with best CSR practices)	0%
	More ethics	Deployment of Anti-corruption e-learning	**100%** of group managers will be trained in and made aware of anti-corruption ISO 19600 evaluation[11] of the group	99%
	More education	Renewal of the PRME[12] partnership as part of the United Nations Global Compact	**1%** of the group's net income will be dedicated to financing educational initiatives	5%
	More solidarity	Launch of the skills-based sponsorship program	**2 200 hours** of volunteering will be offered by the group	69%

[2] *The United Nations have defined 17 Sustainable Development Goals. Manitou Group's strategy is based on nine of these goals.*
[3] *Of the MT type*
[4] *Total Cost of Ownership*
[5] *Remanufactured parts*
[6] *The group's 2019 results go beyond the ambition of the 2022 objectives. This ambition will be re-challenged over the course of the year.*
[7] *Signed in 2018*
[8] *Sustainable Development Week*
[9] *Survey conducted in 2018 and renewed every 2 years*
[10] *See Chapter 3.4.2*
[11] *Compliance management system*
[12] *The Principles for Responsible Management Education (PRME) initiative of the United Nations Global Compact is intended to inspire and promote training, research, and responsible management practices at the international level.*

3.1.1. COMMITMENTS TO ADDRESS THE GROUP'S MAIN NON-FINANCIAL RISKS

In 2018, the group reviewed its main non-financial risks based on the analysis of their existing materiality[13], their relevance, and the severity of their challenges linked to the analysis of the group's financial and reputational risks.

This work made it possible to identify 5 non-financial macro-risks related to ethics, the climate, the environment, the health & safety of persons, and talent management. The risks related to business ethics, the climate, and the health and safety of persons are also a part of the 17 specific net risk factors discussed in chapter 4. The group's non-financial macro-risks are expressed here as gross risks.

RISK RELATED TO BUSINESS ETHICS[14]

8 DECENT WORK AND ECONOMIC GROWTH · 10 REDUCED INEQUALITIES · 17 PARTNERSHIPS FOR THE GOALS

DESCRIPTION OF THE RISK

Due to its highly international presence, the group is subject to a series of laws and regulations regarding the fight against corruption and data protection. On top of these obligations, the group has also committed to respect the principles of the United Nations Global Compact. All of these obligations and commitments represent the ethics framework within which Manitou Group is committed to conducting its business with integrity and responsibility and in a socially responsible manner.

The machines marketed by the group are used in nearly 140 countries in various business sectors, some of which are exposed to risks related to human rights, pollution, or corruption.

Purchases of materials and components, whose value represents 66% of the group's revenues, also represent a source of risk in terms of business ethics.

If the credibility of the group's commitments were called into question, this would be detrimental in light of its CSR commitments and its signing of the Global Compact.

MANAGEMENT OF THE RISK

- Implementation of an ethics committee and alert system
- Monitoring of partners' financial well-being and control non-financial risks
- Raising employees and partners' awareness regarding compliance risks

STEERING INDICATOR(S)

- Number of suppliers who have signed the Responsible Purchasing Charter
- Proportion of suppliers assessed and audited with regard to CSR
- Proportion of employees trained in and made aware of anti-corruption issues
- ISO 19 600 evaluation of the group

2022 GOALS

60% of suppliers CSR certified (rating > 12/20) after the audit

25% of all sales in dealers labeled "Partner Dealers"

100% of group managers trained in and made aware of anti-corruption issues and the ISO 19600 assessment

[13] *Materiality analysis performed in 2012*

[14] *Main non-financial risk 1*

CLIMATE RISK AND NATURAL RISKS[14]

13 CLIMATE ACTION

DESCRIPTION OF THE RISK

Adaptation to climate change and natural risks: this is the group's adjustment process with respect to the current or future climate as well as its consequences.

Exposure and geographic expansion have made the group present in areas that are vulnerable to weather phenomena and extreme events caused by climate change, such as typhoons, earthquakes, or floods. These natural disasters could have a negative impact on the group's business and financial situation, by exposing:

- the industrial apparatus to major technical and human damages
- its suppliers to supply difficulties, an increase in the cost of raw materials, or climate relocation
- its customers' business to impacts on their activities, such as a decrease in agricultural yields.

MANAGEMENT OF THE RISK	STEERING INDICATOR(S)	2022 GOALS
▪ Inter-site industrial flexibility ▪ Multi-sourcing ▪ Purchasing risk management ▪ Crisis management governance ▪ Damage and operating loss insurance	▪ Calculation of risk exposure (indicator to be established)	Development of business continuity plans

DESCRIPTION OF THE RISK

Climate change mitigation: this consists of actions intended to mitigate the magnitude of climate change by reducing greenhouse gas emissions.

Faced with climate changes and energy transition challenges, Manitou Group must anticipate these external parameters and the associated market developments. In fact, the rapid evolution of regulations (emissions, pollutants, carbon tax, greenhouse gas) and the increasing awareness of health and environmental issues are pushing a growing number of cities and territories to move towards zero emissions. More and more companies are taking low carbon trajectories to contribute structurally to the global effort to limit global warming to +1.5°C. In this context, customer questions about the CO_2 impact of the machine ranges on their life cycle are becoming more common and more specific. Finally, the banks and investors are paying greater attention to the alignment of the group's strategy with the Sustainable Development Goals of the United Nations. The risks associated with inadequate consideration of the company's expectations with respect to climate change are the following:

- a loss of business opportunities and harm to the brand image if the group loses its edge in terms of technological innovation and low-carbon machines
- a loss of business opportunities and harm to the brand image of the group due to difficulties in demonstrating the carbon impact of the sustainable products and services proposed using precise quantitative data
- a decline in the group's attractiveness significantly impacting the recruitment of young talent for whom the climate emergency is a major issue if Manitou Group delays in launching a low-carbon strategy as part of its global response to the climate risk.

MANAGEMENT OF THE RISK	STEERING INDICATOR(S)	2022 GOALS
▪ Reduction in the Total Cost of Ownership (TCO) for users ▪ Mobilization of research and development resources regarding compliance with anti-pollution standards[15] for the reduction of polluting emissions and the development of 100% electric or hybrid rough-terrain machines ▪ Adaptation of the offer to meet the challenges of the circular economy, the product-service system, and the energy transition	▪ Proportion of machines with the REDUCE label[16] ▪ Total Cost of Ownership of the machines ▪ Greenhouse gas emissions/truck[17]	**x 3** the proportion of machines with the REDUCE label **x 5** the rate of reduction in the total cost of ownership for the top 50% most sold machines (in net sales)

[14] Main non-financial risk 2
[15] Limit pollutant emissions of: carbon monoxide (CO), hydrocarbons (HC), particles (PM), nitrogen oxides (NOx)
[16] See the methodology note for more details.
[17] For scope 1 of our activity

ENVIRONMENTAL RISK

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

DESCRIPTION OF THE RISK

1 **Prevention of industrial pollution:** the group's industrial activities entail risks of polluting the air, water, and ground. Painting activities present a risk of releasing volatile organic compounds (VOCs) into the atmosphere and polluting the water. There is also a risk of chemical spills.

Furthermore, like any industrial activity, Manitou Group sites are also exposed to fire and explosion risks (linked to the battery charging rooms and the paint booths). Such events could cause bodily injury or damage to property and the environment, and potentially have a negative impact on the group's business, financial situation, and image.

2 **Circular economy:** the cost of raw materials and components represents a significant portion of the cost price of the equipment. Faced with growing pressure on raw materials and fluctuations in their cost, it is increasingly necessary for the group to rethink its processes in order to make the business sustainable in favor of an approach geared towards the circular economy, based on the 3Rs strategy: reduce resources used in product manufacturing, reuse the products, then recycle them. In addition, a strong and sustainable increase in the raw material supply cost could alter the company's profitability.

	MANAGEMENT OF THE RISK	STEERING INDICATOR(S)	2022 GOALS
1	▪ Protection of the environment and resources ▪ Limitation of pollution at production sites	▪ MEF: energy consumption, VOC emissions + greenhouse gas emissions + volume of unrecycled waste/truck ▪ Water consumption/truck ▪ Paint consumption/truck	Managing the MEF **"Manitou Environmental Footprint"** indicator with the goal of reducing the environmental footprint of the sites (See page 47) **100%** of new products will incorporate ecodesign criteria **8%** of the Parts revenue will be generated from renovated or reused parts
2	▪ Responsible purchasing policy with sharing of the challenges of the circular economy ▪ Ecodesign ▪ Optimization of the service life of the machines and their recyclability ▪ Waste management and recycling policy	▪ Proportion of new projects that incorporate ecodesign criteria ▪ Proportion of Parts revenue generated from renovated or reused parts ▪ Volume of industrial waste/truck ▪ Waste burying and recycling rate	

HEALTH AND SAFETY RISK

3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH

DESCRIPTION OF THE RISK

1 **Employees:** vigilance with regard to the health and safety of all employees is essential.

In the factories, with more than 2 100 operators working to manufacture mechanically welded structures (chassis, booms, and masts), in assembly or in paint booths, as well as outside the production zones, with more than 2 300 employees working in offices and roaming. The main employee risks are related to:

- **the workstation:** workstation ergonomics, mechanical or manual tools, welding and grinding devices, etc.
- **the workstation environment:** movement of people and machines, risks of eye injuries, noise and vibrations, etc.
- **the use of chemicals:** glue, aerosols, etc.

The group makes prevention and training one of its priority actions.

2 **Users:** every day, 500 000 people use our machines and although the group's machines improve safety by their nature, there is a real risk of accident. Occurrence of an accident involving a handling machine is always caused by a combination of several factors: the choice of a machine and its equipment not suited to its environment, or a lack of knowledge or misuse of the equipment. A faulty machine can also involve a design or maintenance fault. Problems involving the safety of equipment and usages could result in damage to persons, property, and the environment and could potentially have a negative impact on Manitou's business, financial situation, and image.

	MANAGEMENT OF THE RISK	STEERING INDICATOR(S)	2022 GOALS
1	▪ Risk prevention for employees, especially at the production sites ▪ Addition of the employee/temporary worker frequency rate in the profit sharing program for employees in France	▪ Accident frequency and severity rates ▪ Rate of absenteeism due to accidents and illnesses ▪ Proportion of training hours dedicated to safety	Reduce frequency rate by **10%** Reduce severity rate by **14%** **x 3** the proportion of machines with the REDUCE RISKS label
2	▪ Prevention of risks to user health by improving machine comfort (reducing vibration and noise and improving ergonomics) and safety for users by making machine safety information available	▪ Proportion of machines with the REDUCE label[18]	

MANITOU GROUP

RISK RELATED TO TALENT MANAGEMENT

3 GOOD HEALTH AND WELL-BEING · 4 QUALITY EDUCATION · 5 GENDER EQUALITY · 10 REDUCED INEQUALITIES

DESCRIPTION OF THE RISK

Human resources are the driver of the company's current growth. The availability, skills, and commitment of the employees are therefore essential factors for its success. If Manitou Group's appeal is not sufficient to retain people with the necessary skills and talents, the group could struggle to achieve its objectives, and this could have a negative impact on its results. It is essential to mobilize management and the teams during peak activity periods.

MANAGEMENT OF THE RISK

- Attract, build, and retain skills
- Motivate and unite
- Improve working conditions and quality of life at work
- Reflect the diversity of customers and markets in the teams

STEERING INDICATOR(S)

- New recruits with open-ended contracts
- Commitment rate
- Voluntary departure rate
- Average number of hours of training per employee
- Proportion of non-French top management
- Proportion of women by status
- Number of people with disabilities

2022 GOALS

72% of employees engaged based on the internal opinion survey

100% of entities with at least one action per year intended to improve the employee experience

2 200 hours of volunteering offered

1% of net income allocated to fund education initiatives

850 women in the total workforce

[18] *See the methodology note*

3.1.2. RESPONSIBILITY AT THE HEART OF THE STRATEGY AND GOVERNANCE

The group's Corporate Social Responsibility policy is the outcome of contributions from all actors of the group. The CSR Department coordinates the various activities through the 2018-2022 CSR road map, while the contact persons within the business lines and subsidiaries ensure that actions and information are shared.

The CSR Department reports directly to the Corporate Secretary, who is a member of the Executive Committee. Each member of management is responsible for one or more 2022 objectives and has a project manager in their organization assigned to facilitate the transformation.

Twice a year, the group's Executive Committee reviews the lines of action and progress made on the road map. The Board of Directors takes into account the environmental and societal issues when defining and validating the three-year action plan and when considering the strategy to take.

Finally, the social, societal, and environmental data needed for the non-financial reporting is collected by the local employees. The CSR Department relies on a project team to consolidate the data.

Internal auditors validate the data collected and the consolidated indicators. The published indicators are also audited by an external independent auditor (See the OTI's Report).

THE CSR ACTIVATORS NETWORK

The CSR activators network was created in 2018 to bring together the contact persons of the various business lines around a common project.

In 2019, driven by the Elevation plan and based on the involvement of the men and women of the group, the activators network defined an action plan to accelerate CSR in the business lines. This action plan was developed in alignment with the 2018-2022 CSR road map and will allow the group to accelerate its transformation and help it achieve its 2022 objectives. To successfully accelerate the activators network, guided by the CSR Department, quarterly meetings are organized in order to exchange ideas and monitor the progress made on each of these actions.

Each year, two events punctuate the life of the group to foster a sense of co-responsibility and competition surrounding the Elevation plan:

- Elevation Days, developed jointly by activators and volunteers, are a week of educational activities for employees at all sites. In 2019, three topics were explored through various mobilization actions: individual and collective performance, health and quality of life at work, and the climate emergency. Workshops on topics such as best nutritional practices for shift work, the keys to public speaking for effective communication, and a rollover simulator to prevent risks on the road were held for the first time within the factories as close as possible to the operators. This week was also an opportunity to mobilize employees in all of the countries with an "Actor of Change" communication campaign regarding the climate emergency through voluntary and individual commitments.
- the Elevation Challenge encourages intrapreneurship by giving all employees the opportunity to implement CSR projects. In 2019, almost 50 projects were voted on by employees and the panel. 67% of the files submitted came from countries outside France. Digitalization of these projects with the group's "CSR best practices platform" means that ideas can be shared between the countries. This platform has 200 projects.

THE CONCERNS OF THE STAKEHOLDERS

To establish the foundations for its CSR strategy, Manitou Group pinpointed the sustainable development challenges it is facing in collaboration with 35 of its internal and external stakeholders. This involved taking into account all of the major environmental, social, and economic impacts and, wherever necessary, extending the scope by identifying new action areas and emerging trends and launching discussions or starting pilot projects.

The table below sets out the forms of dialog currently in place, broken down by stakeholder. Analysis of internal and external expectations, supplemented by a benchmarking exercise, helped identify and prioritize the issues in order of importance with respect to the stakeholders and the level of maturity in the group. This analysis served as the basis for the Elevation Plan.

STAKEHOLDERS	EXPECTATIONS	GROUP RESPONSE(S)	FORM(S) OF DIALOG	SIGNIFICANT EVENTS IN 2019
CUSTOMERS & DEALERS	Product quality	▪ Regulatory monitoring and anticipation ▪ Quality certification	▪ Chairman of the ISO committee for the rough-terrain handling trucks sector ▪ Dealer network ▪ Dealer newspaper: Manitou Life ▪ Customer service ▪ Customer satisfaction surveys ▪ External communications (corporate site, brand site, trade fairs) ▪ Warm'up days: customer machine tests ▪ Training and e-learning	Commercial launch of the first 100% electric rough-terrain aerial work platform Testing of "Oxygen" machines with the city of Oslo at a Zero Emission work site[19] Development of the first 100% electric "skidsteer" for presentation at Conexpo in March 2020
	Product safety	▪ Compliance with safety standards ▪ REDUCE Risks program		
	Reduced Total Cost of Ownership	▪ REDUCE TCO program		
	Adaptation for new uses	▪ Departments responsible for the development of new services and the digital transformation		
	Low environmental footprint for products	▪ REDUCE Fuel program ▪ Ecodesign		
	Customer relations	▪ Satisfaction measurement		
	Ethical practices	▪ Code of conduct ▪ Gift policy		
	Innovation	▪ R&D program		

[19] *Oslo, as the pilot city for ZEC (Zero Emission Construction) sites, asked Manitou Group to test the Oxygen solutions on a real Zero Emission work site.*

STAKEHOLDERS	EXPECTATIONS	GROUP RESPONSE(S)	FORM(S) OF DIALOG	SIGNIFICANT EVENTS IN 2019
EMPLOYEES	Professional development of employees	▪ Forward-looking employment and skills management policy	▪ Annual review interviews ▪ Forward-looking Career Planning Management	
		▪ Training policy	▪ Up Days ▪ Immersion week ▪ Digital Campus	
		▪ Mobility policy		
		▪ Internships and apprenticeships programs		
		▪ Communication of the latest news from within the group	▪ Internal communications (intranet, TOTEM, forums) ▪ KiT: internal social network ▪ Open days	
	Well-being at work	▪ Measurement of satisfaction and commitment, and action plans	▪ In house opinion survey	Establishment of Social and Economic Committees in France
		▪ Quality of life at work solutions (remote working, etc.)		Launch of a podcast series and CSR newsletter
		▪ Support for sporting initiatives	▪ Creation of a sports association and opening of sports halls	
	Promotion of team and individual success	▪ Rewards/prizes and long-service awards		Implementation of an EHS risk alert system[20]
	Boosting diversity	▪ Gender equality in the workplace	▪ 'Wo'Men by Manitou Group' network ▪ Mentoring program	
		▪ Intergenerational cooperation		
		▪ Policy aimed at supporting people with disabilities	▪ Adviser to people with disabilities ▪ Disabilities week	
	Social and trade-union rights	▪ Social dialog	▪ Employee representative bodies and trade unions	
	Mobilization around CSR issues	▪ Internal CSR communications	▪ Annual Elevation Challenge, Elevation Days, platform for sharing the group's best CSR practices	
	Health and safety at work	▪ QEHS policy and certifications	▪ EHS Corporation, health division & social worker	
SUPPLIERS AND SUBCONTRACTORS	Economic competitiveness	▪ Total Cost of Ownership approach	▪ Supplier Convention and technical sessions	
	Technological competitiveness	▪ Productivity initiatives	▪ Think Tank	
	Sustainability of supplier relationships	▪ Supplier Development Department	▪ Supplier extranet ▪ Responsible Purchasing Charter ▪ CSR supplier ratings	
LOCAL COMMUNITIES	Academic partnerships	▪ Local relationships with the education sector and collaborative projects	▪ Handling the Future Challenge with students ▪ Partnerships with schools ▪ School visits - Student fairs ▪ Support into employment	Partnership with the PRME program as part of the United Nations Global Compact
	Reinforcing regional presence	▪ Participation in networks	▪ Membership of the "Comité 21 Pays de la Loire" sustainable development dialog platform ▪ Involvement in local networks	Launch of a skills-based sponsorship program in several countries
	Commitment to the community	▪ Skill-based sponsorship policy	▪ Internal site with proposed missions in schools or associations	
SHAREHOLDING AND FINANCIAL COMMUNITY	Good governance	▪ Regular detailed communication	▪ Registration document ▪ Annual United Nations Global Compact Progress Report ▪ Answers to questionnaires from non-financial rating agencies ▪ Website	2019 Gaïa Index[21] classification: 18/230
	Relationship of trust and consideration			
	CSR performance transparency			

[20] *Environment, Health and Safety*

[21] *Gaïa Rating, the EthiFinance ESG ratings agency, organizes an annual data collection campaign covering the main listed small and medium-sized enterprises (PMEs) and intermediate-sized enterprises (ETIs). Based on this information, the companies are rated on their level of transparency and performance. Rankings have been established for each revenue category in order to reward the best players from a restricted panel of 230 PMEs/ETIs listed on the Paris stock exchange that meet three size criteria and one liquidity criterion.*

3.2. CREATION OF SUSTAINABLE PRODUCTS AND SERVICES

From the design stage through to a machine's end of life, the group instills Corporate Social Responsibility in all of its actions, prioritizing day-to-day improvement for the users of its machines and services.

The result of this ambition is the REDUCE approach. It aims to improve the quality of working life for users of its machines, to increase productivity and provide better protection for the environment. Three programs have been developed:

REDUCE Fuel, launched in 2013, aims to measure[22] and compare the fuel consumption and CO_2 emissions of our machines in complete transparency. The data per range of machines is regularly updated. The goal is to support its customers in reducing their environmental footprint and reduce the impact of its products, especially impact that is linked to climate change.

REDUCE TCO, launched in 2015, aims to inform its customers about the cost breakdown of machines and help them improve the profitability of their production tool.

REDUCE Risks, launched in 2018, aims to improve handling of machines so that they can be driven safely. The objective is also to provide guidance on the choice of equipment and services to increase awareness of health and safety risks.

A website devoted to the approach as a whole was launched in 2018 and is available at:
www.reduce-program.com

3.2.1. TOWARDS GREATER ECONOMIC, ENVIRONMENTAL, AND SAFETY OPTIMIZATION

COORDINATION OF THE REDUCE PROGRAM

The REDUCE program, which is available in 10 languages, directly targets the end users.

The new digital platform allows users and customers to:

- measure the Total Cost of Ownership (REDUCE TCO) of their machine. Thanks to the various usage criteria, research is precise, and the machine suitable for the user's requirements and business can be identified in just a few clicks. The tool gives the cost per hour including fuel consumption, maintenance, insurance, and the resale value of the machine,
- compare the fuel consumption and CO_2 emissions of a Manitou machine with a competitor equivalent machine, or with another Manitou machine (REDUCE Fuel). The measurements are available for the agricultural and construction ranges,
- apply simple recommendations for use in order to reduce their consumption, impact in terms of CO_2 emissions and TCO,
- watch almost 300 videos on the safe use of the machine (REDUCE Risks). These videos explain, for example, how to start and maintain a machine and secure the attachments, what the safety precautions are, or how technology such as the JSM® works,
- quickly identify good and bad practices and therefore prevent the risk of accident, thanks to prevention posters (REDUCE Risks),
- directly access instruction manuals and maintenance documents,
- discover all of the equipment and innovations for reducing risks, TCO, and fuel consumption and improving user comfort (ergonomics, vibration, and acoustics).

The group continues its commitment to optimizing its machines through digital transformation: previously available as an option, the Easy Manager connected solution has been installed standard since January 1, 2019.

This simple and flexible tool provides real-time access to key machine data, such as fuel consumption, engine temperature, and error codes. Since this makes it possible to conduct remote diagnostics and geolocate machines, technicians can intervene more rapidly and avoid multiple trips to the customer.

In 2019, the group took the following actions to develop each aspect of the program:

REDUCE FUEL

- Work on the measurement of aerial work platforms to be made available online during the first half of 2020

The fuel consumption measurements are based on a Manitou protocol validated by the UTAC[23]. This procedure makes it possible to compare the consumption between two machines using a strictly identical methodology.

The project, which was initiated by a pilot group in 2016 with the goal of defining a reference standard to measure the consumption of telehandlers, bore fruit in 2019 with the publication and taking of effect of the European standard EN 16796-4 on the energy efficiency of industrial trucks. It defines a protocol to measure the fuel consumption of rough-terrain telehandlers and calculate CO_2 emissions that has already been applied by the group.

As the current chair of the ISO committee in the rough-terrain handling trucks sector, the group is also taking this project global to make it the recognized method for measuring the consumption of telehandlers around the world.

REDUCE TCO

- Drafting of a white paper on TCO intended for users of telehandlers, expected for publication in the first half of 2020. The idea is to help customers think about the total cost of their machine and not only the purchase price.

[22] The fuel consumption measurement protocol for the telehandlers
[23] Union Technique de l'Automobile, du motocycle et du Cycle (car, motorcycle, and bicycle technical union)

REDUCE RISKS

Implementation of the REDUCE RISKS information in the basic instruction sheets intended for renters of the MT, MLT, AWP, and forklift ranges.

To carry out these actions and continuously provide users with more information and knowledge, the group is working to improve the structure of its RISKS library for the Manitou & Gehl brands by implementing common processes.

ENVIRONMENTAL MANAGEMENT

In addition to striving to reduce the environmental impact of its machines, Manitou Group also intends to manage the impact of its manufacturing processes on the environment. In a context of very robust business with production sites in France and around the world, a common environmental management system for all of the production sites is urgently needed.

In 2018, in accordance with its CSR strategy, the group defined a new Quality, Environment, Health and Safety (QEHS) policy. These commitments, led by the Executive Committee and shared with all group employees, are filtered down as strategic and operational objectives at every level of the company.

Determined to simplify and streamline the processes, in order to make them more robust and comply with changes in the quality standards ISO 9001 and ISO 14001, the group finalized a project to bring the Quality and EHS management systems closer together. Its aim is to have a shared QEHS certification by 2020 at all French sites, including a health and safety certification, ISO 45001.

	2017	2018	2019
Proportion of ISO 14001-certified or eligible sites (as % of general revenue in the group*)	78%	78%	78.6%

** Group indicator including Manitou Equipment India (MEI), merged into the group in 2017.*

In addition to saving time and increasing the efficiency of the processes, these changes help simplify and improve the consistency of the system, deliver better QEHS performance, standardize operations across the sites, and promote continuous improvement.

As resources grow more scare, the group has a duty to seek to reduce its environmental impact by saving the natural resources needed for its business as much as possible, such as energy and water, by optimizing the recycling of its waste and globally reducing greenhouse gas emissions in both the design phase of its machines and their use.

In 2019, Manitou Group worked on a project to guarantee the management and optimization of the environmental performance of its industrial tools. To do so, Manitou Group has decided to adopt a common composite indicator consolidating the performance of all of its production sites: 2019 marks the beginning of the deployment of Manitou Environmental Footprint (MEF) in France with increased data reliability for the group's other production sites.

This indicator was created with the goal of monitoring the environmental impact of the group's manufacturing processes and reducing them. The group plans to set an initial MEF reduction goal in 2020 starting with the French sites.

	Unit	2018	2019 iso scope	2018-2019 variation	2019	2018 scope	2019 scope
Equivalent trucks produced	No. of MLT735 equivalent trucks produced	33 485	35 912	+7.2%	35 912	All of the production sites and the main logistics center in France	
Energy consumption	kWh/truck equivalent	2 660	2 382	-10.5%	2 382		
VOC emissions	kg VOC/truck equivalent	5.3	7.9	+48% (a)	8.6	France, Italy, USA	All of the production sites and the main logistics center in France
Paint consumption	kg/truck equivalent	10.8	16.1	+48.9% (b)	16.5	France, Italy, Madison, India	
GHG emissions	kg CO_2 eq/truck equivalent	612	623	+1.8% (e)	623	All of the production sites and the main logistics center in France	
Water abstracted	m³/truck equivalent	2.1	1.2	-42.2% (c)	1.2	France, Italy, USA	
Volume of industrial waste	kg/truck equivalent	230	251	+9.1% (d)	264	France, Italy, Waco, Yankton	France, Italy, Waco, Yankton, India

**See note on methodology*

a) b) The increase in the consumption of paint and VOC emissions is explained by the increase in requests for colors by rental customers, which requires cleaning and draining of the systems for each change of color.

c) The strong decrease in water consumption is due to the redesign of the painting systems and implementation of a washing water recycling system as well as the repair of leaks that took place in 2018.

d) The group is continuing its waste management efforts by improving sorting at the source and giving precedence to the recycling and reuse of materials for energy recovery. The increase in the production of waste per truck equivalent of 9% between 2018 and 2019 under equivalent conditions is explained by a cleaning operation at the Laillé site, renovation work conducted at the Beaupréau site, and the replacement of obsolete equipment at the Italian site. Despite this increase, 80% of the waste is reused or recycled (versus 68% in 2018), 9% is recovered for energy (versus 20% in 2018), and 11% is buried (versus 12% in 2018). All waste from steel is reused.

e) The group is also making progress on the calculation of the CO_2 emissions of the industrial tools by expanding the geographic scope covered and the nature of greenhouse gases considered and increasing the reliability of the data by updating the emission factors by considering the energy mix of the countries in which they operate. In order to present comparable data, the 2018 CO_2 emissions were restated to incorporate the progress made in 2019.

Operationally, many actions are undertaken every day to ensure management of these risks:

- working groups on the reduction of specific risks.
- regular communications on EHS issues (meetings, circulation of safety/environmental instructions, intranet articles, and posters).
- the CSR best practices platform, which enables best safety and environment practices to be shared.

In 2019, significant improvement actions were completed at the production sites:

- concerning the reduction in energy consumption and greenhouse gas emissions, the LED technology was deployed at several sites: the spare parts logistics center (France) and in the workshops in India as well as in Italy, making it possible to also improve visual comfort with more luminosity. A project to install solar panels began in Italy in order to produce energy starting in 2020,
- the telehandler production site (Ancenis) underwent a renovation of its washing, drying, and painting systems in order to improve their energy performance and install a washing water recycling system.

3.2.2. TOWARDS AN ECONOMY OF FUNCTIONALITY

Manitou Group operates in a society in which the consumption of goods, which was once the norm, is gradually shifting towards an economy of functionality that is focused on use.

The second-hand and leasing markets make it possible to sever the ties between value creation and the use of non-renewable resources and energy consumption.

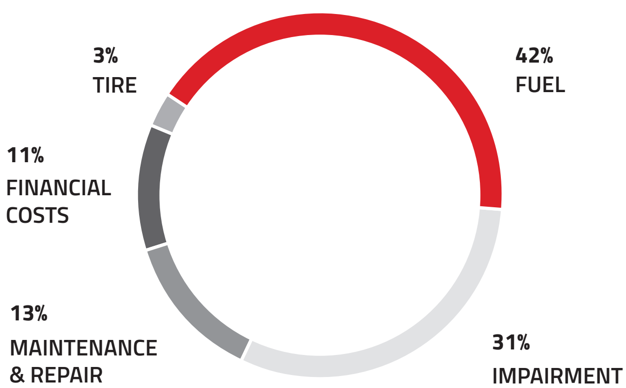
This paradigm change regarding machine ownership should promote sustainability and pooled use of the machines. This calls for innovation in supporting end customers, because the value of the products no longer resides solely in the quality of the machines, but also in the economic value that the services can provide.

REDUCTION IN TOTAL COST OF OWNERSHIP

In this context, the group has been working on the REDUCE TCO program for many years. Total Cost of Ownership (TCO) is a method used to calculate the cost of equipment, taking into account not only the direct and fixed costs (purchase, interest, residual value, etc.), but also all the indirect and variable costs (maintenance, fuel, training, etc.) related to use of the machine.

REDUCE TCO is a program that seeks to highlight the most significant core costs before purchasing and raise awareness among users about cost reduction. To do this, a calculator has been created, which may be accessed online at **https://www.reduce-program.com/tco/calculate**.

TOTAL COST OF OWNERSHIP OF A MACHINE



Since more than one third of the TCO of the products is related to customers' fuel consumption, there is a close link with the REDUCE Fuel program.

The work done over the past five years to reduce TCO at all stages of the life cycle of the machines resulted in the following steps in 2019:

- deployment of the new development procedure for new products, with a significant portion dedicated to services, including TCO requirements,
- accelerated integration of TCO in the search and selection of new components or suppliers,
- implementation of a methodology to measure the labor time associated with preventive maintenance operations,
- a specific program to reduce the preventive maintenance costs of the "best-sellers" of the MHA division,
- development of the Eco-Stop option on several telehandler models in the construction range,
- continued collection of corrective maintenance data statistics (faults, breakdowns, wear, etc.) from the group's network, with a project to create a recovery computer interface,
- review of the lifecycle of agricultural machines through analysis of consumption obtained from the "Connected Machine" program.

In order to achieve the TCO reduction CSR objective between 2019 and 2022, the group is rolling out actions to reduce maintenance costs (preventive and corrective maintenance) by optimizing servicing frequencies, reducing oil and filter volumes, and conducting major work on component reliability for a longer machine service life.

Lastly, as a practical application of TCO reduction and ecodesign, it is worth mentioning the Eco-Stop function, which helps to reduce fuel consumption, maintenance, and depreciation of the machine. The idea is that the engine turns off automatically when it is idling and the driver is not in the cab. Thanks to data collection, the time when the engine is idling without a driver in the cab is estimated at 15% to 30%. Assuming 15% for a machine that is used for 1 000 hours/year for 3 years, the Eco Stop function can save €4 500 (based on a diesel base of €1/liter).

After receiving an award at the Salon International du Machinisme Agricole in 2018, the Eco-Stop function was awarded the Sommet d'Or prize at the Sommet de l'élevage in France in 2019 and an Innovation prize at the Libramont Fair in Belgium.

3.2.3. TOWARDS MORE INNOVATION

In order to understand more clearly where the hot spots of its activity are located, Manitou Group conducted several specific studies:

- a multi-criteria life cycle analysis, in 2012-2013, looking at the life cycle of a benchmark agricultural machine from the product range[24],
- an assessment of the company's carbon footprint covering its entire scope[25] in 2012,
- an annual assessment of the carbon footprint of the production sites[26].

The CSR initiatives already introduced within the value chain demonstrate the profitability that these can generate.

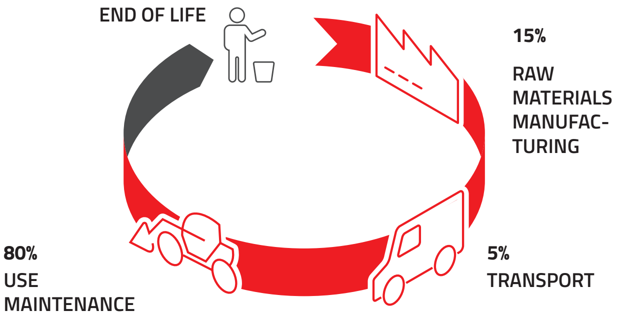
Factoring in eco-design at all stages of the life cycle is a key point in studies. These analyses showed that approximately 80% of the group's environmental impact comes from the use of its machines by customers and in particular from their fuel consumption. Reducing the consumption of machines is therefore a strategically important priority in the group's action plan and it is for this reason that the REDUCE program was created (see the section on the REDUCE program).

(24) MLT 840

(25) The full scope includes the three Scopes as defined by the Greenhouse Gas (GHG) Protocol: Scope 1 (direct emissions), Scope 2 (indirect emissions from electricity consumption), and Scope 3 (other indirect emissions throughout the value chain)

(26) The regulatory emissions scope concerns Scopes 1 and 2 only; measurement is only mandatory once every four years, but the group undertakes it each year

ENVIRONMENTAL IMPACT OF A MACHINE THROUGHOUT ITS LIFE CYCLE



The ecodesign steering committee created in 2016 and bringing together contact persons from the engineering offices, design, purchasing, EHS, CSR, and a TCI expert from the S&S division, put an "Ecodesign Checklist" in place to encourage the group to take the environment and life cycle of the machines into account during the design phase.

After its testing, which made it possible to identify concrete steps to reduce impact and the TCO, the Ecodesign checklist was incorporated into the group procedure used when developing new products and services.

Specific ecodesign examples in 2019:

- the cooling system filter of the M26 to M50 masted forklifts: collaboration with the supplier in order to lighten the part to be changed every 500 hours as part of preventive maintenance. This project represents a savings of 11 tons of raw material per year[27].

In 2019, the group continued its innovation plan focusing on energy transition, improved total cost of ownership, and improved machine comfort.

The key events include:

- the development of the "Oxygen" label dedicated to alternative energy in order to propose sustainable and efficient solutions. The label was presented during the Urban Future Global Conference 2019, an international conference dedicated to green cities, through a showroom in the streets of Oslo,

A solution with the "Oxygen" label must meet the following criteria:

  + use of an alternative energy to diesel, which can be used on a continual or temporary basis in zero emission mode
  + reduction of environmental impact (CO_2 emissions, particulates, decibels)
  + reduction of energy consumption
  + reduction of TCO

- introduction of the "Stop and Go" option on the stage V aerial work platforms: this technology makes it possible to reduce consumption and stop the hour counter so as to only count hours of actual operation, which will significantly increase the resale value of the machine.
- marketing of the first 200ATJ E rough-terrain electric aerial work platform is expected during the first half of 2020 following the development of the prototype in 2019,
- presentation of the first 100% electric rough-terrain "skidsteer" is expected for March 2020.

The group has a number of patents protecting the innovations implemented in its various research offices.

The total number of patents published and in effect at the end of the 2019 financial year was 96. In addition, 32 patent applications were filed in 2019.

3.2.4. TOWARDS MORE CIRCULARITY

REDUCE, REUSE, AND RECYCLE

In line with the 3Rs (Reduce the quantity of waste generated, Re-use machines, parts, and accessories, and Recycle materials) program, Manitou Group is working on:

- optimizing the service life of its machines: implementation of actions promoting preventive and corrective maintenance, choice of components with as long a service life as possible from the design stage, work on improving the reliability of components through the use of corrective maintenance statistics by the quality departments. Recent developments include the introduction of new material to make a repairable hoods available as standard, which will have a considerable impact on hood reliability and sustainability,
- promoting the use of new or used spare parts: through the spare parts logistics centers based in Ancenis (France) and Belvidere (USA), orders are processed, with an order fill rate of close to 95%. They help maintain the machine fleet in optimum working order and prolong their service life. In 2017, the "ReMAN By Manitou" project received the in-house Elevation challenge award. This involves a range of remanufactured replacement parts (engines, gearboxes, turbo engines, etc.). This alternative to new parts makes it possible to reduce maintenance costs and give used parts a second life. The parts are refurbished with original components and therefore have a warranty identical to new parts.

In 2019, the group tested and put in place a local part repair loop called ReMAN in Spain. The project is based on managing the return of parts between the dealer and the Spare Parts Logistics Center. By facilitating the reverse logistics of the ReMAN loop for the dealer, the group gives its customers the opportunity to extend the duration of use of their machine while limiting the environmental impact of the part to be changed, with an economic gain for the customer.

A NETWORK OF USED MACHINES

Manitou Group sold more than 850 used items in 2019 through its subsidiaries. In addition, the group continues to promote the high-quality second-hand market with almost 1 400 dealer advertisements published on the website **used.manitou.com**.

The reconditioning center created in 2015 continues to progressively ramp up activities with the goal of recovering, repairing, and restoring machines, while accelerating the development of ReMAN part ranges. These activities will allow the group to anticipate regulations on end of life vehicles (ELV), which does not yet apply to heavy machinery.

It is also a central location for supporting the deployment of long-term lease offers with financing and services that will, in the near future, need infrastructure in order to manage the return of these machines.

Lastly, in partnership with the group's dealer network, the Services & Solutions division is developing solutions that have a positive effect on the service life of the equipment:

- the network of 1 050 Manitou Group dealers spread throughout 140 countries and the 2 000 regularly-trained expert technicians offer support to users, from purchase of the equipment through to after-sales service,
- maintenance contracts help keep machines in good working order and retain better value for money for the machine,
- warranty extensions provide added value, protecting the equipment beyond the contractual warranty.

[27] *For a fleet of 10,000 M trucks with a commitment of 500 hours*

3.3. MANITOU GROUP, A SOCIALLY RESPONSIBLE EMPLOYER

The women and men of Manitou Group are passionate and driven by an entrepreneurial spirit and a sense of shared goodwill. This is a key part of the corporate culture, encouraging a sense of belonging among employees. Based on trust, management encourages innovation, experimentation, challenges, and acceptance of responsibility.

The group's transformation and growth rely on attracting, developing, and motivating new talent, encouraging their loyalty and recognizing their performance. The group is committed to offering these men and women safe working conditions conducive to their professional development, while involving them fully in its CSR approach.

GROUP PROFILE

GROUP HEADCOUNT AS OF DECEMBER 31, 2019

		2017	2018	2019
Headcount	No.	3 600	4 425	4 574
Total headcount (including temps)	No.	4 127	5 335	5 068
Staff with open-ended contracts	%	84.61	79.46	86.76
Staff with fixed-term contracts	%	2.62	3.49	3.49
Temporary workers	%	12.77	17.06	9.75
International corporate volunteer program	No.	4	4	6
Internationally mobile employees	No.	13	11	10

The group's total workforce increased by 3.37% between 2018 and 2019, reflecting the deceleration of revenue growth.

BREAKDOWN OF GROUP HEADCOUNT BY GEOGRAPHICAL AREA AS OF DECEMBER 31, 2019

		2017	2018	2019
France	%	57.3	51.9	52.6
Southern Europe (excluding France)	%	8.8	7.8	8.3
Northern Europe	%	4.4	3.8	4.7
Americas	%	23.6	23.1	19.6
APAM	%	5.9	13.4	14.9

As evidence of its international footprint, nearly half of its workforce is located outside of France. The "Americas" (North America, Latin America, and South America) portion represents the second largest region in terms of employees (19.6%). The rest of the workforce is found in the APAM region (Asia, Pacific, Africa, Middle East - 14.9%), and in Europe, excluding France (13%). The diversity of nationalities on the Global Leadership Team is progressively increasing, with 19 different nationalities as of December 31, 2019.

BREAKDOWN OF GROUP HEADCOUNT BY STATUS, AS OF DECEMBER 31, 2019

		2017	2018	2019
Managers	%	23.6	22.2	23.6
Supervisory staff	%	1.8	1.7	1.7
Technicians ETD	%	26.0	27.5	28.6
Manual workers	%	48.6	48.7	46.1

BREAKDOWN OF THE GROUP HEADCOUNT BY AGE, AS OF DECEMBER 31, 2019

		2017	2018	2019
Aged 24 and less	%	3.8	5.3	4.8
25-34 years	%	19.8	21.2	21.1
35-44 years	%	36.7	35.7	34.6
45-54 years	%	26.9	25.4	26.7
55-64 years	%	11.9	11.5	12
Over 65 years	%	0.9	0.9	0.8

In 2019, the 35-44 years age segment remains the center of gravity of the group's workforce, reflecting efforts to recruit workers in this age range. A slight shift upwards is underway towards the higher age ranges. Nearly 39.5% of employees are over the age of 45 (37.8% in 2018). The average seniority in the group's teams is progressively increasing, thanks especially to actions geared towards loyalty-building and improving the quality of life at work.

3.3.1. TOWARDS MORE ENGAGEMENT, MORE DEVELOPMENT OF TALENT

ATTRACTING TALENTS THROUGH ITS EMPLOYER BRAND

Manitou Group would like to offer its employees a motivating and high performing workplace that gives them the opportunity to develop. The slogan of the employer brand, Join the Up Movement, enhances the group's positioning and attractiveness and encourages external candidates to join a movement, an innovative and dynamic community. The "Up," a nod to the handling, access platforms, and earthmoving activities, represents the company's promise to "elevate talents" [28] throughout their experience within the group.

The actions conducted in 2019 focused on the external notoriety of this employer brand:

- overhaul of messaging for the career websites,
- development of a promotional video that will be disseminated at the beginning of 2020,
- highlighting of the group's business lines through employee video testimonials.

Deployment also continued internally by raising employees' awareness on how to personify this employer brand, in particular through social networks, as "employee ambassadors" using the group's LinkedIn account, which has more than 28 000 followers.

[28] *Elevate talents*

INTEGRATION OF NEW EMPLOYEES

When new employees are hired by the group (including interns and work-study students), they attend a mandatory EHS training session. Every employee in France with a contract of more than three months attends an orientation and the Up Days, while newly hired French executives attend an immersion week in production learning about the business lines, know-how, and products of the group.

Depending on the profiles and countries, personalized onboarding programs are organized by the local HR teams, such as in Italy, where newcomers are offered a customized program, which was redesigned at the beginning of 2019.

EMPLOYEE COMMITMENT

To continuously improve the employee experience, internal opinion surveys are conducted every two years throughout the entire group. The 2018 survey, to which 89% of employees voluntarily responded, suggests that 78% of employees say they are committed to the company, up 6 points compared with 2016. There are many positive messages, which demonstrates the proud sense of belonging and the confidence employees have in the company's future and its strengths. Expectations are also expressed, in particular relating to the effort that is needed when it comes to communication and cooperation between teams.

In 2018 and 2019, more than five additional action plans were put in place in all organizations of the group to address the expectations of the teams.

COMPENSATION AND BENEFITS POLICY

Manitou Group attracts, motivates, and retains talent by offering global compensation packages that are competitive, attractive, fair, and challenging. It encourages and recognizes the contribution of each employee to the success of the company and the satisfaction of its customers. Beyond the competence, performance, and conduct of each employee, five key principles are taken into account when determining the level of each salary: internal fairness, differentiation, performance, recognition, and competitiveness on the markets. When it comes to analyzing the competitiveness of the salaries, Manitou Group refers to the compensation offered by its main competitors and the main actors of the industrial sector, in each country.

In France, the compensation policy is part of a social dialog conducted during the months of November and December of each year. The MANs (mandatory annual negotiations) are an opportunity to discuss the company's budget for the coming year with the social partners as well as salary increases and benefits granted to employees.

The commitment and alignment of the teams with respect to the improvement of the group's performance are implemented through collective profit sharing plans put in place in several countries in which the group is present, especially in France, with the signing of a new three-year profit sharing agreement from 2019 to 2021 or in the United States.

DEVELOPMENT OF TALENTS

The individual development of employees is an integral part of the managerial practices that are regularly encouraged to strengthen the group's leadership. Each employee is also encouraged to be the actor of their own development with the assistance of their manager and the Human Resources Department. These initiatives are documented in an individual development plan that identifies their professional goals and determines what experience, skills, and behaviors will help employees reach their goals.

In 2019, several collective development actions were specifically put in place at the global level:

- for the sales community, a sales team development program, the Sales Leadership Program, was organized at the international level: 30 sales representatives from each sales country were able to train in the latest sales practices, tools, and policies of the group,
- for the international management community, the Global Leadership Program was put in place for some 20 managers. It was an occasion to densify their leadership posture, share common expectations, and create transversal dynamics.

For the top international managers, starting with the members of the Executive Committee, a feedback program was put in place through a 360° and an individual development program. This program helped 90 employees identify their strong points and areas for development, benefiting more than 450 members of their teams.

This 360° program is to be progressively deployed within the managerial community.

- to facilitate this program, training sessions on how to give positive and constructive feedback were conducted for more than 200 employees of Manitou Group's sites in Singapore, India, the United States, Germany, Spain, South Africa, and France.
- Finally, in the digital transformation context, the group continues to invest in its e-learning training platform, Digital Campus. The idea is to increase the digital offer and improve the user experience.

At the same time, at the regional level, development and training actions were specifically put in place:

- in Asia, the training strategy is a major point for development of employees. In 2019, all of the directors and managers took a two-day training course to improve their leadership skills and unite their teams around a common vision. In addition, the teams in question attend commercial and technical training throughout the year regarding knowledge of the group's products and services. Finally, each employee regularly attends QEHS training.
- in the United States, scenario-based training on the various stages in the business relationship was organized to improve the customer experience.
- the opening in France of a new training center that is better suited to training involving technical scenarios demonstrating use of the machines.

Finally, the group continued to invest in training actions that best suit training needs according to the 70-20-10 approach. This model suggests that 70% of learning takes place through activity and experience, 20% through relations and interactions with others, and 10% through traditional training.

The strong increase in total payroll (+62%) as well as the increase in the number of employees who have taken at least one training course (+64%) are due to the integration of the United States and India into the scope of the indicator in 2019.

More limited organizational resources explain why fewer efforts are made in the United States and India and explain the downward change in the group's payroll dedicated to training (1.23% in 2019 versus 2.25% in 2018).

TRAINING-RELATED INDICATORS AS OF DECEMBER 31, 2019

(Scope: France - excluding LMH Solutions & CFM Île-de-France -, Italy; with inclusion of USA and India in 2019)

		2017	2018	2019
Training expenses	€	2 013 627	2 353 344	2 070 712
Total payroll	€	93 760 041	104 724 012	168 861 837
Portion of the payroll devoted to training	%	2.15	2.25	1.23
Employees that have attended at least one training course	No.	1 483	2 088	3 260
Training access rate	%	66.23	83.92	84.48
Total number of hours of training	No.	35 068	47 819	44 535
Average number of hours of training per employee	No.	15.66	19.22	16.97

PERFORMANCE MANAGEMENT POLICY

The group decided to enhance performance management within the organizations by offering training sessions at annual meetings, to individual employees, and to managers in several countries (Singapore, India, United States, Germany, Spain, South Africa, and France). This training made it possible to better prepare for the annual meeting and benefit more from it. The program also includes the establishment of SMART Goals[29], as well as the formulation and receipt of constructive feedback.

[29] *Specific, Measurable, Attainable, Realistic, Time-based*

3.3.2. TOWARDS MORE EQUALITY AND DIVERSITY

WELCOMING EMPLOYEES WITH DISABILITIES

The group strongly believes that the inclusion of employees with disabilities helps to improve the engagement and solidarity of the teams. In 2019, France and Italy employed 95 disabled workers, direct and indirect jobs combined.

STAFF WITH A DISIBILITY, AS OF DECEMBER 31, 2019

(Scope: France, other than LMH & CFM Île-de-France, Italy)

		2017	2018	2019
Staff recognized as having a disability	No.	89	89	95
Percentage	%	3.97	3.58	3.62

In France, the agreement signed in 2016 with AGEFIPH (the association managing the fund for the hiring of disabled persons), which was renewed in January 2019, allows the group to pursue various initiatives.

The disabilities mission continues to implement its French policy through three pillars, which are recruitment, job retention, and employee education. The local actors contributed to organizing a disability job dating event in May 2019, specially dedicated to the group's business lines. This job dating event culminated in several new hires under open-ended contracts and internships.

In 2019, employee education efforts involved several initiatives: a conference on surpassing one's own expectations and participation in Handisol, a day of sharing around playing sports with disabilities. The European Disability Employment Week, organized in partnership with local associations, also gave employees the opportunity to practice activities in a situation of disability.

At the same time, the group continues to assist disabled employees to retain their jobs. During 2019, several workstation adaptations supported an employee with visual impairment and a work-study participant with a paralyzed right arm.

GENDER EQUALITY IN THE WORKPLACE

The group continues its commitment to gender equality by promoting diversity through recruitment and management of employees' careers, while fighting against any form of discrimination.

BREAKDOWN OF THE GROUP'S FEMALE WORKFORCE BY STATUS, AS OF DECEMBER 31, 2019

		2017	2018	2019
Managers	%	23.2	23.5	23.9
Supervisory staff	%	1.6	5.4	7.8
Technicians ETD	%	32.6	29.3	28.1
Manual workers	%	8.6	8.4	8.5
Total	%	**18.2**	**17.5**	**17.7**

The female headcount accounted for 17.7% of employees at 12/31/2019. The socio-professional categories associated with operations jobs remained mostly male.

In France, the Wo'Men by Manitou Group network concretely works towards diversity and professional equality through its joint network of 60 volunteer members acting in conjunction with human resources to promote diversity. In 2019, among other things, the network proposed a conference "Recruiter & Manager in line with the times," a play followed by a debate, and also organized skill transfer workshops among employees.

In France, the group maintains its commitment through a four-year workplace gender equality agreement signed in 2018 with all of the social partners. This agreement defines the objectives and action plans that are carried out:

- equal pay for equal work, already achieved in 2018,
- launch of a women's mentoring program with four pairs in 2019 in order to facilitate access to management positions,
- promotion of the business lines among women, implementation of an investment plan (parking spaces for pregnant women, female changing rooms, etc.).
- payment, for employees on part-time parental leave, of the difference in the pension contributions between full-time work and part-time work.

In the United States, diversity management was a real challenge. Skin color, sex, ethnic origin, country of origin, age, lifestyle, sexual orientation, physical capacity, religion, life experience, and many other factors contribute to this diversity. It enriches ways of thinking and carries teams higher. Thanks to the involvement of management and the managers, the group implements non-discrimination policies and practices to recruit the best talents with diverse backgrounds. This commitment is reflected in a project developed by the local teams entitled "Management of Diversity." The goal of this project is to raise employee awareness several times a year regarding disability issues through its educational sessions, with a focus for managers on the management of multi-cultural teams.

MOBILITY

With 48% of the group's workforce located outside of France and 19 different nationalities comprising the top management, in 2016, the group put in place a new international support policy to develop its global exposure and promote international mobility. In 2019, 16 employees fell under this policy, which takes place simultaneously through expatriation and inpatriation contracts, both locally and in the VIEs.

The internal mobility dynamics continue, with 28% vacant positions in the United States filled through internal mobility in 2019, thereby allowing employees to develop their skills and careers.

WELCOMING INTERNS AND WORK-STUDY PARTICIPANTS AND INTERACTION WITH THE EDUCATIONAL WORLD

Each year, the group hosts and trains students through job placements or work-study contracts within its various organizations.

Furthermore, its partnerships with business or engineering schools allow the group to support the training of its future technicians, sales staff, engineers, and managers within the employment pools and facilitate recruitment.

In France, these partnerships were reflected in the signing of agreements with regional actors (14 partner schools in 2019, versus 11 in 2018).

3.3.3. TOWARDS GREATER SAFETY

The health and safety of employees is a major priority for the group. Against a backdrop of strong business growth with the integration of many employees on temporary contracts, developing a culture of vigilance and security throughout the company is of the utmost importance.

Consistent with the CSR strategy, in 2018 the group defined a new Quality, Environment, Health and Safety policy (QEHS). These commitments led by the Executive Committee and shared with all group employees are filtered down as strategic and operational objectives at every level of the company.

In 2019, in order to highlight the importance placed on employee health and safety by the Executive Committee and make safety the responsibility and priority of all parties, the group added the accident frequency rate of employee/temporary workers to the profit sharing of employees in France.

A STRONG ORGANIZATION

In this context, the QEHS (Quality, Environment, Health and Safety) department of the MHA division created an HSE corporation in 2019 to increase standardization and homogenization of best practices. This body brings together the EHS contact persons of the production sites. Its objective is to enhance the skills of the EHS function at each of the production sites, first within the MHA scope, then at the group level.

In France, the creation of the health, hygiene, and safety division in 2017 with a full-time occupational physician and three occupational nurses increased responsiveness and made it possible to more closely monitor the health of employees. The autonomous health department is authorized to work at five French sites. Its three permanent trainers also helped to strengthen EHS actions.

This division allows employees to benefit from the increased presence of the occupational physician on all of the CSSCTs (Health, Safety, and Working Conditions Commissions), to work more intensively on the workstation studies to be conducted and be able to meet medical examination needs.

In addition, since 2017 the group has benefited from the regular presence of a social worker at our French sites, putting in place a confidential support system for employees who need social assistance.

KEY HEALTH AND SAFETY FIGURES

			2017	2018	2019	Scope
Rate of absenteeism due to accidents and illnesses (including occupational illnesses)	Rate of absenteeism due to illness	%	2.90	2.99	2.97	France, Italy
	Rate of absenteeism due to workplace accidents and occupational illnesses	%	0.42	0.29	0.34	France, Italy
	Rate of absenteeism due to accidents and illnesses (including occupational illnesses)	%	3.31	3.28	3.32	France, Italy
Accident frequency and severity rates (employees)	Frequency rate	No.	10.72	10.88	9.27	France, Italy, USA, India*
	Severity rate	No.	0.37	0.24	0.17	France, Italy, USA, India*
Accident frequency and severity rates (temporary workers)	Frequency rate	No.	42.20	46.67	36.28	France, Italy
	Severity rate	No.	0.4	0.59	0.71	France, Italy
Number of occupational illnesses recognized in the year		No.	4	6	5	France, Italy

**The India data is included starting in 2019*

Manitou Group, which is attentive to the wellbeing and health of its teams, regularly tracks absenteeism for simple illnesses, workplace accidents, and occupational illnesses. Between 2018 (3.28%) and 2019 (3.32%), this low rate has remained essentially the same, despite an increase in the workforce.

Within the group, safety is everyone's responsibility. An action plan and many educational initiatives were implemented in 2019 to reduce the frequency rate (9.27% versus 10.88% in 2018) and severity rate (0.17% versus 0.24%) of employee accidents. Efforts still need to be made with respect to temporary workers, whose accident severity rate increased in 2019 (0.71% versus 0.59% in 2018), despite a significant decrease in frequency rate (36.28% versus 46.67% in 2018).

SAFETY-RELATED TRAINING FIGURES

		2017	2018	2019	Scope
Hours of health and safety training as a proportion of total training hours	%	16.1	25.2	24.7	France, Italy
Number of hours of health and safety training	No.	7 398	15 051	12 711	France, Italy, USA

In addition to safety training hours, the group is strengthening its communications regarding employee health and safety risks by improving visual management through a DANTOTSU type approach (analysis of near accidents, accidents, and incidents directly in the production center workshops), while educating and training new arrivals during orientation and regularly communicating EHS information: meetings, dissemination of safety and environment guidelines, intranet articles, and posters.

The CSR best practices platform also makes it possible to share the best safety and environment practices.

CONTROL OF HEALTH & SAFETY RISKS

Each industrial site analyzes its safety and environment risks and opportunities each year.

The main safety risks associated with the group's business are as follows:

- Falling objects, falls from height, trips,
- Impact between a truck and a pedestrian or another vehicle,
- Injury caused by manual or mechanical handling,
- Injury caused by use of welding and grinding equipment,
- Noise and vibrations,
- Fire and explosion,
- Acute or chronic pain caused by workstation ergonomics,
- Exposure to chemicals,

Methods for controlling safety-related operational risks:

- Ergonomic adaptation of workstations and validation processes of new stations and equipment,
- Working groups on the reduction of specific risks.

Significant improvement actions were conducted in 2019 at the production sites:

- Implementation of a digital incident and accident reporting tool at all French sites, with automation of reporting. This new tool makes it possible to manage accidents on a daily basis and prepare action plans, tracking them in the management committee of the production units.
- Implementation of action plans at the French sites with a view towards ISO 45001 certification, expected during 2020.
- Implementation of "5S/safety & ergonomics" field tours by top management twice per week in Yankton. These field tours are followed by action plans, validated by the Management Committee, in order to address observed risk situations;
- Implementation of educational sessions on movements and postures for the personnel of the logistics warehouse of Ancenis.
- Reassessment of the circulation plan in Italy with implementation of new pedestrian walkways equipped with protective barriers to prevent the risk of collision;
- Implementation of fire training and ATEX zone at the France sites.
- Purchase of anti-vibration platforms for the assembly lines in Italy.

The safety risks for users associated with the use of the machines are addressed through the REDUCE Risks program (see pages 46 and 47).

MONITORING AND CONTINUOUS IMPROVEMENT

Throughout the year, a network of internal auditors also checks compliance of the management system. These auditors come from various fields, and they therefore bring higher added value to the leaders of the processes audited through their feedback.

In 2019, new auditors were trained, in particular to initiate the control process in relation to the requirements of ISO 45001.

Lastly, monitoring and measurement actions are performed in order to maintain constant vigilance, in particular:

- workstation audits and cross visits,
- operational monitoring plan,
- regulatory checks,
- management of indicators,
- technological and regulatory monitoring.

3.3.4. TOWARDS MORE WELL-BEING

THE EMPLOYEE EXPERIENCE

The group's goal is to offer an attractive working environment and improve employee well-being. Well-being at work is recognized as a strong driver for engagement, creativity, and performance. Formal and informal actions have been taken close to the field to support employees. It reinforces the feeling of belonging to the group and therefore contributes to better collaboration between departments, especially because of the many exchanges and shared practices in these meetings.

Sports contribute to individual development, reinforce the culture of the group, and unite teams, while developing transversality within the organizations. Therefore, many initiatives are undertaken throughout the year, such as the Audencia-La Baule triathlon, which in 2019 brought together nearly 150 participants from the group, 10 from Russia and Italy, alone or in teams.

Office employees enjoy work spaces that are evolving. To rethink the work environment, alternative collaborative spaces and relaxation and sports areas, are gradually being installed at the sites in France, Russia, or the United States.

COLLABORATIVE WORK AND AGILITY

A key development area for the group and one that is on the Ambition 2022 road map is collaborative work and deployment of agility, elements that will support the group's transformation on a profound level.

In this regard, many initiatives were deployed in 2019 to promote and facilitate cross functional actions and densification of responsibility on teams:

- the Google suite and its features for the group's work help to coordinate cross-functional and international teams,
- the group's employees are regularly consulted on local projects that concern them through surveys (new sites, office remodeling, corporate catering, sports activities),
- in each region of the world, such as in Asia or the United States, all of the teams regularly meet to share key information about the group across divisions, find common ground when it comes to priorities, as well as celebrate successes and events,
- in Italy, as part of the deployment of the ERP core model, a change management project was launched with all employees. Agents of change were identified on the project team and in HR, and the project was then progressively expanded to all employees affected by the project.
- Finally, in the United States, the implementation of "human centered design" promotes innovation: this program helps the cross-functional teams move towards a customer focus and provides an opportunity to work collaboratively in order to improve the products, processes, and services.

The progressive deployment of agility, in particular through the training of many managers or teams, helps to progressively simplify the processes and methodologies in place within the company, as well as projects on a daily basis. In addition, a community of facilitators works regularly to conduct periodic sessions in project groups or during team seminars.

ORGANIZATION OF WORKING TIME

The duration and organization of working time within the group is established in close coordination with those in the field either by managerial decision or through a corporate agreement based on employees' job categories.

To contribute to a better balance and better use of employees' professional and personal time, the group supports all of its organizations to improve work methods and organizations.

In France, the management population has enjoyed remote work options since 2014. In 2018, the introduction of a remote work charter has extended the scope to all eligible employees. Roll-out of these work methods improves efficiency and performance, while contributing to the well-being of employees. To date, the number of employees performing each week of remote work in France is 144.

A similar policy is in place in the United States, where employees may adjust their attendance time in the office according to their personal requirements.

ORGANIZATION OF SOCIAL DIALOG

Social dialog is managed in the countries in question in accordance with local rules.

In France, the elections held during 2019 supported the establishment of SECs (Social and Economic Committees) for each of the French establishments, all represented at the CSEC (Central Social and Economic Committee). In a move more favorable than what is imposed by law, the CSSCTs (Health, Safety, and Working Conditions Commissions) replaced the CHSCTs (Hygiene, Safety, and Working Conditions Committees), also represented at the central level through the CSSCTCs (Central Health, Safety, and Working Conditions Committee).

In order to support the union organization in this social dialog transition, they were given support and more favorable arrangements (financial assistance, time credit for external representatives).

A new body was created in France in 2019: the group committee, an information and exchange body intended to promote dialog between the group's management and the staff representatives on the group's situation and strategic orientations in France.

All of this revamping of the social dialog resulting from the new legal provisions was carried out in coordination with the social partners, through the signing of four collective agreements.

3.4. CREATION OF VALUE WITH PARTNERS

Manitou Group places particular importance on the dialog it maintains with its stakeholders, throughout the regions in which it operates. The CSR strategy is based on the creation of shared value with all of the key players, developed here through:

- suppliers, via a Responsible Purchasing policy,
- regional players, with whom interactions ensure that a strong local presence is established,
- civil society, by taking part in socially-responsible actions and doing business ethically.

3.4.1. TOWARDS MORE VALUE

The sustainability of the group rests largely on the strength of its network of suppliers. Working with them over time, leading innovative projects together, and building win-win partnerships and equitable relationships all help to strengthen its sector.

The group must also constantly adapt to the volatility of its markets. The proximity to the production sites and their regional presence help to meet the need for responsiveness and flexibility and also help to reduce the environmental footprint of the group by limiting the use of transport.

Furthermore, monitoring the financial health of its customers and suppliers (see chapter 4. Risks - risk related to sourcing and risk related to industrial tooling) is a major risk reduction component for the group.

Lastly, by involving all the partners in the value chain, the Elevation Plan now has greater relevance because it is now shared. Manitou Group is therefore committed to discussing its aims with its suppliers and customers operating in 140 countries.

RESPONSIBLE PURCHASING POLICY

Since 2012, the group has deployed a Responsible Purchasing policy aimed at creating sustainable, balanced, and value-creating relationships with its suppliers for all of its the stakeholders. This initiative is undertaken in conjunction with all of the staff members of the Purchasing Department and all divisions involved in collaborating with suppliers.

Since this policy began, the focus has been put on the following areas:

PROMOTING COMMITMENT TO A RESPONSIBLE PURCHASING CHARTER

Improving the performance of the group's suppliers has a direct impact on the performance of its machines and the satisfaction of its customers, while also boosting the profitability of the suppliers. This is why the group developed and rolled out a Responsible Purchasing Charter to all of its suppliers in 2014 (production scope). Its aim is to share its expectations with respect to environmental, social, ethical, and economic responsibilities and to detail the commitments expected in return from suppliers and subcontractors.

In 2019, more than 200 suppliers signed this charter. These commitments were also rolled out to the suppliers of its CEP division in the United States.

MONITORING THE CSR PERFORMANCE OF SUPPLIERS

Since 2016, the performance assessment criteria for suppliers of production items have been were improved and five CSR criteria were added: responsible offer, health and safety, sourcing and suppliers, environment, and HR development and socially-responsible policies. These criteria, incorporated in the overall evaluation of suppliers, accounting for 10% of the overall rating, are used to measure the supplier's level of commitment to sustainable development. In 2019, 67% of the suppliers rated[30] undertook this self-assessment.

In 2018 and 2019, purchasers (from the MHA and S&S divisions) were given training in the CSR audit of suppliers. This training was used to co-construct an audit kit and define a list of priority suppliers, in order to achieve the 2019-2022 objectives.

In 2019, the purchasers of the MHA and CEP divisions performed 51 CSR audits representing 13% of the suppliers evaluated in the overall rating. This approach makes it possible to engage in exchanges on best practices and define a progress plan with suppliers.

REVERSE RATING BY SUPPLIERS

In 2019, a second request for reverse rating (evaluation of the group's performance by its suppliers) was launched with suppliers.

The results, which are expected in the first quarter of 2020, will make it possible to measure the effectiveness of the action plans following the first reverse rating launched in 2016 and maintain the group's continuous improvement approach.

PRODUCTIVITY INITIATIVES

By taking part in "productivity initiatives" with its suppliers, Manitou Group is committed to the ongoing improvement of the offer of its stakeholders. During these initiatives, the group makes a Manitou employee available to its suppliers so that an assessment can be drawn up in conjunction with the supplier, a site analysis is conducted, and an action plan then put in place aimed at improving the processes or the products. A prior commitment is made to share any savings with suppliers. This system helps to create relationships with our stakeholders based on trust and transparency.

SUPPLIER CONVENTION

In 2019, the Purchasing Department organized two supplier conventions, one in France, with 250 of the group's top suppliers in attendance. This annual event was an opportunity to take stock of the first three quarters of 2019, recognize the performance of the best suppliers, and present the 2020-2022 outlook, outlining the major challenges of the group.

Still in 2019, for the first time, Manitou Group launched a second convention in India with 80 local suppliers. During that event, Manitou Group was presented in its entirety (its organization, markets, products, etc.), as well as the needs and expectations of the group from its suppliers.

OPTIMIZED PROCUREMENT AND DISTRIBUTION

In order to limit costs and the environmental impact resulting from under-use of its road freight capacity, the logistics departments developed and deployed for its transport companies an optimization tool for European logistics flows. This tool relies on the volume, dimension, and weight of the products transported and on grouping of loads and has been implemented by our partner. Optimization of upstream road flows with suppliers has therefore been rolled out and integrated since 2017 into Manitou Italia flows for more consolidation.

In France, the project to drastically reduce transportation of machines between the various production sites and the main site and/or external storage areas begun in 2018 was deployed in 2019.

Therefore, the machines leave from each site headed for the customers so as to free up volume at the main site and decrease the kilometers traveled and carbon impact of the transportation:

- 76 tons of CO_2 equivalent saved in 2019
- 115 tons of CO_2 equivalent saved in 2020 based on production volume projections

[30] *MHA and S&S divisions scope*

In the United States, the group deployed an internal tool, the Transport Management System (TMS), in 2019 with the goal of optimizing the upstream flows and distribution of machines in North America. Some initial work on tracing upstream and downstream flows in North America provided more visibility to the group for the purpose of their optimization.

In 2019, the group also lent its support to the Neoline ro-ro cargo ship project. Neoline is a French shipowner that is developing a ship primarily powered by sails. This innovation would drastically reduce the environmental impact of the distribution of its products between Europe and the United States. The first transit line would link the port of Nantes-Saint Nazaire with the city of Baltimore.

The group plans to continue optimizing its logistics flows and expects to deploy the TMS (Transport Management System) for its shipping flows and air flows (for spare parts), express and courier service.

3.4.2. TOWARDS MORE TRUST

In 2019, work was begun surrounding the communication of the group's expectations towards its subsidiaries, including its dealers: the "Dealer Standards," which will be shared in 2020. The segmentation of the group's dealers will be based on these standards between now and 2022 in order to identify the "partner dealers," meaning those with the best CSR practices.

A pilot project was also deployed in Northern Europe.

3.4.3. TOWARDS MORE ETHICS

Being a community-minded company also means measuring the respect that the group must demonstrate in its dedication to its practices; this is as much a response to the new regulations (especially the "Sapin 2" law), as it is a commitment shared by the Board of Directors, the Executive Committee, and senior management bodies.

Personal data protection is also a major issue for the group in the context of respect for privacy.

PERSONAL DATA PROTECTION

The requirements of the General Data Protection Regulation (European Regulation 2016/679) reinforces the obligations of companies processing personal data.

Manitou Group is continuing its actions to ensure that it complies with this regulation and that personal data, whether it relates to its employees, suppliers, or customers, is processed and kept securely.

Specifically with regard to employee data, the applications have been mapped and processes have been recorded. The HR teams regularly monitor the compliance plan, which was defined with help from an external service provider.

The compliance and improvement work is coordinated and controlled by the Audit, Risk & Compliance Department.

THE FIGHT AGAINST CORRUPTION AND ANTI-COMPETITIVE PRACTICES

In 2010, the group decided to adopt an ethical charter promoting integrity and responsibility that applies both to the company as a legal entity and to all employees:

In 2015, the group also signed up to the United Nations Global Compact.

According to the 2018 Corruption Perceptions Index (CPI) of Transparency International, 13.4%[31] of the workforce is operating in corruption-prone countries as of December 31, 2019.

Over the past four years, several key actions have been launched:

The audit and corporate governance area was strengthened, with the drafting of an internal audit manual in December 2016 and a subsidiary governance manual.

In 2019, the group strengthened its anti-corruption system:

- the gift and invitations policy and the reporting procedure were deployed throughout the group,
- the process for evaluating third parties was supplemented with the development of a mandatory self-assessment questionnaire for all new external stakeholders. This assessment may be supplemented, as applicable, with an outsourced assessment conducted by a leading service provider. To date, more than 500 third parties have undergone the double verification,
- An independent report collection site for whistleblowers is also accessible to the group's employees and its stakeholders on the intranet,
- an independent ethics committee governed by an ethical charter has been put in place to respond to this alert system,
- online training raising awareness of the risks of active and passive corruption was taken by 99% of managerial staff. This training consists of four mandatory modules:
  - understanding anti-corruption constraints,
  - understanding why this concerns everyone,
  - identifying risk situations,
  - reacting appropriately to identified risk situations.

The group therefore is continuing its work to ensure that it respects the eight pillars of the 2016-1691 Law of December 9, 2016, called Sapin II, as well as the recommendations of the French Anti-corruption Agency (AFA).

The Audit, Risk, and Compliance department regularly reports on the progress of its work to the Audit Committee.

3.4.4. TOWARDS MORE EDUCATION

NETWORKS & LOCAL PLAYERS

The Group is aware of the important role networks and local presence play in the success of its business. That is why it values and promotes dialog with its dealers, end customers, and regional players (schools, local communities and organizations, associations, etc.). The actions developed must contribute to a responsible economy, co-construction of solutions, the distribution and sharing of its expertise, and dialog.

In the context of its partnership with the United Nations, between 2018 and 2019, the group participated in the PRME challenge in the United States, in which MBA students around the world were given the opportunity to propose innovative ideas addressing the real sustainable development challenges of companies. In 2018/2019, two topics were addressed: transport optimization and inclusion of the TCO in innovative marketing offers.

At the end of 2019, Manitou Group renewed its participation in the PRME Challenge. The new project concerns the identification of the future sustainable development challenges of the group and will end in June 2020 with the presentation of the students' theses.

In 2019, the third iteration of the "Handling the Future" challenge, which invited around 100 students to propose innovative solutions to enhance the attractiveness of the Manitou brand for the customers of tomorrow, concluded in May with the submission of the projects to the group's employees and a jury. This competition among schools is an opportunity for the group to promote and encourage innovation in industries while developing its local partnerships with regional schools. The group launched the fourth iteration of the challenge at the end of 2019 dedicated to innovation in purchasing: "A new view of purchasing: what transformation(s) for what innovation(s)?"

The group also held the "Handling the Future" challenge for the fourth consecutive year. This competition among schools is an opportunity for the group to promote and encourage innovation in industries while developing its local partnerships with regional schools.

Manitou Group is a member of Comité 21, the leading French network of players in sustainable development. A member since 2015, the group is actively participating in developing territory dynamics. It therefore shares its experiences and facilitates discussions between the various players in the region.

[31] The selected countries have a score of <50 (out of 100)

The group is also committed locally in the Pays de la Loire region through its interactions with local players: COMPA (Community of municipalities in the Pays d'Ancenis area), ADIRA (Association for the industrial and economic development of the Ancenis region), or even the CSR Platform of Nantes Métropole and the Nantes Saint-Nazaire Chamber of Commerce and Industry (CCI). The actions are aimed both at initiatives related to the circular economy in the territory and at other CSR subjects.

For the second consecutive year, the group is continuing its partnership with Social Change, a major CSR event. Bringing together more than 1 000 people at this second iteration, the event united public and private actors of the Metropole and the region, all working towards the same purpose: putting sustainable development and societal issues at the center of the company.

3.4.5. TOWARDS MORE SOLIDARITY

Manitou Group believes that it has a responsibility to share its environmental, social, and societal commitments with the communities in order to encourage other players to set up similar initiatives. The group's actions must have a positive impact on the territories.

A NEW SPONSORSHIP POLICY

Through its business lines, the group has a presence in a wide variety of territories and is in a position to reach a great diversity of players and stakeholders.

For many years, diverse actions have been undertaken at the initiative of employees, in partnership with the dealer network, in order to improve people's everyday life as well as have a direct impact on the environment.

In 2018, a group sponsorship policy, focused on education, was launched. With this new direction, the group hopes to support new generations in their personal and professional development in all of the places where it operates. A steering committee, made up of two members of the Executive Committee and the CSR and communication departments, is in charge of reviewing the educational and environmental projects proposed by the employees. Lastly, to give all employees the opportunity to get involved in socially minded projects, the group has set the target of volunteering 2 200 hours to solidarity actions in 2022.

A strong point of the group's CSR policy, the skills-based sponsorship of employees was launched in 2019 in France, the United States, India, and Singapore. The goal of 700 volunteer hours set for 2019 was largely achieved: more than 1 500 hours conducted with associations, schools, and social integration companies for local communities. For example, in France, the group decided to work with a social training company whose purpose is the social and professional integration of vulnerable or excluded individuals. With this goal, employees were able to share their skills in welding and health & safety with the employees of this association.

Building on this success, Manitou Group is continuing its momentum towards the goal of 2 200 hours for the year 2022.

3.5. GROUP CSR PERFORMANCE

Thanks to its level of commitment, Manitou Group has been regularly rewarded by external bodies for its CSR performance.

In this section, we also provide information about the methodology used to calculate indicators and the tables of correspondence with the key standards.

PRIZES AND AWARDS

The group's CSR performance has been recognized and rewarded with several prizes as well as inclusion in the most important CSR indexes. In particular:

Manitou Group responded for the seventh year running to the questionnaire of the Gaïa Index, a national stock market index, and its rating was unchanged from 2018. Manitou Group is in 18th place (out of 230) in the general ranking and in 15th place in the ranking of companies with "Revenue > €500 million" (out of 86).

A human resources award::

The group's employer commitment and HR policies were recognized in the United States with the "Best Place to Work" award.

Among the honors awarded for products & solutions:

- during its participation in the Libramont Fair in Belgium, the Ecostop and High View functions were awarded,
- the group also received the "Sommet d'Or" during its participation at the Sommet de l'Elevage in France for the Ecostop function.

METHODOLOGY NOTE

Implementing an annual non-financial reporting system within Manitou Group is intended to meet several goals:

- manage the social, environmental, and societal performance of the group,
- communicate transparently about the group's major CSR challenges and actions,
- comply with the non-financial performance declaration (Decree of August 9, 2017).

In this regard, the group drew inspiration from the Global Reporting Initiative (GRI) guidelines and complies with the principles of the UN Global Compact. Its road map is in line with the United Nations' Sustainable Development Goals.

The CSR department may be contacted using the contact form at the website **https://www.manitou-group.com/fr/**

SCOPE

Since the first reporting year in 2012, the group has acquired reporting procedures and put in place a suitable organization for gathering the information for publishing. The scope of the information, initially restricted to France (Manitou BF), has been gradually extended. The 2019 scope covered:

For environmental indicators:

- all of the French and Italian sites (57% of the workforce) are covered by all of the indicators. This reporting scope therefore includes 5 of the group's 11 production sites (including the group's largest industrial site and logistics center),
- the scope of reporting was expanded for 50% of the indicators to all production sites of Manitou Americas (Waco, Yankton, and Madison) and Manitou Equipment India in 2019. This new scope therefore includes 9 out of the 11 production sites and the main logistics center (2 000 order per day),
- the 3 logistics centers of Belvidere (USA) (31 employees, 430 orders per day), Singapore, and Greater Noida in India (40 orders per day) were excluded. The Brazilian production site (25 employees) and the warehousing site in France (36 employees) were also excluded from the environmental reporting.

For the social indicators: The scope of the social reporting has covered all subsidiaries of Manitou Group for social information regarding the workforce since 2015. Italy, the United States, France, and India (accounting for 83% of the workforce) include indicators relating to salaries, training, safety, and accident rates of employees. Indicators on training, accident rates of temporary workers, and absenteeism cover France and Italy (57% of the workforce).

The France scope excludes LMH (36 employees) and CFM Île-de-France (created on 01/01/2017). The scope includes the acquisition in 2019: Mawsley Machinery Ltd (United Kingdom) for indicators relating to the workforce. The internal audit department conducts audits (HR) on all of the subsidiaries.

In the context of global management of the 2018-2022 CSR objectives, indicators were able to be incorporated to better assess the progress made on the action plans. Their scope is the entire group.

PROCEDURE

The follow-up procedures are deployed through three main tools:

- the methodological guidelines, which explain the organization of the reporting,
- the dashboards for each topic (environment, social).
- internal control monitoring.

Each of the indicators is followed up on a half-yearly or yearly basis.

Consistency (indicator scope and definition) is checked by the topic leaders, to whom the data is sent. Lastly, an internal auditor, independent of the procedure, is appointed to approve or challenge indicators, by linking them with the action plans rolled out throughout the year or comparing them with source data.

In order to meet the requirements set out by Order 2017-1180 of July 19, 2017 and Decree 2017-1265 of August 9, 2017, Manitou Group commissioned the GRANT THORNTON firm to certify the presence and fairness of the social, environmental and societal information published in its management report.

CLARIFICATIONS REGARDING METHODOLOGY ON THE GROUP'S 2018-2022 CSR OBJECTIVES

The non-financial reporting covers the period from January 1st to December 31st of each year. The reference year for the reduction goals is 2017.

Towards more optimization: the number of machines with the "REDUCE" label will be tripled.

*Machine for which the test measures energy consumption was developed according to the company's testing protocol or the current standard, if one exists, for which the Reduce Risk information pack (including videos, instructions, catalog of spare parts) is made available to users on the platform **reduce-program.com**.

Towards more functionality: the rate of reduction in the total cost of ownership (TCO) for the top 50% of the most sold machines (in sales) will be multiplied by 5.

The TCO measurement includes 4 items: fuel consumption, preventive maintenance, corrective maintenance, and depreciation.

Towards more innovation: 100% of new products will incorporate ecodesign and TCO criteria.

Machine project that applies in its design phase at least 5 actions from the criteria on the group's ecodesign checklist in order to improve the environmental impact of the product over its lifecycle.

Towards more circularity: 8% of the Parts revenue will be generated from renovated or reused parts

The refurbished parts, "Reman," correspond to an alternative offer to the original new part that is less costly and available from stock (engine, gear box, turbo engine, wheel reducer, etc.) that can be ordered by the dealer during a repair. The defective part is returned to Manitou Group, which refurbishes it and returns it to inventory. The group's commitment in a circular economy: reduce and recover waste and get local suppliers involved.

Towards more safety: reduce the accident frequency rate by 10% and the accident severity rate of employees by 14%.

The definition of the accident frequency rate and severity rate is addressed below in the social indicators. This objective concerns the group's employees and does not include temporary workers.

Towards more equality: reach a total of 850 women within the group.

This objective concerns female employees ("employee" being defined below)

Towards more well-being: ensure that every entity has initiated at least one initiative to improve the employee experience

The initiatives taken into consideration may concern the improvement of the working environment of a significant portion of the entity's employees, initiatives intended to improve health or prevent health problems, and events with an impact on the quality of life at work. Initiatives conducted as part of the group's sustainable development week are taken into account.

Towards more engagement: get 72% of employees engaged according to the internal opinion survey

Every two years, Manitou Group measures the motivation and satisfaction of its employees through an opinion survey conducted by a third party. The indicators measured by the group includes the rate of engagement, with is measured using the following four questions: I am proud to work at my company - I intend to stay at my company for a long time - I would recommend my company as a good place to work - My company motivates me to go farther.

Towards more value: 60% of suppliers CSR certified (>12/20) after the audit

A certified supplier has a CSR score of more than 60. This score is measured using the CSR self-assessment performed by listed suppliers and must be confirmed by an on site audit by the buyers.

Towards more trust: 25% of all sales at our dealers will be given the "Partner Dealers" (dealers with best practices in CSR) label

The Partner Dealers will be identified through an evaluation that includes CSR concepts.

Towards more ethics: 100% of the group's managers will be trained in and made aware of anti-corruption issues

ISO 19600 evaluation of the group

The concept of "managers" is defined below in the social indicators. The objective concerns the number of management employees who have validated their anti-corruption training online.

The group's monitoring of the ISO 19600 (compliance management systems) evaluation is measured in accordance with progress made on the road map defining the group's entities that are eligible for this evaluation.

Towards more education: 1% of net group income will be used to fund education initiatives

This objective concerns the group's sponsorship policy, which supports education-related initiatives. This policy, which is available on the group's intranet, establishes a framework for the type of actions that the group wishes to support.

Towards more solidarity: 2 200 hours of volunteering will be offered by the group

The solidarity and skills-based sponsorship initiatives are carried out to support non-profit organizations or schools and must be significant and meet the needs of the local associations or communities, in particular with regards to education and the environment. For employees, the time off is counted against their working hours.

CLARIFICATIONS REGARDING METHODOLOGY – ENVIRONMENT, HEALTH, AND SAFETY INDICATORS

To facilitate reporting, the environmental indicators are collected for the period from December 1 to November 30.

"MLT 735 truck equivalent": because the sites produce different ranges and different sizes of machines, the group has selected a common indicator, the MLT 735 of the agricultural range, in order to facilitate understanding and harmonize the return of indicators. The group divides the production tonnage of the sites by 7.01, the weight in tons of the MLT 735.

Waste: the European waste classification system is used to determine the category to which waste belongs: hazardous waste, non-hazardous recyclable waste, and non-recyclable waste.

Material recycling or recovery: reprocessing of materials or substances contained in waste using a production process that leads to the creation, or incorporation into, new products, materials, or substances. This includes the reprocessing of organic materials, but does not include energy recovery.

Re-use: direct use of the waste, without recourse to any process to transform it.

Energy recovery: use of an energy source produced through the processing of waste.

Landfill: storage of waste at a dump or buried underground.

Volatile Organic Compound (VOC) emissions: emissions are assessed using mass balance calculations.

The following solvent content coefficients were applied during assessment of the paint and solvent VOC emissions. Water-based paint: 0.09 / Solvent-based paint (polyurethane): 0.52 / Solvent-based paint (oil): 0.65 / Thinner, solvent: 1.

Water abstracted: overall consumption of mains water is calculated using water bills.

Paint: consumption is evaluated based on quantities purchased over the year, which closely approximates the quantities used, with regard to the frequency of paint purchases (quantities purchased).

Energies: the energy consumption taken into consideration is the purchased consumption of electricity and gas.

GHG: the greenhouse gas emissions of the production sites (Scopes 1 and 2) measure the impact of gas, electricity, non-road diesel, arctic diesel, and refrigerant gas leaks (since 2019). Welding gases are excluded due to their insignificance. The emission factors were updated in 2018, will be updated in three years (Ademe database), and take into account the energy mix in the countries in which the group operates. Refrigerant gas leaks concern air conditioning leaks of new machines on the assembly lines as well as leaks of the fixed air conditioning systems.

Sick leave: the sick leave considered concerns leave approved by the country's reference organization (the CPAM health insurance office in France). The theoretical number of hours worked corresponds to the theoretical number of hours, minus any holidays specified in the collective labor agreement.

Workplace accidents: the frequency rate is the number of accidents with sick leave * 1 000 000 / number of hours actually worked. The severity rate is the number of days of sick leave * 1 000 / number of hours actually worked. The group counts occupational illnesses separately: when the same employee is affected by two separate occupational illnesses, the group counts both illnesses. Since 2015, the indicator has counted recognized occupational illnesses.

CLARIFICATIONS REGARDING METHODOLOGY – SOCIAL INDICATORS

The non-financial reporting covers the period from January 1 to December 31 of each year.

Employees: members of staff with an employment contract with Manitou or one of its companies - excluding non-consolidated companies. This means staff with open-ended or fixed term employment contracts (including those on the international corporate volunteer program) present on December 31, 2019, whether they are on full-time or part-time. Those with vocational-training or apprenticeship contracts or on sabbatical, maternity, parental or sick leave are included in headcount. Job-placement students are not counted as employees. Expatriates and seconded employees are included in the host country figures.

Headcount:

- **France headcount:** employees working for Manitou BF, LMH, and CFM Ile de France are out of scope (subsidiaries with insignificant headcount).
- **Italy headcount:** employees working for Manitou Italia.
- **USA headcount:** employees working for Manitou Americas.
- **India headcount**: employees working for Manitou Equipment India.

Executives: any member of staff working in a post classed as an executive position by the Global Grading System (Towers Watson methodology).

USA executives: any member of staff with an IC (Incentive Compensation).

Worker: any member of staff that supports the production processes or supports other processes, such as design or distribution.

Operator: any member of staff whose main activity is to contribute directly to the production processes.

Recruitment: any new employment contract, be it a fixed term or open ended contract, concluded during the year under consideration. A recruitment is not counted when a fixed-term contract is renewed on the same basis. Two recruitments are counted when a second fixed-term contract is concluded following a break period, when the basis of the contract changes, or when someone on a fixed-term contract is recruited on a permanent basis. Internal transfers (mobility) and secondments are not considered to be recruitment.

Training: the number of hours of training between January 1st and December 31st of each year is included for employees (fixed-term and open-ended contracts), whether the training is delivered in-house or externally and regardless of whether or not the trainer is accredited. Training entitlement under the personal training account arrangement is included in the hours of training. Only training with a sign-off or attendance sheet is included for this indicator. The actual hours of training are counted. Hours of training are counted in the year of the training plan to which they are linked. Health and safety training covers, for example, fitness-to-drive certificate (CACES), transport of hazardous materials, ATEX (explosive atmospheres), etc. It includes in-house training.

Training costs: training costs cover the salary costs of the people receiving training, teaching costs, any equipment and organization costs, transport and logistics costs, the salary costs of in-house trainers, and mandatory contributions (e.g. the accredited employer/trade union-funded training contribution collection body for the metal industry, OPCAIM, and the individual training leave management fund, Fongecif, in France) after deduction of training subsidies.

Training access : starting in 2019, the training access rates of employees and temporary works are calculated using the average number of monthly employees and the average number of monthly temporary workers, not using the number of Employees as of 12/31, as was the case until 2018.

Disability: person is considered to have disabilities if acknowledged as such by an accredited organization or institution under the terms and conditions laid down in the prevailing legislation and regulations.

3.6. INDEPENDENT VERIFIER'S REPORT ON THE CONSOLIDATED NON-FINANCIAL PERFORMANCE DECLARATION PRESENTED IN THE MANAGEMENT REPORT

Year ended December 31, 2019

To the Shareholders,

In our capacity as an independent third-party organization of Manitou, accredited by COFRAC under number 3-1080[32], we hereby present you with our report on the consolidated non-financial performance declaration related to the year ended December 31, 2019 (hereinafter the "Declaration"), presented in the management report pursuant to the legal and regulatory provisions of Articles L.225 102-1, R.225-105, and R.225-105-1 of the French Commercial Code.

COMPANY RESPONSIBILITY

It is the responsibility of the Board of Directors to draft a Declaration that complies with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied in light of these risks, and the results of these policies, including key performance indicators.

The Declaration was established by applying the company's procedures (hereinafter the "Reference System"), the significant elements of which are presented in the Declaration.

INDEPENDENCE AND QUALITY CONTROL

Our independence is established under the provisions of Article L.822-11-3 of the French Commercial Code and the code of ethics of our profession. In addition, we have put in place a quality control system that includes documented policies and procedures to ensure compliance with ethical standards, professional standards, and applicable laws and regulations.

RESPONSIBILITY OF THE INDEPENDENT VERIFIER

It is our responsibility, based on our work, to give a reasoned opinion expressing a moderate assurance conclusion on:

- the compliance of the Declaration with the provisions laid down in Article R.225-105 of the French Commercial Code.
- the accuracy of the information provided pursuant to Article 3 of I and II of Article R.225 105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the actions, relating to the main risks, hereinafter the "Information".

It is not our responsibility, however, to decide on:

- compliance by the company with the other applicable legal and regulatory provisions, particularly with regard to the vigilance plan and the fight against corruption and tax evasion.
- the conformity of the products and services to applicable regulations.

NATURE AND SCOPE OF THE WORK

Our work described below was performed in accordance with the provisions of Articles A.225 1 et seq. of the French Commercial Code laying down the conditions under which the independent third-party organization conducts its mission and according to international standard ISAE 3000 - Assurance Engagements other than audits or reviews of historical financial information.

We carried out work enabling us to assess the conformity of the Declaration to regulatory provisions and the accuracy of the Information:

- we familiarized ourselves with the activity of all of the companies included in the consolidation scope, the statement of the main social and environmental risks associated with this activity;
- we assessed the suitability of the reporting criteria based on their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, where applicable, industry best practices;
- we checked that the Declaration covers each category of information provided for in III of Article L.225 102 1 for social and environmental issues;
- we checked that the Declaration presents the business model and the main risks associated with the activity of all of the entities within the consolidation scope, including, where this proves relevant and proportionate, the risks created by its business relations, its products, or its services, as well as the policies, actions, and results, including key performance indicators;
- we checked, where relevant given the main risks of policies presented, that the Declaration presents the information provided for in II of Article R.225-105;
- we assessed the process for selecting and validating the main risks;
- we inquired about the existence of procedures put in place for internal audit and risk management;
- we assessed the consistency of the results of the key performance indicators with regard to the main risks and policies presented;
- we checked that the Declaration covers the consolidated scope, namely all of the companies included in the consolidation scope in accordance with Article L.233-16 with the limits stated in the Declaration;
- we assessed the collection process put in place by the entity with regard to the completeness and truthfulness of the Information;
- we implemented the following for the key performance indicators and the other quantitative results we considered to be the most important [33]:
  - analytical procedures involving checking the correct consolidation of the data collected and the consistency of any changes.
  - detailed tests on the basis of surveys, involving checking correct application of the definitions and procedures and comparing the data in the supporting documents. This work was conducted for a selection of contributing entities [34] and cover between 58% and 84% of the consolidated data of the key performance indicators and results selected for these tests.
- we consulted the documentary sources and conducted interviews to corroborate the qualitative information (actions and results) we considered to be the most important [35].
- we assessed the overall consistency of the Declaration given our knowledge of the company.

We consider that the work we conducted by exercising our professional judgment enables us to draw a moderate assurance conclusion; a higher level of assurance would have needed more extensive verification work.

MEANS AND RESOURCES

Our work mobilized the skills of four people and took place between October 2019 and February 2020 for a total project time of around four weeks.

To assist us in our work, we called upon sustainable development and social responsibility experts. We held interviews with the people responsible for preparing the Declaration.

[32] *Accreditation scope available on the www.cofrac.fr website.*

[33] ***Social information:** workforce; distribution by gender, age, length of service, contract, and geographical area; proportion of female headcount by status; proportion of people with disabilities in headcount; movements; voluntary departure rate; change in compensation; absenteeism rate; accident frequency and severity rates for group employees; number of employees that have attended at least one training course; average number of hours of training per employee.*

***Environmental information:** VOC emissions per truck equivalent produced; volume of industrial waste generated per truck equivalent produced; recycling rate by type of industrial waste; water consumption per truck equivalent; paint consumption per truck equivalent; energy consumption per truck equivalent; emissions of GHG by truck equivalent.*

[34] *France, USA, India, Italy.*

[35] *Quality information relating to ecodesign, the product-service system, professional equality, and the responsible purchasing policy.*

CONCLUSION

Based on our work, we did not find any significant anomalies likely to call into question the fact that the non-financial performance declaration complies with the applicable regulatory provisions and that the information, taken as a whole, is presented sincerely in accordance with the Reference System.

COMMENTS

Without qualifying the conclusion expressed above and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following comments: for the group's environmental indicators presented in the "Environmental Management" section, the roles and responsibilities in the collection chain and their management must be clarified, the monitoring tools must be standardized and optimized, and the controls must be strengthened.

Neuilly-sur-Seine, April 15, 2020

The Independent Verifier

Grant Thornton

French Member of Grant Thornton International

Vincent Frambourt	Tristan Mourre
Associate	Director

4. RISKS AND CONTROLS

4.1. GENERAL RISK MANAGEMENT FRAMEWORK

Manitou Group's activities are evolving in an environment that is constantly changing. The group is exposed to the potential occurrence of risks that could have a negative impact on its business.

These consequences may be financial as well as non-financial in nature: harm to image and reputation may also have a negative impact on the group and its activities.

The various risks discussed in this chapter do not represent an exhaustive list. Other risks of which Manitou Group is not aware or has considered non-specific are not mentioned. The indicated elements correspond to the net financial impact.

Risk assessment and management represent an integral part of the group's operational and strategic management. Risk management consists of identifying, assessing, and mitigating risks with the potential of interrupting the proper operation of the company. It also helps to guide the group's strategy in its development and optimize the management of its resources in order to ensure that its goals are achieved.

The group has an internal control mechanism based on the self-assessment of the consolidated subsidiaries of the group. The results are reviewed by the Statutory Auditors and are systematically compared with the conclusions of internal audits.

For the entire scope in question, Manitou Group has examined the risks (potential adverse events) that could have a negative financial, non-financial, and/or reputational impact.

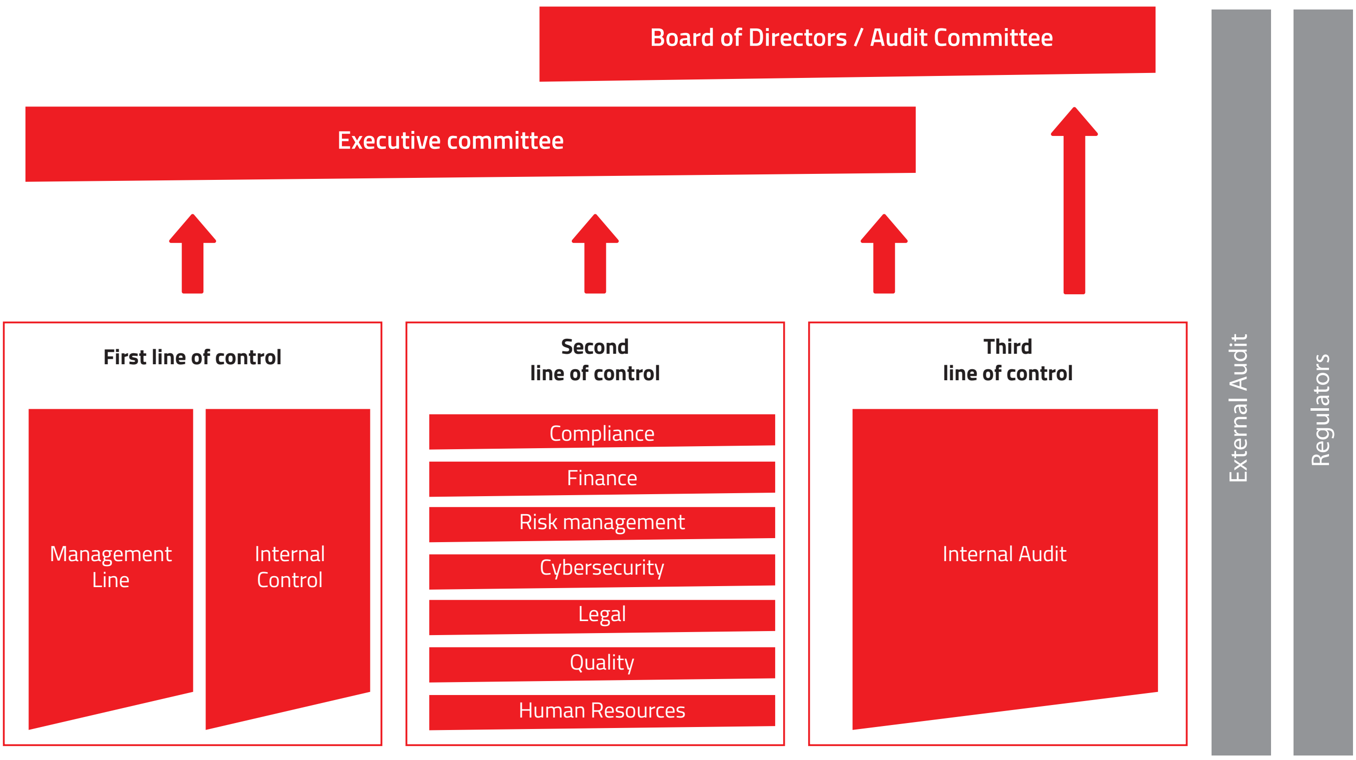
In accordance with Regulation (EU) 2017/1129 (prospectus regulation), which took effect on July 21, 2019, the presentation of risk factors consists of a small selection of specific net risks, after management and hedging. They are grouped into six categories and are presented within each in order of importance.

The document presents 17 significant and specific risk factors that may affect its business, while noting that, like all industrial groups of its size, it faces generic risks that are well identified in the map and are managed by the executive committee, supervised by the audit committee, and shared with the Board of Directors.

4.2. RISK MANAGEMENT ORGANIZATION

Risk management is organized based on three lines of control, as presented below:

Three lines of risk control model of Manitou Group



Adapted from Article 41 of the ECIIA / FERMA Directive regarding the 8th EU Company Law Directive.

4.2.1. THE FIRST RISK CONTROL LINE

A) THE MANAGEMENT LINE (OPERATIONS):

- implements the strategy, taking into account the execution risks involved, and identifies targets as a function of the risks of deviations;
- coordinates the various functions of the company and relations with stakeholders;
- is mandated to represent the company towards third parties; it forms a chain of delegation and assumes the associated civil and criminal liability;
- relies on the internal control system to self-assess its risks.

B) INTERNAL CONTROL:

- works to ensure compliance with laws and regulations;
- makes it possible to verify actual implementation of governance rules;
- evaluates how well the processes function;
- guarantees the reliability of financial information;
- relies on a self-assessment questionnaire revised in 2016 that was deployed in all controlled entities of the group;

Like any control system, this mechanism cannot entirely guarantee the efficiency of operations. As a priority, it strives to identify operational risks and ensure deployment of the ad hoc action plan in order to guarantee that those risks are managed.

The internal control system is under the responsibility of the group's finance director.

4.2.2. THE SECOND RISK CONTROL LINE

It provides necessary support to the first line in order to:

- define roles and responsibilities and set the relevant objectives for their implementation;
- prepare the risk management guidelines;
- identify and control risks as part of a structured and targeted approach to the challenges of Manitou Group and its activities;
- assist the management line to define and deploy the processes and controls in order to manage risks;
- observe developments and anticipate emerging risks;
- monitor the adequacy and effectiveness of the internal control system, especially with respect to reporting efficiency and compliance with laws and regulations;
- propose and support timely remediation of failures.

4.2.3. THE THIRD RISK CONTROL LINE

The internal audit function forms the third control line:

- by offering independent and objective consulting, guided by a value-added philosophy aimed at improving the functioning of the group;
- by assisting Manitou Group to achieve its objectives through a systematic and disciplined approach to assess and improve the effectiveness of the management, control, and governance processes of the organization;
- by verifying the relevance of internal procedures and their compliance with rules, standards, procedures, laws, and regulations;
- by assessing the mastery of operational and functional rules and the execution of operations with respect to the organization's concerns.

The internal audit department is one of the three components of the Audit, Risks, and Compliance Department, placed under the double authority of the Corporate Secretary of Manitou Group and the Chairman of the Audit Committee in order to guarantee its independence.

The Audit, Risks, and Compliance Department periodically reports to the Executive Committee and the Audit Committee regarding the overall control of risks and the governance of the group and its controlled subsidiaries, as well as potential improvements of its processes.

The role of the Audit Committee is described in chapter 5.

4.3. RISK MAPPING

It makes it possible to understand changes in existing risks and anticipate emerging risks across all of its activities, which must be managed by the various divisions and cross-disciplinary functions of Manitou Group. The risk mapping process was revised in 2019.

The Audit, Risks, and Compliance Department is in charge of leading this process. It formalizes the risks and monitors progress on the action plans placed under the responsibility of the members of the Executive Committee.

The Executive Committee prioritizes resources for the action plans.

The Audit, Risks, and Compliance Department periodically reports on progress made on the action plans to the audit committee, which ensure that the necessary resources have been properly implemented.

4.4. RISK FACTORS

The risks to which the group believes that it is exposed can be grouped into six categories. The risk factors are presented within each category by order of importance (1-Probability; 2-Impact).

COVID-19

The AMF's communication dated 03/23/2020 concerning "filings of universal registration documents and permanent information rules in the context of the Covid-19 crisis" encourages the company to make a statement on its impact. The COVID-19 pandemic will have health, human, economic, financial, and political effects.

The group has a coordination cell that centralizes all alerts and communicates with its employees and stakeholders. It proposes mitigation solutions to the Executive Committee concerning the protection of employees and operational decisions. This cell is supervised by the Chief Executive Officer.

With respect to the health and human aspects, the group follows the government recommendations of the countries in which it operates. It has put a monitoring system in place for regulatory measures and health information for each legal entity. Changes to workstations are being studied or deployed in order to enhance safety. At the same time, work from home has been deployed throughout the perimeter of the group, insofar as possible. In accordance with the recommendations issued by authorities, production activities have been stopped in the countries where this is required by regulation.

With respect to the economic aspects, this crisis will force Manitou Group's customers to reduce their investments to deal with new constraints. The impact will be variable according to region, activity sector, and the economy's ability to rebound. Subject to parameters that are still unknown, the construction sector should be the most affected, with the agricultural sector being affected to a lesser extent. The resilience of our stakeholders will also be a determining factor, both in terms of their ability to service the group's supply chain and the ability of the group's customers to resume their activities.

With respect to the financial aspects, the crisis may result in a significant increase in customer credit risk, risks of pre-litigation disputes and litigation on the non-execution clause, foreign exchange risk, risk of inventory depreciation, liquidity risk, and/or any other aggregate financial indicator that could be impacted by an unusual change in indexes, parameters, etc. on which their valuation is based.

With respect to the national and international policies, the crisis may result in the implementation of new governmental measures, both incentives and constraints, which could have an impact on the recovery of the group's business, the movement of goods and/or persons, or any other type of movement.

See also chapter 2, note 2.7, "Post-closing events."

CATEGORY 1: STAFF RISKS

RISKS RELATED TO STAFF HEALTH AND SAFETY

IDENTIFICATION OF RISK

Manitou is an international industrial group that boasts 11 production sites, 8 logistics centers, and 19 Manitou centers where automated and manual processing, assembly, static and dynamic testing, and repair operations are carried out.

The accident occurrence frequency is particularly concentrated in occasional parties (subcontractors, temporary workers, and visitors).

Personnel performing the most taxing tasks may be exposed to occupational hazards.

RISK MANAGEMENT

Beyond the mandatory safety rules, Manitou Group has committed to an ISO 45001 certification program in France.

Risk is audited annually in the context of the ISO 9001 standard.

The alert system has been reinforced, and the monthly reporting process has been further harmonized in order to improve responsiveness and implementation of remediation plans, with particular attention paid to serious or frequent risks.

Probability: Possible / Impact: Average

CATEGORY 2: FINANCIAL RISKS

EXCHANGE RATE RISKS

See chapter 7.1 "Consolidated financial statements," note 13.2.3, "Exchange rate risk"

Probability: Likely / Impact: Low

INVENTORY RISKS

IDENTIFICATION OF RISK

A significant differential between sales volume and production volume creates either a non-availability, which leads to delayed delivery, or an excess of machines in inventory.

The first case causes harm to the group's image and a shift or loss of revenue and/or margin.

In the second case, the excess of stored machines affects the company's profitability through their aging, degradation, and normative or technical obsolescence.

The risk of inventory obsolescence also affects inventories of components and spare parts and impacts WCR and therefore the financing cost.

RISK MANAGEMENT

The group is putting a new commercial and production activity planning tool in place that will help to ensure that supply matches demand.

Products that may have non-conformities as a result of changes in local standards are redirected to other adapted markets whenever possible.

The development of shared platforms is one of the pillars when designing new product ranges.

The standardization of sub-assemblies and components is a major objective of the design offices.

Probability: Possible / Impact: Average

CATEGORY 3: RISKS RELATED TO INFORMATION SYSTEMS

RISKS OF CYBER ATTACK

IDENTIFICATION OF RISK

Manitou Group's business relies on the proper operation of its IT infrastructure and the availability of its information systems.

The digitalization of the group's management, production, distribution, and maintenance tools exposes it to a risk of internal and external attacks.

The malfunction, shutdown, or paralysis of information systems and/or the theft, alteration, or distribution of data would have a significant impact on the group's activity. Systems may also be the victim of a targeted attack resulting in leaks of confidential information and compromising its ability to achieve its objectives.

RISK MANAGEMENT

The group has taken organizational and technical measures. The Chief Information Security Officer reports to the Audit, Risks & Compliance Department.

An Information Security policy based on the work of the NIST (National Institute of Standards and Technology) was defined for the entire group.

Operations are regularly carried out to raise user awareness of these matters. In addition to security audits, infiltration tests are regularly conducted.

Manitou Group continuously invests in means of protection, detection, and correction to minimize the impact of this risk factor.

Probability: Possible / Impact: Very high

CATEGORY 4: EXTERNAL RISKS

RISKS RELATED TO CORRUPTION AND ANTI-COMPETITIVE PRACTICES

IDENTIFICATION OF RISK

Manitou Group's international footprint means that it must comply with a large number of laws and regulations, which are continuously evolving.

This is especially the case in the legal environment surrounding the fight against corruption and respect for competition.

In addition to an isolated act committed by an employee of the group, the risk may come from stakeholders that ignore or violate the legal obligations and/or the group's strict rules.

Some countries are the subject of specific export controls or partial or total embargoes; some companies are held by individuals under sanctions that make the sale of dual use machines impossible.

Therefore, Manitou Group must verify the quality of the third party and the destination of the machines under penalty of violating the rules imposed by the European Union and/or the United States and/or others.

Non-compliance with the laws and regulations regarding anti-corruption or export control could have serious legal and financial consequences for the group and seriously harm its reputation.

RISK MANAGEMENT

Manitou Group is strongly committed to preventing corruption and anti-competitive practices. The group continues to strengthen its system, which is based on the eight pillars of the 2016-1691 law, called Sapin II.

In 2019, the group launched several initiatives, including an e-learning module that, as of December 31, 2019, was taken by 99% of the group's executives and employees. An international classroom training campaign will be launched in 2020.

An independent alert collection platform was put in place with the CFE certification of the group's auditors in charge of the investigations.

The procedures were deployed throughout the group. Checks of compliance with the export rules are performed.

A dual third-party evaluation mechanism has been put in place to anticipate any operation that poses a risk of non-compliance.

In 2019, on top of the obligations imposed by the Sapin II law, Manitou Group initiated the ISO 37001 certification process of one of its subsidiaries and made the commitment to evaluate the whole group according to the ISO 19600 standard by the end of 2022.

Probability: Possible / Impact: High

BUSINESS ETHICS

See chapter 3, note 3.1.1 “Risk related to business ethics”

Probability: Possible / Impact: High

RISKS RELATED TO CLIMATE CHANGE

See chapter 3, note 3.1.1 “Risk related to climate and natural risks”

Probability: Likely / Impact: Low

CATEGORY 5: RISKS RELATED TO THE BUSINESS

RISKS RELATED TO CONTRACTUAL CLAUSES

IDENTIFICATION OF RISK

Manitou Group collaborates in an international environment with many players through contractualized relationships. The multitude of laws and regulations makes the management of contracts more complicated.

A failure to control contractual clauses could expose the group to risks that, in case of a major dispute, could result in out-of-court settlement of claims or proceedings through the courts.

Probability: Possible / Impact: High

RISK MANAGEMENT

Manitou Group has opted to standardize the contractual framework and use standard contracts. The use of reciprocity (back to back) clauses is widespread but not always applicable.

The group has also launched several digital initiatives to improve contract control.

Despite the significant increase in the number of contracts due to the growth of the group, no major dispute related to contractual terms and conditions has been observed over the last 10 years.

RISKS RELATED TO INDUSTRIAL TOOLING

IDENTIFICATION OF RISK

The risk of observing a structural gap between global demand and the group's activity is linked to changes in industrial capacities and supply chains and the anticipation of market needs.

A lack of qualified personnel, the strong dependence on certain suppliers, and the unreliability of our sales forecasts would have an impact in the medium term on the company's performance.

Probability: Possible / Impact: High

RISK MANAGEMENT

To preserve its business continuity, the group is developing the dual sourcing principle with some of its strategic suppliers.

A dedicated project launched in 2020 will make it possible to improve the sales volume projections thanks to a new collaborative tool.

All of these measures, along with a massive investment plan in the industrial sites, combined with the reliability of procedures and standardization, will allow the group to optimize production capacity as a function of market demand.

PURCHASING-RELATED RISKS

IDENTIFICATION OF RISK

As an integrator, Manitou Group's purchasing volume represents 66% of its revenues. A breakdown in the supply of components for anywhere from a few weeks to several months would result in a strong disruption of the production change. This situation would create machine delivery delays and detrimental cancellations of orders.

A lack of agility or quality in certain suppliers with specific knowhow in key activities such as casting, forging, casing, and other technological components could have significant consequences of the group's performance.

Certain suppliers have structural difficulties that make it impossible to apply "back to back" contractual clauses without the risk of increasing the difficulties of our partner.

Probability: Unlikely / Impact: Very high

RISK MANAGEMENT

Manitou Group is expanding its assessment and ongoing monitoring process of its critical suppliers. It is also developing a dual sourcing strategy for certain components.

These actions are reinforced with an improvement in the reliability of the supplier panel and contractualization of commercial relationships.

RISKS RELATED TO RESPONSES TO TENDERS

IDENTIFICATION OF RISK

Manitou Group responds to tenders issued by key accounts (private customers) as well as tenders issued by the public administration or companies controlled by the State in France or internationally.

The inappropriate preparation of a response to a tender or poor execution of an awarded contract may result in the payment of major penalties and being banned from responding to future invitations to tender. Such a situation would result in a loss of margin caused by additional costs and a potential loss of revenue.

Probability: Unlikely / Impact: High

RISK MANAGEMENT

In the context of its ISO 9001 certification, Manitou Group put in place an enhanced monitoring procedures for offers, including step-by-step validation.

An internal audit of tenders was conducted in 2019. It made it possible to deploy action plans in the identified risk areas.

RISKS RELATED TO THE DISTRIBUTOR NETWORK

IDENTIFICATION OF RISK

Manitou Group earns the majority of its revenues through its distributor network.

The OEMs are increasingly interested in using exclusive distributors. Some have even acquired market players to supplement their ranges. In this context, the group runs the risk of losing some of its distributors.

In the United States, the portion of Manitou products in the net sales of distributors is not essential in their economic model, which weakens our network.

The increased competition from renters is also a threat to the profitability and growth of the business of distributors that do not offer rentals.

Probability: Unlikely / Impact: High

RISK MANAGEMENT

Manitou Group launched a dealership development project in order to enhance our collaboration.

In addition to the traditional network promotion actions, the group aims to provide them with specific tools to improve the analysis of their individual performance as well as support their growth as part of a real partnership.

As necessary, buyout of the distributor or creation of a Manitou Center.

CATEGORY 6: RISKS RELATED TO MARKET CHANGES

RISKS RELATED TO MARKET CHANGES

IDENTIFICATION OF RISK

Manitou Group operates on competitive and cyclical markets in which the main players are combative both in terms of prices and contractual conditions.

After a three-year period of strong growth, the market is entering a cycle of greater uncertainty.

If the group takes action on the emerging markets belatedly or in too limited a manner, this would compromise future development.

The offering of a product range that is too limited would undermine the attractiveness of the group's brands for the independent dealerships.

Probability: Possible / Impact: Very high

RISK MANAGEMENT

The group is developing a new product plan and has an economic intelligence system to improve its responsiveness through more relevant market analysis.

This will help make it more competitive in terms of its pricing policy and initiate product development programs to improve the offering and meet customers' needs better.

INTELLECTUAL PROPERTY

IDENTIFICATION OF RISK

Research and innovation are two of the group's pillars that contribute to its development. The protection of intellectual property is essential for products with high added technological value.

The risk of not filing a patent or making errors in the preparation of an application exposes the group to the risk that its inventions will be used by competitors and it will be deprived of a competitive advantage for several years. Non-protection or poor protection of patents has a dual effect:

- it deprives the group of additional revenue that could have been obtained in the form of licenses;
- it prevents it from bringing infringement lawsuits against third parties that use its intellectually property unlawfully.

The inadvertent use of solutions patented by third parties could also result in disputes with the patent owners.

Probability: Possible / Impact: High

RISK MANAGEMENT

In order to protect itself against the risk of infringement, the group has a department that is dedicated to the protection of intellectual property.

The research and innovation department is responsible for the filing of patents, manages the portfolio, and develops a watch network to identify the capture and unlawful use of our intellectual property by third parties.

In 2019, Manitou Group filed 32 applications. At closing of the fiscal year, the group held 116 patents in its intellectual assets and monitors competitors' patents during the design process.

RISKS RELATED TO PRODUCT CERTIFICATION

IDENTIFICATION OF RISK

Manitou Group distributes its products in 140 countries. For this reason, it must follow the approval rules for its machines in the countries in question. Therefore, it must deal with many rules, and there is a risk that it will not identify or anticipate a modification to the regulations. This situation would cause the group to default and would force it either to adapt its machines, withdraw them from the market, and/or pay fines.

The main sources of risk would be a lack of information on changes to the legislation, errors in interpretation, and errors of translation of the technical documentation into the local language. In case of accident with a non compliant machine, the group would risk being ordered to pay for the damages suffered and having the machines in question being excluded from the market. A loss of market would impact the group's profits.

Probability: Likely / Impact: Low

RISK MANAGEMENT

The best protection against these risks is anticipation and communication. Therefore, Manitou Group continuously monitors changes in the machine directive (EU), the ANSI standards (US), and industry practices.

The information is communicated to engineering for review of the design of the machines affected and elimination of non-conformities.

The sales teams are also informed of non-conformities so as to ensure that the machines concerned are not marketed.

RISKS RELATED TO CHANGES IN RAW MATERIAL PRICES

IDENTIFICATION OF RISK

Manitou Group's products require mass consumption of special steel and, to a lesser extent, copper, aluminum, lead, plastics, and rubber. The prices of these raw materials are low, and the quantities consumed by the group do not make it possible to put hedging in place on the market.

Exposure to market trends could, therefore, have an impact on the group's profits.

Probability: Likely / Impact: Low

RISK MANAGEMENT

In order to defend against the impact of a strong increase in the prices of raw materials, the group favors medium and long-term contractual partnerships with price adjustment clauses every six months, which gives it sufficient visibility.

In order to limit its dependence on these materials, the group asks its partners to develop components that limit their use.

MERGERS & ACQUISITIONS

IDENTIFICATION OF RISK

The group's growth strategy is not based only on organic growth but also on an external growth policy.

In 2019, the group incorporated a distributor into its scope.

Mergers & acquisitions entail risks that could jeopardize or defer the expected benefits of this type of operation. The main specific risks identified are a failure in the integration phase of the acquired entities in the group, a failure to achieve the desired synergies, and finally the disposal under unfavorable conditions of a recent acquisition that no longer contributes to the group's strategy.

Probability: Unlikely / Impact: High

RISK MANAGEMENT

The external growth strategy is validated by the Board of Directors, and the mergers & acquisitions department has a three-member team that is responsible for preparing each project.

An additional due diligence phase is conducted by a specialized firm, and the dossier is reviewed by our legal advisers before being presented for analysis by the audit committee, which submits its recommendations to the board of directors before validation.

4.5. INSURANCE

GROUP'S GENERAL INSURANCE POLICY

Manitou has group insurance programs and policies purchased locally. They allow the parent company to coordinate the management of its insurance policies in order to optimize total premiums and improve coverage. Manitou Group has put an international civil liability insurance program (operation and products) in place, purchased through leading insurance companies, through which the group's subsidiaries can subscribe to a so-called “integrated” local policy reinsured by a “Master” policy.

The “Master” civil liability insurance policy covers all of its subsidiaries (with some exceptions due to certain country-specific regulatory constraints, more favorable conditions offered by the local market or specific business). If there is no local policy or in case of a non-integrated local policy, the coverage is provided in DIC and/or DIL (“difference in conditions” / “difference in limit”) mode. As of the date of signing of this report, the amount of the civil liability coverage (operation and product) amounted to €50 million per claim and per insurance year.

The property damage policy is an “all risks” (with exclusions) policy for the insured amounts corresponding to the identified risks. It also covers the risk of operating losses over a contractual period.

The group has put an international program in place to cover the French entities of the group as well as the Italian and American subsidiaries. The coverage amount of the property damage and operating losses insurance policy amounts to €200 million as of the date of this report. The group ensures that all of its insurance policies cover the following risks, either purchased for its entities through its group programs or local policies.

The group’s insurance policies cover the following risks:

- civil liability;
- civil liability of the corporate officers;
- environmental impact liability;
- property damage and operating loss;
- cyber damages;
- transport;
- customer credit risk.

4.6. CONTROLS

KEY INTERNAL CONTROL PROCESSES

The Chief Executive Officer meets weekly with the Executive Committee, the composition of which is described in the management report. The members of the Executive Committee are surrounded by a Management Committee comprised of the functions within their remit. The activities and achievement of objectives by each division and each sales region are reviewed quarterly. The support functions of the corporate secretary and human resources are reviewed biannually. In addition, the group uses a decisions and responsibilities delegation manual that is aligned with the organization of the group and is applicable to all of the group's companies concerning the following areas: legal and regulatory obligations (including concerning health & safety and environmental compliance), financial operations (including off-balance sheet commitments), budget processes, commercial operations, purchasing, fixed-asset management, and human resources.

PRODUCTION OF FINANCIAL INFORMATION

The responsibility for drafting the group's corporate and consolidated financial statements lies with the Finance Department. The budget and monthly reporting procedure is an essential tool for Manitou in the coordination of its operations. This is a structured and structuring process designed to organize the sharing of information and strategic objectives within the group. The internal and external dissemination of relevant, reliable, and timely information makes it possible for each person to discharge their responsibilities. For the annual closure and interim financial reporting, the consolidation packages are prepared by the subsidiaries in accordance with the financial manual of Manitou Group and are submitted to the consolidation department of the parent company. The Finance Department is responsible for the internal control procedures related to the preparation and processing of financial information.

PRODUCTION OF FINANCIAL STATEMENTS

The group's consolidated financial statements are drawn up on the balance-sheet date in accordance with IFRS (International Financial Reporting Standards) rules, published by the IASB (International Accounting Standards Board) and adopted by the European Union. The financial statements of Manitou BF are drafted in accordance with the French rules.

The financial statements for both the parent company and the group are prepared by the Accounts Department, with the assistance of a certified public accountant with respect to the unconsolidated financial statements. They are validated by the Corporate Secretary and the CEO prior to approval by the Board of Directors, after review by the audit committee.

The consolidated financial statements for the group are drawn up by the group's Accounts Department . This department is responsible, inter alia, for updating the procedures for consolidation, training and integration of the subsidiaries into the scope of consolidation, data processing, as well as the use, maintenance and development of the consolidation tool and of the financial data system.

Each subsidiary communicates its accounts to the Accounts Department based on a timetable set by the group. The Accounts Department reviews the accounts of the group as a whole and makes the adjustments necessary to draw up consolidated accounts. These accounts are circulated every month to the executive management. A manual sets out the group standards that apply to the accounts and their presentation. This manual is added to each year and made available to all the group entities. Closure instructions are also communicated monthly to all subsidiaries.

Manitou Group prepares its consolidated financial statements using a unique consolidation tool structured based on a unique accounting plan for all companies of the group. They are validated by the Corporate Secretary - CFO and the Chief Executive Director and are then approved by the Board of Directors after review by the audit committee.

AUDITING OF THE ACCOUNTS

The interim and annual financial statements are audited by the college of Statutory Auditors, which applies the standards of the profession. For foreign subsidiaries, which are audited in each country, the financial statements and observations of the local auditors were provided to the group's Statutory Auditors and were reviewed with the finance department. The Statutory Auditors presented a summary of their work to the Audit Committee on February 28, 2020. The Board of Directors met on March 3, 2020 to close Manitou's corporate and consolidated financial statements ending December 31, 2019. Working meetings and summary meetings are regularly held between the Statutory Auditors and the group's Finance Department as part of a continuous exchange process. The Audit Committee is present at all essential steps to validate the financial information.

COMPLIANCE AND RISK DEPARTMENT

The compliance and risk functions are under the responsibility of the Compliance, Audit, and Risk Director:

- the compliance function organizes and deploys the processes, awareness raising efforts, and training on compliance subjects. Its approach is based on a specific compliance map prepared in 2018, the group's code of conduct, the United Nations pact, as well as the eight key elements of the Sapin II law. During 2019, the group deployed an alert system, conducted training for 2 330 employees (98% of the group's target workforce), and enhanced its monitoring of stakeholders as well as all of its monitoring procedures and tools.
- beyond its obligations under the Sapin law, the group initiated the ISO 19600 (Compliance management systems) evaluation of one of its subsidiaries and is planning to expand this program to the entire group,
- the Compliance, Audit, and Risk Director is a member of the Ethics Committee,
- the risk function is in charge of risk mapping as well as monitoring the implementation of all action plans to manage them. A risk map was prepared in 2019 (see paragraph 4.3),
- the cybersecurity function reports to the Compliance, Audit, and Risk Director. Its mission is to define the strategy, policies, audits, and monitoring of actions taken within the group on information security topics.

FINANCE DEPARTMENT

The finance function controls activities, transactions, and projects in order to optimize the group's profitability and cash flow, while providing reliable information to internal and external stakeholders. The finance function defines the group's principles and financial policy regarding control, offers and projects, financing, cash flow, internal control, accounting, taxes, and management control.

LEGAL DEPARTMENT

The mission of the legal function is to monitor and reduce the legal risks related to the group's activities. The Legal Department participates in Audit Committee meetings addressing legal topics and is a member of the Ethics Committee. The Central Legal Department manages the major disputes concerning the group and compliance with applicable laws. It coordinates on legal topics within the entire group.

QUALITY, HEALTH & SAFETY, AND ENVIRONMENT DEPARTMENT

The mission of the Health & Safety, and Environment function is to monitor and reduce:

- risks relating to the quality of the products, parts, and components throughout their design or qualification phase and production phase, then analysis of malfunctions once on the market. The quality departments work closely with the after sales services, production, and development departments. They interact with purchasing in order to manage the reporting of anomalies involving purchased parts or components. Risks relating to the safety of employees and persons operating at the group's sites. It monitors and deploys training and control programs. Additional actions were launched during 2019 to enhance safety at all of the group's sites. The security services also work to protect the group's property and equipment.
- environmental risks by defining action plans designed to ensure compliance with environmental obligations, prevent environmental risks such as the risks of pollution, manage waste, and reduce the environmental impact of the group's activities.

HUMAN RESOURCES DEPARTMENT

The mission of the Human Resources Department is to monitor and reduce risks related to employment law and the protection of the group's employees. It defines a series of processes designed to allow the group to control these risks. The human resources function defines and manages the training processes that ensure that the employees have the necessary skills to perform their duties.

5. REPORT ON CORPORATE GOVERNANCE

In accordance with the provisions of Article L. 225-37 of the French Commercial Code, the Board of Directors has drafted this report on corporate governance and attached it to the management report. The "Compensation" portion of the corporate governance report was drafted by the Compensation Committee, and the Audit Committee also contributed to the report. The report was submitted to the Statutory Auditors and was approved by the Boards of Directors on March 3 and April 15, 2020.

This chapter presents the functioning and composition of the Board of Directors, its committees and management bodies, the compensation of the administrative and management bodies as well as the special procedures for shareholders to participate in the General Meeting. Information regarding elements that are likely to be influential in case of a public offering are presented in chapter 6.3 of this universal registration document.

5.1. GOVERNANCE

5.1.1. REFERENCE TO A CORPORATE GOVERNANCE CODE

Since August 2010, the company refers to the corporate governance code for midcaps, "MiddleNext." This code may be consulted at the website www.middlenext.com (Section: Publications - Governance reference texts).

In addition, the Board of Directors has taken note of the items presented under the heading "Points to be watched", which are the key provisions of the Code.

5.1.2. CHOICE OF GOVERNANCE METHOD AND CHANGES IN GOVERNANCE

CHOICE OF GOVERNANCE METHOD

Since 2009, the governance method has involved a disassociation of functions between a non-executive chairman of the Board of Directors and a Chief Executive Officer, the only executive corporate officer. The role of the chairman of the Board consists of organizing and directing the Board's work, regarding which she reports to the General Meeting. She ensures that the corporate bodies that she chairs are functioning properly and in particular that the board members are capable of fulfilling their duties.

CHANGES IN GOVERNANCE

During the past fiscal year, the following changes were made in the composition of the administrative and management bodies and their committees:

Board member concerned	Type	Effects in terms of diversification of the Board
Mr. Dominique Bamas	Renewal	-
Mr. Pierre-Henri Ricaud	Renewal	-

In addition, during the past fiscal year, the following changes were made in the composition of the Executive Committee during the month of October 2019:

- departure of Fernand Mira - President of the MHA division - member of the Executive Committee (replaced by Elisabeth Ausimour),

- appointment of Elisabeth Ausimour - President of the MHA division - member of the Executive Committee (to replace Fernand Mira).

5.1.3. INFORMATION ON THE COMPOSITION, OPERATIONS, AND POWERS OF THE BOARD OF DIRECTORS

OPERATION OF THE BOARD OF DIRECTORS AND ORGANIZATION OF MEETINGS OF THE BOARD AND ITS SPECIALIZED COMMITTEES

THE BOARD OF DIRECTORS

The internal regulation defines the Board of Directors' organization and operation. In particular, it specifies the role and operational procedures of the Board of Directors and its specialized committees, established in accordance with the legal and statutory provisions and the provisions of the Articles of Association. The regulation also details the roles and powers of the Chairman of the Board and the executive management, as well as their respective obligations. In this regard, it includes a board member's charter, which sets out the rights and obligations of the company's board members to ensure good corporate governance. These principles are based on the duties of due diligence, independence, transparency, and confidentiality.

During 2019, the members of the Board of Directors met eight times. At these meetings, they addressed issues regarding approval of the financial statements, the evaluation of the Board of Directors, implementation of new financing lines and a new bond issue of €105 000 000 in order to allow the group to postpone the maturity of its debt and continue its strategy to diversify its sources of financing, acquisition projects, development and investment projects, proposed renewals of the terms of two board members (Dominique Bamas and Pierre-Henri Ricaud), and the business plan of Manitou Group. The Board of Directors also met during a special seminar about the group's strategy.

Meetings of the Board are held, when convened by the Chairman, at the head office or, on an exceptional basis and for a portion of the members, over a secure telephone link.

Each member of the Board of Directors, and all staff representatives convened, received, in advance of the meetings, all the documents and information required by law that they need to accomplish their tasks.

Minutes of board meetings are systematically drafted and submitted to each member for approval.

The statutory auditors were convened to Board meetings concerning the closure of the interim and annual financial statements, in accordance with Article L.823-17 of the French Commercial Code.

The average attendance rate at Board of Directors' meetings was 98.9% for 2019.

The board members receive compensation, which is discussed in detail in sections 5.2.1.3 (Board member compensation policy) and 5.2.2 (Board member compensation) of this chapter.

BOARD SECRETARY

Hervé Rochet, Corporate Secretary, acts as Secretary of the Board.

THE COMMITTEES

THE SPECIALIZED COMMITTEES

The Board of Directors has set up four specialized committees responsible for investigating matters falling within their purview and for submitting opinions and recommendations to the Board.

THE STRATEGIC COMMITTEE

Its main responsibilities are to assist the Board in drawing up strategy. It prepares the work of the Board in relation to the strategic plan, any proposal for a strategic agreement, technological cooperation, industrial partnership, diversification or the range of activities, and all major investment or disposal transactions.

The work of the 2019 Strategic Committee is not made public for confidentiality reasons.

The Committee met three times in 2019. The average attendance rate at the meetings of the Strategic Committee was 94.4% for 2019.

THE AUDIT COMMITTEE

The primary responsibilities of the Audit Committee are to verify the accuracy and sincerity of the financial statements and the financial reporting, the quality of the internal control and risk management procedures, and the group's respect for its compliance obligations.

For this purpose, its duties include:

- monitoring the financial reporting process and, as applicable, formulating recommendations to ensure its integrity. It reviews the draft corporate and consolidated financial statements, both annual and interim, before the Board receives them as well as the annual management report;
- analyzing the financial impact of investment or disposal transactions;
- checking the efficacy of internal control and risk management systems and, where appropriate, the internal audit process in terms of the procedures for drawing up and processing accounting and financial information, without this interfering with its independence;
- reviewing with the internal audit manager the identification of risks, their analysis, and their evolution over time as well as actions taken. It approves the annual audit plan. It takes note of the main conclusions and recommendations of each audit mission and the implementation of the action plans;
- organizing the Statutory Auditors' renewal process and issuing a recommendation on the Statutory Auditors proposed for appointment by the General Meeting. This recommendation to the Board is prepared in accordance with the regulation; it also issues a recommendation to the Board when a renewal of the corporate mandate of the Statutory Auditor(s) is considered under the conditions defined by the regulations;
- monitoring the Statutory Auditors' performance of their mandate and taking into account the statements and conclusions of the French supervisory body for the auditing profession, the Haut Conseil du Commissariat aux Comptes, in the wake of any audits conducted pursuant to legislative and regulatory provisions;
- ensuring compliance by the Statutory Auditors with the criteria for independence in accordance with the terms and conditions imposed by the regulations;
- approving the provision of services other than certification of the accounts in accordance with the applicable regulations;
- regularly reporting to the Board on the performance of its tasks. It also reports on the findings of the certification of accounts process, on the way in which this process contributes to the integrity of the financial information, and on the role that it plays in this process. It informs the Board immediately of any difficulty encountered.

The Audit Committee met nine times in 2019. The average attendance rate at the meetings of the Audit Committee was 94.4% for 2019.

In 2019, the Audit Committee met in the presence of the Statutory Auditors before the closing of the annual and interim financial statements as well as for the internal control review.

The Audit Committee discussed the key points of the audit with the Statutory Auditors, in particular areas for improvement of the internal control system.

It verified that the Statutory Auditors had indeed submitted their report to the Audit Committee before issuing their final report.

The Audit Committee received due confirmation that the Statutory Auditors, as well as their partners, senior managers, and managers taking part in the audit, respected the rules of independence.

It verified with the Finance Department that it has submitted to it all requests for SACCs.

In 2019, the group entrusted its Statutory Auditors with an additional task, other than certification of the financial statements. In the context of a dispute, there had been requests to certify the figures of the components and assemblies. The total amount of fees for these certifications is less than 3% of the statutory audit fees.

The Audit Committee questioned the Statutory Auditors regarding a potential inspection of the H3C and took note of the conclusions issued by the regulator following the control.

Noting that the mandates of its Statutory Auditors were coming to an end at the General Meeting approving the financial statements ended December 31, 2019, the Audit Committee had discussions with executive management, and it was decided to conduct an invitation to tender with respect to the appointment of a new Statutory Auditor to replace one of the two Statutory Auditors and to propose renewal of the mandate of the second Statutory Auditor without proceeding with an invitation to tender.

The Audit Committee performed all of its responsibilities with respect to the procedure to select a new Statutory Auditor. The four firms consulted responded to the consultation. The Audit Committee verified that the fees represented less than 15% of the overall fees of the firm selected and that the tender document contained sufficient information to allow the candidate firm to fully understand the group's business as well as the exact scope of the mission it would be performing.

It also specifies that the invitation to tender contained non-discriminatory criteria so as to be able to fairly evaluate the various proposals made by the candidate firms.

It also validated the report prepared by the group's executive management regarding the conclusion of the selection process. It proceeded to consider the various applications and proposed at least two candidates to the Board, clearly indicating its preference for one of the candidates. The Audit Committee believes that the group will be capable of demonstrating to H3C that the selection procedure was conducted fairly.

During 2019, the Audit Committee also took note of all of the internal audit reports and the internal control tools and procedures put in place and presented by the Vice President Audit, Risks & Compliance. During its meetings, the Audit Committee regularly met with the Corporate Secretary - CFO, the Finance Director, the Audit, Risks & Compliance team, of the Legal Director, as well as the Vice President Corporate Development Strategy - Mergers & Acquisitions, primarily regarding finance or compliance topics.

The main topics addressed were therefore:

- the validation of the internal audit plan for the following year as well as tracking of the action plans,
- compliance topics (deployment of the anti-corruption system, the GDPR road map, alert management and tracking),
- the group's financing strategy, including a new bond issue of €105 000 000 announced in June 2019,
- acquisition topics (review of the M&A process, analysis of acquisition projects),
- the review of the universal registration document (agenda, specific content on the risk aspect, the non-financial performance declaration with elements relating to the description of the business model), and the corporate governance report,
- Brexit (risks and impact),
- the group's business plan,
- the risk map (method, approach, status),
- cyber-security topics.

THE COMPENSATION COMMITTEE

Its main responsibilities are to prepare the work of the Board relating to the compensation of:

- the board members, formulating proposals on the distribution of the compensation allocated to board members according to the criteria of the internal regulation, the compensation of the Chairman of the Board, and the compensation allocated to board members who have received certain ad hoc assignments,
- the Chief Executive Officer, by expressing an opinion on his total compensation, pension and healthcare schemes, fringe benefits, and miscellaneous rights, proposing rules on variable compensation consistent with the group's strategy and the corresponding criteria for evaluation and verifying that they are applied in accordance with the company's duty of transparency relating to compensation, the details of this compensation being set out in the annual report.
- More generally, the committee is informed each year of and monitors the company's compensation policy in effect within the group for the different employee populations, its policy on equality in the workplace, non-discrimination and diversity, as well as continuing education. It is informed of the succession plan for the key positions of the group. It prepares the succession plan for the Chief Executive Officer, specifically to be able to propose succession solutions to the Board of Directors in case of unforeseen vacancy. It monitors the implementation of the Social and Economic Committee (SEC). It prepares the portion of this chapter regarding "Say on Pay."

The Compensation Committee met 3 times during the course of 2019. The average attendance rate of the meetings of the Compensation Committee was 100 % for 2019. Its work was the subject of feedback to the Board of Directors.

THE DEVELOPMENT COMMITTEE

The primary mission of the Development Committee is to discuss and analyze projects that may have a significant impact on the group's shareholding.

The Development Committee is made up of the board members who are members of the shareholder families. It meets once or twice a year and can, if it wishes, invite the Chief Executive Officer and members internal or external to the company.

The Development Committee met twice during 2019. The average attendance rate at the meetings of the Development Committee was 100% for 2019. It should be noted that attendance at the meetings of this Committee does not entitle members to compensation.

COMPOSITION OF THE BOARD OF DIRECTORS AND SPECIALIZED COMMITTEES

COMPOSITION OF THE BOARD

The company is managed by a Board of Directors made up of 11 members (including the employee board member).

The Board of Directors appoints a Chairman of the Board of Directors from among its members. The Chairman must be a natural person. Jacqueline Himsworth was elected Chairman of the Board of Directors following the General Meeting of June 8, 2017.

INDEPENDENCE OF BOARD MEMBERS

The independence of the board members is assessed in accordance with the criteria of the MiddleNext Governance Code. The criteria are evaluated based on recommendation R3 of this Code and are primarily characterized by an absence of any significant financial, contractual, or familial relationship likely to affect the independence of their judgment.

The criteria used to assume the independence of the members of the Board are as follows:

- not have been, over the last five years, and not be an employee or an officer of the company or of a company in the group (criterion no. 1 in the table below),
- not have been, over the last two years, and not be in a significant business relationship with the company or its group (customer, supplier, competitor, service provider, creditor, banker, etc.) (criterion no. 2 in the table below),
- not be a leading shareholder of the company or hold a significant percentage of the voting rights (criterion no. 3 in the table below),
- not have a close relationship or close family ties with a corporate officer or a leading shareholder (criterion no. 4 in the table below),
- not have been, over the last six years, the Statutory Auditor of the company (criterion no. 5 in the table below).
- As of the date of drafting of this document, four members of the Board of Directors are independent in accordance with the evaluation performed by the Board on January 30, 2020:

Members / criteria	1	2	3	4	5	Conclusions
Dominique Bamas	*	X	X	X	X	Independent
Pierre-Henri Ricaud	X	X	X	X	X	Independent
Carole Lajous	X	X	X	X	X	Independent
Cécile Helme-Guizon	X	X	X	X	X	Independent

** Dominique Bamas' situation was studied carefully: the Board noted that Dominique Bamas was Chief Executive Officer of the company from March to December 2013: these functions were performed in order to ensure managerial continuity consistent with the group's ambitions. Familiar with the group for many years and a trusted adviser, Dominique Bamas worked to ensure the managerial transition until the arrival of Michel Denis in January 2014. It was decided that this situation, which lasted a few months, was not likely to affect the independence of Dominique Bamas' judgment.*

COMPOSITION OF THE BOARD OF DIRECTORS - SUMMARY TABLE

On the date of drafting of this document, the composition of the Board of Directors is as follows:

Directors	Date of 1st appointment	Date of last renewal	Term of office(1)	Expiration of term	Age	Independence according to the MiddleNext Code	Gender	Committee membership
Jacqueline Himsworth Chairman since 06/08/2017	1970	06/08/2017	4 years	AGM 2021	76	No	F	Chairman of the Strategic Committee Chairman of the Development Committee
Dominique Bamas	2009	06/13/2019	4 years	AGM 2023	60	Yes	M	Chairman of the Compensation Committee Member of the Strategic Committee
Emilie Braud	2017		4 years	AGM 2021	38	No	F	Member of the Audit Committee Member of the Development Committee
Marcel-Claude Braud	2013	06/08/2017	4 years	AGM 2021	67	No	M	Member of the Strategic Committee Member of the Development Committee *Alternate Member of the Compensation Committee (2)*
Sébastien Braud	2009	06/08/2017	4 years	AGM 2021	50	No	M	Member of the Compensation Committee Member of the Strategic Committee Member of the Development Committee *Alternate Member of the Audit Committee (2)*
Cécile Helme-Guizon	2017		4 years	AGM 2021	54	Yes	F	Member of the Audit Committee
Christopher Himsworth	2009	06/08/2017	4 years	AGM 2021	48	No	M	Member of the Compensation Committee Member of the Strategic Committee Member of the Development Committee *Alternate Member of the Audit Committee (2)*
Gordon Himsworth	1998	06/08/2017	4 years	AGM 2021	81	No	M	Member of the Audit Committee Member of the Strategic Committee Member of the Development Committee
Carole Lajous	2017		4 years	AGM 2021	54	yes	F	Member of the Compensation Committee *Alternate member of the Strategic Committee (2)*
Stéphane Renaud Employee Board Member	2018		3 years	09/10/2021	57	No	M	
Pierre-Henri Ricaud	2009	06/13/2019	4 years	AGM 2023	64	Yes	M	Chairman of the Audit Committee *Alternate Member of the Compensation Committee (2)*

(1) The date of drafting of this corporate governance report is used to determine the term of office.
(2) The alternate member appointed for the committees replaces, in the meetings of said committee, the member that is unable to attend.

COMPOSITION OF THE BOARD OF DIRECTORS' COMMITTEES

	COMPENSATION COMMITTEE
MEMBERS	DOMINIQUE BAMAS, Chairman
	CHRISTOPHER HIMSWORTH
	CAROLE LAJOUS
	SÉBASTIEN BRAUD
ALTERNATE MEMBERS	PIERRE-HENRI RICAUD
	MARCEL-CLAUDE BRAUD

	STRATEGIC COMMITTEE
MEMBERS	JACQUELINE HIMSWORTH, Chairman
	SÉBASTIEN BRAUD
	MARCEL-CLAUDE BRAUD
	CHRISTOPHER HIMSWORTH
	GORDON HIMSWORTH
	DOMINIQUE BAMAS
ALTERNATE MEMBER	CAROLE LAJOUS

	DEVELOPMENT COMMITTEE
MEMBERS	JACQUELINE HIMSWORTH, Chairman
	GORDON HIMSWORTH
	CHRISTOPHER HIMSWORTH
	MARCEL-CLAUDE BRAUD
	SÉBASTIEN BRAUD
	EMILIE BRAUD

	AUDIT COMMITTEE
MEMBERS	PIERRE-HENRI RICAUD, Chairman *
	EMILIE BRAUD
	CÉCILE HELME-GUIZON *
	GORDON HIMSWORTH
ALTERNATE MEMBERS	SÉBASTIEN BRAUD
	CHRISTOPHER HIMSWORTH

** In accordance with the regulations (Article L823-19 of the French Commercial Code), this member:*

- has particular expertise in finance and accounting. This expertise is assessed in light of their training and professional experience. This expertise, for each of the members of the Audit Committee, is reported in the individual fact sheets presented after this table.

- also meets the independence criteria explained in the "independence of board members" section of this section 5.3.1

JACQUELINE HIMSWORTH
CHAIRMAN OF THE BOARD OF DIRECTORS SINCE JUNE 8, 2017 FOR A FOUR-YEAR TERM
MEMBER OF THE BOARD OF DIRECTORS SINCE 1970, RE-ELECTED ON 8 JUNE 2017 FOR A TERM OF FOUR YEARS

Nationality: French

Born on: 27 May 1943

Business address: Manitou BF 430 rue de l'Aubinière - BP 10249 - 44158 Ancenis Cedex France

Professional experience and expertise:

A graduate of the E.S.S.C.A. of Angers in 1964, she worked in Great Britain for one year as a Sales Assistant. She subsequently held various positions at Ets. Marcel Braud, Alimentation Animale, before being named Board Member and then Chairman of the Board of Directors from 1986 to 2000. Jacqueline Himsworth served as Chief Executive Officer and then Chairman of the Board of Directors of S.A. S.F.E.R.T. Société Holding from 1984 to 2011. She also simultaneously acted as Chairman of the Board for several years of the companies SODEM, SOME and LUCAS, as well as manager of the partnership ANCEMAT and TAMECNA sprl, a Belgian company. Jacqueline Himsworth received training as a Director from the Institut Français des Administrateurs.

Other corporate mandates or offices still being exercised in any other company during the past fiscal year:

- Manager of the civil-law partnership Ancemat since 2008 (unlisted company)
- Manager of Tamecna since 2011 (unlisted company)

Other corporate mandates exercised outside of Manitou Group during the last five years but that have come to an end:

- None

DOMINIQUE BAMAS
MEMBER OF THE BOARD OF DIRECTORS AS AN INDEPENDENT BOARD MEMBER
SINCE APRIL 23, 2014. RE-ELECTED ON JUNE 13, 2019 FOR A TERM OF FOUR YEARS

Nationality: French

Born: September 15, 1959

Business address: 25 rue Michel Ange 75016 Paris

Professional experience and expertise:

A graduate of Audencia Nantes business management college and a chartered accountant. After starting his career with the PriceWaterhouse representative in France, he became a partner in the certified accounting and auditing firm Secovec Blin et Associés. He then joined the Roullier group as CFO and Executive Committee member, Chief Executive Officer of a subsidiary in Spain, President of the agrochemicals division and then Chief Executive Officer of the Axereal group until 2011. Since then, he has managed a firm specializing in accounting, auditing, consulting, and corporate mediation.

Other corporate mandates or offices still being exercised in any other company during the past fiscal year:

- President of Upsides Dirigeant Conseil SAS (unlisted company) since December 2011
- Member of the Liaison Committee of the Avril Pôle Végétal group from May 25, 2014 to December 20, 2019 (unlisted company)
- Member of the Board of Directors of the Avril Pôle Végétal group from May 25, 2014 to December 20, 2019 (unlisted company)

Other corporate mandates exercised outside of Manitou Group during the last five years but that have come to an end:

- None

EMILIE BRAUD
MEMBER OF THE BOARD OF DIRECTORS. APPOINTED JUNE 8, 2017 FOR A TERM OF 4 YEARS

Nationality: French

Born: Friday, February 20, 1981

Business address: Manitou BF - 430, rue de l'Aubinière - BP 10249 - 44158 Ancenis

Professional experience and expertise:

A graduate of the ESSEC business school, with a specialization in Audit and Management Control, holder of a DECF (accounting and financial studies diploma) as well as a "Target: Board member" certificate for the EM LYON business school, Emilie Braud began her career in 2006 as financial controller for Cartier in Paris, a subsidiary of the Swiss group Richemont, specializing in luxury jewelery and clock making. At the end of 2007, Emilie Braud joined HRA Pharma, a pharmaceutical company specializing in the development and marketing of treatments in the fields of women's health and endocrinology, where she held the position of Senior Financial Controller.

Other corporate mandates or offices still being exercised in any other company during the past fiscal year:

- None

Other corporate mandates exercised outside of Manitou Group during the last five years but that have come to an end:

- None

MARCEL-CLAUDE BRAUD
MEMBER OF THE BOARD OF DIRECTORS SINCE JUNE 28, 2013. RE-ELECTED ON JUNE 8, 2017 FOR A TERM OF FOUR YEARS

Nationality: French

Born: April 6, 1952

Business address: Manitou BF - 430, rue de l'Aubinière - BP 10249 - 44158 Ancenis

Professional experience and expertise:

A graduate of ESLSCA Paris Business School (1975), he undertook management training in Atlanta and Chicago (International Harvester), USA, from 1977 to 1978. Administrative and Financial Director for SM Termit France, a subsidiary of Manitou BF, from 1979 to 1981, CFO of KD Manitou (a subsidiary of Manitou BF, Texas, USA) from 1981 to 1985, Product Marketing Director (Manitou Group) from 1986 to 1997 and Deputy CEO of Manitou BF from 1986 to 1998, Chairman of the Supervisory Board of Manitou BF from 1998 to June 2009 (offices held in subsidiaries and companies associated with the group), Director of Ligerien Yachting from 2009 to 2015, the Director of Manitou BF since 2013.

Other corporate mandates or offices still being exercised in any other company during the past fiscal year:

- Co-Manager of HB-Holding Braud (France) since 1997 (unlisted company)

Other corporate mandates exercised outside of Manitou Group during the last five years but that have come to an end:

- Director of Ligérien's Yachting (France) until 2015 (unlisted company)

SÉBASTIEN BRAUD
MEMBER OF THE BOARD OF DIRECTORS – BOARD MEMBER SINCE JUNE 2009. RE-ELECTED ON JUNE 8, 2017 FOR A TERM OF FOUR YEARS

Nationality: French

Born: January 16, 1969

Business address: Actiman - 34 avenue de Larrieu – Centre de Gros 2 – 31094 Toulouse Cedex

Professional experience and expertise:

President of Actiman Equipements et Services SASU (Manitou dealership), President of Actiman Location SAS since 2005 (now a leasing company specializing in handling materials and aerial work platforms), Product Manager at Manitou for 10 years.

Other corporate mandates or offices still being exercised in any other company during the past fiscal year:

- President of Actiman Location SAS since 2005 (unlisted company)
- President of Actiman Equipements et Services SASU since December 2015 (unlisted company)

Other corporate mandates exercised outside of Manitou Group during the last five years but that have come to an end:

- None

CÉCILE HELME-GUIZON
MEMBER OF THE BOARD OF DIRECTORS AS AN INDEPENDENT BOARD MEMBER. APPOINTED ON JUNE 8, 2017 FOR A TERM OF FOUR YEARS

Nationality: French

Born: Saturday, June 12, 1965

Business address: Manitou BF - 430, rue de l'Aubinière - BP 10249 - 44158 Ancenis

Professional experience and expertise:

Ms. Cécile Helme-Guizon worked for 11 years at the PwC firm in Paris and New York. In 1998, she joined Kingfisher Plc in London as Director of Mergers & Acquisitions, then Darty in 2001, where until 2017 she consecutively held the positions of Director of International Development, General Director of Services, Deputy Chief Executive Officer, Chief Executive Officer of Mistergooddeal, and Strategy Director. She was the General Delegate of the Institut Français des Administrateurs from 2018 to 2019.

Ms. Cécile Helme-Guizon is also a member of the Board of Directors of Antalis

Other corporate mandates or offices still being exercised in any other company during the past fiscal year:

- Manager of CHG Consulting since October 11, 2019 (unlisted company)
- Antalis board of directors member, audit committee member, and appointments & compensation committee member (listed company) since June 6, 2017
- General Delegate of the Institut Français des Administrateurs from January 2, 2018 to September 30, 2019 (unlisted company)
- Sequana board of directors member, strategic committee member, and accounts committee member from May 12, 2016 to January 31, 2020 (listed company)

Other corporate mandates exercised outside of Manitou Group during the last five years but that have come to an end:

- Strategy Director for the Fnac Darty Group until May 22, 2017
- Board member of Kesa France from October 22, 2014 to July 25, 2017
- CEO of Ménafinance SA until July 25, 2017
- Board Member of Menafinance SA until 25 July 2017
- General Manager for Mistergooddeal until 30 April 2016
- Board member of Mistergooddeal until 2 October 2015
- CEO of Mistergooddeal until 2 October 2015

CHRISTOPHER HIMSWORTH

MEMBER OF THE BOARD OF DIRECTORS – BOARD MEMBER SINCE DECEMBER 2009. RE-ELECTED ON JUNE 8, 2017 FOR A TERM OF FOUR YEARS

Nationality: French

Born: June 7, 1971

Business address: Avenue de Floréal 156, 1180 Uccle - Belgium

Professional experience and expertise:

Christopher Himsworth has a Marketing Degree from Newcastle Polytechnic (Newcastle upon Tyne, UK - 1990), a European Management Teaching Certificate - ECE - from the European Business School in Bordeaux (1993), and a Degree in Advanced Studies in International Business from Salford University (UK - 1994).

Other corporate mandates or offices still being exercised in any other company during the past fiscal year:

- Manager of Trinity Group SPRL since 10/13/2011 (unlisted company)
- Managing Director of Choose and Work since 2016 (unlisted company)

Other corporate mandates exercised outside of Manitou Group during the last five years but that have come to an end:

- None

GORDON HIMSWORTH

MEMBER OF THE BOARD OF DIRECTORS – BOARD MEMBER SINCE 1998. RE-ELECTED ON JUNE 8, 2017 FOR A TERM OF FOUR YEARS

Nationality: British

Born: September 4, 1938

Business address: Manitou BF 430 rue de l'Aubinière - BP 10249 - 44158 Ancenis Cedex France

Professional experience and expertise:

National Certificate in Mechanical Engineering.

Diploma from the School of Management (Institut Français de Gestion).

Member of the British Institute of Management.

Member of the Institution of British Engineers.

Member of the British Materials Handling Institute.

President and CEO of Braud SA, Board Member of Manitou U.K., Board Member of S.F.E.R.T. (Holding Company), and CEO of SAEMIA (Société d'économie mixte immobilière d'Ancenis) for 25 years.

Other corporate mandates or offices still being exercised in any other company during the past fiscal year:

- Board Member of Manitou Finance Ltd (UK)
- Manager of the SCI "6 rue Poupard Davyl" Ancenis (France) since 2000 (unlisted company)

Other corporate mandates exercised outside of Manitou Group during the last five years but that have come to an end:

- Manager of Menskin SARL (France) from October 8, 2012 to December 31, 2019

CAROLE LAJOUS

MEMBER OF THE BOARD OF DIRECTORS AS AN INDEPENDENT BOARD MEMBER. APPOINTED ON JUNE 8, 2017 FOR A TERM OF FOUR YEARS

Nationality: French

Born: December 30, 1964

Business address: Manitou BF 430 rue de l'Aubinière - BP 10249

44158 Ancenis Cedex France

Professional experience and expertise:

After 17 years of experience in financial management at the global leader in the paper industry, Carole Lajous chaired Polyrey, one of its subsidiaries, to restructure it and manage its sale to the American conglomerate Illinois Tool Work. She then joined the chemical sector as VP Chief Administration Officer and Global HRD for the international Nutrition & Health division at Cognis (a leader in chemical active ingredients for detergents, cosmetics, and nutritional products). Carole Lajous then directed Cognis France during its integration into the BASF group and then took over the general management of the BASF Coatings France Division, another division of the BASF Group bringing in revenue of €300 million, 70% internationally. From September 2016 to December 2017, Carole Lajous directed Quadran - Energies Libres on behalf of the group in the renewable energies sector, the B-to-B procurement, services, and solutions, and executed a major acquisition in this quickly growing sector.

She then joined the Fédération des industries des peintures, encres, couleurs, colles et adhésifs (Federation of paint, ink, color, glue, and adhesive industries) in January 2018 as President and CEO for one and a half years. A certified director by the IFA Science Po in 2013, holder of an MBA from the HEC, she also serves as independent board member in the Roquette family group (a major player in the processing of vegetable raw materials for industries and the agri-food sector) since December 2014. She is also a volunteer board member for a humanitarian association working for the protection of children.

Other corporate mandates or offices still being exercised in any other company during the past fiscal year:

- General Delegate of Fipec between October 2017 and September 2019 (unlisted company)

Other corporate mandates exercised outside of Manitou Group during the last five years but that have come to an end:

- President and CEO of BASF Coatings France from 2010 to June 2016 (listed company)
- President and CEO of Energies Libres - Quadran from August 2016 to January 2018 (unlisted company)
- Independent board member of the Roquette group from December 2014 to May 2018 (unlisted company)

STEPHANE RENAUD

MEMBER OF THE BOARD OF DIRECTORS AS AN EMPLOYEE BOARD MEMBER SINCE SEPTEMBER 10, 2018 FOR A TERM OF THREE YEARS

Nationality: French

Born: August 18, 1962

Business address:
Manitou BF - 430 Rue de l'Aubinière -
BP 10249 - 44150 Ancenis Cedex

Professional experience and expertise:

With a certificate of vocational proficiency in maintenance mechanics, Stéphane Renaud joined the group in 1979, first in Production and then in the Methods department. Representative of the Establishment Committee on the Board of Directors from June 2003 to September 2018. Treasurer of the Establishment Committee from June 2007 to September 2018.

Other corporate mandates or offices still being exercised in any other company during the past fiscal year:

- Methods Technician of Manitou BF since 1979 (listed company)

Other corporate mandates exercised outside of Manitou Group during the last five years but that have come to an end:

- None

PIERRE-HENRI RICAUD

MEMBER OF THE BOARD OF DIRECTORS AS AN INDEPENDENT BOARD MEMBER SINCE DECEMBER 2009. RE-ELECTED ON JUNE 13, 2019 FOR A TERM OF FOUR YEARS

Nationality: French

Born: March 25, 1955

Business address:
5, place des Ternes - 75017 Paris

Professional experience and expertise:

Graduate of the Paris Ecole Polytechnique (1974), Corps des Mines Engineer (1980), Director of the Matra Space Programme (1984-1988), Director of the Matra Defence Programme (1988-1992), Strategy Director for Lagardère group (1992-1996), Strategy Director for MBDA (1996-1999), Corporate Secretary for EADS (2000-2003), Mergers and Acquisitions Director for EADS (2003-2006), Founder, Manager then President of the consultancy firm Pragma (since 2007).

In this context, the following skills have been developed and implemented: financial, legal (contracts and governance), technical, and industrial.

Other corporate mandates or offices still being exercised in any other company during the past fiscal year:

- President of the financial and strategic consulting firm Pragma (EURL, became an SAS in 2013, unlisted company) since December 2006

Other corporate mandates exercised outside of Manitou Group during the last five years but that have come to an end:

- Member of the Supervisory Board of Recaero SA from June 29, 2015 to December 15, 2017
- Censor of Recaero SA from 2013 until November 29, 2014

PROCEDURE FOR EVALUATING THE WORK OF THE BOARD AND COMMITTEES

On March 6, 2019, the Board conducted an internal evaluation of its operations. To do so, each board member presented his/her evaluation based on a questionnaire developed around nine quality and progress criteria as compared to the previous year. The evaluation concerned the operations of the Board and its committees, the information provided before and after their meetings, compliance with the Governance Code, the quality of the Board's decisions, the relations with the executive management, as well as the quality of the debate and relations within the Board, all with the objective of monitoring the implementation of areas for improvement identified during the previous internal evaluation conducted during fiscal year ended December 31, 2018. These contributions were analyzed and synthesized by an independent board member. In general, this internal evaluation revealed a positive overall assessment regarding all of the criteria submitted for evaluation. Areas for improvement were identified with respect to the organization of the meetings of the Board and committees as well as substantive items.

DIVERSITY POLICY APPLIED TO THE MEMBERS OF THE BOARD OF DIRECTORS

In accordance with the internal regulations, the board members appointed by General Meeting are selected for their expertise, diverse backgrounds, willingness to be associated with the company's strategy, and the contribution that they can make to the Board's work. Therefore, the Board endeavors to define and apply a diversity policy with respect to the expertise and experience provided by each board member to ensure that their backgrounds are complementary in terms of nationality, gender, and experience.

Pursuant to Article L. 225-37-4 of the French Commercial Code, the diversity policy criteria applied on the Board of Directors are defined below, as well as the targets set by the Board of Directors, the implementing procedures, and the results achieved during fiscal year 2019.

Criterion	Targets	Conditions	Result
Balanced representation of men and women on the Board	At least equal to 40% of each gender pursuant to the provisions of Article L. 225-18-1 of the French Commercial Code	Proposal at the General Meeting of board members to appoint or re-elect	**Target achieved:** 40% of members of the Board elected by General Meeting are women
Professional qualifications and experience	Complementary backgrounds both in terms of nationality and experience	Proposal at the General Meeting of board members to appoint or re-elect	**Target achieved:** The Board has a member with a foreign nationality, and several members of the Board have international experience as well as diverse professional training or experience especially in the industrial, finance, economics, and corporate management fields
Diversity of ages	The objective is to combine members with experience and very strong knowledge about the company with younger members who can bring a fresh eye and more modern practices	Proposal at the General Meeting of board members to appoint or re-elect	**Target achieved:** As of the date of closing of the 2019 financial statements by the Board, 45% of the board members were less than 55 years of age, 27% were between 55 and 65, and 27% were over 65
Independence of board members	The Board has at least two independent board members. The independence criteria used are those of the MiddleNext governance code	Proposal to the General Meeting to renew the corporate mandates of the independent members as long as they meet the criteria of independence or appoint new independent members to replace non-independent members	**Objective achieved:** The Board includes four independent board members (two men and two women), each appointed for a term of four years

TABLE OF VALID DELEGATIONS AND AUTHORIZATIONS GRANTED BY GENERAL MEETING IN THE AREA OF CAPITAL INCREASES

Nature of delegation or authorization	Date of delegation or authorization	Expiration date	Amount authorized	Use	Amount remaining as of December 31, 2019
Delegation to issue ordinary shares and/or securities with maintenance of the PSR*	06/13/2019 (resolution 17)	08/12/2021	€8 million*	None	€8 million
Delegation to issue ordinary shares and/or securities with elimination of PSR* by public offer and/or remuneration of securities in the context of a public exchange offer	06/13/2019 (resolution 18)	08/12/2021	€8 million*	None	€8 million
Delegation to issue ordinary shares and/or securities with elimination of PSR* by public offer referred to in part II of Article L.411-2 of the French Monetary and Financial Code	06/13/2019 (resolution 19)	08/12/2021	€8 million*, limited to 20% of the capital per year	None	€8 million
Delegation for the purpose of increasing the capital by incorporation of premiums, reserves, earnings, or other elements	06/13/2019 (resolution 20)	08/12/2021	€8 million	None	€8 million
Delegation by issue of ordinary shares and/or securities giving access to the capital for the purpose of remunerating contributions in kind	06/13/2019 (resolution 21)	08/12/2021	10% of the capital*	None	10% of the capital
Authorization to allocate existing free shares or free shares to be issued for the benefit of the members of the salaried staff and/or certain corporate officers	06/13/2019 (resolution 22)	08/12/2022	2% of the capital on the date of the Board of Directors' meeting	None	2% of the capital on the date of the Board of Directors' meeting

** Common ceiling*

*** Preferential subscription right*

DECLARATION REGARDING THE SITUATION OF THE MEMBERS OF THE BOARD

To the company's knowledge, on the date of drafting of this document, no member of an administrative(*), management, or supervisory body has, within the last five years:

- been convicted of fraud;
- been affected by a bankruptcy, sequestration, liquidation, or forced administration of a company in which they have served as a member of an administrative, management, or supervisory body,
- been disqualified by a court of law from acting as a member of an administrative, management, or supervisory body or from participating in the management or business conduct of an issuer,
- been the subject of proceedings and/or official public sanction pronounced by a statutory or regulatory authority (including designated professional bodies).

(*) with the exception of Ms. Cécile Helme Guizon, board member (between May 12, 2016 and January 31, 2020) of Sequana, in court-ordered liquidation since May 15, 2019.

SERVICE AGREEMENTS AND AWARDING BENEFITS

On the date on which this document is drawn up and to the knowledge of the company, there are no service agreement linking members of the administrative or management bodies to the issuer or to any of its subsidiaries and granting any special advantages under the terms thereof.

It should also be noted that Sébastien Braud is the President of Actiman Equipements et Services, which has a dealer agreement with the company.

CONFLICTS OF INTEREST

CONFLICT OF INTEREST REPORTING AND MANAGEMENT PROCEDURES

In accordance with the Internal Regulation of the Board, the board members must notify the Board of any conflicts of interest concerning them with the company or one of its subsidiaries and then refrain from the associated deliberations.

In the event a situation suggests or could suggest that there is a conflict between the company's interest and the board member's direct or indirect personal interest or the interest of the shareholder or the group of shareholders that he or she represents, the board member in question must:

- notify the Board as soon as he or she becomes aware of it;
- and draw any conclusions from it as regards exercise of the term of office. Thus, as appropriate, the board member should:
  - either abstain from voting in the corresponding deliberations,
  - or not attend the meetings of the Board of Directors during the period in which the conflict of interests exists,
  - or resign from his or her position as a board member.

Corporate officers are asked to update the declarations annually.

To the company's knowledge, on the date of drafting of this document, and with the exception of the information below, no potential conflict of interest has been identified between the duties of any of the persons who are members of an administrative, management, or supervisory body with regard to the issuer and their private interests and/or other duties.

With the exception of the Shareholder Agreement referred to in chapter 6.2, there is no:

- other arrangement or agreement entered into with the primary shareholders or with customers, suppliers, or other parties pursuant to which one of the persons who is a member of an administrative, management, or supervisory body was selected in the capacity of member of an administrative, management, or supervisory body or as a member of the general management,
- other restriction accepted by the persons who are members of an administrative, management, or supervisory body concerning the transfer of the securities of the issuer that they hold within a certain period of time.

Certain non-independent members of the Board of Directors have exercised functions as a company director or senior executive within the company as well as other structures.

REGULATED AGREEMENTS AND AGREEMENTS ENTERED INTO BETWEEN A DIRECTOR OR SIGNIFICANT SHARHEOLDER AND A CONTROLLED COMPANY

All of the regulated agreements are the subject of a special Statutory Auditors' report, which can be found in section 7.4.2 of this universal registration document.

Furthermore, there is no agreement in existence between a corporate officer of the company or a shareholder holding more than 10% of the voting rights and a controlled company.

FAMILY LINKS

It is specified that:

- Gordon Himsworth is the spouse of Jacqueline Himsworth;
- Marcel-Claude Braud, Sébastien Braud, and Emilie Braud are siblings and the nieces and nephews of Jacqueline and Gordon Himsworth,
- Christopher Himsworth is the son of Jacqueline and Gordon Himsworth.

EVALUATION PROCEDURE FOR ONGOING AGREEMENTS AS WELL AS ITS IMPLEMENTATION

In accordance with the provisions of Article L. 225-39, paragraph 2, of the French Commercial Code, the Board of Directors, at its meeting of March 3, 2020, adopted a procedure making it possible to regularly assess whether agreements involving day-to-day operations entered into under normal conditions indeed meet these conditions.

It is intended, on the one hand, to clarify the criteria selected by the company to identify and characterize ongoing agreements entered into under normal conditions and, on the other hand, to formalize a procedure to be used to regularly assess whether these agreements continue to meet these conditions.

The identification criteria for ongoing agreements entered into under normal conditions are as follows:

"Day-to-day operations" means those that the company usually carries out and that are executed as part of its ordinary business, in particular in light of its business purpose. To assess whether an operation is a day-to-day operation, the following elements are taken into consideration, among others: routineness and repetition, nature of the operation and its duration, the circumstances surrounding the conclusion of the agreement, the legal importance of economic consequences of the operation, and the customary practices of companies in a similar situation.

Operations concluded under "normal conditions" are those that are performed by the company under the same conditions as those that it customarily practices in its relations with third parties, with the result that they do not allow the contracting party to gain an advantage that would not have been available to a third party. To determine whether these conditions are "normal", the conditions under which the agreements in question are customarily entered into by other companies in the same business sector are also taken into consideration.

This procedure requires that the Finance Department and Legal Department be informed in advance of any agreement likely to be considered regulated under the provisions of Article L.225-38 of the French Commercial Code for the purposes of assessment, after hearing the opinion of the Statutory Auditors, as applicable, of the identification criteria of ongoing agreements entered into under normal conditions set forth above. The conclusions of the evaluation are documented in a written report. The assessment of the criteria is reviewed whenever a previously entered into agreement is modified, renewed, extended, or terminated.

Every year, before the financial statements for the previous year are closed, the Legal Department informs the Audit Committee of the list of ongoing agreements entered into under normal conditions between the company and less than wholly owned subsidiaries, accompanied by the basis for the judgment characterizing them as such.

If, during the annual review, the Audit Committee believes that an agreement previously considered an ongoing agreement entered into under normal conditions no longer meets the aforesaid criteria, it will inform the Board of Directors. The Board of Directors will classify the agreement as a regulated agreement, if necessary, and will approve it and submit for approval at the next General Meeting, with a special report from the Statutory Auditors in accordance with the provisions of Article L. 225-42 of the French Commercial Code.

As of the date of drafting of this document, the procedure has not been implemented.

5.1.4. INFORMATION REGARDING THE EXECUTIVE MANAGEMENT AND ITS EXECUTIVE COMMITTEE

EXECUTIVE MANAGEMENT

The company's executive management is undertaken by the Chief Executive Officer (CEO), a position established under the company's articles of association and the powers of which are set out in the internal regulation of the Board of Directors.

The internal regulation of the Board of Directors states that the CEO is responsible for implementation of the group strategy, the medium-term objectives of which are set out in the strategic plan approved by the Board of Directors. The CEO proposes an annual budget, established on the basis of the strategic plan for the coming financial year.

Furthermore, the internal regulation lists a certain number of transactions for which the CEO must obtain prior authorization from the Board, particularly for performing the following transactions, for the company or its subsidiaries, likely to significantly affect the financial and/or legal and/or social structure, the scope of activity, the strategy, and more generally the future: merger or acquisition transactions, sale of subsidiaries; license agreements that have or will have a significant impact on the profitability and the liquidity of the company or the group; the granting of approvals, securities or guarantees exceeding the annual ceiling agreed by the Board; collateralization guaranteeing the company's commitments beyond the annual ceiling agreed by the Board, investments not anticipated in the budget above a certain threshold; investments anticipated in the budget and above a certain threshold; the taking out of loans or leases above a certain threshold; appointment and dismissal of the corporate officers and directors of the company's subsidiaries.

The CEO may not combine an employment contract with a corporate office, and all the components forming part of the CEO's fixed and variable compensation, including severance payments, pension scheme, and allocation of stock options, are set out in section 5.2 of this chapter. All these components are in line with good governance principles in accordance with Recommendations R13 to R19 of the MiddleNext Code.

MICHEL DENIS
PRESIDENT AND CHIEF EXECUTIVE OFFICER OF MANITOU GROUP SINCE JANUARY 13, 2014

Nationality: French

Born on: May 17, 1965

Business address: 430 rue de l'Aubinière
BP 10249 - 44158 Ancenis Cedex

Experience and management expertise

A graduate from the ESSEC business school and the Ecole Centrale research university in Lyons, he began his career in strategic consulting. He joined Dalkia in 1994 to develop cogeneration. He subsequently managed the French business activities of MC International, which later became Johnson Controls, a specialist in industrial and commercial refrigeration. In 2003, he joined the Fraikin group, the European leader in truck rentals, serving as Chief Executive Officer until August 2013. In those 10 years, he supported the strong international development of the Fraikin group, which established its approach to industrial vehicle design, associated services, and the European financing of its fleet of 60 000 vehicles as a model. He joined Manitou Group in 2014.

Other corporate mandates or offices still being exercised in any other company during the past fiscal year:

- Board Member of Manitou America Holding Inc (former "Manitou Americas") (United States)
- Board member of Manitou Finance Ltd (UK)
- Chairman of the Board of Directors of Manitou Italia Srl (Italy)
- President of Cobra MS (France)
- Board member of Manitou Brasil Importaçao e Comercio de maquines de Elevaçao (Brazil)
- Board Member of Manitou Equipment India Private Ltd (India)
- Board Member of Audencia since December 29, 2017
- Board Member of MEDEF 44 since April 28, 2016
- Member of the Board of Directors of EVOLIS (formerly CISMA) since June 26, 2015
- Member of the Board of Directors of GICAT since June 2015
- Manager of GLGM Conseil EURL since 2013 (unlisted company)
- Manager of Gamagule SARL since 2006 (unlisted company)
- Adviser of Banque de France since March 9, 2016

Other corporate mandates exercised outside of Manitou Group during the last five years but that have come to an end:

- None

EXECUTIVE COMMITTEE

The Executive Committee is comprised of seven members and is chaired by Michel Denis. Six other members report directly to him.

ELISABETH AUSIMOUR
PRESIDENT OF THE MATERIAL HANDLING & ACCESS DIVISION (MHA)

Professional experience and expertise:

A graduate of the EPF Ecole d'ingénieurs de Sceaux, Elisabeth Ausimour began her career in purchasing at Chantiers de l'Atlantique. In 2005, she joined the purchasing department of Manitou Group, then moved to Customer Quality. In 2011, she took over management of the Candé factory until 2016, when she became director of the ERP and process redesign project. She has held the position of President of the MHA division since October 2019.

MAXIME DEROCH
PRESIDENT OF THE SERVICES & SOLUTIONS DIVISION (S&S)

Professional experience and expertise:

A graduate of the Ecole Centrale Lyon in 1994, Maxime Deroch joined the chemical branch of the Elf group (now Total), holding various positions in Research and Development, Marketing, then Internal Auditing in France and the US. In 2004, he joined Manitou Group as Internal Audit and Control Manager and then moved towards the positions of ERP project manager and VP Marketing. He has held the position of President of the Services & Solutions division since July 2014.

RICK L. ALTON
PRESIDENT OF THE COMPACT EQUIPMENT PRODUCTS DIVISION (CEP)

Professional experience and expertise:

An American and graduate of the Frostburg State University, Hagerstown, Maryland, Rick Alton began his career at JLG and then over a period of more than 20 years held senior positions in the construction equipment industry, in particular in the management of profit centers, strategy, sales & marketing, manufacturing, engineering, and product design. Rick Alton has experience in the management of inter-functional and matrix teams in support of a diverse customer base and strategic partners. He has achieved conclusive results, in particular through growth of revenue, improved profitability with cost reduction, stock optimization, and launch of new products. He joined Manitou Group in April 2017 as President of the CEP division and member of the Executive Committee.

LAURENT BONNAURE
EXECUTIVE VICE PRESIDENT SALES & MARKETING

Professional experience and expertise:

A dual French and Canadian citizen, Laurent Bonnaure is a graduate of the Ecole Centrale de Paris and holds a Master's of Science from MIT (USA). He has held various management positions in the United States and in France, in particular at VidaMed as co-founder and Director of Engineering and Manufacturing, before joining Elis as International Director in 1996. He was then the Deputy General Director and member of the management board of Fraikin from 2008 to 2016, before joining Manitou Group as Executive Vice President, Global Sales and Marketing, on September 1, 2016.

GUILLAUME RABEL-SUQUET
EXECUTIVE VICE PRESIDENT HUMAN RESOURCES

Professional experience and expertise:

A graduate of Université de Paris 1er Panthéon-Sorbonne with a DESS in Human Resources Management in 1998 and of INSEAD in 2019, Guillaume Rabel-Suquet began his career at Europcar as Human Resources and Corporate Relations Manager. He subsequently moved into the HRD role in major international groups, such as DHL in Germany, Areva T&D in Paris, and Stanley Black & Decker in Belgium. In 2014, he joined Manitou Group and holds the position of Group Human Resources Director.

HERVÉ ROCHET
CORPORATE SECRETARY

Professional experience and expertise:

A graduate of the IEP of Lyon and holder of a DECF, Hervé Rochet began his career in auditing before joining the financial teams of the Huntsman Chemical group, then the Trelleborg AB group. In 2005, he joined Manitou Group as the group's Chief Financial Officer. He has held the position of Corporate Secretary - CFO since April 2014.

The Executive Committee typically meets weekly as well as several times per year in the context of seminars.

INFORMATION REGARDING THE BALANCED REPRESENTATION OF MEN AND WOMEN ON THE EXECUTIVE COMMITTEE AND IN THE TOP 10% OF POSITIONS WITH THE MOST RESPONSIBILITY

In accordance with the law of September 5, 2018, the company is looking to achieve balanced representation of men and women on the Executive Committee. In addition, the Board deliberates annually on the company's professional gender equality and equal pay policy. In 2019, it reviewed the 2015-2018 action plan (the company's first agreement on this subject, put in place in accordance with Article L1143-1 of the French Labor Code) as well as a statement of accomplishments to date. The measures provided for by this action plan include promoting access by women to management positions and facilitating the exercise by women of the management role through access to training and mentorships. The Executive Committee has also committed to systematically solicit the nomination of a female candidate and a male candidate when renewing or creating positions on the teams of the Executive Committee and the management companies.

A recruitment process was initiated within the Executive Committee to fill the position held by Fernand Mira. The candidacy of Elisabeth Ausimour was selected. Elisabeth Ausimour joined the Executive Committee in October 2019.

In addition, of the top 10% of positions with the most responsibility, 15% are held by women.

5.2. COMPENSATION-RELATED INFORMATION

5.2.1. CORPORATE OFFICERS' COMPENSATION POLICY (EX-ANTE VOTE)

At the recommendation of the Compensation Committee and taking into account the recommendations of the MiddleNext Code, the Board of Directors has established a compensation policy for each of the company's corporate officers in accordance with its corporate interest, contributing to its continuity, and as part of its commercial strategy, as described in chapter 1.5 of this document. For this purpose, the Board establishes the compensation policy of the Chief Executive Officer in light of these elements, specifically by establishing the criteria of his variable compensation related to the implementation of this commercial strategy, with respect for the interests of the company.

No compensation element of any nature whatsoever may be determined, awarded, or paid by the company and no commitment can be made by the company, unless it is compliant with the approved compensation policy or, in the absence of such policy, with the compensation or practices existing within the company. However, in case of exceptional circumstances, the Board of Directors may deviate from the application of the compensation policy if that deviation is temporary, consistent with the company's interests, and necessary to guarantee the continuity or viability of the company.

The Board of Directors determines, revises, and implements the compensation policy of each corporate officer at the recommendation of the Compensation Committee. It is noted that the CEO and Chairman of the Board of Directors cannot take part in the Board's deliberations or voting on issues relating to the implementation of their compensation in accordance with that policy.

As part of the decision-making process followed to determine and revise the compensation policy for corporate officers, the compensation and employment conditions of the company's employees were taken into account by the Board as follows: discussions took place beforehand between the Compensation Committee and the group's Human Resources Director in order to ensure that the elements of the compensation policy of the CEO are consistent with the human resources policy regarding the compensation of the company's senior executives.

This compensation policy was modified from the policy approved by the Ordinary General Meeting of June 13, 2019 in its 14th resolution on variable compensation elements by adding new criteria and especially the creation of a non-financial CSR criterion and by modifying the weighting of each criterion. These changes make it possible to better align the structure of the variable compensation of the CEO with the group's commercial strategy and financial, non-financial, and operational performance objectives. To develop this modified policy, the Compensation Committee and the Board reviewed the voting results of the last General Meeting on the compensation policy.

In case of change in governance, the compensation policy will be applied to the company's new corporate officers, with the necessary adaptations, as applicable.

The compensation policy of the corporate officers will be consistent with the current policy until a new policy is voted upon, as applicable.

Provided that the conditions defined above are met, the Board may temporarily depart from the application of the President and CEO's compensation policy in accordance with the second paragraph of part III of Article L. 225-37-2 concerning all of the elements of variable compensation (including those of the Phantom Shares long-term incentive program). The Board will decide on the recommendations of the Compensation Committee and will determine whether this deviation is in line with the company's interests and necessary to guarantee the continuity or viability of the company. These justifications will be brought to the attention of the shareholders in the next corporate governance report. It is noted that the CEO and the Chairman of the Board of Directors do not participate in the Board's deliberations or voting on these matters.

5.2.1.1. CEO'S COMPENSATION POLICY

The compensation policy established by the Board at the recommendation of the Compensation Committee is as follows:

The fixed, variable, and extraordinary elements comprising the total compensation and benefits of all kinds that may be granted to the CEO in connection with that office, well as their respective importance, are as follows:

FIXED COMPENSATION

The CEO receives fixed compensation for his duties determined at the recommendation of the Compensation Committee, taking into account market practices, among other factors. It was set by the Board of Directors' meeting of March 3, 2020 and is increased annually by 1.50%, regardless of the company's performance. The Board reserves the right to review the amount, subject to the opinion of the Compensation Committee.

VARIABLE ANNUAL COMPENSATION

The CEO may receive annual variable compensation for his duties, the criteria for which are based on elements relating to the group's financial, commercial, environmental, and societal performance. These criteria were established during the Board of Directors' meeting of March 3, 2020 at the proposal of the Compensation Committee. These criteria are based on: (i) market shares, (ii) Recurring Operating Income (ROI) in value, (iii) Recurring Operating Income in percentage, (iv) Return on Average Capital Employed (ROACE), (v) the gearing ratio, (vi) qualitative objectives, and (vii) Corporate Social Responsibility (CSR) goals.

The maximum global amount of the annual variable compensation that may be paid to the CEO corresponds to 65% of the fixed compensation paid to the CEO for the fiscal year in question.

For each criterion (or sub-criterion), the allocation and valuation guidelines are as follows:

- each criterion (or sub-criterion) will be valued as soon as between 80% and 150% of the target has been reached individually;
- for some criteria, a floor and ceiling will be defined in value;
- if less than 80% of a target has been reached (or below a certain floor), the corresponding criterion will not trigger any bonus;
- underperformance, namely achieving between 80% and 99% of the target objective, is penalized with a discount of 25%: for example, if 80% of the target is reached, it would trigger payment of 60% of the corresponding bonus;
- achieving the target objective will trigger payment of 100% of the bonus amount for that criterion;
- outperformance, namely achieving more than 100% of the target objective, is valued linearly, or for example achievement of 110% of the criterion (or sub-criterion) triggers payment of a bonus equal to 110% of the corresponding criterion (or sub-criterion);
- when a criterion is broken down into sub-criteria, the above rules apply individually to each sub-criterion;
- when the target objective relating to one of the aforesaid criteria has been reached during a fiscal year, payment of the portion of the annual variable compensation relating to that criterion would be triggered for the fiscal year in question regardless of whether or not the target objectives set for the other criteria have been achieved;
- In any event, although the bonus awarded for each criterion (or sub-criterion) may in practice vary individually from 60% to 150% of the target amounts, the total amount of the annual variable compensation for all 7 criteria may never exceed 65% of the gross annual fixed compensation.

The table below summarizes the identified criteria, their nature, their correlation with the commercial strategy, the percentage of the annual fixed compensation to which each of the criterion taken individually entitles payment (based on the achievement of 100% of the criterion target), as well as the overall maximum amount of the annual variable portion for 2020:

		Nature of criterion				
Criteria	% of gross annual fixed compensation	Financial	Non-financial	Quantitative	Qualitative	Sales strategy
No. 1: Market shares	14%		X	X		X
No. 2: ROI in value	7%	X		X		X
No. 3: ROI in % of net sales	7%	X		X		X
No. 4: ROACE in %	8%	X		X		X
No. 5: Gearing ratio	6%	X		X		X
No. 6: Qualitative objectives	9%		X		X	X
No. 7: CSR	14%		X	X	X	X
TOTAL OVERALL MAXIMUM	**65%**					

To determine to what extent the performance criteria established for the variable compensation have been met, the Board has put the following evaluation methods in place:

- **market shares:** This criterion is evaluated on the basis of statistics provided by the international professional associations. This criterion is broken down into 5 sub-criteria. The market share objectives are defined by types of machines/ product ranges, by market segments, and by geographical regions;
- **the Recurring Operating Income (ROI) in value.** The ROI is comprised of the revenue, cost of sales, research and development costs, sales and marketing costs, administrative costs, other operating income and expenses, and the income and expenses on current items;
- **the Recurring Operating Income (ROI) in percentage.** The ROI in percentage refers to the recurring operating income as a percentage of the revenue by dividing the ROI for the fiscal year by the revenue for the fiscal year;
- **the Return on Average Capital Employed (ROACE).** The ROACE refers to the return on capital employed, calculating the ratio between the recurring operating income and the average capital employed for the three financial situations of December N-1, June N, and December N;
- **the gearing.** Corresponds to the ratio at the end of December of the net debt divided by the amount of the share capital, excluding IFRS16 lease commitments. For the purposes of calculating this criterion, the data used will have the same scope and same exchange rates, excluding any potential modification of the IFRS;
- **the qualitative criterion.** This criterion is divided into 6 sub-criteria to make it possible to define the product and services ranges to develop, the deployment of performance levers, the acceleration of sales development in certain geographical regions, and the performance of defined strategic studies;
- **Corporate Social Responsibility (CSR).** This criterion was broken down as follows: quantitative objectives represent 9% of the fixed compensation and qualitative objectives represent 5% of the annual fixed compensation;

The objectives of the criteria (or sub-criteria) mentioned above for the fiscal year in question were pre-established and defined at the Board of Directors' meeting of March 3, 2020 on the proposal of the Compensation Committee but are not made public for reasons of confidentiality.

The annual variable compensation contributes to the objectives of the compensation policy as follows: it allows the group to be consistent and aligned with market practices, to establish under-performance and over-performance mechanisms, and establish target objectives that are achievable.

"Phantom Shares," a long-term incentive program: The Board of Directors, at the proposal of the Compensation Committee, puts a Phantom Shares plan in place for the benefit of the CEO. The Phantom Shares plan is a mechanism for awarding the value of shares as a function of the annual performance of the net earnings per share through which the CEO may collect an annual bonus of an amount determined in accordance with the award criteria defined by the Board of Directors (financial criterion and presence criterion). It is understood that the number of Phantom Shares allocated to the CEO will be determined on the basis of an earnings-per-share (EPS) criterion and will be allocated in two tranches, provided that the targets pre-determined by the Board of Directors have been met. The maximum number of Phantom Shares that can be awarded to the CEO is limited to 15 500 and are broken down as follows: an initial so-called performance tranche, limited to 12 500, and a second so-called out-performance tranche, limited to 3 000.

Each Phantom Share awarded to the CEO is converted on the basis of the simple average of the stock prices of the Manitou share determined at closing on the 20 days preceding the date of the Board of Directors' meeting closing the financial statements for the year in question and the 20 days following that date.

The performance target of this criterion for the fiscal year in question was pre-established and defined at the Board of Directors' meeting of March 3, 2020 on the proposal of the Compensation Committee but is not made public for reasons of confidentiality.

EXTRAORDINARY COMPENSATION

The Board may decide, by proposal of the Compensation Committee, to grant extraordinary compensation to the CEO in light of very special circumstances, such as the completion of a major transaction for the company or the group.

COMMITMENTS

The CEO benefits from the following commitments:

Commitments made by the company or by a subsidiary or parent company	Main characteristics	Criteria for award	Conditions for termination
Severance package in case of departure	The CEO is eligible for a severance package if his term of office is revoked or is not renewed. The amount of the severance pay would correspond to 200% of the fixed compensation and annual variable compensation (excluding the Phantom Shares plan) awarded for the fiscal year preceding the year in which the dismissal or non-renewal has taken place, provided that the criteria triggering payment of this benefit have been met. However, if the severance pay is owed, it will be adjusted as a function of the Board of Director's implementation of the non-compete commitment and, in particular, if this non-compete payment is implemented, the amount of the severance pay will be decreased by the amount actually paid to the CEO by way of a non-compete payment, Date of submission to the General Meeting: 06/13/2019 (resolution no. 12) Resolution no. in the context of the regulated agreements procedure: 4th resolution of the General Meeting of June 14, 2018	The criteria triggering payment of the Severance Pay ("SP Criteria") will be assessed in light of the performance of the CEO, which is measured using the same quantitative and qualitative criteria as those used to calculate his Variable Compensation. The SP Criteria and therefore the condition for payment of the Severance Payment will be considered met if the CEO has received at least 60% of the arithmetic average of the potential maximum amounts of his annual variable compensation for all fiscal years from 2014 to the year preceding the fiscal year during which his term of office comes to an end.	The payment will not be owed in case of: - serious breach by the CEO; - resignation of the CEO during his term of office; - non-renewal of the Corporate Office if the Board of Directors has formulated a written offer for a new corporate mandate under terms and conditions that represent a significant improvement over all of the conditions of this corporate mandate but the CEO refuses it.
Non-compete payment	The CEO will be required to abide by a non-compete clause for a period of twelve months following the end of his term of office. In return for this, the CEO will receive a monthly payment for a period of one year from the actual date of termination of his office. This payment will be equal to half of the fixed monthly compensation paid in the last month preceding the termination of his office. This payment will not apply when its beneficiary claims his pension rights Date of submission to the General Meeting: 06/13/2019 (resolution no. 12) Resolution no. in the context of the regulated agreements procedure: 4th resolution of the General Meeting of June 14, 2018	NA	The company reserves the option of abandoning the non-competition clause in writing before the CEO's office terminates or within fifteen days of his departure. This will discharge the company from payment of the above indemnity. The company will be released from its obligation to make the non-compete payment if the CEO violates the non-compete commitment.
Defined benefit retirement commitments	None	None	None
Defined contribution retirement commitments	None	NA	None
Other commitments corresponding to elements of compensation, allowances, or advantages owed or that could be owed in connection with the termination or change of functions, or subsequent thereto	None	None	None

BENEFITS OF ALL KINDS

The CEO enjoys from the following benefits of all kinds:

- coverage of transportation costs between Angers/Nantes and his residence;
- the company purchased an unemployment policy for the benefit of the CEO from the Association pour la Garantie Sociale des Chefs et Dirigeants d'entreprise (GSC);
- retirement: the CEO is covered by the same pension and healthcare schemes as the company's executives;
- car: the company covers the costs of a vehicle for the CEO.
- Civil liability insurance for Corporate Officers, which is enjoyed by all relevant persons of the group.

ANY OTHER ELEMENT OF COMPENSATION THAT MAY BE RECEIVED IN CONNECTION WITH THE CORPORATE MANDATE:

None

It is noted that the payment of variable compensation elements and, as applicable, extraordinary elements awarded for the past fiscal year, are subject to approval by the Ordinary General Meeting of the elements comprising the compensation and benefits of all kinds of the CEO paid during the previous fiscal year or awarded in connection with that fiscal year (ex post vote).

5.2.1.2. CHAIRMAN OF THE BOARD'S COMPENSATION POLICY

The compensation policy established by the Board at the recommendation of the Compensation Committee is as follows:

The elements comprising the total compensation and benefits of all kinds that may be granted to the Chairman in connection with that office are as follows:

- annual fixed compensation: the Chairman receives in connection with that office an annual fixed compensation determined at the recommendation of the Compensation Committee, taking into account market practices, among other factors;
- compensation allocated for the office of member of the Board;
- benefits of all kinds: a company vehicle.

Without prejudice to the above elements, the compensation policy for the Chairman of the Board of Directors set during the previous General Meeting does not need to be amended.

5.2.1.3. BOARD MEMBER COMPENSATION POLICY

The General Meeting of December 17, 2009 established the compensation of the members of the Board in its 15th ordinary resolution at an annual fixed overall sum of €600 000, which will be valid until a new General Meeting decision.

The allocation rules for the annual fixed sum set aside by the General Meeting for the members of the Board were set by the Board at the proposal of the Compensation Committee, taking into account the rules imposed by the internal regulations. These rules are as follows:

- the board members collect only variable compensation awarded as a function of their attendance and work performed; they do not received fixed compensation;
- for board members appointed by General Meeting, their compensation takes into account their actual participation in the work and meetings (i) of the Board of Directors, (ii) of the specialized committees (excluding the Development Committee), as well as (iii) in the context of their special assignments determined in advance by the Board of Directors;
- board members representing the employees may be allocated annual fixed compensation.

The Board may also establish the compensation of board members sitting on any ad hoc committees established for specific missions by mandate of the Board (Article L 225-46 of the French Commercial Code).

The members of the Board may enjoy the following benefits: continuing education and civil liability insurance for corporate officers.

5.2.1.4. INFORMATION ON CORPORATE MANDATES AND EMPLOYMENT CONTRACTS AND/OR SERVICE AGREEMENTS BETWEEN CORPORATE OFFICERS AND THE COMPANY

The table below shows the duration of the term(s) of the company's corporate officers and, as applicable, employment contracts or service agreements entered into with the company, the prior notice periods, and the applicable conditions for dismissal or termination:

Officers in the Company	Mandate(s) performed	Term of mandate(s)	Employment contract entered into with the company (indicate the duration)	Service agreement entered into with the Company (indicate the duration)	Prior notice periods	Conditions for dismissal or termination
Michel Denis	CEO	At the end of the General Meeting held in 2022 to approve the financial statements ended December 31, 2021	No	No	N/A	Revocation of mandate in accordance with the law and case law Departure conditions (see section 5.2.1.2)
Jacqueline Himsworth	Chairman Member of the Board	At the end of the General Meeting held in 2021 to approve the financial statements ended December 31, 2020	No	No	N/A	Revocation of mandate in accordance with the law and case law

Officers in the Company	Mandate(s) performed	Term of mandate(s)	Employment contract entered into with the company (indicate the duration)	Service agreement entered into with the Company (indicate the duration)	Prior notice periods	Conditions for dismissal or termination
Dominique Bamas	Member of the Board	At the end of the General Meeting held in 2023 to approve the financial statements ended December 31, 2022	No	No	N/A	Revocation of mandate in accordance with the law and case law
Emilie Braud	Member of the Board	At the end of the General Meeting held in 2021 to approve the financial statements ended December 31, 2020	No	No	N/A	Revocation of mandate in accordance with the law and case law
Marcel-Claude Braud	Member of the Board	At the end of the General Meeting held in 2021 to approve the financial statements ended December 31, 2020	No	No	N/A	Revocation of mandate in accordance with the law and case law
Sébastien Braud	Member of the Board	At the end of the General Meeting held in 2021 to approve the financial statements ended December 31, 2020	No	No	N/A	Revocation of mandate in accordance with the law and case law
Cécile Helme-Guizon	Member of the Board	At the end of the General Meeting held in 2021 to approve the financial statements ended December 31, 2020	No	No	N/A	Revocation of mandate in accordance with the law and case law
Christopher Himsworth	Member of the Board	At the end of the General Meeting held in 2021 to approve the financial statements ended December 31, 2020	No	No	N/A	Revocation of mandate in accordance with the law and case law
Gordon Himsworth	Member of the Board	At the end of the General Meeting held in 2021 to approve the financial statements ended December 31, 2020	No	No	N/A	Revocation of mandate in accordance with the law and case law
Carole Lajous	Member of the Board	At the end of the General Meeting held in 2021 to approve the financial statements ended December 31, 2020	No	No	N/A	Revocation of mandate in accordance with the law and case law
Stéphane Renaud	Member of the Board (employee board member)	10/09/2021	Yes	No	Prior notice of 2 months for salaried positions	Revocation of mandate in accordance with the law and case law
Pierre-Henri Ricaud	Member of the Board	At the end of the General Meeting held in 2023 to approve the financial statements ended December 31, 2022	No	No	N/A	Revocation of mandate in accordance with the law and case law

5.2.2. COMPENSATION AND BENEFITS AWARDED TO CORPORATE OFFICERS FOR 2019 (GLOBAL EX-POST VOTE)

Pursuant to the provisions of Article L225-37-3 of the French Commercial Code, the total amount of the compensation and benefits paid to each corporate officer for the fiscal year is presented in detail below.

In accordance with the MiddleNext Code, the level of the board members' compensation is based on the following 7 principles: exhaustive, balanced, benchmarked, consistent, clear, measured, and transparent.

It is clarified that the total compensation of each corporate officer respects the compensation policy approved by the General Meeting of June 13, 2019 in its 13th (Chairman of the Board of Directors) and 14th (CEO) resolutions.

COMPENSATION OF JACQUELINE HIMSWORTH, CHAIRMAN OF THE BOARD OF DIRECTORS

SUMMARY OF COMPENSATION AND OPTIONS AND SHARES AWARDED TO JACQUELINE HIMSWORTH (TABLE 1 OF THE AMF NOMENCLATURE)

in euros	2018	2019
Compensation awarded for the fiscal year (see details in table 2)	203 790	195 138
Value of options granted during the period (see details in table 4)		
Value of performance shares granted during the period (see details in table 6)		
Valuation of other long-term compensation plans		
TOTAL	**203 790**	**195 138**

SUMMARY OF COMPENSATION AWARDED TO JACQUELINE HIMSWORTH (TABLE 2 OF THE AMF NOMENCLATURE)

	2018		2019	
in euros	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Fixed compensation	150 000	150 000	152 500	152 500
Variable annual compensation				
Extraordinary compensation				
Compensation allocated for the office of member of the board	39 000	42 000	30 000	39 000
Benefits in kind	2 790	2 790	3 348	3 348
TOTAL	**191 790**	**194 790**	**185 848**	**194 848**

SHARE SUBSCRIPTION OR PURCHASE OPTIONS AWARDED DURING THE FISCAL YEAR TO JACQUELINE HIMSWORTH (TABLE 4 OF THE AMF NOMENCLATURE)

There was no stock option/free share plan awarded during the fiscal year.

SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE FISCAL YEAR BY JACQUELINE HIMSWORTH (TABLE 5 OF THE AMF NOMENCLATURE)

There is no stock option/free share plan in place currently.

PERFORMANCE SHARES AWARDED TO JACQUELINE HIMSWORTH (TABLE 5 OF THE AMF NOMENCLATURE)

No performance share plan was awarded during the fiscal year.

PERFORMANCE SHARES THAT BECAME AVAILABLE FOR JACQUELINE HIMSWORTH

There is no performance share plan in place currently.

EMPLOYMENT CONTRACT / CORPORATE MANDATE (TABLE 11 OF THE AMF NOMENCLATURE)

	Employment contract		Supplementary pension plan		Indemnities or benefits due, or potentially due, as a result of termination or change of functions		Indemnity related to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Jacqueline Himsworth Chairman of the Board of Directors Start date of term of office: June 8, 2017 End date of term of office: 2021 General Meeting approving the results as of December 31, 2020		X		X		X		X

SUMMARY OF THE ELEMENTS OF COMPENSATION OF MICHEL DENIS, CEO

SUMMARY OF COMPENSATION AND OPTIONS AND SHARES AWARDED TO MICHEL DENIS (TABLE 1 OF THE AMF NOMENCLATURE)

		in euros
Michel Denis, Chief Executive Officer	**2018**	**2019**
Compensation awarded for the period (see details in table 2)	1 393 647	1 083 805
Value of options granted during the period (see details in table 4)		
Value of performance shares granted during the period (see details in table 6)		
Valuation of other long-term compensation plans		
TOTAL	**1 393 647**	**1 083 805**

SUMMARY OF COMPENSATION AWARDED TO MICHEL DENIS (TABLE 2 OF THE AMF NOMENCLATURE)

in euros	2018		2019	
Michel Denis, Chief Executive Officer	**Amounts awarded**	**Amounts paid**	**Amounts awarded**	**Amounts paid**
Fixed compensation	600 000	600 000	609 000	609 000
Annual variable compensation(1)(2)	718 000	445 280	362 528	748 714
Extraordinary compensation	44 000		80 000	44 000
Compensation allocated for the office of member of the board (3)				
Benefits in kind	31 647	35 146	32 277	32 277
TOTAL	**1 393 647**	**1 080 426**	**1 083 805**	**1 433 991**

(1) For fiscal year 2019, the variable compensation awarded represented 73% of the fixed compensation (115% in 2018)

(2) With respect to the variable compensation awarded for fiscal year 2019, the allocation criteria are based on the group's recurring operating income, market shares, net debt, profitability of shareholder's equity, and qualitative criteria. As of December 31, 2019, the variable compensation awarded includes a provision of €247K (€372K in 2018) paid in the form of Phantom Shares in 2020. This annual bonus is determined according to an earnings per share criterion. See section 5.2.1.1 of this chapter and note 6.4 of the appendix to the consolidated financial statements (section 7.1).

(3) The CEO enjoys unemployment insurance coverage.

SHARE SUBSCRIPTION OR PURCHASE OPTIONS AWARDED DURING THE FISCAL YEAR TO MICHEL DENIS (TABLE 4 OF THE AMF NOMENCLATURE)

There was no stock option/free share plan awarded during the fiscal year.

SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE FISCAL YEAR BY MICHEL DENIS (TABLE 5 OF THE AMF NOMENCLATURE)

There is no stock option/free share plan in place currently.

PERFORMANCE SHARES AWARDED TO MICHEL DENIS (TABLE 5 OF THE AMF NOMENCLATURE)

No performance share plan was awarded during the fiscal year.

PERFORMANCE SHARES THAT BECAME AVAILABLE FOR MICHEL DENIS

There is no performance share plan in place currently.

EMPLOYMENT CONTRACT / CORPORATE MANDATE (TABLE 11 OF THE AMF NOMENCLATURE)

	Employment contract		Supplementary pension plan		Indemnities or benefits due, or potentially due, as a result of termination or change of functions		Indemnity related to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Michel Denis CEO Start date of term of office: January 13, 2014, renewed on December 5, 2017. End date of term of office: 2022 General Meeting approving the results as of December 31, 2021		X		X	X*		X**	

** A severance payment may be paid to the CEO if his office is terminated before its due term or if it is not renewed, except where this termination or non-renewal is the result of serious misconduct. For the amount of the severance payment, see note 5.2.1.1 of this chapter.*

*** The CEO will be required to abide by a non-compete obligation for a period of 12 months after leaving office. See section 5.2.1.1 of this chapter.*

COMPENSATION OF BOARD MEMBERS

TABLE OF COMPENSATION RECEIVED BY THE CORPORATE OFFICERS (TABLE 3 OF THE AMF NOMENCLATURE)

		2018		2019	
	in euros	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Jacqueline Himsworth	Compensation allocated for the office of Chairman of the Board of Directors of Manitou BF	152 790	152 790	155 848	155 848
	Compensation allocated for the office of member of the Board of Directors of Manitou BF	39 000	42 000	30 000	39 000
	Other compensation				
Dominique Bamas	Compensation allocated for the office of member of the Board of Directors of Manitou BF	48 000	64 500	39 000	48 000
	Other compensation				
Emilie Braud	Compensation allocated for the office of member of the Board of Directors of Manitou BF	54 000	45 000	42 000	54 000
	Other compensation				
Marcel-Claude Braud	Compensation allocated for the office of member of the Board of Directors of Manitou BF	36 000	42 000	30 000	36 000
	Other compensation				
Sébastien Braud	Compensation allocated for the office of member of the Board of Directors of Manitou BF	42 000	54 000	36 000	42 000
	Other compensation				
Cécile Helme-Guizon	Compensation allocated for the office of member of the Board of Directors of Manitou BF	51 000	45 000	51 000	51 000
	Other compensation				
Christopher Himsworth	Compensation allocated for the office of member of the Board of Directors of Manitou BF	48 000	51 000	39 000	48 000
	Other compensation				
Gordon Himsworth	Compensation allocated for the office of member of the Board of Directors of Manitou BF	69 000	54 000	57 000	69 000
	Other compensation				
Carole Lajous	Compensation allocated for the office of member of the Board of Directors of Manitou BF	33 000	48 000	33 000	33 000
	Other compensation				
Stéphane Renaud (board member representing employees since September 10, 2018)	Compensation allocated for the office of member of the Board of Directors of Manitou BF	0	0	0	0
	Other compensation*	N/C	N/C	N/C	N/C
Pierre-Henri Ricaud	Compensation allocated for the office of member of the Board of Directors of Manitou BF	63 000	63 000	57 000	63 000
	Other compensation				
	TOTAL	**635 790**	**661 290**	**569 848**	**638 848**
	Including Compensation allocated for the office of Chairman of the Board of Directors of Manitou BF	152 790	152 790	155 848	155 848
	Including Compensation allocated for the office of members of the Board of Directors of Manitou BF	483 000	508 500	414 000	483 000

** The salary paid to the board member representing shareholder employees is not communicated.*

EQUITY RATIOS

	Jacqueline Himsworth Chairman of the Board of Directors *	Marcel Braud Chairman of the Board of Directors *	Michel Denis CEO
2019			
Ratio with average employee compensation	3.97		23.11
Ratio with median employee compensation	4.48		26.07
2018			
Ratio with average employee compensation	4.34		29.67
Ratio with median employee compensation	4.93		33.71
2017			
Ratio with average employee compensation*	3.83	4.01	18.64
Ratio with median employee compensation *	4.36	4.56	21.20
2016			
Ratio with average employee compensation		4.07	18.29
Ratio with median employee compensation		4.65	20.91
2015			
Ratio with average employee compensation		4.15	16.80
Ratio with median employee compensation		4.60	18.4

** Jacqueline Himsworth has been the Chairman of the Board of Directors since June 8, 2017, when she replaced Marcel Braud. For 2017, the data for Jacqueline Himsworth and Marcel Braud were recalculated on an annual basis in order to keep the information consistent.*

5.2.3. FIXED, VARIABLE, AND EXTRAORDINARY ELEMENTS COMPRISING THE TOTAL COMPENSATION AND BENEFITS OF ALL KINDS PAID DURING THE PAST FISCAL YEAR OR AWARDED IN CONNECTION WITH THE PAST FISCAL YEAR TO THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CEO (INDIVIDUAL EX-POST VOTE)

ELEMENTS OF COMPENSATION AND BENEFITS OF ALL KINDS PAID DURING OR AWARDED IN CONNECTION WITH FISCAL YEAR 2019 TO THE CEO

The fixed, variable, or extraordinary elements comprising the total compensation and the benefits of all kinds paid during or awarded in connection with fiscal year 2019 to Michel Denis, CEO, will be submitted for approval by the General Meeting called to approve the financial statements for the fiscal year ended December 31, 2019. The 2019 compensation policy was approved by the General Meeting of June 13, 2019.

Elements of compensation submitted for approval	Amounts paid during past fiscal year	Amounts awarded in connection with past fiscal year or accounting valuation	Presentation
2019 fixed compensation	€609 000	€609 000	See note 5.2.1.1 on the compensation policy
2019 annual variable compensation	€180 000	€0**	"ROP" bonus based on the group's unachieved operating income
	€166 799*	€115 101**	"Multiple-criteria" bonus fixed on financial and commercial performance criteria achieved at 29%.
2019 "Phantom Shares" annual variable compensation	€401 915*	€247 427**	Bonus based on the result per share of the group achieved at 100%
Multi-year variable compensation	None	None	None
Extraordinary compensation	€44 000*	€80 000**	See below and note 5.2.1.1 on the compensation policy
Stock options, performance shares, or any other long-term benefit (stock warrants, etc.)	None	None	
Board member compensation	None	None	None
Benefits of all kinds	€32 277***	€32 277***	Unemployment insurance and company car
Severance package	None	None	No amount is submitted for approval
Additional retirement benefits	None	None	None

** Amount awarded for fiscal year 2018 and paid in 2019. The payment was previously approved during the General Meeting of June 13, 2019*

*** Amount awarded for fiscal year 2019 and payable in 2020, subject to approval of the General Meeting*

**** Accounting value*

The extraordinary allowance offered is justified by:

- a record 2019 in the group's history after several years of growth,
- an average annual growth rate over the 2014-2019 period of all of the group's main economic and financial indicators of around 20%.

These results demonstrate the quality of the CEO's leadership and strategy vision over the long term.

ELEMENTS OF COMPENSATION AND BENEFITS OF ALL KINDS PAID DURING OR AWARDED IN CONNECTION WITH FISCAL YEAR 2019 TO THE CHAIRMAN

The fixed, variable, or exceptional elements comprising the total compensation and the benefits of all kinds paid during or awarded in connection with fiscal year 2019 to Jacqueline Himsworth, Chairman of the Board of Directors, will be submitted for approval by the General Meeting called to approve the financial statements for the fiscal year ended December 31, 2019.

Elements of compensation submitted for approval	Amounts paid during past fiscal year	Amounts awarded in connection with past fiscal year or accounting valuation	Presentation
2019 fixed compensation	€152 500	€152 500	See note 5.2.1.2 on the compensation policy
2019 annual variable compensation	None	None	None
Multi-year variable compensation	None	None	None
Extraordinary compensation	None	None	None
Stock options, performance shares, or any other long-term benefit (stock warrants, etc.)	None	None	None
Board member compensation	€39 000	€30 000	See note 5.2.1.2 on the compensation policy
Benefits of all kinds	€3 348*	€3 348*	Car
Severance package	None	None	None
Additional retirement benefits	None	None	None

** Accounting value*

5.3. SPECIAL PROCEDURES FOR SHAREHOLDERS' PARTICIPATION IN GENERAL MEETINGS

These elements are defined in Article 19 of the company's Articles of Association. Under the terms of the Articles of Association, any shareholder is entitled to attend the Annual General Meetings under the conditions laid down by law.

A shareholder may be represented by any natural person or legal entity of their choosing. Designation and revocation may notified electronically.

The shareholders can, under the conditions laid down by the law and regulations, send their proxy and voting by correspondence forms concerning any Annual General Meeting, either as a hard copy or by electronic mail.

Two members of the social and economic committee appointed by this committee, one belonging to the category of technical executives and supervisors, and the other to the category of employees and workers, or, where appropriate, the persons referred to in Articles L. 2312-74 and L. 2312-75 of the French Labor Code, can attend the Annual General Meetings.

At its meeting on April 15, 2020, the Board of Directors decided, in the context of the Covid-19 epidemic and the fight to contain the virus, and in accordance with the provisions of Order no. 2020-321 of March 25, 2020 concerning, in particular, the adaptation to the rules of deliberation for general meetings enacted by the French Government, the General Meeting of June 18, 2020 will be held behind closed doors without the attendance of the shareholders and other persons entitled to participate, either physically or by telephone or audiovisual conference.

The shareholders are informed of these procedures for holding the meeting as well as the voting procedures in the meeting notice, which will be published within the regulatory timeframe.

6. SHARE OWNERSHIP AND SHARE CAPITAL

6.1. INFORMATION ABOUT SHARE CAPITAL

SHARE CAPITAL AND VOTING RIGHTS

As of December 31, 2019, the share capital of Manitou BF amounts to €39 668 399, divided into 39 668 399 shares of a nominal value of €1, fully paid, and all of the same category. The shares are registered shares or bearer shares, as decided by the shareholder.

In the absence of double voting rights, this number of shares corresponds to the theoretical voting rights. The difference between the number of theoretical and real voting rights corresponds to the number of treasury shares.

In accordance with Article 223-11 of the AMF's General Regulation, the voting rights are presented according to their "theoretical" calculation based on all of the shares to which a voting right is attached, including shares without voting rights (treasury shares). These theoretical voting rights are used to calculate participation thresholds.

SHARE CAPITAL HISTORY

in euros	2019	2018	2017
Capital at start of fiscal year	39 668 399	39 621 598	39 557 449
Exercise of stock options reserved for employees	None	46 801	64 149
CAPITAL AT END OF FISCAL YEAR	**39 668 399**	**39 668 399**	**39 621 598**

SECURITIES NOT REPRESENTING THE SHARE CAPITAL

There are no securities that do not represent share capital.

MODIFICATION OF SHARE CAPITAL

The articles of association do not provide for any specific statutory conditions concerning modifications of the share capital and voting rights.

STOCK OPTIONS AND PERFORMANCE SHARES

There is no stock option or performance-based free share allocation plan.

A Phantom shares plan was put in place as of January 1, 2018. The terms are described in detail in note 6.4 to the 2019 consolidated financial statements and in chapter 5.

6.2. SHAREHOLDING STRUCTURE

MAIN SHAREHOLDERS

The table below presents the changes in the allocation of the capital and voting rights of the company over the past three years, to the company's knowledge.

	Theoretical % of share capital and voting rights			Actual % of voting rights		
	2017	2018	2019	2017	2018	2019
BRAUD AND HIMSWORTH FAMILIES	**64.4%**	**64.4%**	**64.4%**	**66.8%**	**66.7%**	**66.7%**
BRAUD FAMILY BRANCH[(1)]	**32.1%**	**32.1%**	**32.1%**	**33.3%**	**33.2%**	**33.2%**
HB Braud	22.1%	22.0%	22.0%	22.9%	22.8%	22.8%
Other	10.0%	10.1%	10.1%	10.4%	10.4%	10.4%
HIMSWORTH FAMILY BRANCH[(2)]	**32.3%**	**32.3%**	**32.3%**	**33.5%**	**33.5%**	**33.5%**
Ancemat [(3)]	6.5%	6.5%	6.5%	6.8%	6.8%	6.8%
Wecanrent [(3)]	5.2%	5.2%	5.2%	5.4%	5.4%	5.4%
Coliphin Invest [(3)]	5.4%	5.4%	5.4%	5.6%	5.6%	5.6%
Trinity Group [(3)]	5.2%	5.2%	5.2%	5.4%	5.4%	5.4%
Sonafina [(3)]	5.2%	5.2%	5.2%	5.4%	5.4%	5.4%
Other	4.9%	4.8%	4.8%	5.0%	5.0%	5.0%
YANMAR	**6.2%**	**6.2%**	**6.2%**	**6.5%**	**6.5%**	**6.5%**
TREASURY SHARES	**3.6%**	**3.5%**	**3.5%**			
EMPLOYEE SHARE OWNERSHIP	**0.5%**	**0.6%**	**0.5%**	**0.6%**	**0.6%**	**0.5%**
FLOATING	**25.2%**	**25.3%**	**25.4%**	**26.2%**	**26.2%**	**26.3%**
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100 %**	**100 %**	**100 %**

(1) The Braud family branch consists of: Marcel Braud, Liliane Braud-Orhon, Marcel-Claude Braud, Sébastien Braud, Emilie Braud, Valérie Braud-Walsh, and the company HB Holding Braud.

(2) The Himsworth family branch consists of: Jacqueline Himsworth, Gordon Himsworth, Dominique Himsworth, Virginie Himsworth, Christopher Himsworth, David Himsworth, and the company Ancemat.

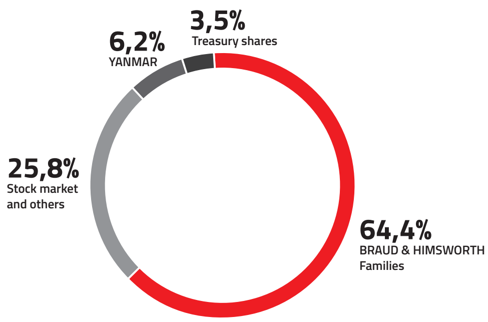
(3) Companies owned by Himsworth family members.

To the company's knowledge, no shareholder other than those mentioned in the table above directly or indirectly holds more than 5% of the capital or voting rights of Manitou BF.

CONTROL OF THE COMPANY

Manitou Group is controlled by the Braud and Himsworth families, who together hold 64.4% of the share capital, 59.2% of which is jointly held. On the date of publication, Manitou's Board of Directors included four independent Board members, as defined by the Middlenext Corporate Governance Code, out of a total of eleven Board members (including the Board member representing the employees). The position of President & CEO is separate from the office of Chair of the Board of Directors and has been held by Michel Denis, who is independent of the Braud and Himsworth families, since January 13, 2014 (and renewed on December 5, 2017).

The graph below shows the shareholding structure of Manitou BF as of December 31, 2019 by major shareholder category.



CROSSING OF THRESHOLDS

During fiscal year 2019, no crossing of a threshold pursuant to Article L233-7 of the French Commercial Code was reported, in capital or voting rights.

OTHER VOTING RIGHTS

The company's shares do not benefit from any double voting rights.

SHAREHOLDER AGREEMENTS

On May 3, 2017, the family shareholders signed a shareholder agreement, which took effect on June 10, 2017 for a term of four years. An amendment no. 1 to this shareholder agreement was signed and took effect on March 6, 2019. The shareholder agreement, as modified by amendment no. 1, contains the following provisions, among others:

- an objective by each of the family branches to retain a number of Manitou shares representing at least 20% of the company's share capital (i.e. a total of 40% of the share capital for the combined family investment);
- a right of first refusal in favor of members of the agreement for sales of shares that would reduce the investment of either family branch to less than 20% of Manitou BF's share capital, or reduce the entire investment of the two family branches to less than 40% of the company's share capital, and any subsequent sale provided these thresholds are not exceeded, on the understanding that members of the seller's family branch have priority in the purchase of the shares sold;
- Manitou BF will continue to be governed by three Board members representing the Braud family branch, three Board members representing the Himsworth family branch, and four independent Board members appointed jointly by the Board members representing the family shareholders;
- Jacqueline Himsworth will be Manitou BF's Non-Executive Chairman throughout the duration of the agreement;
- Any transaction that would dilute the capital and/or voting rights will be subject to prior approval by the Board of Directors of Manitou BF adopted by a three-quarters majority. It should be noted that Dominique Himsworth, who was included in the previous shareholder agreement but was not a signatory to this agreement, may join both on a personal basis and as a representative of the company Wecanrent, at any time, as a member of the Himsworth family branch.

Any spouse or direct descendant of any of the signatories to the shareholder agreement may join, at any time, as a member of the family branch to which they belong, on condition that they own at least 10 000 full or stripped Manitou BF shares.

COLLECTIVE COMMITMENTS

Signature date	Type of commitment	Number of shares Percentage of share capital and voting rights	Term	Shareholder signatories
11/28/2011	Collective commitment to retain shares in accordance with Article 787 B of the French General Tax Code	12 719 721 shares representing 32.2% of the share capital and voting rights	Minimum term of two years from the registration of the commitment, which is renewed for two-year periods by tacit agreement	**Braud family branch***
11/28/2011	Collective commitments to retain shares in accordance with Article 885 I Bis of the French General Tax Code	A total of 12 719 721 shares representing 32.2% of the share capital and voting rights	Minimum term of two years from the registration of the commitments, which are renewed for 12-month periods by tacit agreement	**Braud family branch**

** The Braud family branch consists of: Marcel Braud, Lilianne Braud-Orhon, Marcel-Claude Braud, Sebastien Braud, Emilie Braud, Valerie Braud-Walsh, and the company HB Holding Braud.*

EXISTENCE OF AGREEMENTS WHOSE IMPLEMENTATION COULD RESULT IN A CHANGE OF CONTROL

As of the date of this document, and to the company's knowledge, there is no shareholder agreement or any agreement whose implementation could subsequently result in a change in its control.

ELEMENTS LIKELY TO HAVE AN IMPACT IN CASE OF A PUBLIC OFFERING

The structure of the company's share capital is indicated in this chapter 6.

There is no statutory restriction on the exercise of voting rights and on transfers of shares with the exception of (i) provisions of the articles of association regarding reporting crossings of thresholds and (ii) the Shareholder Agreement signed on May 3, 2017 described in this chapter (6.2). The clauses of the agreements brought to the attention of the company pursuant to Article L. 233-11 are indicated in this chapter 6 (Shareholder Agreement).

Direct or indirect participations in the company's share capital of which it has knowledge by virtue of Articles L.233-7 and L. 233-12 are indicated in this chapter 6 (Crossing of thresholds).

As of the date of drafting of this document, and to the company's knowledge, there is no holder of the company's securities entailing special control rights (resulting from preferential shares, in particular).

As of the date of drafting of this document, and to the company's knowledge, there is no employee shareholding system whose control rights have not been exercised.

Agreements between shareholders of which the company has knowledge and that may lead to restrictions on the transfer of shares and on the exercise of voting rights are primarily laid down in the Shareholder Agreement signed on May 3, 2017 described in this chapter 6 (Shareholder Agreement).

The rules applicable to the appointment and replacement of members of the Board of Directors and to amendment of the company's articles of association are primarily laid down in the Shareholder Agreement signed on May 3, 2017 described in this chapter 6 (Shareholder Agreement) and the articles of association.

The powers of the Board of Directors with regard to the issue of shares are specified in chapter 5.1.3 (Table of current delegations and authorities granted by the General Shareholders' Meeting relating to capital increases). Furthermore, the Board was authorized by the General Shareholders' Meeting of June 13, 2019 (15th resolution) to purchase the company's shares or have them purchased, up to a limit of 10% of the shares comprising the company's capital. This authorization will be valid for 18 months, and the overall amount allocated to the share buyback program may not exceed €100 million.

The agreements granted by the company that are modified or come to an end in case of a change in the company's control, unless such disclosure, in the absence of a legal obligation to disclose, would seriously harm its interests, primarily correspond to financing agreements. These financing agreements are described in chapter 7.1 (note 13) of this document and consist of a credit agreement (for a maximum amount of €180 million until December 31, 2023) and four bond issues: one concluded in 2015 for a period of 7 years and an amount of €25 million, and three others in 2019, respectively for a period of 6 years and an amount of €10 million; a period of 7 years and an amount of €25 million; and a period of 8 years and an amount of €70 million).

The agreements providing for compensation of members of the Board of Directors or employees, if they resign or are dismissed without fair cause or if their job comes to an end as a result of a public takeover bid or exchange offer, are, primarily, those adopted with regard to the Executive and provided for in Chapter 5.3.3 (severance payments).

OWNERSHIP THRESHOLDS

Under Article L. 233-7 of the French Commercial Code, any individual or entity, acting alone or with others, who has just acquired a number of shares representing more than 5%, 10%, 15%, 20%, 25%, 30% 33.33%, 50%, 66.66%, 90% or 95% of the company's share capital and voting rights, must inform the company and the AMF (French Market Authority) by letter, indicating the total number of shares and voting rights held within five trading days of a threshold being exceeded. The exceeding of thresholds reported to the AMF are publicly disclosed by the latter. This information is also transmitted within the same time frame and under the same conditions whenever the equity investment or voting rights fall below the thresholds referred to above. If they are not declared in accordance with the regulations, the shares exceeding the fraction that should have been declared in accordance with the statutory provisions indicated above are denied voting rights at any shareholders' meetings held within two years of the date of the amending declaration.

Article 9 of Manitou's articles of association further provides that any individual or entity that, directly or indirectly, alone or with others, goes above or below the threshold of 2.5% of the company's share capital or voting rights (or any multiple of this threshold) must notify the company by registered letter with confirmation of receipt, within fifteen days of the threshold being crossed, stating their identity and the persons acting with them. In accordance with Article L. 228-1 of the French Commercial Code, this requirement also applies in respect of all shares registered to those shareholders.

Any failure to make such declarations where the thresholds are crossed shall result in the application of the penalties laid down in Article L. 233-14 of the French Commercial Code, providing that a request to that effect is made by one or more shareholders who own at least 3% of the share capital or voting rights and is recorded in the minutes of the Annual General Meeting.

6.4. STOCK MARKET INFORMATION - THE MANITOU BF SHARE

The Manitou BF share is listed in compartment B of the Euronext Paris market and is eligible for the "Long Only" Deferred Settlement System (DSS).

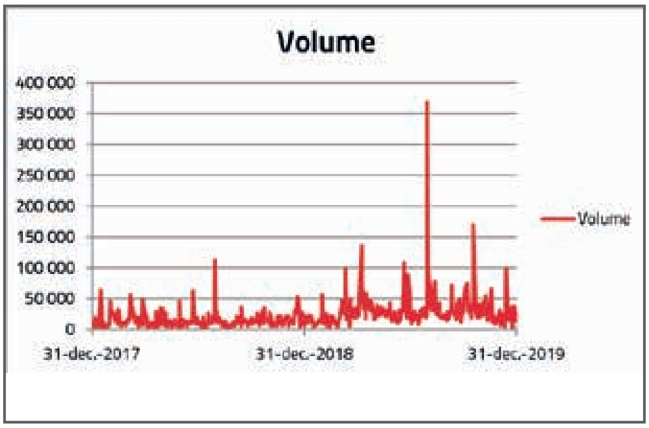
DATA SHEET OF THE MANITOU BF SHARE

ISIN code	Compartment B of the Euronext Paris
MNO	MTU
Reuters code	MANP.PA
Bloomberg code	MTU.FP
Presence on the main indexes	Indexes: CAC ALL SHARES, CAC ALL-TRADABLE, CAC INDUSTRIALS, CAC MID&SMALL, CAC PME, CAC SMALL, EN FAMILY B, ENT PEA-PME 150
Nominal value	€1
Number of shares outstanding as of December 31, 2019	39 668 399
Price as of December 31, 2019	€21.45
Market capitalization as of December 31, 2019	€851M

PRICE OF THE MANITOU BF SHARE AND NUMBER OF SHARES TRADED

CHANGES IN THE MANITOU BF SHARE PRICE (IN EUROS)

NUMBER OF SHARES TRADED (IN NUMBER OF SECURITIES) AT END OF 2019



DETAILED STOCK MARKET INFORMATION

	Share price (€)			Volume traded in number of securities per month	Market capitalization at end of month (€M)
	Highest	Lowest	Month end		
2018					
January	34.40	29.50	34.40	307 723	1 361
February	37.30	32.05	36.60	341 143	1 448
March	36.80	31.35	34.50	464 721	1 365
April	37.70	32.05	37.70	248 355	1 494
May	37.95	35.15	35.45	293 087	1 404
June	36.80	31.05	32.25	347 717	1 279
July	33.00	29.85	32.60	463 507	1 293
August	34.80	30.70	31.20	268 933	1 238
September	32.50	28.65	31.85	266 438	1 263
October	31.85	22.20	24.95	374 634	990
November	26.60	22.00	25.65	311 108	1 017
December	26.35	18.54	22.40	421 911	889
TOTAL				**4 109 277**	
2019					
January	27.45	20.80	26.60	355 600	1 055
February	27.70	25.05	25.55	280 233	1 014
March	28.80	22.70	24.90	691 250	988
April	30.80	24.70	29.30	844 938	1 162
May	29.40	24.10	25.30	605 212	1 004
June	28.85	24.40	27.15	644 390	1 077
July	28.45	19.62	21.35	886 695	847
August	21.30	17.40	18.24	901 577	724
September	20.50	17.54	18.00	643 791	714
October	18.44	15.44	18.30	1 070 911	726
November	19.54	17.84	19.34	550 725	767
December	21.90	18.60	21.45	534 196	851
TOTAL				**8 009 518**	

DIVIDEND POLICY

As of the date of drafting of this document, the Board of Directors has not defined a dividend policy. The Board of Directors determines the amount of dividends as a function of the company's performance and outlook.

Amount of dividends distributed over the past three fiscal years:

Period	Number of shares	Net dividend per share
2016	39 617 974	€0.43
2017	39 617 974	€0.62
2018	39 688 399	€0.78

In the context of Covid-19, the Board of Directors met on April 15, 2020 and decided to withdraw the proposal to distribute a dividend during the General Shareholders' Meeting of June 18, 2020.

7. FINANCIAL AND ACCOUNTING INFORMATION

7.1. CONSOLIDATED FINANCIAL STATEMENTS

7.1.1. STATEMENTS OF COMPREHENSIVE INCOME

CONSOLIDATED INCOME STATEMENT

	in thousands of euros	December 31, 2018	December 31, 2019
Net sales	Note 5.2.1	1 883 578	2 093 577
Cost of goods and services sold	Note 5.2.2	-1 569 798	-1 747 509
Research and development costs	Note 5.2.3	-23 908	-27 732
Selling, marketing and service expenses	Note 5.2.4	-105 116	-113 504
Administrative expenses	Note 5.2.4	-56 152	-61 170
Other operating income and expenses	Note 5.2.5	736	4 946
RECURRING OPERATING INCOME		**129 341**	**148 608**
Non-recurring operating income and expenses	Note 5.2.6	- 3 237	- 2 534
OPERATING INCOME		**126 104**	**146 074**
Share of profits of associates	Note 14.1 to 14.4	2 326	2 192
OPERATING INCOME INCLUDING NET INCOME FROM ASSOCIATES		**128 431**	**148 265**
Financial income		24 698	37 617
Financial expenses		-30 673	-45 144
FINANCIAL RESULT	**NOTE 13.2.1**	**-5 974**	**-7 527**
INCOME BEFORE TAX		**122 456**	**140 738**
Income taxes	Note 12	-38 103	-44 982
NET INCOME		**84 354**	**95 757**
Attributable to equity holders of the parent		84 109	95 625
Portion attributable to non-controlling equity interests		245	132

EARNINGS PER SHARE (IN EUROS)

	in thousands of euros	December 31, 2018	December 31, 2019
Net income attributable to the equity holders of the parent	Note 10.2	2,20	2,50
Diluted earnings per share	Note 10.2	2,20	2,50

OTHER COMPONENTS OF COMPREHENSIVE INCOME AND EXPENSE

in thousands of euros	December 31, 2018	December 31, 2019
INCOME (LOSS) FOR THE YEAR	**84 354**	**95 757**
Adjustments to fair value of the financial assets	-169	131
Of which booked to equity	*-169*	*131*
Translation differences arising on foreign activities	5 297	6 861
Attributable to equity holders of the parent	*5 847*	*6 662*
Attributable to minority interests	*-550*	*200*
Interest rate hedging and exchange instruments	-459	-2 715
Attributable to equity holders of the parent	*-459*	*-2 715*
Attributable to minority interests	*0*	*0*
ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	**4 670**	**4 277**
Actuarial gains (losses) on defined benefits plans	4 073	-2 282
Attributable to equity holders of the parent	*4 057*	*-2 286*
Attributable to minority interests	*16*	*3*
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	**4 073**	**-2 282**
TOTAL GAINS AND LOSSES RECOGNIZED DIRECTLY IN OTHER COMPONENTS OF COMPREHENSIVE INCOME	**8 743**	**1 995**
COMPREHENSIVE INCOME	**93 097**	**97 752**
Attributable to equity holders of the parent	*93 386*	*97 417*
Attributable to minority interests	*-286*	*335*

THE OTHER COMPONENTS OF COMPREHENSIVE INCOME ARE REPORTED NET OF THE ASSOCIATED TAXES. THE TAX IMPACT IS AS FOLLOWS:

in thousands of euros	December 31, 2018	December 31, 2019
Items that will be reclassified to profit or loss in subsequent periods	297	1 180
Items that will not be reclassified to profit or loss in subsequent periods	-449	342
TOTAL TAX IMPACT	**-152**	**1 522**

7.1.2. CONSOLIDATED STATEMENT OF FINANCIAL SITUATION

ASSETS

	in thousands of euros	December 31, 2018	Net amount as of December 31, 2019
TANGIBLE ASSETS	Note 7	175 652	211 593
GOODWILL	Note 7	288	288
INTANGIBLE ASSETS	Note 7	43 333	54 705
RIGHT-OF-USE OF LEASED ASSETS	Note 8		16 461
INVESTMENTS IN ASSOCIATES	Note 14.1 to 14.4	18 008	16 986
SALES FINANCING RECEIVABLES	Note 13.1.2.1	8 210	7 738
DEFERRED TAX ASSETS	Note 12	16 588	17 581
NON-CURRENT FINANCIAL ASSETS	Note 13.1.2.4	8 708	10 829
OTHER NON-CURRENT RECEIVABLES	Note 9.3	375	517
NON-CURRENT ASSETS		**271 162**	**336 698**
INVENTORIES & WORK IN PROGRESS	Note 9.1	574 640	589 745
TRADE RECEIVABLES	Note 9.2	361 685	380 438
SALES FINANCING RECEIVABLES	Note 13.1.2.1	2 487	3 024
OTHER RECEIVABLES		47 396	50 569
Current income tax	*Note 12.1*	*5 858*	*7 990*
Other receivables	*Note 9.3*	*41 538*	*42 579*
CURRENT FINANCIAL ASSETS	Note 13.1.2.5	4 412	1 933
CASH AND CASH EQUIVALENTS	Note 13.1.2.6	27 623	22 333
CURRENT ASSETS		**1 018 243**	**1 048 043**
NON-CURRENT ASSETS HELD FOR SALE		**215**	**0**
	TOTAL ASSETS	**1 289 620**	**1 384 741**

LIABILITIES

in thousands of euros		December 31, 2018	Net amount as of December 31, 2019
SHAREHOLDERS' EQUITY – Equity holder of the parent		592 389	658 831
Share capital	*Note 10*	*39 668*	*39 668*
Share premiums		*46 098*	*46 098*
Treasury shares		*-24 018*	*-23 714*
Consolidated reserves		*442 629*	*491 065*
Currency translation differences		*3 903*	*10 089*
Net profit (loss) – Equity holder of the parent		*84 109*	*95 625*
MINORITY INTERESTS		4 585	5 815
TOTAL EQUITY		**596 974**	**664 646**
NON-CURRENT PROVISIONS	Note 11.1	45 368	48 862
OTHER NON-CURRENT LIABILITIES	Note 9.4	3 101	3 088
DEFERRED TAX LIABILITIES	Note 12	1 144	1 751
NON-CURRENT FINANCIAL LIABILITIES		38 477	161 995
Loans and other financial liabilities	*Note 13.1.3.1*	*38 477*	*149 726*
Non-current rental liabilities	Note 8.2		*12 269*
NON-CURRENT LIABILITIES		**88 090**	**215 696**
CURRENT PROVISIONS	Note 11.1	15 086	18 964
TRADE ACCOUNTS PAYABLE	Note 9.4	292 715	253 446
OTHER CURRENT LIABILITIES		155 097	161 666
Current income tax	*Note 12*	*6 457*	*4 087*
Other liabilities	*Note 9.4*	*148 640*	*157 579*
CURRENT FINANCIAL LIABILITIES	Note 13.1.3.1	141 658	64 722
CURRENT RENTAL LIABILITIES	Note 8.2		5 602
CURRENT LIABILITIES		**604 556**	**504 399**
	TOTAL EQUITY & LIABILITIES	**1 289 620**	**1 384 741**

7.1.3. CONSOLIDATED SHAREHOLDERS' EQUITY

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

in thousands of euros	Share Capital	Share premiums	Treasury shares	Reserves	Income for the period	Currency translation differences	Valuation differences	TOTAL SHAREHOLD-ERS' EQUITY (group portion)	Minority interests	TOTAL SHAREHOLD-ERS' EQUITY
SITUATION AS OF DECEMBER 31, 2017	**39 622**	**45 529**	**-24 305**	**412 858**	**59 955**	**-3 440**	**908**	**531 126**	**1 974**	**533 100**
2017 income				59 955	-59 955					
Results as of December 31, 2018					84 109			84 109	245	84 354
Non-group dividends				-23 753				-23 753	-102	-23 855
Change in translation differences						5 847		5 847	-550	5 297
Valuation differences under IFRS				-847				-847		-847
First IFRS 15 application				-4 886				-4 886	-8	-4 894
Treasury shares			287					287		287
Actuarial (gain) losses on employee benefits				4 057				4 057	16	4 073
Change in consolidation scope & other	46	569		-5 663		1 496		-3 552	4 251	699
Change in shareholders' agreements									-1 242	-1 242
SITUATION AS OF DECEMBER 31, 2018	**39 668**	**46 098**	**-24 018**	**441 722**	**84 109**	**3 903**	**908**	**592 389**	**4 585**	**596 974**
2018 income				84 109	-84 109					
Results as of December 31, 2019					95 625			95 625	132	95 757
Non-group dividends				-30 039				-30 039	-123	-30 162
Change in translation differences						6 662		6 662	200	6 861
Valuation differences under IFRS				- 2 633				-2 633		-2 633
First IFRS 16 application				-999				-999	-3	-1 003
Treasury shares			304					304		304
Actuarial (gain) losses on employee benefits				-2 286				-2 286	3	-2 282
Change in consolidation scope & other				284		-475		-191	-159	- 350
Shareholders' agreements								0	1180	1180
SITUATION AS OF DECEMBER 31, 2019	**39 668**	**46 098**	**-23 714**	**490 157**	**95 625**	**10 089**	**908**	**658 831**	**5 815**	**664 646**

7.1.4. CASH FLOW STATEMENT

		in thousands of euros		December 31, 2018	December 31, 2019
		NET INCOME		84 354	95 757
Less share of profits of associates				-2 326	-2 192
Elimination of income and expenses with no effect on operating cash flow and not linked to operating activities					
+	Amortization and depreciation			35 925	45 602
-	Provisions and impairment			728	3 829
-	Change in deferred taxes			2 662	963
+/-	Income (loss) from non-current asset disposal			-47	420
+/-	Other			1 207	135
		EARNINGS BEFORE DEPRECIATION AND AMORTISATION		**122 502**	**144 513**
Change in working capital requirement			Note 9	-108 068	-60 386
+/-	Change in inventories			-114 396	-1 275
+/-	Change in trade receivables			-35 548	-10 734
+/-	Change in finance contract receivables			-5 999	290
+/-	Change in other operating receivables			-9 756	-852
+/-	Change in trade accounts payable			35 450	-46 818
+/-	Change in other operating liabilities			18 534	3 256
+/-	Change in taxes payable and receivable			3 648	-4 250
+/-	Change in liabilities linked to finance contract receivables			0	0
Change in capitalized leased machines				-19 146	-21 060
		CASH FLOW FROM OPERATING ACTIVITIES		**-4 712**	**63 070**
+	Proceeds from sale of intangible and tangible assets			165	883
+	Proceeds from sale of long-term investments			-35	1 186
-	Purchase of intangible and tangible assets (excl. rental fleet)			-46 412	-68 344
-	Decrease (increase) of other financial assets			-132	-1 211
-	Acquisition of subsidiaries net of cash acquired			63	-2 668
-	Increase in capital of associates			0	0
+	Dividends received from associates			4 886	3 567
		CASH FLOW FROM INVESTING ACTIVITIES		**-41 464**	**- 66 586**
+	Capital increase			615	171
-	Capital reduction			0	0
-	Merger			0	0
-	Dividends paid			-23 855	-30 162
+/-	Purchase/sale of treasury shares			-65	0
+/-	Change in financial liabilities		Note 13.1.3.5	30 805	32 430
	Of which loans taken during the year			40 087	132 306
	Of which loans repaid during the year			-9 282	-99 877
+/-	Other		Note 13.1.3.5	4 630	-4 080
		CASH FLOW FROM FINANCING ACTIVITIES		**12 130**	**-1 642**
		NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND BANK OVERDRAFTS		**-34 046**	**-5 158**
Cash, cash equivalents and bank overdrafts at beginning of the year				34 135	-609
Exchange gains (losses) on cash and bank overdrafts				-698	769
		CASH, CASH EQUIVALENTS, AND BANK OVERDRAFTS AT END OF THE YEAR		**-609**	**-4 997**

The consolidated financial statements reflect the accounting situation of Manitou BF SA and its subsidiaries (jointly, "Manitou Group") as well as the group's interests in related companies and joint ventures. They are expressed in euros.

The consolidated financial statements of Manitou Group were approved by the Board of Directors on March 3, 2020.

The accounting rules and principles are identified by a box of a specific color.

NOTE 1 ACCOUNTING PRINCIPLES

1.1. ACCOUNTING STANDARDS USED BY THE GROUP

The financial statements of Manitou Group at December 31, 2019 were drawn up, on the balance-sheet date, in accordance with the IFRS standards, as adopted by the European Union. These international standards include the IAS (International Accounting Standards), IFRS (International Financial Reporting Standards), and the interpretations (SIC and IFRIC).

1.1.1. STANDARDS, INTERPRETATIONS, AND AMENDMENTS TO EXISTING STANDARDS THAT MUST BE APPLIED TO FISCAL YEARS STARTING ON OR AFTER JANUARY 1, 2019

The accounting and valuation rules applied by the group in the consolidated financial statements at December 31, 2019 are identical to those used in the financial statements at December 31, 2018, with the exception of:

- IFRS 16 "Leases" (see note 4),
- interpretation IFRIC 23 "Uncertainty over Income Tax Treatments," which has no significant impact for the group.

1.1.2. STANDARDS, INTERPRETATIONS, AND AMENDMENTS TO EXISTING STANDARDS APPLICABLE IN ADVANCE TO FISCAL YEARS STARTING ON OR AFTER JANUARY 1, 2019

The new standards, interpretations and amendments of existing and applicable standards, applicable by anticipation to accounting periods starting from 1 January 2019 onwards, have not been adopted by the group.

1.2. ESTIMATES AND ASSUMPTIONS

The consolidated financial statements were prepared according to the historical cost principle, with the exception of certain categories of assets and liabilities which were valued at fair value in accordance with the rules laid down by IFRS. The asset and liability categories concerned are specified in the notes below.

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the accounting value of certain assets and liabilities and income and expense items, and certain information given in the notes to the financial statements. Manitou regularly reviews the estimates and assumptions used, to reflect past experience and other factors that may influence the amounts reported in the financial statements. The Audit Committee was also required to provide its opinion in the application of the group's accounting methods.

The main financial statement items that rely on estimates and judgments are as follows:

- the recoverable value of intangible and tangible assets, as well as their expected useful life (see note 7),
- provisions, especially for warranties and litigation (see note 11),
- employee benefits (see note 6),
- valuation of the financial instruments (see note 13.2.2),
- deferred tax assets (see note 12),
- valuation of rights-of-use of leased assets and lease liabilities (see note 8).

NOTE 2 HIGHLIGHTS

	Note
Acquisition of Mawsley Machinery Ltd	Note 3
1st application of IFRS 16 "Leases"	Note 4
Shutdown of the Madison site for 6 weeks	Note 5.2.5
Developments in the JCB dispute	Note 11.2
Implementation of a private bond issue of €105 million	Note 13.1.3.6

NOTE 3 CONSOLIDATION SCOPE

ACCOUNTING PRINCIPLES

CONSOLIDATION METHODS

Manitou BF and the companies over which it exercises full direct or indirect control (subsidiaries) are fully consolidated. Control exists when the group:

- has power over the company,
- is exposed or entitled to variable returns due to its links with the company,
- has the ability to exercise its power over the activities of the company that it deems relevant so as to influence the amount of returns it obtains.

The companies over which Manitou BF directly or indirectly exercises significant influence (associates) are accounted for using the equity method. The group exercises significant influence when it holds more than 20% of the voting rights in the company.

Manitou Group also consolidates companies under its joint control (joint ventures) using the equity method. Joint control is a partnership that entails common control over the company by the group and at least one other partner.

Apart from Manitou Finance France SAS and Manitou Finance Ltd, which were accounted for using the equity method, all companies were fully consolidated.

Consolidation using the equity method involves recognizing its stake in the companies in the group's consolidated statement of financial situation.

All the companies were consolidated on the basis of the financial statements ended December 31, 2019.

Manitou Group has no special purpose entities. Furthermore, there was no deconsolidation in 2019 or in the prior periods.

All transactions between consolidated subsidiaries and the group's internal results are eliminated (capital gains, profits on inventories, dividends).

The results of acquired subsidiaries are consolidated at the time that control is exercised.

CHANGE IN SCOPE

The business combinations that took place after January 1, 2010 are accounted for using the purchase method, in accordance with IFRS 3 "Business Combinations" (revised).

Identifiable assets, liabilities and contingent liabilities of the entity acquired are accounted for at their fair value on the date of acquisition provided they fulfill the accounting criteria of IFRS 3 (revised). Residual goodwill represents the expected cash flow from post-acquisition synergies in addition to the assets and liabilities recognized during the first consolidation. The transaction costs are recognized immediately in expenses when they are incurred. In the event of a price adjustment in the 12 months following the date of acquisition, the initial provisional valuation is adjusted in exchange for goodwill. Any subsequent adjustment is recognized as a liability or a receivable through the group's income.

In the event of acquisition of an additional interest in a consolidated subsidiary, the difference between the acquisition price and the accounting value of the non-controlling interests is recognized as a change in shareholders' equity.

Any negative difference between the acquisition cost and the fair value of the identifiable net assets is recognized as income during the acquisition period.

In accordance with the provisions of IAS 36 "Impairment of assets," goodwill is not amortized, but is subject to an annual impairment test.

NON-CURRENT ASSETS HELD FOR SALE

The non-current assets, or group of assets and liabilities directly linked, are considered as held for sale if it is highly likely that their accounting value will be covered primarily by a sale rather than by continued use. Pursuant to IFRS 5, these assets are then measured and recognized at their net book value or their fair value less the selling costs, whichever is the lowest. They cease to be depreciated as soon as they are qualified as assets held for sale. In the case of securities consolidated using the equity method, this consolidation stops as soon as the asset meets the IFRS 5 application conditions.

According to IFRS 5, a discontinued activity is a component of an entity that has been disposed of or is classified as held for sale, and

- represents a primary and separate business line or geographic region,
- is part of a unique and coordinated plan for disposal of a primary and separate business line or geographical region, or
- is a subsidiary acquired exclusively for resale and the disposal entails loss of control.

The non-current assets held for sale are presented on a separate line of the group's balance sheet, without the previous periods being restated.

TRANSLATION METHOD FOR FOREIGN CURRENCY OPERATIONS AND TRANSACTIONS

TRANSLATION OF FINANCIAL STATEMENTS IN FOREIGN CURRENCIES

The consolidated financial statements of the group are presented in euros.

The financial statements of group companies whose operating currency (currency of the primary economic environment, which is typically the local currency) is different from the reporting currency of the consolidated financial statements (the euro) are translated as follows:

- assets and liabilities: at the closing exchange rate in effect on each balance sheet date (also called the closing rate),
- income and expenses on the income statement: at the average exchange rate for the period. All resulting currency translation differences are recognized as a separate line item under shareholders' equity.

Upon consolidation, exchange differences arising from net investments in foreign operations are allocated to shareholders' equity. When a foreign entity is disposed of, any such currency translation differences are recognized in the income statement as a profit or loss on disposal.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing exchange rate.

No Manitou Group company operates in a hyperinflationary economy.

TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in a currency other than the operating currency are initially translated using the exchange rate prevailing on the transaction date.

The amounts recognized in the income statement are reported:

- as financial income for currency translation differences relating to financial transactions,
- as costs of goods and services sold in operating income for other currency translation differences.

EXCHANGE GAINS AND LOSSES

Exchange gains and losses recognized on foreign currency operating transactions resulting from the difference between the valuation at the exchange rate on the day of the transaction and the rate on the day of settlement are allocated to "Cost of goods and services sold," after hedging derivatives are factored in.

3.1. CHANGES IN SCOPE

MAJORITY STAKE ACQUIRED IN MAWSLEY MACHINERY LTD

On October 29, 2019, Manitou Group acquired a majority stake in the British company Mawsley Machinery Ltd, based near Northampton, following the retirement of its primary shareholders. Founded in 1981, Mawsley Machinery Ltd distributes construction equipment and associated services to its customers. Mawsley Machinery is a historical distributor of Manitou Group in the Midlands. The company earned revenue of 19.2 million pounds in 2018 and employs 27 staff members.

Manitou Group carried out this transaction through its British holding, Manitou PS, of which it owns 85%, and which acquired all shares of the Mawsley Machinery Ltd, jointly with two managers of Mawsley Machinery Ltd. Manitou has an additional purchase option allowing it to buy back the remaining 15% of the British holding Manitou PS.

HMME - HANGZHOU MANITOU MACHINERY EQUIPMENT

The group finalized the sale of it stake in HMME (Hangzhou Manitou Machinery Equipment Co Ltd.) in March 2019.

This sale relates to a company that has been almost dormant for several years and does not concern the partnership Manitou Group has with the Hangcha Group for the design and assembly of industrial forklift trucks.

As of December 31, 2018, HMME's securities were classified separately on the line "Assets held for sale" and were valued at the lowest book value or estimated sale price, net of costs relating to the sale.

This transaction has no impact on the results for fiscal year 2019.

GROUP COMPOSITION AND DEVELOPMENT

	December 31, 2018	December 31, 2019
FULL CONSOLIDATION		
Production companies	6	6
Distribution companies	22	24
SUBTOTAL	**28**	**30**
Other companies	4	5
TOTAL	**32**	**35**
CONSOLIDATED USING THE EQUITY METHOD		
Financing companies	2	2
TOTAL	**34**	**37**

3.2. IMPACT OF ACQUISITIONS

The accounting recognition of the grouping of the Mawsley Machinery Ltd company was performed on a provisional basis.

3.2.1. IMPACT OF ACQUISITIONS ON GROUP CASH FLOW

in thousands of euros	Mawsley Machinery Ltd
Cost of acquisitions	-2 837
Cash and cash equivalents of subsidiaries acquired	628
Change in debt on acquisition of shares	0
ACQUISITION OF SUBSIDIARIES NET OF CASH FLOW ACQUIRED	**-2 209**
DISPOSAL OF SUBSIDIARIES NET OF CASH FLOW TRANSFERRED	**0**
IMPACT OF ACQUISITIONS AND DISPOSALS ON GROUP CASH FLOW	**-2 209**

3.2.2. BREAKDOWN OF THE FAIR VALUE OF ASSETS NET OF SHAREHOLDINGS ACQUIRED

in thousands of euros	Mawsley Machinery Ltd
Net cash flow of companies acquired	628
Intangible assets	2 234
Right-of-use of leased assets	330
Working capital requirement	-486
Other current and non-current provisions	-55
Financial debt	-103
Rental liabilities	-330
FAIR VALUE OF ASSETS NET OF ADDITIONAL SHAREHOLDINGS	**2 837**

The assets and liabilities of Mawsley Machinery Ltd were valued at fair value on the basis of an independent appraisal. Revaluations were performed and primarily concern a brand name (€0.1 million) and customer relationships (€1.3 million).

3.2.3. GOODWILL AND NET ASSETS RELATED TO ACQUISITIONS

in thousands of euros	Mawsley Machinery Ltd
Cost of acquisitions (in cash)	2 837
Fair value of assets net of shareholdings acquired	2 837
GOODWILL	**0**

3.2.4. IMPACT OF ACQUISITIONS ON THE INCOME STATEMENT

in thousands of euros	December 31, 2019	December 31, 2019 Constant scope and exchange rate*	Difference
Net Sales	2 093 577	2 093 115	462
Recurring operating income	148 608	148 565	43
% net sales	7,1%	7,1%	

The inclusion in 2019 of Mawsley Machinery Ltd had an impact of €0.5 million on the 2019 consolidated revenue at the current exchange rate.

* Constant scope and exchange rate are characterized by the following:

- constant scope:
  - for companies acquired in N-1: deduction of their contribution from January 1st of the current fiscal year to the anniversary month of their acquisition,
  - for companies acquired in N: deduction of their contribution from the anniversary month of their acquisition to December 31st of the current fiscal year,
- application of the exchange rate from the previous fiscal year to the aggregate line items of the current period.

NOTE 4 IMPACT OF NEW STANDARDS

FIRST APPLICATION OF IFRS 16 AND IMPACT ON THE CONSOLIDATED FINANCIAL STATEMENTS

The standard IFRS 16 "Leases" modifies the lessee accounting method for leases. It replaces IAS 17 and the IFRIC 4, SIC 15, and SIC 27 interpretations. IFRS 16, which entered into force on January 1, 2019, imposes a single lessee accounting model for leases.

The group now assesses if a contract is or contains a lease, based on the new definition of a lease agreement. According to IFRS 16, a contract or part of a contract is or contains a lease if it grants the right to control the use of an identified asset for a certain period in exchange for a consideration. When concluding or reassessing a contract with a lease component, the group allocates the remuneration provided in the contract to each lease and non-lease component, on the basis of their different relative price.

The Group recognizes a "right-of-use" asset (Note 8.1) and a lease liability (Note 8.2) at the start date of the lease.

The "right-of-use" asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment. The amount may be adjusted according to certain reassessments of the lease liability.

Lease debt is initially measured at the present value of lease payments due but not yet paid at the start date of the contract. The discount rate used corresponds to the rate of interest implicit in the contract or, if this cannot be easily determined, the incremental borrowing rate of each subsidiary. The Group generally uses the incremental borrowing rate as the discount rate.

The lease debt is subsequently increased by the interest cost and reduced by the lease payments made. It is re-evaluated in the event of a change in future lease payments following a change in index or rate, a new estimate of the amount due under a residual value guarantee or, where applicable, a reassessment of the exercise of a purchase or extension option, or the non-exercise of a termination option (which then become reasonably certain).

Variable rent or services performed in connection with the contract are not taken into consideration when determining the amount of the right-of-use and rental liabilities and are recognized as expenses when they are incurred.

The income statement is also impacted. Lessees recognize a depreciation charge for the right-of-use (Note 5) and an interest expense, instead of operating expenses.

The discount rates applied on the transition date are based on the group's weighted average borrowing rate, plus a spread to take into account the specific economic environments of each country (single spread for all subsidiaries in the same country). These rates are also determined by maturity (less than 3 years, 3 to 6 years, and more than 6 years) and taking into account the initial duration of the lease agreements. The weighted average debt ratio as of January 1, 2019 is 2.80%.

The duration of the lease corresponds to the non-cancellable contractual period of use of the asset, taking into account, as applicable, any renewal options that can be reasonably expected to be exercised. In the case of French 3-6-9 leases, the group has selected a maximum duration of 9 years in accordance with the recommendation of the Autorité des Normes Comptables (French accounting standards body). As of December 31, 2019, for open-ended contracts that can be terminated at any time, the group has determined a lease duration based on its best knowledge of the activity associated with the lease agreement. The amortization period of improvements that cannot be separated from the leased buildings was aligned over the lease period of the building in accordance with the opinion of the IFRS Interpretation Committee issued in December 2019. In light of the belated publication of the interpretation, analysis is still on going. However, the group is not expecting significant adjustments.

Deferred tax is recognized based on the net amount of the temporary taxable and deductible differences.

At the initial recognition of the right-of-use and the lease commitment, no deferred tax is recognized if the amount of the asset is equal to the amount of the liability.

The net temporary differences that may result from subsequent changes to the right-of-use and the lease commitment would result in the recognition of a deferred tax.

The group applied the simplified retrospective method, calculating the right-of-use from the beginning for contracts in progress at January 1, 2019. For this purpose, financial statements published before the application of the standard were not restated. The cumulative effect of the initial application was accounted for at January 1, 2019. The group has thus reduced the amount of its opening equity by €1 million, net of deferred tax, to reflect the cumulative effect of the initial application of the standard (including the impact of the alignment of the depreciation of the improvements over the duration of lease of the property). Application of IFRS 16 has led to an increase in net debt of €15.5 million and in the right-of-use assets of €14.2 million. In the first half of 2019, the recurring operating income improved by €1 million, and the financial result went down by €1.1 million.

The main quantitative and qualitative consequences of the application of this standard are presented in detail below.

IMPACTS ON THE TRANSITION

As part of the transition to IFRS 16, the group recorded "Right-of-use" assets and additional lease liabilities on the liability side of the balance sheet, with the difference recognized in retained earnings. The effects of the transition are summarized below.

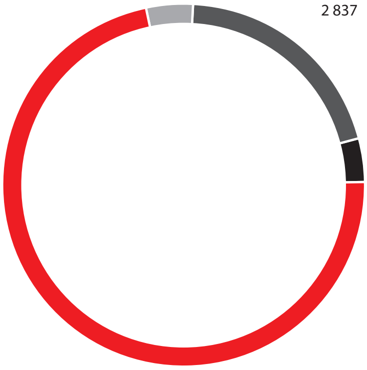
ASSETS

in thousands of euros	December 31, 2018	Impact of the first application of IFRS 16	January 1, 2019
NON-CURRENT ASSETS			
TANGIBLE ASSETS	175 652		175 652
GOODWILL	288		288
INTANGIBLE ASSETS	43 333		43 333
RIGHT-OF-USE OF LEASED ASSETS		14 171	14 171
INVESTMENTS IN ASSOCIATES	18 008		18 008
SALES FINANCING RECEIVABLES	8 210		8 210
DEFERRED TAX ASSETS	16 588	345	16 588
NON-CURRENT FINANCIAL ASSETS	8 708		8 708
OTHER NON-CURRENT ASSETS	375		375
	271 162	**14 516**	**285 678**
CURRENT ASSETS			
INVENTORIES & WORK IN PROGRESS	574 640		574 640
TRADE RECEIVABLES	361 685		361 685
SALES FINANCING RECEIVABLES	2 487		2 487
OTHER RECEIVABLES			
Current income tax	5 858		5 858
Other receivables	41 538		41 538
CURRENT FINANCIAL ASSETS	4 412		4 412
CASH AND CASH EQUIVALENTS	27 623		27 623
	1 018 243		**1 018 243**
NON-CURRENT ASSETS HELD FOR SALE	215		215
TOTAL ASSETS	**1 289 620**	**14 516**	**1 304 136**

LIABILITIES

in thousands of euros	December 31, 2018	Impact of the first application of IFRS 16	January 1, 2019
Share capital	39 668		39 668
Share premiums	46 098		46 098
Treasury shares	-24 018		-24 018
Consolidated reserves	442 629	-999	441 630
Currency translation differences	3 903		3 903
Net profit (loss) – Equity holder of the parent	84 109		84 109
SHAREHOLDERS' EQUITY – Equity holder of the parent	**592 389**	**-999**	**591 389**
MINORITY INTERESTS	**4 585**	**-3**	**4 582**
TOTAL EQUITY	**596 974**	**-1 003**	**595 971**
NON-CURRENT LIABILITIES			
NON-CURRENT PROVISIONS	45 368		45 368
OTHER NON-CURRENT LIABILITIES	3 101		3 101
DEFERRED TAX LIABILITIES	1 144		1 144
NON-CURRENT FINANCIAL LIABILITIES			
Loans and other financial liabilities	38 477		38 477
NON-CURRENT RENTAL LIABILITIES		14 575	14 575
	88 090	**14 575**	**102 665**
CURRENT LIABILITIES			
CURRENT PROVISIONS	15 086		15 086
TRADE ACCOUNTS PAYABLE	292 715		292 715
OTHER CURRENT LIABILITIES			
Current income tax	6 457		6 457
Other liabilities	148 640		148 640
CURRENT FINANCIAL LIABILITIES	141 658		141 658
CURRENT RENTAL LIABILITIES		944	944
	604 556	**944**	**605 550**
TOTAL EQUITY & LIABILITIES	**1 289 620**	**14 516**	**1 304136**

The net accounting value of the right-of-use of the leased assets related to the first application of IFRS 16 can be summarized as follows (data in thousands of euros).



IMPACT ON THE FINANCIAL STATEMENTS FOR THE PERIOD

	MHA	CEP	S&S	TOTAL
in thousands of euros	Material Handling and Access	Compact Equipment Products	Services & Solutions	
Cancellation of the lease payment charge on contracts previously classified as operating leases	2 900	1 440	2 352	**6 691**
Depreciation - Right-of-use of leased assets	-2 486	-1 164	-2 018	**-5 668**
IMPACT ON RECURRING OPERATING INCOME	**414**	**276**	**333**	**1 023**
Financial expenses IFRS 16	-401	-558	-139	**-1 098**
TOTAL NET IMPACT BEFORE TAX	**13**	**-283**	**195**	**-75**

Note 8 explains in detail the accounting principle resulting from this new standard, as well as the group's accounting decisions.

SIMPLIFICATION MEASURES

During the transition, the main simplification measures selected by the group are as follows:

- exclusion of contracts with a remaining duration of 12 months or less as of the transition date and low-value contracts (€5 000),
- application of the standard exclusively to contracts previously identified as lease agreements,
- use of the initial duration of the contract to determine the discount rate as of the transition date,
- exclusion of initial direct costs from the valuation of the right-of-use on the date of first application,
- the option to apply IFRS 16 to leases of intangible assets has not been adopted by the group,
- the use of “hindsight,” for example to determine the duration of the lease agreement, if it has renewal or termination options.

The lease agreements excluded from the scope of IFRS 16 are recognized directly in operating expenses.

NOTE 5 OPERATIONAL DATA

5.1. SEGMENT INFORMATION

5.1.1. RESULT BY DIVISION

ACCOUNTING PRINCIPLES

In accordance with IFRS 8, the information by operating segment is prepared on the basis of operating reports submitted to group management. This information is prepared in accordance with the IFRS applicable to consolidated financial statements.
It includes the following items:

- sales,
- operating income,
- operating income including net income from equity associates, which are the performance indicators of the divisions.

The group is organized into three divisions, two product divisions and one service division:

- The MHA (Material Handling and Access) product division is dedicated in particular to telehandlers, masted industrial and rough-terrain forklift trucks, mounted forklift trucks, and aerial work platforms. Its mission is to optimize the development and production of Manitou brand name products.
- The CEP product division (Compact Equipment Products) optimizes the development and production of Gehl & Mustang-branded skidsteer loaders, track loaders, articulated loaders, backhoe loaders, and telehandlers.
- The S&S division (Services & Solutions) includes service activities to support sales (financing approaches, warranty contracts, maintenance and full service contracts, fleet management, etc.), after-sales services (spare parts, technical training, warranty contract management, used equipment sales, etc.) and services to end users (geo-location, user training, advice, etc.). The aim of this division is to create service offers to meet the expectations of each of our customers in our value chain and increase the resilience of group sales.

These three divisions design and assemble the products and services which are distributed by the sales and marketing organization to dealers and the group's major accounts in 140 countries.

	MHA Material Handling and Access		CEP Compact Equipment Products		S&S Services & Solutions		Total	
in thousands of euros	31.12.18	31.12.19	31.12.18	31.12.19	31.12.18	31.12.19	31.12.18	31.12.19
Net sales	1 294 087	1 455 822	313 509	328 313	275 982	309 442	1 883 578	2 093 577
Cost of goods and services sold	-1 095 976	-1 235 507	-270 552	-289 828	-203 270	-222 174	-1 569 798	-1 747 509
GROSS MARGIN	**198 111**	**220 315**	**42 957**	**38 485**	**72 712**	**87 268**	**313 780**	**346 068**
AS A %	**15,3%**	**15,1%**	**13,7%**	**11,7%**	**26,3%**	**28,2%**	**16,7%**	**16,5%**
Research and development costs	-19 888	-21 225	-4 019	-6 509		2	-23 908	-27 732
Selling, marketing and service expenses	-47 183	-48 127	-15 219	-17 257	-42 714	-48 120	-105 116	-113 504
Administrative expenses	-32 378	-35 423	-13 911	-16 175	-9 863	- 9 573	-56 152	-61 170
Other operating income and expenses	1 289	710	-424	3 822	-128	414	736	4 946
RECURRING OPERATING INCOME	**99 950**	**116 251**	**9 384**	**2 367**	**20 006**	**29 990**	**129 341**	**148 608**
AS A %	**7,7%**	**8,0%**	**3,0%**	**0,7%**	**7,2%**	**9,7%**	**6,9%**	**7,1%**
Impairment of assets	-339	339					-339	339
Other non-recurring operating income and expenses	-2 188	-2 343	-414	-286	-296	-244	-2 898	- 2 873
OPERATING INCOME	**97 423**	**114 247**	**8 970**	**2 081**	**19 710**	**29 746**	**126 104**	**146 074**
AS A %	**7,5%**	**7,8%**	**2,9%**	**0,6%**	**7,1%**	**9,6%**	**6,7%**	**7,0%**
Share of profits of associates	16				2 310	2 192	2 326	2 192
OPERATING INCOME INCLUDING NET INCOME FROM ASSOCIATES	**97 439**	**114 247**	**8 970**	**2 081**	**22 020**	**31 938**	**128 431**	**148 265**

The spare parts and attachments distribution business, which is part of the Services & Solutions division, benefits from services provided by the MHA and CEP divisions (R&D, qualification of parts, qualification of suppliers), from the installed base of machines sold, and from the brand name recognition developed by these divisions.

In order to pay for all these benefits, the group's divisional reporting includes a fee paid by the Services & Solutions Division to the MHA and CEP divisions. This fee is calculated based on comparable external indicators from independent spare parts distributors for which the median operating income over a 5-year period amounted to 4.25% in Europe and 4.87% in the USA, the main regions in which the S&S Division operates. The fee is allocated to each division in the "Cost of goods and services sold" line item, which therefore corresponds to the cost of goods and services sold, net of fee expenses or income.

Assets, cash flows and liabilities are not allocated to the individual divisions, as the operating sector information used by group management does not include those various items.

5.1.2. SALES BY DIVISION AND REGION

Net Sales 2018						Net Sales 2019				
SOUTHERN EUROPE	NORTHERN EUROPE	AMERICAS	APAM*	TOTAL	in millions of euros and % of total	SOUTHERN EUROPE	NORTHERN EUROPE	AMERICAS	APAM*	TOTAL
463.2	622.0	99.2	109.7	**1,294.1**	MHA	542.7	664.9	129.4	118.9	**1 455.8**
25%	33%	5%	6%	**69%**		26%	32%	6%	6%	**70%**
18.5	42.9	202.6	49.6	**313.5**	CEP	23.1	45.5	218.9	40.9	**328.3**
1%	2%	11%	3%	**17%**		1%	2%	10%	2%	**16%**
96.9	91.0	48.5	39.6	**276.0**	S&S	111.1	103.1	54.4	40.8	**309.4**
5%	5%	3%	2%	**15%**		5%	5%	3%	2%	**15%**
578.6	**755.8**	**350.3**	**198.9**	**1,883.6**	**TOTAL**	**676.9**	**813.5**	**402.6**	**200.6**	**2 093.6**
31%	**40%**	**19%**	**10%**	**100%**		**32%**	**39%**	**19%**	**10%**	**100%**

* Asia, Pacific, Africa, Middle East.

5.2. OPERATING INCOME

ACCOUNTING PRINCIPLES

The operating income includes all recurring and non-recurring items described below, before taking into account the financial result, income tax, and the group's share of the net income from equity associates. It includes:

- revenues (note 5.2.1),
- the cost of goods and services sold (note 5.2.2),
- research and development costs (note 5.2.3),
- sales, marketing, and services costs and administrative expenses (note 5.2.4),
- other operating income and expenses (note 5.2.5),
- non-recurring operating income and expenses (note 5.2.6).

The group uses operating income as a primary performance indicator.

5.2.1. NET SALES

ACCOUNTING PRINCIPLES

NET SALES

Revenues amount to all proceeds from the sales of the group's products, from trading activities, and the provision of services associated with sales. It is primarily comprised of:

- sales of new handing equipment assembled within the group or acquired from third parties,
- spare parts and attachments,
- equipment rentals,
- equipment fleet management services,
- miscellaneous services (extended warranties).

It is net of:

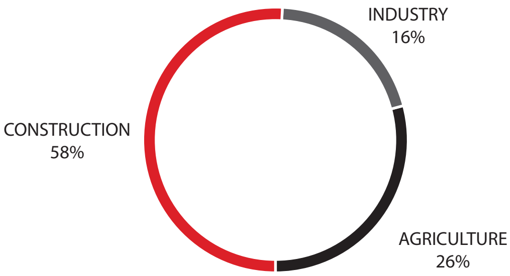
- value-added tax,
- returns of goods,
- discounts and allowances,
- deductions for intragroup sales.

In accordance with IFRS 15, product sales are recognized when the group has honored its service commitment to the purchaser and when control over the products has been transferred. In general, this corresponds to when the products are made available to the distribution network (in the case of independent dealers) or upon delivery to the end customer (for direct sales). In the case of provision of services, the product is recognized when the service has been performed. Thus, for warranty extensions, the revenue is recognized as the service is provided.

NET SALES BY TYPE AND REGION

in thousands of euros	Sales of goods				Sales of services				TOTAL			
	31.12.18	as a %	31.12.19	as a %	31.12.18	as a %	31.12.19	as a %	31.12.18	as a %	31.12.19	as a %
Southern Europe	560 229	30%	658 157	32%	18 319	51%	18 735	45%	578 548	31%	676 893	32%
Northern Europe	749 966	41%	804 099	39%	5 838	16%	9 368	23%	755 804	40%	813 467	39%
Americas	348 858	19%	400 270	20%	1 424	4%	2 368	6%	350 282	19%	402 638	19%
APAM	188 695	10%	189 511	9%	10 249	29%	11 069	27%	198 944	11%	200 580	10%
TOTAL	**1 847 749**	**100%**	**2 052 038**	**100%**	**35 830**	**100%**	**41 540**	**100%**	**1 883 578**	**100%**	**2 093 577**	**100%**

NET SALES BY MARKET



Services are sold exclusively by the S&S (Services & Solutions) division. The amount of revenue from sales and services is therefore attributable to this division alone.

The group's customer base is very diverse, with the largest customer representing no more than 2% of total revenue.

5.2.2. COST OF GOODS AND SERVICES SOLD

ACCOUNTING PRINCIPLES

COST OF GOODS AND SERVICES SOLD

The cost of sales is made up of the cost of goods and services sold, which comprises the cost of raw materials and components, labor directly attributable to the goods or services, and all related production and logistics operating costs. It also includes the amortization of intangible assets, equipment and materials allocated to production, contractual warranty costs, provisions for inventory impairment, and exchange gains and losses on operating income in foreign currency resulting from the difference between the valuation at the exchange rate on the day of the transaction and the rate on the day of settlement.

GROSS MARGIN

The gross margin on the cost of sales is the difference between sales and the cost of sales.

in thousands of euros	December 31, 2018	December 31, 2019
Material purchases	-1 246 071	- 1387 998
Direct and indirect labor	-185 709	-203 008
Depreciation, amortization, and impairment [1]	-28 471	-35 926
Other	-109 547	-120 577
COST OF GOODS AND SERVICES SOLD	**-1 569 798**	**-1 747 509**

[1] of which €2.9 million in IFRS 16 impact

5.2.3. RESEARCH AND DEVELOPMENT COSTS

ACCOUNTING PRINCIPLES

RESEARCH AND DEVELOPMENT COSTS

Research and development costs consist of personnel costs for staff assigned to innovation, development, design, prototyping, and product improvements. The businesses frequently use external services as well as dedicated equipment and materials for which depreciation is charged to the function.

Development activities meeting the criteria of IAS 38 may be recognized in intangible assets and subsequently amortized in cost of sales (note 7.1).

The expenses of the fiscal year include research costs, study and development costs uncapitalized pursuant to the criteria noted in 7.1, as well as the depreciation expense of capitalized development costs.

The Research Tax Credit in France, which is calculated on the basis of certain research expenses associated with "eligible" projects, is paid by the State. If the beneficiary of the Research Tax Credit owes corporate tax, this credit will be deducted against taxes to be paid; otherwise, it will be repaid by the State within three years. Therefore, the Research Tax Credit does not fall within the scope of IAS 12 "Income taxes" and is recognized as a decrease in the Research and Development costs in the group's operating margin at the rate at which the financed costs are recognized in the income statement.

in thousands of euros	2018	2019
Total expenses incurred	33 486	40 255
Capitalized development costs	-9 578	-12 523
TOTAL RESEARCH & DEVELOPMENT COSTS	**23 908**	**27 732**

5.2.4. SALES, MARKETING, AND SERVICE COSTS AND ADMINISTRATIVE EXPENSES

ACCOUNTING PRINCIPLES

SALES AND MARKETING COSTS

Sales costs consist primarily of personnel and associated costs allocated to business development assignments, coordination of dealer networks, and marketing and technical expenses. This line item also includes sales commissions, advertising costs, trade shows, credit insurance expenses, the cost of sales warranties, travel expenses and the depreciation of associated infrastructure.

ADMINISTRATIVE EXPENSES

Administrative expenses consist primarily of personnel expenses and costs associated with the support functions (human resources, finance, general secretariat, etc.). They also include depreciation of the infrastructure associated with these functions.

in thousands of euros	December 31, 2018	December 31, 2019
External expenses	-58 858	-59 546
Personnel expenses	-86 945	-93 174
Net depreciation/amortization expenses (non-production) (1)	-5 139	-8 308
Other (2)	-10 326	-13 646
SALES, MARKETING, AND SERVICE COSTS AND ADMINISTRATIVE EXPENSES	**-161 268**	**-174 674**

(1) of which €2.8 million in IFRS 16 impact
(2) Primarily concerns commissions

5.2.5. OTHER OPERATING INCOME AND EXPENSES

in thousands of euros	December 31, 2018	December 31, 2019
Disposal of assets	46	-245
Other income	2 073	8 133
Other expenses	-1 195	-1 860
Net increase in provisions	-189	- 1082
TOTAL	**736**	**4 946**

The result for the year includes other income and expenses, for a net amount of + €3.7 million, including insurance compensation of + €2.8 million due to the flooding and shutdown of the CEP production site in Madison (USA) and commercial compensation of + €0.9 million to compensate for costs due to late deliveries of engines by one of our suppliers in the United States.

In 2018, other operating income and expenses included product litigation, insurance reimbursements, and income related to real estate rentals.

5.2.6. NON-RECURRING OPERATING INCOME AND EXPENSES

ACCOUNTING PRINCIPLES

NON-RECURRING INCOME & EXPENSES

The other non-recurring operating income and expenses, excluded from the recurring operating income, include:

- impairment,
- income from significant or unusual disposals of tangible and intangible assets,
- acquisition and consolidation expenses,
- income relating to "Badwill,"
- income from disposals of consolidated securities,
- restructuring costs,
- unusual items corresponding to other income and expenses which are not usual in terms of their frequency, nature, and amount.

in thousands of euros	December 31, 2018	December 31, 2019
Staff costs associated with restructuring	-525	
Impairment of financial assets	-339	
Net provisions for risks and contingencies	-464	
Other non-recurring income and expenses	-1 909	-2 534
TOTAL	**-3 237**	**-2 534**

In 2019, other non-recurring income and expenses include costs related to acquisition projects and legal costs relating to an ongoing patent dispute.

In 2018, other non-recurring income and expenses were primarily made up of a loss associated with estimation of the fair value of the shares of HMME held for sale, the legal fees associated with a current patent dispute, and restructuring costs.

5.2.7. EBITDA

in thousands of euros	December 31, 2018	December 31, 2019
OPERATING INCOME	**126 104**	**146 074**
Amortization and depreciation	35 525	46 473
Impairment	339	-339
EBITDA WITH LEASE COMMITMENTS	**161 968**	**192 207**
Cancellation of the lease payment charge on contracts previously classified as operating leases		-6 691
EBITDA WITHOUT LEASE COMMITMENTS	**161 968**	**185 516**

NOTE 6 EMPLOYEE EXPENSES AND BENEFITS

6.1. HEADCOUNT

	December 31, 2018	December 31, 2019
Managers	981	1 083
Supervisory staff	65	68
Technicians ETD	1 216	1 306
Manual workers	2 163	2 117
TOTAL	**4 425**	**4 574**

6.2. BREAKDOWN OF PERSONNEL EXPENSES BY TYPE

in thousands of euros	December 31, 2018	December 31, 2019
Salaries, bonuses, and indemnities	-175 797	-201 593
Profit-sharing	-11 760	-14 456
Employee benefits	-6 306	-7 224
Social charges and payroll taxes	-60 386	-62 037
PERSONNEL EXPENSES EXCLUDING TEMPORARY EMPLOYEES AND REBILLING	**-254 249**	**-285 309**
Temporary employees and other	-40 408	-36 865
TOTAL	**-294 657**	**-322 174**

** excluding R&D capitalization costs*

6.3. EMPLOYEE BENEFITS

ACCOUNTING PRINCIPLES

The group has put in place a number of employee benefit plans with defined contributions or defined benefits:

- the defined contribution plans are post-employment benefit plans under which Manitou Group pays contributions to an independent entity. In this case, the group is not bound by any legal or implicit requirement which compels it to make additional contributions in the event that the assets are not sufficient to pay the benefits due for services rendered. The contributions are accounted for as an expense when they fall due.
- the liabilities resulting from defined benefit schemes, and their costs, are calculated according to IAS 19 (Revised), using the projected unit credit method. Liabilities for benefits granted are assessed taking into account the demographic and economic assumptions for each entity concerned. They are discounted to their present value using a discount rate based on the interest rates for the highest-quality bonds. The various categories of defined benefit plans in place within Manitou Group and the main assumptions used are presented in detail below.

Actuarial gains and losses generated by changes in assumptions are recorded in reserves.

The net expense for the period is the sum of the cost of services rendered, the cost related to unwinding the discount, the expected return on plan assets, and, if applicable, the cost of managing the assets.

6.3.1. DEFINITION

The defined benefit schemes that result in the recognition of a provision relate to:

- employee indemnities related to retirement or contract completion,
- other long-term benefits such as long service awards,
- pension schemes and other retirement benefits for certain employees,
- a supplementary pension scheme for certain management employees in the USA,
- medical insurance and post-employment life insurance.

These defined benefit schemes are usually covered by funds paid to insurance companies, which are valued at their fair value at year end. The value of these funds is deducted from the commitment valued in accordance with the provisions of IAS 19 (revised). The characteristics of the primary schemes are as follows:

	United States of America	United States of America	United Kingdom	France	Italy
	Pension plan b	**SERP**	**Pension**	**Retirement indemnity**	**Severance pay**
Description	A "qualified" post-employment benefits plan which was closed to new members as of May 1, 2005 and frozen in terms of the acquisition of rights for all participants as of October 3, 2009. The benefits attributed are the greater of 1% of final salary multiplied by the number of years of service (capped at 35 years) or $22 per year of service.	A "non-qualified" post-employment benefits plan including a limited number of designated beneficiaries on the basis of individual agreements. One active employee is currently in the plan; all the other beneficiaries are former employees. The benefits granted under this plan are calculated based on a percentage of final average earnings.	Final salary-based scheme, frozen to new entrants and to the acquisition of new rights.	Amount paid at the time of retirement calculated based on years of service and final salary. This plan complies with legal requirements.	Amount paid at the time of retirement calculated based on years of service and final salary. This plan complies with legal requirements and has been frozen since 2007.
Plan risks	Investment risk, life expectancy risk, and interest rate risk.	Interest rate risk and life expectancy risk.	Investment risk, life expectancy risk, and market risk.	Volatility of the benefit disbursement amounts depending on the effective retirement date.	Volatility of the benefit disbursement amounts depending on the effective departure date of employees hired before 2007.
Investment strategy	A combination of 60% in equities and the remainder in fixed-income instruments. The aim of this strategy is to grow the plan assets faster than its liabilities and to fund the minimum contribution in accordance with US law (ERISA and the Internal Revenue Code).	Although not considered as plan assets, the plan is funded via a Rabbi trust.	A combination of 50% in a diversified fund, 25% in non-indexed government bonds and the remainder in corporate bonds denominated in GBP. The aim of this strategy is to provide a return sufficient to cover the future liabilities of members while maintaining a certain level of low-risk assets to cover pensions due in the short term.	Insurance contract making the funds invested immediately available. Assets characterized by the low volatility of their yield.	Lack of asset

6.3.2. CHANGE

6.3.2.1. KEY ACTUARIAL ASSUMPTIONS USED

	France		United Kingdom		Italy		United States of America		India	
	31.12.18	31.12.19	31.12.18	31.12.19	31.12.18	31.12.19	31.12.18	31.12.19	31.12.18	31.12.19
Salary trends	4.00%	4.00%	n/a	n/a	n/a	n/a	n/a	n/a	9.00%	6 or 9%
Pension increases	n/a	n/a	5.00%	5.00%	n/a	n/a	n/a	n/a	n/a	n/a
Financial discount rate	1.80%	1.00%	2.70%	1.90%	1.80%	1.00%	4.10%	3.10%	7.40%	7.00%

A change of -0.5% in the discount rate would have the following impact on the actuarial debt (DBO) and the cost of an additional year (SC):

in thousands of euros	Europe (inc. France)	United Kingdom	United States of America	India	TOTAL
Impact on the actuarial liability (DBO)	2 975	1 765	2 759	56	**7 555**
Impact on the cost of an additional year (SC)	306	0	14	8	**328**

Salary increases are assumed for each country as the sum of inflation assumptions and forecasts of individual increases.

The turnover and mortality rates reflect the specific characteristics of each country and each company. The turnover rate used varies according to the age and status of the individuals concerned. As of December 31, 2019, the use of the RP-2019 mortality table published by the SOA (Society of Actuaries) in October 2019 to calculate commitments in the United States did not have an impact on the discounted debt.

The rate used to discount liabilities is determined with reference to a market rate on the reporting date based on top-quality corporate bonds.

The healthcare inflation rate used was 6% as of December 31, 2019. A change of 1% in healthcare inflation would have an impact on the actuarial liability (DBO) of +€0.1 million and would have zero impact on the cost of an additional year (SC).

The calculation of retirement benefits in France is based on voluntary departure by the employee, which implies that the commitment includes social security charges. The rates used for social security charges in assessing the commitment for 2019 are between 40% and 58%, depending on the entities and the occupational categories concerned.

The retirement age used to calculate retirement benefits and supplementary pension was determined in compliance with the applicable legislation in the countries concerned.

6.3.2.2. BREAKDOWN OF PLAN ASSETS (AS A %)

The breakdown of plan assets as of December 31, 2019 was as follows:

	December 31, 2018			December 31, 2019		
	France	United Kingdom	United States of America	France	United Kingdom	United States of America
Shares	13%	9%	27%	13%	0%	29%
Bonds	78%	22%	10%	78%	94%	58%
Other	9%	69%	63%	9%	6%	13%
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

6.3.2.3. RECONCILIATION OF BALANCE SHEET LINE ITEMS

The provision is broken down by country as follows:

						December 31, 2019
in thousands of euros	France Retirement Indemnities	France Other	United Kingdom	United States of America	Other	Total
Current value of the obligation	30 036	1 421	15 456	54 635	3 300	104 848
Fair value of the financial assets	3 517		19 845	43 578	1 055	67 994
(Provisions) net assets recognized in the balance sheet	-26 519	-1 421	4 389	-11 057	-2 245	-36 853
				Of which:	Provision	-41 264
					Assets	4 411

						December 31, 2018
in thousands of euros	France Retirement Indemnities	France Other	United Kingdom	United States of America	Other	Total
Current value of the obligation	25 195	1 118	15 180	50 260	2 994	94 746
Fair value of the financial assets	4 052		18 015	36 754	865	59 686
(Provisions) net assets recognized in the balance sheet	-21 143	-1 118	2 835	-13 506	-2 129	-35 060
				Of which:	Provision	-37 897
					Assets	2 835

6.3.2.4. CHANGE IN COMMITMENTS AND PLAN ASSETS DURING THE YEAR

in thousands of euros	France		United Kingdom		United States of America		Other		Total	
	31.12.18	31.12.19	31.12.18	31.12.19	31.12.18	31.12.19	31.12.18	31.12.19	31.12.18	31.12.19
COMMITMENT										
BEGINNING OF PERIOD	**24 644**	**26 311**	**16 206**	**15 180**	**53 251**	**50 261**	**1 901**	**2 993**	**96 001**	**94 746**
Service costs	1 874	2 021			74	72	143	237	2 091	2 331
Discounting	475	507	385	410	1 801	2 021	243	147	2 904	3 085
Benefits paid	-201	-690	-673	-1 247	-4 281	-4 633	-256	-298	-5 411	-6 869
Actuarial differences recognized in income statement									0	0
Liquidation/reduction and other									0	0
Past service costs		-165						12	0	-153
Additions to the scope of consolidation									0	0
Actuarial losses (gains) – experience and demographic assumptions	-481	-463	3 391	-2 689	-238	630	998	138	282	-2 383
Actuarial losses (gains) – financial assumptions		3 936	-1 005	2 581	-3 113	4 929	1	150	-4 116	11 596
Other costs			385	456	412	402	89	-83	886	774
Exchange rate adjustment			-122	765	2 356	954	-126	0	2 109	1 719
END OF PERIOD	**26 311**	**31 457**	**15 180**	**15 456**	**50 261**	**54 636**	**2 993**	**3 296**	**94 746**	**104 845**
PLAN ASSETS										
BEGINNING OF PERIOD	**4 516**	**4 052**	**16 014**	**18 015**	**35 678**	**36 754**		**865**	**56 208**	**59 686**
Employer contributions			3 012	570	3 853	3 933		105	6 865	4 608
Benefits paid	-151	-633	-676	-1 247	-3 960	-4 287		-5	-4 783	-6 172
Theoretical return on assets	80	79	385	488	1 216	1 527		15	1 681	2 108
Difference - Theoretical return/actual return on assets	-393	19	-570	1 066	-1 706	4 966	865	56	-1 804	6 107
Additions to the scope of consolidation				0		0		0		0
Liquidations				0		0		0		0
Other				0		0		19		19
Exchange rate adjustment			-154	954	1 673	685			1 519	1 639
END OF PERIOD	**4 052**	**3 517**	**18 015**	**19 845**	**36 754**	**43 578**	**865**	**1 055**	**59 686**	**67 995**
RECONCILIATION OF THE PROVISION										**0**
BEGINNING OF PERIOD	**-20 128**	**-22 259**	**-191**	**2 835**	**-17 573**	**-13 507**	**-1 901**	**-2 128**	**-39 792**	**-35 059**
Expense for the year	-2 269	-2 284	-385	-378	-1 070	-968	-475	-299	-4 200	-3 929
Employer contribution		0	3 012	570	3 853	3 933		105	6 865	4 608
Benefits paid	50	57		0	322	347	256	293	628	697
OCI (other components of comprehensive income)	88	-3 454	432	1 173	1 644	-593	-134	-232	2 030	-3 106
Additions to the scope of consolidation										0
Other								19		19
Exchange rate adjustment			-32	189	-683	-269	126	0	-590	-79
END OF PERIOD	**-22 259**	**-27 940**	**2 835**	**4 389**	**-13 507**	**-11 058**	**-2 128**	**-2 241**	**-35 058**	**-36 850**
							Of which:	Provision	-37 897	-41 264
								Assets	2 835	4 411

6.3.2.5. BREAKDOWN OF EXPENSES FOR THE PERIOD

IAS 19 (Revised)	France		United Kingdom		United States of America		Other		Total	
in thousands of euros	31.12.18	31.12.19	31.12.18	31.12.19	31.12.18	31.12.19	31.12.18	31.12.19	31.12.18	31.12.19
Adjustments to methodology										
Service costs	1 874	1 856			74	72	143	250	2 091	2 178
Discounting	475	507	385	410	1 801	2 021	243	147	2 904	3 085
Expected return on assets	-80	-79	-385	-488	-1 216	-1 527		-15	-1 681	-2 108
Losses/gains recognized										
Administrative expenses			385	456	412	402	89	-83	886	774
NET EXPENSE	**2 269**	**2 284**	**385**	**378**	**1 070**	**968**	**475**	**299**	**4 200**	**3 929**

6.4. SHARE-BASED COMPENSATION

In return for services rendered, the group is likely to grant certain members of personnel equity-settled or cash-settled share-based plans. The group then records its commitment as services are rendered by the beneficiaries, from the grant date to the date the rights are acquired.

6.4.1. SUBSCRIPTION OPTIONS PLAN

There is no stock option plan.

6.4.2. ALLOCATION OF PHANTOM SHARES

From January 1, 2018, the President and CEO has a Phantom Shares plan whereby an annual bonus is paid, the amount of which will be based on the Manitou share value for the periods from 2018 to 2021. This bonus is subject to performance and attendance conditions.

For the 2019 financial year, the number of Phantom Shares allocated is 15 500, representing a gross bonus of €302 thousand (15 500 Phantom shares valued at €372 thousand in 2018) to be paid in cash in 2020, subject to the approval of the Shareholders' Meeting. The value of the bonus in the consolidated financial statements is based on the Manitou stock price.

6.4.3. CHARGE RELATING TO SHARE-BASED COMPENSATION

In the consolidated financial statements, the benefit given to the beneficiaries under the plans explained above is recorded as an operating expense.

The amounts are presented below:

Plan (in thousands of euros)	2018 expenses	2019 expenses
Subscription option plan		
Phantom shares	372	247
Other		
TOTAL	**372**	**247**

6.5. EXECUTIVE COMPENSATION AND OTHER BENEFITS

Total amount of compensation and benefits in kind paid to executives:

	Non-executive corporate officers		Executive corporate officers		Executive Committee members who are not corporate officers	
in thousands of euros	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**
Salaries	153	156			2 516	2 602
Mandates	509	483	1 080	1 433		
Additional benefits						
Options granted						
Value of options granted						
Options exercised						
Balance sheet provisions and commitments (provision for premiums)			762	443	1 131	876

Information on the compensation policy can be found in chapter 5 of the Universal Registration Document.

NOTE 7 INTANGIBLE AND TANGIBLE FIXED ASSETS

7.1. GOODWILL AND INTANGIBLE FIXED ASSETS

7.1.1. CHANGE IN NET BOOK VALUE

ACCOUNTING PRINCIPLES

According to IAS 38, an intangible asset is recognized as an asset if:

- It is identifiable (separately, meaning that it can be separated from the entity and be sold, transferred, granted under license, leased, or exchanged, either individually or in the context of a contract with a related asset or liability; or it results from contractual rights or other legal rights, whether or not these rights are transferable or separable from the entity, or other rights and obligations),
- it is probable that the future economic benefits attributable to the asset will go to the entity,
- the cost of this asset may be reliably valued.

GOODWILL

The accounting principles regarding goodwill are described in Note 3 "Scope of consolidation."

INTANGIBLE ASSETS

Development costs are capitalized as an asset when they meet all the following criteria:

- the product or process is clearly determined and the costs attributable to the product or process can be identified separately and reliably assessed,
- the product or process is new or represents a substantial improvement to an existing product or process,
- the technical feasibility of producing the product or process can be demonstrated,
- the company intends to produce and market or use the product or process,
- there is a market for the product or process or, in case of internal use, its usefulness to the company can be demonstrated,
- there are sufficient available resources to complete the development and then use or sell the intangible asset.

These costs primarily include the costs of the personnel assigned to the projects, the portion of overhead costs dedicated to the development activity, the costs of external studies and the costs of prototype creation.

Development costs incurred between the decision to start development, the manufacture of new equipment and the testing and pre-series production phase for that equipment are recognized as intangible assets. Depreciation of the asset begins when development is complete and the asset is ready to be put into operation.

Costs related to preliminary study, the functional analysis phase, and user training are recognized as expenses for the period.

Software

Costs incurred in connection with the implementation of an integrated information system (ERP) are recognized as assets for the portion relating to the detailed design of the project and to programming, testing and documentation, if it is likely that the future economic benefits attributable to the asset will flow to the entity and if the cost of that asset can be reliably assessed and monitored.

Because software acquired as an operating asset is intended to be retained by the group for the long term, it is capitalized.

Brand names, customer relationships acquired, and other intangible assets are recognized in assets if they meet the criteria of IAS 38.

Subsequent revaluation: IAS 38 provides the option of revaluing all or a portion of the assets after the transition date. The group has decided not to make use of this option.

Depreciation is calculated according to the estimated useful lives of the different categories of assets, using the straight-line method. The amortizable amount is the difference between the cost of the asset and the residual value, which is considered to be zero for all amortizable assets.

The main depreciation periods are as follows:

Nature of fixed assets	Term
Patents	5 years
Software	3 years
Complex information systems - ERP	7 years
Development costs	5 years

in thousands of euros	Goodwill	Development costs	Software	Trademarks	Customer relationships and other intangible fixed assets	Total intangible fixed assets
DECEMBER 31, 2018	**71 358**	**77 029**	**54 242**	**27 948**	**32 799**	**192 018**
Purchases	0	14 754	5621	0	489	20 864
Removals	0	-181	-31	0	-52	-264
Change in scope	0	0	0	143	1 544	1 687
Other	0	-13	122	0	10	109
Currency translation differences	1 446	483	140	545	606	1775
GROSS AMOUNT AS OF DECEMBER 31, 2019	**72 804**	**92 072**	**60 095**	**28 635**	**35 386**	**216 188**
DECEMBER 31, 2018	**-71 070**	**-47 888**	**-40 588**	**-27 948**	**-32 261**	**-148 685**
Increases	0	-7381	-4 070	0	-280	-11 734
Decreases	0	0	278	0	52	330
Change in scope	0	0	0	0	0	0
Other	0	0	0	0	0	0
Currency translation differences	-1 446	-224	-109	-537	-523	-1 394
DEPRECIATION AND IMPAIRMENT AS OF DECEMBER 31, 2019	**-72 516**	**-55 493**	**-44 490**	**-28 485**	**-33 014**	**-161 483**
DECEMBER 31, 2018	**288**	**29 141**	**13 654**	**0**	**538**	**43 333**
NET AMOUNT AS OF DECEMBER 31, 2019	**288**	**36 579**	**15 605**	**150**	**2 373**	**54 705**

The main intangible investments in 2019 concerned development costs for €14.8 million and information systems for €5.6 million.

7.1.2. BREAKDOWN OF NET GOODWILL AT THE END OF THE FINANCIAL YEAR

in thousands of euros	December 31, 2018	December 31, 2019
Manitou Portugal SA	71	71
Manitou Italia (formerly OMCI)	174	174
Other	43	43
TOTAL	**288**	**288**

7.2. TANGIBLE ASSETS

ACCOUNTING PRINCIPLES

Tangible assets correspond to physical assets that the company will continue to use after the current fiscal year.

They concern several types of assets: land, buildings, general facilities, tooling, equipment, vehicles, IT equipment, etc. The group combines its tangible assets into 5 items:

- land,
- buildings,
- plant, machinery, and equipment,
- other tangible assets,
- tangible fixed assets under production.

A tangible fixed asset under production must be recognized in assets when:

- it is probable that the future economic benefits attributable to the asset will go to the entity,
- the cost of this asset may be reliably valued.

INITIAL RECOGNITION

The gross value of tangible assets is the historical cost of acquisition or production.

In regard to the item-based approach, the principles currently applied are as follows:

- with respect to buildings, the "construction" portion (structural work) and the "installations" portion (walls, electricity, compressed air systems, etc.) are depreciated over different periods (20 to 30 years for buildings and 10 years for installations),
- with respect to industrial equipment and other fixed assets with a high unit value (more than €50 thousand), depending on the nature of the constituent components and their rate of wear and tear, components for which the unit value exceeds 15% of the total value of the asset are also separated out, so that different depreciation periods can be applied.

DEPRECIATION is calculated based on the estimated useful lives of the different categories of assets, using the straight-line method. The amortizable amount is the difference between the cost of the asset and the residual value, which is considered to be zero for all amortizable assets.

The principal estimated useful lives are as follows:

Nature of fixed assets	Term
Construction	20 to 30 years[1]
Improvements to land and buildings	10 years[2]
Industrial equipment	3 to 7 years[3]
Industrial tooling and molds	3 years
Transport equipment	
Passenger cars	4 years
Large commercial vehicles	5 years
Office and IT equipment	3 to 5 years[4]
Office furniture	10 years

(1) Depending on the construction quality
(2) Except for improvements to leased properties, which are amortized over the rental period of the property
(3) Depending on the equipment type
(4) Depending on the equipment type

EQUIPMENT RENTED OR PROVIDED FOR RENTAL

Equipment covered by financing leases for the benefit of customers is not capitalized, whether related to previously capitalized equipment, financing leases (back-to-back leasing) or rental (back-to-back rental). These assets are reported as receivables, at an amount equal to the net investment in the leasing contract.
Equipment covered by simple rental contracts to the benefit of customers are capitalized in the appropriate asset categories. It is depreciated over a period of 8 years.

ACCOUNTING TREATMENT FOR GRANTS

Public authority grants are recognized when there is reasonable assurance that they will be received and that the group will be able to comply with the conditions of the grant.
Grants related to depreciable assets are initially recognized as balance sheet liabilities and reported in the income statement at the rate of depreciation of the relevant assets. The research tax credit is recognized as a grant in the income for the period.

in thousands of euros	Land	Buildings	Plant, machinery and equipment	Other tangible assets	Tangible fixed assets under production	TOTAL
DECEMBER 31, 2018	**37 022**	**159 912**	**189 033**	**103 229**	**13 085**	**502 282**
Purchases	1 978	1 670	5 962	31 082	31 547	72 240
Disposals	0	-359	-5 835	-3 298	0	-9 492
Change in scope	0	0	53	1 123	0	1 176
Other	5 338	17 169	8 863	-19 285	-27 351	-15 266
Currency translation differences	141	1 190	870	831	60	3 092
RESIDUAL AMOUNT AT DECEMBER 31, 2019	**44 479**	**179 582**	**198 946**	**113 683**	**17 341**	**554 031**
DECEMBER 31, 2018	**-8 986**	**-98 189**	**-155 541**	**-63 912**	**-**	**-326 629**
Increases	-968	-6 733	-12 033	-9 473	-	-29 207
Decreases	0	274	5 055	2 878	-	8 207
Change in scope	0	0	-86	-256	-	-342
Other	0	3	-359	7 654	-	7 292
Currency translation differences	-24	-509	-710	-515	-	-1 759
DEPRECIATION AND IMPAIRMENT AS OF DECEMBER 31, 2019	**-9 979**	**-105 160**	**-163 675**	**-63 624**	**-**	**-342 438**
DECEMBER 31, 2018	**28 036**	**61 723**	**33 491**	**39 317**	**13 085**	**175 652**
NET AMOUNT AS OF DECEMBER 31, 2019	**34 500**	**74 422**	**35 270**	**50 059**	**17 341**	**211 593**

Investments made in 2019 amount to €72.2 million, versus €52.2 million in 2018. They include €31.4 million in land and infrastructure, €14.3 million in industrial tooling, €21.1 million in rental fleet equipment, and €5.4 million in other projects. Tangible fixed assets under production include at 2019 year-end the construction of a new aerial work platform production site, where construction is expected to start at the beginning of 2021.

7.3. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

ACCOUNTING PRINCIPLES

Assets for which the expected useful life is not defined, for example, goodwill, are not amortized and are subject to an annual test for impairment. The amortized assets are reviewed on each reporting date to identify any indication of impairment.

Whenever there is an internal or external indication of impairment, the recoverable value of the asset concerned is appraised with reference to the asset group to which it belongs (cash-generating unit). Cash-generating units are coherent subsets that produce independent cash flows.

At Manitou Group level, the main cash-generating units (CGUs) identified correspond to the manufacturing and marketing of handling equipment, the manufacturing of masts, the marketing of spare parts and attachments, and the sales financing of handling equipment to end users. The CGUs are part of the operating sectors defined by the group.

The recoverable value of an asset or an asset group is its fair value less disposal costs or its expected useful value, whichever is greater. The expected useful value is the expected discounted cash flow from the use of the cash-generating unit under consideration.

The estimated cash flows are derived from 5-year plans approved by group management. The assumptions underlying the preparation of these plans include developments in the markets in which these cash-generating units operate, and the trends in the selling prices of the products and the purchase prices of materials and components. The discount rate is the weighted average cost of capital established by the group.

When the recoverable value is less than the net carrying amount of the CGU under consideration, an impairment loss is recorded against non-recurring operating income to reduce the asset or the asset group concerned.

As of December 31, 2019, Manitou Group does not have significant goodwill or other assets with a significant indeterminate useful life requiring annual impairment tests. Only the amortized assets, in particular the development costs, are subject to tests when there is evidence of impairment. Reviewing the indicators did not lead the group to perform an impairment test for the 2019 financial year.

NOTE 8 RIGHT-OF-USE OF LEASED ASSETS AND RENTAL LIABILITIES

ACCOUNTING PRINCIPLES

The group now assesses if a contract is or contains a lease, based on the new definition of a lease agreement. According to IFRS 16, a contract or part of a contract is or contains a lease if it grants the right to control the use of an identified asset for a certain period in exchange for a consideration. When concluding or reassessing a contract with a lease component, the group allocates the remuneration provided in the contract to each lease and non-lease component, on the basis of their different relative price.

The Group recognizes a "right-of-use" asset and a lease liability at the start date of the lease. The "right-of-use" asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment. The amount may be adjusted according to certain reassessments of the lease liability.

The leased assets are:

- primarily real estate assets operated by the group,
- vehicle lease agreements,
- and finally industrial equipment lease agreements.

Lease debt is initially measured at the present value of lease payments due but not yet paid at the start date of the contract. The discount rate used corresponds to the rate of interest implicit in the contract or, if this cannot be easily determined, the incremental borrowing rate of each subsidiary. The Group generally uses the incremental borrowing rate as the discount rate.

The lease debt is subsequently increased by the interest cost and reduced by the lease payments made. It is re-evaluated in the event of a change in future lease payments following a change in index or rate, a new estimate of the amount due under a residual value guarantee or, where applicable, a reassessment of the exercise of a purchase or extension option, or the non-exercise of a termination option (which then become reasonably certain).

The income statement is also impacted. Lessees recognize a depreciation charge for the right-of-use and an interest expense, instead of operating expenses.

The group has reviewed its leases in order to analyses them in the light of the criteria for operating leases under IFRS 16. In accordance with the exemptions provided by the standard, the group has excluded short-term leases (less than 12 months) and leases with a low asset value (less than €5,000).

The contract term corresponds to the non-cancellable contractual period of use of the asset, taking account, if applicable, of renewal options that are reasonably certain to be exercised. See also note 4.

The option to apply IFRS 16 to leases of intangible assets has not been adopted by the group.

8.1. RIGHT-OF-USE OF LEASED ASSETS

in thousands of euros	Land and buildings - right-of-use	Vehicles - right-of-use	Industrial equipment - right-of-use	Other tangible fixed assets - right-of-use	TOTAL
DECEMBER 31, 2018	**0**	**0**	**0**	**0**	**0**
IFRS 16 - first application	21 364	5 520	1 052	973	28 909
Additions	4 670	1 625	96	1 001	7 392
Disposals	-1 470	-2 014	-183	-66	-3 732
Change in scope	330	0	0	0	330
Other	0	30	0	0	30
Currency translation differences	393	66	-2	34	491
GROSS AMOUNT AS OF DECEMBER 31, 2019	**25 288**	**5 227**	**962**	**1 943**	**33 420**
DECEMBER 31, 2018	**0**	**0**	**0**	**0**	**0**
IFRS 16 - First application	-11 137	-2 683	-454	-462	-14 736
Increases	-3 165	-1 825	-319	-364	-5 672
Decreases	1 470	2 024	183	66	3 743
Change in scope	0	0	0	0	0
Other	0	0	0	0	0
Currency translation differences	-244	-40	1	-9	-293
DEPRECIATION AND IMPAIRMENT AS OF DECEMBER 31, 2019	**-13 077**	**-2 524**	**-589**	**-768**	**-16 959**
DECEMBER 31, 2018	**0**	**0**	**0**	**0**	**0**
NET AMOUNT AS OF DECEMBER 31, 2019	**12 211**	**2 703**	**373**	**1 174**	**16 461**

8.2. RENTAL LIABILITIES

in thousands of euros	TOTAL
Less than 1 year	5 602
1 to 5 years	10 339
Over 5 years	1 930
TOTAL	17 871

NOTE 9 WORKING CAPITAL REQUIREMENT

9.1. INVENTORIES

ACCOUNTING PRINCIPLES

VALUATION AND WRITE-DOWN OF INVENTORIES

The inventories are valued on the following basis:

- merchandise: valued at the weighted average purchase price,
- raw materials: valued at the weighted average purchase price,
- semi-finished products, work in process and finished products: valued at the cost of production (raw materials, equipment and labor at actual cost).

Semi-finished and finished products are valued on the basis of a standard level of activity.

Furthermore, provisions for write-down of inventories are recognized when the net realizable value of goods and merchandise is less than their cost price.

	Raw materials	Work in progress	Finished products	Merchandise	TOTAL
DECEMBER 31, 2018	**189 178**	**40 964**	**237 653**	**127 119**	**594 915**
Change in scope	0	8	789	747	1 543
Reclassification	0	0	6 953	919	7 871
Changes	38 786	-3 692	-19 587	-12 612	2 895
Currency translation differences	900	131	2 567	1 071	4 668
GROSS AMOUNT AS OF DECEMBER 31, 2019	**228 864**	**37 412**	**228 374**	**117 243**	**611 892**
DECEMBER 31, 2018	**-5 611**	**-41**	**-3 961**	**-10 663**	**-20 275**
Change in scope	0	0	-18	-55	-73
Reclassification	0	0	0	2	2
Changes	-711	42	-292	-658	-1 620
Currency translation differences	-19	-1	-39	-123	-182
PROVISION AS OF DECEMBER 31, 2019	**-6 341**	**0**	**-4 309**	**-11 497**	**-22 147**
DECEMBER 31, 2018	**183 568**	**40 923**	**233 693**	**116 456**	**574 640**
NET AMOUNT AS OF DECEMBER 31, 2019	**222 522**	**37 412**	**224 065**	**105 746**	**589 745**

The reclassifications mainly concern leased-out and capitalized equipment, which is transferred to the inventory at the end of the lease to be sold as used equipment.

9.2. TRADE RECEIVABLES

ACCOUNTING PRINCIPLES

Trade receivables are current financial assets that are initially recognized in accordance with the provisions of IFRS 15 and subsequently at amortized cost, less any impairment. The fair value of trade receivables is assimilated into their nominal value, given that the payment terms are generally less than 3 months.

Trade receivables are subject to write-downs for impairment based on expected credit losses. (Note 13.1.2)

CURRENT RECEIVABLES:

in thousands of euros	Gross amount	Impairment	Net amount
December 31, 2018	**366 567**	**- 4 883**	**361 685**
Change in scope	2 923	-6	2 918
Reclassification	0	0	0
Changes	10 707	26	10 734
Currency translation differences	5 154	-52	5 102
TOTAL AS OF DECEMBER 31, 2019	**385 352**	**-4 914**	**380 438**

NON-CURRENT RECEIVABLES:

There are no non-current receivables for the period.

The group generally uses credit insurance to protect its trade receivables. In certain cases, based on the group's knowledge of the customer, the amount due from a given customer may be higher than the amount covered.

On the American market and in accordance with sector practices, Manitou North America has stock financing agreements, known as floor plans, with its distributors for periods of up to 24 months. Under these floor plans, the distributors must make payment for the machines as soon as they are sold to the end-customer and no later than on conclusion of the stock financing agreement. Distributors do not have any right to return the machines to inventories. Trade receivables are monitored individually. The impairment criteria are essentially assessed on a customer-by-customer basis according to the age of the receivables. Each entity performs this analysis according to the specific characteristics of its markets.

Amounts recorded in respect of the raising and reversal of impairment provisions on trade receivables are recorded in "Selling, marketing, and service expenses."

Losses on trade receivables amounted to €0.5 million for the 2019 fiscal year and were also recorded in the "Selling, marketing, and service expenses" line item of the income statement.

9.3. OTHER RECEIVABLES

in thousands of euros	December 31, 2018	Change in scope	Changes	Currency translation differences	December 31, 2019
Tax and social security receivables	23 126	126	-6 170	-45	17 037
Other receivables	3 491	-218	4 958	-6	8 226
Advances and payments on account in respect of orders	4 342	0	-464	15	3 893
Prepaid expenses	10 578	170	2 392	282	13 422
TOTAL OTHER CURRENT RECEIVABLES	**41 538**	**78**	**717**	**246**	**42 579**
Other non-current receivables	375	0	135	7	517
TOTAL OTHER NON-CURRENT RECEIVABLES	**375**	**0**	**135**	**7**	**517**
TOTAL OTHER RECEIVABLES	**41 913**	**78**	**852**	**252**	**43 096**

9.4. DEBT RELATED TO OPERATING ACTIVITIES

in thousands of euros	December 31, 2018	Change in scope	Changes	Currency translation differences	December 31, 2019
SUPPLIER ACCOUNTS PAYABLE AND RELATED	**292 715**	**3 736**	**-46 818**	**3 813**	**253 446**
Tax and social security liabilities	86 118	29	-203	609	86 553
Other operating liabilities	44 218	588	-312	427	44 920
Deferred revenues	15 603	446	3 910	482	20 441
Other operating liabilities	145 939	1 063	3 395	1 518	151 914
Fixed asset accounts payable	2 701	191	2 763	10	5 665
OTHER LIABILITIES	**148 640**	**1 254**	**6 157**	**1 528**	**157 579**
OTHER NON-CURRENT LIABILITIES	**3 101**	**0**	**-67**	**53**	**3 088**
TOTAL OPERATING LIABILITIES	**444 457**	**4 990**	**-40 728**	**5 394**	**414 112**

9.5. CHANGE IN WORKING CAPITAL REQUIREMENT

in thousands of euros	December 31, 2018	December 31, 2019
+ CHANGE IN INVENTORIES	**114 396**	**1 275**
+ CHANGE IN RECEIVABLES	**51 303**	**11 297**
Of which Trade receivables	35 548	10 734
Of which Sales financing receivables	5 999	-290
Of which Other receivables	9 756	852
- CHANGE IN OTHER CURRENT LIABILITIES	**53 984**	**-43 562**
Of which Supplier accounts payable and related	35 450	-46 818
Of which Other current operating liabilities	18 225	3 395
Of which Other non-current liabilities	309	-67
- CURRENT TAX CHANGE	**3 648**	**-4 250**
TOTAL CHANGE IN WORKING CAPITAL REQUIREMENT*	**108 068**	**60 384**

**WCR defined in section 8.5 of the report*

NOTE 10 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

10.1. SHAREHOLDERS' EQUITY

10.1.1. SHARE CAPITAL

The share capital consists of 39 668 399 shares as of December 31, 2019.

10.1.2. TREASURY SHARES

ACCOUNTING PRINCIPLES

Treasury shares held by the group are recognized at their purchase price against shareholders' equity, regardless of their future use (IAS 32).

When securities are sold, the sale price is recognized directly in group shareholders' equity and the related cash receipt is recognized in cash and cash equivalents. No gain or loss is therefore recorded in the income statement for the period.

in number of shares	Realization as of December 31, 2018	% of capital	Realization as of December 31, 2019	% of capital
HELD AT OPENING (SHARE REPURCHASE PROGRAM)	**1 381 461**		**1 381 461**	
Shares purchased				
Shares sold				
Stock options exercised				
HELD AT CLOSING (SHARE REPURCHASE PROGRAM)	**1 381 461**	**3.48%**	**1 381 461**	**3.48%**
Stock option coverage				
Liquidity contract	25 463		13 515	
TOTAL TREASURY SHARES HELD	**1 406 924**	**3.55%**	**1 394 976**	**3.52%**

The cost of the shares purchased, in addition to the proceeds from the shares sold, were recorded respectively as a reduction or increase in shareholders' equity. Treasury shares do not have dividend rights.

10.2. EARNINGS PER SHARE

ACCOUNTING PRINCIPLES

CALCULATION OF EARNINGS PER SHARE

Earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, after deducting the average number of treasury shares. To calculate the diluted earnings per share, the profit attributable to ordinary shareholders of Manitou BF and the weighted average number of shares outstanding are adjusted for the effects of all potentially diluting ordinary shares.

	December 31, 2018	December 31, 2019
Net income for the period attributable to ordinary shareholders (in thousands of euros)	**84 109**	**95 625**
Average number of total shares (in thousands of shares)	39 645	39 668
Average number of treasury shares (in thousands of shares)	1 408	1 401
Weighted average number of ordinary shares outstanding during the period (in thousands of shares)	**38 237**	**38 267**
NET INCOME GROUP SHARE (IN EUROS)	**2.20**	**2.50**
Net income for the period attributable to ordinary shareholders (in thousands of euros)	**84 109**	**95 625**
Weighted average number of ordinary shares outstanding during the period (in thousands of shares)	38 237	38 267
Average number of dilutive shares (in thousands of shares)	27	0
Weighted average number of ordinary shares adjusted for dilutive shares (in thousands of euros)	**38 264**	**38 267**
DILUTED EARNINGS PER SHARE (IN EUROS)	**2.20**	**2.50**

NOTE 11 PROVISIONS

11.1. PROVISIONS

ACCOUNTING PRINCIPLES

In accordance with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognized when the group has a current liability to a third party and it is probable or certain that it will require an outflow of resources to said third party.

WARRANTY

A provision is created to cover the estimated cost of warranties on machinery and spare parts at the time they are sold to the sales networks or to end customers. It covers the contractual warranty, as well as any potential extension on a case-by-case basis. The provision is based on projections from historical statistical data.

A provision may also be recognized in connection with a recall campaign for specific equipment to resolve a major or hazardous malfunction. In this instance, the provision is assessed by applying the unit cost of remedial action to the fleet of machines concerned.

RESTRUCTURING MEASURES/SEVERANCE INDEMNITIES

The estimated cost of restructuring measures and severance indemnities is recognized and recorded as a provision when they have been documented in a detailed plan and have been announced or begun to be implemented.

in thousands of euros	Warranty provisions	Provisions for other risks	Provisions for employee benefits	TOTAL
As of December 31, 2018	**16 244**	**6 312**	**37 897**	**60 453**
Of which, less than one year	12 295	2 540	251	15 086
Of which, more than one year	3 950	3 772	37 646	45 368
Increases	10 032	2 202		**12 233**
Provision reversed (used)	-4 529	-1 945		**-6 474**
Provision reversed (unused)	-1 681	-255		**-1 936**
Change			-655	**-655**
Recycling			3 792	**3 792**
Change in scope				
Reclassification	41	-1	-40	
Currency translation differences	109	34	270	**413**
AS OF DECEMBER 31, 2019	**20 216**	**6 347**	**41 263**	**67 826**
Of which, less than one year	15 587	2 934	443	**18 964**
Of which, more than one year	4 629	3 413	40 820	**48 862**

WARRANTY

Amounts recorded when creating or reversing provisions for warranties are included in "Cost of goods and services sold" within the income statement, as are the actual warranty expenses. This line also includes provisions established to cover equipment recall campaigns following supplier quality incidents.

OTHER RISKS

Other risks mainly concern commercial, employee or tax litigation. Provisions recorded correspond to the group's and its advisers' best estimates at the closing date of the risks incurred with respect to the litigation in process.

11.2. CONTINGENT LIABILITIES

ACCOUNTING PRINCIPLES

A contingent liability is:

- either a potential obligation of an entity towards a third party resulting from events whose existence will only be confirmed through the occurrence, or non-occurrence, of one or more uncertain future events that are not entirely within the entity's control,
- or an obligation of the entity towards a third party when it is not probable or certain that it will trigger an outflow of resources with no consideration or for consideration less than the equivalent thereof.

MONITORING OF LITIGATION FOR INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS

In May 2017, Manitou Group was sued by JC Bamford Excavators Limited (JCB) in France, the United Kingdom and then Italy for alleged infringement of two European patents relating to certain features concerning the overload cut-off control system of certain telescopic forklift trucks manufactured and/or marketed in these three countries.

In May 2017, the plaintiff filed a claim in the French court for a provision of 20 million euros, to be increased to 50 million euros in June 2018. The financial claims before the English court were not quantified and are still not quantified at the date of publication of this report, but the summons indicates that for procedural purposes the commercial value of the claim is estimated to be in excess off 10 million. For Italy, the summons does not specify any quantified claim.

In December 2018, JCB served Manitou Group with a new patent infringement suit in France and the United Kingdom relating to a third European patent, also relating to certain features concerning the overload cut-off control system of certain telescopic forklift trucks. 50 million provision requested in the first proceedings brought in France. It was the subject of joint proceedings in the United Kingdom but remains separate in France.

In 2018, JCB had produced an expert opinion estimating its damages of EUR 160 million for the first two patents. At the end of 2019, in the first main proceedings, JCB increased its damage assessment to EUR 190 million in its final conclusions. This increase is due to an update of the injury in its duration, which according to JCB is until March 2019. This assessment also includes the estimated injury under the third patent.

1. In France, legal proceedings on the litigation relating to the first two patents continued during 2019.

In the context of a procedural incident in 2018, JCB applied for preliminary injunctions against Manitou BF. A decision was issued by the Pre-Trial Judge on 31 January 2019, which dismissed the applicant's request for preliminary injunction on the first patent on which JCB based its allegations and, regarding the second patent, prohibited Manitou BF from manufacturing, offering for sale, renting and owning an old configuration of certain telescopic forklift trucks. This decision has no impact on Manitou BF's business as it relates to the ordering system for certain models produced and sold before August 2017 which are therefore no longer manufactured by Manitou BF, as underlined in the order. Manitou BF immediately appealed this decision in order to challenge the prohibition order in so far as it related only to a configuration that Manitou had ceased to produce for 18 months. This immediate appeal on the grounds of abuse of authority was held to be inadmissible, reserving the possibility of appeal with judgment on the merits.

On the occasion of the same incident, Manitou BF had proposed in the alternative, if the judge considered the request for prohibition to be well-founded, the establishment of a bank guarantee of 470,000 euros for the two patents as a replacement for the prohibitions. This proposal became irrelevant for the first patent, for which the judge did not pronounce a prohibition. JCB requested that this guarantee, if ordered, be EUR 30 million (also for the two patents) on the basis of the expert opinion it had produced estimating its damages at EUR 160 million (for the two patents). This proposal was not accepted by the judge, nor was JCB's request for a penalty payment of EUR 100 000 per day of delay, the penalty payment ordered by the judge being EUR 1 000 per infringement, the decision having emphasized that the damage alleged by the plaintiff relates to the overload cut-off control system alone and not to the machine as a whole.

2. In the United Kingdom, no progress was made in the course of 2018 as JCB did not carry out any due diligence in this respect. A case management conference was held in January 2019 after JCB finally performed its due diligence. The litigation schedule has been established. The hearing is scheduled for October 2020.

3.In Italy, the proceedings on the merits relating to these first two patents remain in a preliminary phase, the appointment of a court expert having been pronounced at the end of 2019.

In Italy, JCB had also requested interim injunctions against Manitou's Italian subsidiary on the second and third patents. This request was rejected by the Italian courts by decision of 30 January 2020.

Manitou Group remains in complete disagreement with JCB's allegations and continues to defend itself with the utmost vigor.

The financial risk that may be incurred is difficult to estimate reliably at this stage of the procedures. Moreover, a significant outflow of resources in respect of these claims seems unlikely in view of the elements put forward by Manitou Group to defend itself. Consequently, no provision for these claims has been recognized in the group's financial statements.

NOTE 12 TAXES

ACCOUNTING PRINCIPLES

The tax expense recognized in the income statement comprises:

INCOME TAXES

The income tax expense corresponds to the amounts of taxes on profits owed to the various tax administrations for the fiscal year, determined using the tax rates and tax rules applicable in the country in question on the closing date, and any adjustment to the tax amount payable for previous periods.

DEFERRED TAXES

In accordance with IAS 12, "Income Taxes," deferred taxes are recognized on all temporary differences between the book value of assets and liabilities and their fiscal value, using the liability method. Deferred tax assets and liabilities are systematically recorded. They are valued at the tax rates to be applied over the period during which the asset will be realized and the liability will be paid, based on the tax regulations enacted or substantively enacted on the closing date.

For investments in the subsidiaries, a deferred tax is recognized on the difference between the consolidated value of the securities and their tax value, when the temporary difference is likely to reverse itself in the foreseeable future.

Deferred taxes are recognized in expenses or profits in the income statement when they are incurred by elements allocated directly to shareholders' equity or other elements of the comprehensive income. During a change in tax rate, the resulting tax is recognized in profit or loss, unless it relates to elements that are originally recognized in shareholders' equity or other elements of the comprehensive income.

Deferred tax assets are only recognized if it is probable that the group will record future taxable profits to which the corresponding temporary difference can be allocated. Deferred tax assets are examined at each closing date and are written down if there is a risk that they will not be used.

Within the same tax entity, deferred tax assets and liabilities are offset, since it has the right to offset its tax assets and its tax liabilities payable.

In addition, the group considered that the French CVAE (Business Contribution on Value Added) had characteristics similar to certain other foreign taxes such as the Italian IRAP, already assessed by the issuers concerned as falling within the scope of IAS 12. In accordance with IAS 12, the total amount of current and deferred expense related to the CVAE is reported in the "Income taxes" line item of the income statement.

12.1. CHANGES IN BALANCE SHEET POSITION

in thousands of euros	December 31, 2018	IFRS16 First application	Scope	Result	Payment	Currency translation differences	Other*	December 31, 2019
CURRENT TAXES								
Assets	5 858							7 990
Liabilities	6 457							4 087
TOTAL	**-599**			**-44 019**	**48 580**	**-58**		**3 903**
DEFERRED TAXES								
Assets	16 588							17 581
Liabilities	1 144							1 751
TOTAL	**15 444**	**345**	**-312**	**-963**		**21**	**1 295**	**15 830**

** Other changes in current and deferred taxes can be broken down as follows:*

in thousands of euros	2018	2019
Deferred taxes recorded as consolidated reserves – OCI	-448	345
Deferred taxes recorded as consolidated reserves – Interest rate hedging instrument	295	1 240
Other	108	-290
TOTAL	**-45**	**1 295**

The deferred taxes of the entities within the French scope include, for long-term differences, the progressive reduction in the tax rate initially enacted in the 2017 Finance Law and subsequently modified, or a rate of 28% in 2020 and then 25% in 2022.

12.2. INCOME TAXES RECORDED IN THE INCOME STATEMENT

in thousands of euros	2018	2019
CURRENT TAXES	**-35 453**	**-44 019**
Deferred taxes for the period	- 2 621	-366
Change in deferred tax rate	50	-351
Impairment losses (-) and capitalization of unrecognized losses (+)	-29	-246
TOTAL DEFERRED TAXES	**-2 649**	**-963**
TOTAL	**-38 103**	**-44 982**

12.3. RECONCILIATION OF THE FRENCH STATUTORY TAX RATE AND THE EFFECTIVE TAX RATE APPLIED TO CONSOLIDATED INCOME

in thousands of euros	2018	2019
Income before taxes on fully consolidated companies	120 131	138 548
Statutory tax rate in France	34.43%	34.44%
THEORETICAL TAX EXPENSE FOR THE FINANCIAL YEAR	**-41 361**	**-47 716**
Other taxes	-3 634	-4 092
Impairment of assets		
Permanent differences	1 414	-914
Increase/decrease in tax rates (current and deferred)	50	-351
Tax loss carryforwards capitalized (uncapitalized tax loss carryforwards)	-29	-246
Differences in foreign tax rates and other	5 456	8 337
TOTAL - INCOME TAXES	**-38 103**	**-44 982**

The rate used to calculate the theoretical tax rate is the rate applicable to Manitou BF, i.e. the statutory tax rate in France of 34.44%. This rate includes the standard income tax rate of 33.33% and the social contribution rate of 3.3%.

For fully consolidated companies, the main differences in foreign rates concern the following countries:

in thousands of euros	2019
Manitou Italia	3 348
United States of America	1 473
Manitou UK	865
Manitou Vostock	626
Manitou Benelux	358
Other countries	663
TOTAL	**7 333**

12.4. DEFERRED TAXES

Recognized deferred taxes arise from the following temporary differences:

In thousands of euros – Assets/(Liabilities)	Temporary differences at December 31, 2018	Deferred tax assets at December 31, 2018	Temporary differences at December 31, 2019	Deferred tax assets at December 31, 2019
Intangible assets	-104	-31	-1 607	-313
Tangible assets	-31 618	-7 369	-32 338	-7 571
Financing leases	-11 207	-2 160	-9 726	-1 411
Employee benefits	33 228	8 042	34 067	8 591
Provisions	33 563	8 498	34 366	8 804
Inventories & receivables	-4 801	973	-85	2 100
Miscellaneous	10 168	2 656	9 692	2 781
SUBTOTAL	**29 230**	**10 609**	**34 370**	**12 980**
Tax credits		3 577		1 130
Tax loss carryforwards		1 258		1 720*
TOTAL		**15 444**		**15 830**

** of which Manitou Americas (€1 568 thousand)*

NOTE 13 FINANCING AND FINANCIAL INSTRUMENTS

13.1. RECONCILIATION OF BALANCE SHEET LINE ITEMS

13.1.1. BALANCE SHEET

ACCOUNTING PRINCIPLES

PRINCIPLES OF VALUATION AT FAIR VALUE

The fair value of all financial assets and liabilities is determined on the reporting date, either for accounting purposes or for disclosure in the Notes to the financial statements.

Fair value is determined:

- either based on market prices on an active market (level 1),
- or based on internal valuation methods using standard mathematical calculations which include observable market data (forward rates, yield curves, etc.), with the resulting valuations being adjusted to take account of reasonable change in the group or counterparty risks (level 2),
- or based on internal valuation methods which, in the absence of available data, incorporate parameters estimated by the group (level 3).

ASSETS

	Financial assets at fair value through Other elements of the income statement		Financial assets at amortized cost		Financial assets at fair value through income		Balance sheet total	
in thousands of euros	31.12.18	31.12.19	31.12.18	31.12.19	31.12.18	31.12.19	31.12.18	31.12.19
Non-current financial assets	3 620	4 120	85	73	5 003	6 637	8 708	10 829
Current financial assets			18	12	4 392	1 922	4 412	1 933
Cash and cash equivalents					27 623	22 333	27 623	22 333
Sales financing receivables - non-current portion			8 210	7 738			8 210	7 738
Other non-current receivables			375	517			375	517
Accounts receivable			361 685	380 438			361 685	380 438
Sales financing receivables - current portion			2 487	3 024			2 487	3 024
Other current receivables			41 538	42 579			41 538	42 579
TOTAL	**3 623**	**4 120**	**414 398**	**434 380**	**37 017**	**30 891**	**455 038**	**469 391**

The financial assets are valued using internal valuation techniques (level 2) with the exception of certain cash equivalents (Note 13.1.2.6) valued according to quoted market prices in an active market (level 1).

LIABILITIES

The various categories of financial liabilities on the reporting date are as follows. They are set out in Note 13.1.3 below.

	in thousands of euros	December 31, 2018	December 31, 2019
Non-current financial liabilities	Note 13.1.3.1	38 477	149 726
Non-current rental liabilities			12 269
Other non-current liabilities		3 101	3 088
Current financial liabilities	Note 13.1.3.1	141 658	64 722
Current rental liabilities			5 602
Suppliers	Note 9.4	292 715	253 446
Other current liabilities	Note 9.4	148 640	157 579
	TOTAL	**624 592**	**646 431**

The financial liabilities are valued using internal valuation techniques (level 2).

13.1.2. ASSETS IN DETAIL

ACCOUNTING PRINCIPLES

VALUATION AND RECOGNITION OF FINANCIAL ASSETS

Pursuant to IFRS 9, the financial assets are classified in one of the following categories:

- Financial assets at fair value through income,
- Financial assets valued at amortized cost
- Financial assets valued at fair value by the other elements of the comprehensive income.

SALES FINANCING RECEIVABLES

Receivables on finance contracts are valued at their discounted value using the effective interest rate method. The amount of any loss recognized is recorded in the income statement.

FINANCIAL ASSETS VALUED AT FAIR VALUE THROUGH THE OTHER ELEMENTS OF THE INCOME STATEMENT

The financial assets are valued at their fair value and changes in this fair value are recorded in the other components of comprehensive income. They include, in particular, the assets associated with the American subsidiary's SERP (Supplemental Employment Retirement Plan).

CASH AND CASH EQUIVALENTS

The availabilities and cash equivalents are mainly made up of bank accounts and marketable securities that can be disposed of quickly, are very liquid, can be easily converted into a known cash amount and of which the underlying assets do not present significant fluctuation risks. The marketable securities are revalued at fair value by the income statement.

SHORT-TERM FINANCIAL ASSETS

This item mainly includes derivative financial instruments whose recognition is explained in note 13.2.2.

13.1.2.1. SALES FINANCING RECEIVABLES

Receivables related to financing granted to end customers are reported on this line item. These receivables concern either sales made via financing leases or, in the case of Manitou North America, the sales financing to end customers.

in thousands of euros	Receivables on financing leases	Receivables on financing granted to end customers	TOTAL
December 31, 2018	**10 697**	**527**	**11 224**
Change in scope	-98		-98
Other			
Changes	-290	-11	-300
Currency translation differences	452	10	462
GROSS AMOUNT AS OF DECEMBER 31, 2019	**10 762**	**526**	**11 288**
December 31, 2018		**- 527**	**- 527**
Change in scope			
Other			
Changes		11	11
Currency translation differences		-10	-10
IMPAIRMENTS AS OF DECEMBER 31, 2019		**-526**	**-526**
December 31, 2018	**10 697**		**10 697**
NET AMOUNT AS OF DECEMBER 31, 2019	**10 762**		**10 762**
	Of which:	non-current portion	7 738
		current portion	3 024

Impairment is calculated based on historical statistical data for trade receivables not analyzed in unitary terms.

The schedule of non-current sales financing receivables is as follows:

in thousands of euros	December 31, 2019	1 to 2 years	3 to 5 years	Over 5 years
Receivables on financing leases – Net	7 738	3 059	4 674	4
Receivables on financing granted to end customers – Net				
SALES FINANCING RECEIVABLES – NON-CURRENT PORTION	**7 738**	**3 059**	**4 674**	**4**

CREDIT RISK

Credit risk is the risk that a counterparty may default on its contractual commitments or the risk inherent in the collection of receivables.

The group is exposed to a credit risk in its operational and financing activities. The maximum credit-risk exposure is represented by the asset totals set out in the balance sheet, details of which are set out below.

in millions of euros	2018	2019
Sales financing receivables	11	11
Trade accounts and other receivables	362	380
Other receivables	42	43
Cash and cash equivalents	28	22
TOTAL	**442**	**456**

MANAGING CREDIT RISKS

Client risks are managed by the financial divisions of the various entities. The largest of them have credit-management teams. Each entity establishes management procedures, measuring instruments and rules on writedowns of outstanding client amounts. The most sensitive cases are monitored and handled in conjunction with the Credit Management Department of the parent company.

In most of the entities, credit risk is partially or totally covered by credit insurance. Credit risks may also be offset or limited by collateral or specific guarantees.

In addition, the group's client base is highly fragmented. Consequently, in 2019, no individual client accounted for more than 2% of the consolidated turnover.

The finance department also takes care to spread the bank counterparty risk across leading institutions.

13.1.2.2. ANALYSIS OF OVERDUE RECEIVABLES AND ASSOCIATED IMPAIRMENT

						December 31, 2019
in thousands of euros	Not due	Due <30 days	Due 31 - 90 days	Due 91 - 120 days	Due +120 days	Total
Trade receivables	326 127	36 293	12 786	1 167	8 979	385 352
Trade receivables impairment	-307	-87	-769	-47	-3 705	-4 914
TRADE RECEIVABLES – NET	**325 821**	**36 206**	**12 017**	**1 121**	**5 274**	**380 438**
Receivables on financing granted to end customers					526	526
Impairment of receivables on financing granted to end customers					-526	-526
RECEIVABLES ON FINANCING GRANTED TO END CUSTOMERS – NET						
Receivables on financing leases	3 024					3 024
Impairment on receivables on financing leases						
RECEIVABLES ON FINANCING LEASES – NET	**3 024**					**3 024**
TOTAL	**328 845**	**36 206**	**12 017**	**1 121**	**5 274**	**383 462**

13.1.2.3. CHANGES IN IMPAIRMENTS ON RECEIVABLES

in thousands of euros	December 31, 2018	Increases	Reversal used	Reversal unused	Reclassifica-tions & others	Currency translation differences	December 31, 2019
Trade receivables impairment	-4 883	-792	581	238	-6	-52	-4 914
Impairment of receivables on financing granted to end customers	-527		7	4		-10	-526
Of which							
Current	-527		7	4		-10	-526
Non-current							

13.1.2.4. NON-CURRENT FINANCIAL ASSETS

in thousands of euros	December 31, 2018	Change	Fair value	Recycling	Currency translation differences	Changes in scope	December 31, 2019
Financial assets at fair value through other elements of the income statement[1]	3 620	176	256		67		4 120
Derivatives							
Other non-current financial assets	5 088	216		1 173	232		6 710
TOTAL	**8 708**	**392**	**256**	**1 173**	**299**		**10 829**

[1] of which €4 045 thousand relating to the SERP of the American subsidiary (Note 6.3.1)

13.1.2.5. CURRENT FINANCIAL ASSETS

Marketable securities and derivatives were valued at their fair value on the reporting date:

in thousands of euros	December 31, 2018	Net amount as of December 31, 2019
Financial assets at fair value through other elements of the income statement	3	3
Derivatives	3 688	486
Financial assets valued at amortized cost	18	12
Other current financial assets	704	1 433
TOTAL	**4 412**	**1 933**

13.1.2.6. CASH AND CASH EQUIVALENTS

in thousands of euros	December 31, 2018	Net amount as of December 31, 2019
Cash and cash equivalents	24 586	16 383
Term deposits and others	3 037	5 950
Money-market funds (SICAV) & others		
TOTAL	**27 623**	**22 333**

13.1.3. LIABILITIES IN DETAIL

ACCOUNTING PRINCIPLES

VALUATION AND RECOGNITION OF FINANCIAL LIABILITIES

BORROWINGS AND OTHER FINANCIAL LIABILITIES

Borrowings are initially recognized at their fair value, net of directly attributable transaction costs. These borrowings are valued at their amortized cost on each reporting date, using the effective interest rate method. Financial expenses therefore include interest and other costs incurred which are spread over the life of the loan.

VALUATION OF SHAREHOLDER AGREEMENTS (MINORITY PUT OPTIONS)

Manitou BF SA has signed shareholder agreements specifying the terms for repurchasing shares held by the minority shareholders of consolidated subsidiaries. In the absence of a specific standard or interpretation, the fair value of the commitment to minority shareholders is recognized as a financial liability by deduction from minority interests and, for the portion exceeding the value of the minority interests, by deduction from the group portion of shareholders' equity. The change in the financial liability related to the change in the fair value of the commitment to minority shareholders from one period to the next is also recognized as a financial liability by deduction from minority interests and, for the portion exceeding the value of the minority interests, by deduction from the group portion of shareholders' equity.

13.1.3.1. NET DEBT

The group's net debt is as follows:

		December 31, 2018	December 31, 2019
Total current financial liabilities[1]	Table below	141 658	64 722
Total non-current financial liabilities[1]	Table below	38 477	149 726
TOTAL GROSS DEBT		**180 135**	**214 447**
Cash and cash equivalents	Note 13.1.2.6	-27 623	-22 333
Current financial assets	Note 13.1.2.5	-4 412	-1 933
TOTAL		**148 100**	**190 181**

[1] *Excluding IFRS16.*

in thousands of euros	December 31, 2018 Current	December 31, 2019 Current
Short-term financing and bank overdrafts	28 123	27 223
Bank loans	86 384	19 367
Financing lease liabilities	259	1 263
Liabilities related to receivables securitised with recourse		
Derivative liabilities - currency and interest rates	5 200	7 362
Bond issues	12 455	
Other borrowings	8 780	9 507
Commitments to buy back minority interests	457	
CURRENT FINANCIAL LIABILITIES	**141 658**	**64 722**
Current rental liabilities		5 602
TOTAL CURRENT FINANCIAL LIABILITIES	**141 658**	**70 324**

in thousands of euros	December 31, 2018 Non-current	December 31, 2019 Non-current	1 to 5 years	Over 5 years
Bank loans	4 664	13 228	8 915	4 313
Financing lease liabilities	355	166		166
Liabilities related to receivables securitised with recourse				
Liabilities related to interest rate derivatives				
Bond issues	24 841	128 747	24 885	103 863
Other borrowings	7 363	6 920	2 833	4 087
Commitments to buy back minority interests	1 255	665	665	
NON-CURRENT FINANCIAL LIABILITIES	**38 477**	**149 726**	**37 298**	**112 428**
Non-current rental liabilities		12 269	10 339	1 930
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**38 477**	**161 995**	**47 637**	**114 358**

The group funds most of its needs through bank financing (medium-term loans or bank overdrafts) and bond issues (of the Euro PP type). The parent company's bank financing agreement had been renegotiated and extended in December 2016 for a period of five years, plus two possible one-year extensions, which were activated, taking the expiry date of the financing to December 2023.

In June 2019, Manitou BF proceed with a new private bond issue of €105 million. The bonds are divided into three tranches at 6, 7, and mainly 8 year maturities (see note 13.1.3.6).

13.1.3.2. CHARACTERISTICS OF THE MAIN BANK LOANS

	December 31, 2018		December 31, 2019				
in thousands of euros	Current	Non-current	Current	Non-current	Currency	Due date	Effective rate
Revolving	84 224		17 203		EUR	Variable	/
BPI (1)	429	2 138	429	1 711	EUR	T2/2021	2.82%
BPI (2)	600	1 197	600	603	EUR	T2/2024	4.41%
BPI (3)				4 980	EUR	T2/2026	1,93 %
BPI (4)				4 980	EUR	Q2/2029	2,20 %
Australia	633	1 291	486	823	AUD	T4/2022	2.71%
Other			649	131			
TOTAL	**85 886**	**4 626**	**19 367**	**13 228**			

In December 2016, Manitou renegotiated and extended its financing put in place in 2013. The new multicurrency RCF (Revolving Credit Facility) stands at €180 million with a maturity of five years, plus a possible two-year extension, which was activated and takes the expiry date of the financing to December 2023.

This agreement includes clauses for ratios (covenants) of "material adverse change" and for "cross default," which may limit the potential use of or affect the terms of credit lines. It includes "negative pledge" clauses accompanied by thresholds and exemptions.

Facility	Signatories	Main contractual clauses 2nd half of 2016 to second half of 2023
Revolving Facility	Manitou BF	Gearing < 1 Leverage < 3.5 except in certain cases Cap on investments Limitation on acquisitions and disposals of assets Limitation on additional debt Change of control clause Dividend less than 100% of net income

** definition in paragraph 8.5 of this document*

13.1.3.3. CHARACTERISTICS OF THE BANK LOANS

	December 31, 2018		December 31, 2019				
in thousands of euros	Current	Non-current	Current	Non-current	Currency	Due date	Effective rate
Bond issue 2013 - 2019	12 455				EUR	T4/2019	5.35 %
Bond issue 2015 - 2022		24 841		24 885	EUR	Q3/2022	4.00 %
Bond issue 2019 - 2025				9 894	EUR	Q2/2025	2.35 %
Bond issue 2019 - 2026				24 731	EUR	Q2/2026	2.59 %
Bond issue 2019 - 2027				69 238	EUR	Q2/2027	2.93 %
TOTAL	**12 455**	**24 841**		**128 747**			

Bond issues will be repaid at term.

13.1.3.4. OUTSTANDING LIABILITY TO FINANCIAL INSTITUTIONS

The portion of outstanding liability to financial institutions is broken down as follows:

	December 31, 2018		December 31, 2019	
in thousands of euros	Authorized outstanding liability	Outstanding liability used	Authorized outstanding liability	Outstanding liability used
Short-term financing and bank overdrafts	67 000	28 123	69 000	27 223
Financing lease liabilities	614	614	1 429	1 429
OTHER BANK LOANS				
- Amortizable term loans	4 364	4 364	13 320	13 320
- Revolving loan facilities	180 000	84 224	180 000	17 203

13.1.3.5. CASH/NON-CASH CHANGES IN FINANCIAL ITEMS

in thousands of euros		December 31, 2018	Cash flow	"Non-cash" flow				December 31, 2019
				Change in scope	Currency translation differences	Fair value	Others & Reclass	
Bank loans - current	A	86 384	-67 025	0	8	0	0	19 367
Bank loans - non-current	B	4 664	8 549	0	15	0	0	13 228
Financing lease liabilities - current	A	259	-264	0	8	0	1 260	1 263
Financing lease liabilities - non-current	B	355	-281	0	5	0	89	166
Bond issues - non-current	B	24 841	103 906	0	0	0	0	128 747
Bond issues - current	A	12 455	-12 455	0	0	0	0	0
CHANGE IN FINANCIAL LIABILITIES		**128 957**	**32 430**	**0**	**35**	**0**	**1 349**	**162 771**
Other loans - non-current	B	7 363	-995	0	551	0	0	6 920
Other loans - current	A	8 780	509	103	-2	0	117	9 507
Derivative liabilities - currency and interest rates - current	A	5 200	1451	0	0	3 913	- 3 202	7 362
Derivative assets - currency and interest rates - current		-3 688	0	0	0	0	3 202	-486
Buyback commitments for minority interests - current	A	457	0	0	0	0	-457	0
Buyback commitments for minority interests - non current	B	1 255	133	0	0	0	-723	665
CHANGE IN OTHER ITEMS		**19 367**	**1098**	**103**	**550**	**3 913**	**-1 063**	**23 967**
Reconciliation with current and non-current financial liabilities (note 13.1.1)								
Short-term financing and bank overdrafts	A	28 123	-858	0	-42	0	0	27 223
TOTAL CURRENT FINANCIAL LIABILITIES	**A**	**141 658**	**-78 642**	**103**	**-28**	**3 913**	**-2 282**	**64 722**
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**B**	**38 477**	**111 312**	**0**	**571**	**0**	**-634**	**149 726**

13.1.3.6. FINANCING AND LIQUIDITY RISKS

The group's financing and liquidity risks correspond to the risks of not being able to:

- fully or partially renew existing financing or put new financing in place,
- meet a payment obligation on its maturity date.

Financing risks could affect the ability of the group to meet its payment commitments, its financing costs, or the restrictive constraints attaching to its financing.

The Finance division is responsible for managing these risks.

MANAGING FINANCING AND LIQUIDITY RISKS

The Finance division has the task of ensuring that the group has financing and liquidity at the most advantageous cost and under the best terms and conditions.

Management of the group's cash is centralized with the parent company insofar as permitted by local legislation and operational constraints. Cash surpluses are therefore placed by the subsidiaries with the parent company, from where the group's financing needs are funded.

The group's financing needs are met, firstly, through bank financing arrangements (bank credit or overdraft agreements) and, secondly, through bond issues, with the aim of diversification.

Long-term financial resources are mainly concentrated with the parent company.

As of December 31, 2019, total authorized bank credit facilities amounted to €203 million, in addition to €69 million in authorized ordinary overdrafts.

Net debt* amounted to €190 million at December 31, 2019.

Credit agreement of December 2016

In 2016, Manitou BF rearranged and extended its main financing contract for a 5-year term, with two options for one-year extensions, which have been exercised. This contract includes ratio clauses (covenants) and "material adverse change" and "cross default" clauses that could restrict the possibilities for drawdown or affect the term of the credit facilities. It includes negative pledge* clauses to which thresholds and exemptions are attached.

As of December 31, 2019, the covenants applying to all the financing facilities had been complied with and the existing facilities will cover all the financing requirements for the next 12 months.

Bank overdraft facilities

The group has bank overdraft facilities that ensure liquidity in line with its needs.

The company has specifically reviewed its liquidity risk and, on the date of on which this document is filed, believes that it will be able to meet its future payment deadlines.

Implementation of a private bond issue

In June 2019, Manitou BF finalized a new €105 million corporate bond issue. The bonds are divided into three tranches with 6, 7, and mainly 8 year maturities. This private placement, concluded on favorable terms for Manitou Group, allows it to extend the maturity of its debt and pursue its strategy of diversifying its financing sources. The income from these issues will be used to refinance the existing bond debt and will be used mainly for the company's development.

** Terms defined in paragraph 8.5.*

13.2. FINANCIAL MANAGEMENT

13.2.1. FINANCIAL RESULT

ACCOUNTING PRINCIPLES

The financial result corresponds to the difference between the financial income and the financial expenses. Interest accrued and bank account income constitute financial income. As for financial expenses, they may include interest on loans, discounts granted to customers, or even exchange losses.

in thousands of euros	December 31, 2018	December 31, 2019
Income from investments	2 421	3 047
Interest rate swaps	62	
Fair value adjustment		
Exchange gains	22 184	34 215
Other financial income	31	355
TOTAL FINANCIAL INCOME	**24 698**	**37 617**
Interest expenses on bank loans and lines of credit	-5 005	-7 070
Interest rate swaps	-555	
Exchange losses	-23 416	-34 816
Financial expenses IFRS 16		-1 098
Other financial expenses	-1 697	-2 159
TOTAL FINANCIAL EXPENSES	**-30 673**	**-45 144**
FINANCIAL RESULT	**-5 974**	**-7 527**

The financial result of the period has deteriorated essentially due to the increase in financial expenses related to the group's financing and financial expenses related to the application of IFRS 16 on lease agreements.

13.2.2. DERIVATIVES AND HEDGING

ACCOUNTING PRINCIPLES

The group uses various derivative financial instruments in order to reduce its exposure to interest rate and exchange rate risks.

These derivative instruments are recognized on the balance sheet and valued at their fair value on the date the contract is signed. Changes to the fair value of these derivative instruments are recorded on the income statement, except in the case of cash flow hedging.

The derivative instruments designated as hedging instruments are classified by hedging category depending on the nature of the risks covered. Hedge accounting applies if, and only if, the following conditions are met: the hedged item and the hedging instrument are eligible, a hedging relationship is clearly identified, formalized, and documented from the date it is established and there is an economic relationship between the hedged item and the hedging instrument.

The accounting treatment of financial instruments qualified as hedging instruments, and their impact on the income statement and the balance sheet, depends on the type of hedging relationship:

- cash flow hedges: the effective portion of the change in fair value of the hedging instrument is directly recognized in the other components of the comprehensive income. For foreign exchange derivatives, the variation in the time value of options and the variation in the swap points are also recorded in the other components of the comprehensive income. These amounts are reclassified in the income statement symmetrically to the method of recognition of the hedged items, that is to say mainly as gross margin for the effective portion of the commercial transaction hedges, and as financial result for financial transaction hedges as well as the time value of the commercial transaction hedges.
- fair value hedges: the hedged component of these elements is valued on the balance sheet at its fair value for the risk covered. The change in this fair value is recorded on the income statement and is compensated, to the extent effective, by recognition in the result of the symmetrical variations in fair value of the financial instruments used in hedging.

In order to secure a maximum level of financial costs, the group has set up, in line with the new financing agreement, interest rate caps and floors.

These derivatives are described as future cash flow hedging instruments. They are considered highly effective as of December 31, 2019.

The characteristics of the caps and floors as of December 31, 2019 are as follows:

CAP

	in millions of euros	Average rate of CAP	Notional	Fair value at December 31, 2019
Less than one year				
1 to 2 years	Q4 2021	0.50 %	50	0
2 to 5 years	Q4 2022	1.00 %	12.5	0

COLLAR

in millions of euros		Average rate of COLLARS	Notional	Fair value at December 31, 2019
Less than one year				
1 to 2 years				
2 to 5 years	Q4 2022	0.548 %	37.5	0
2 to 5 years	Q4 2023	0.825 %	25	0

At December 31, 2019, the group also holds forward sale contracts for currencies designed to cover future GBP, AUD, RUB, INR, and ZAR cash flows in euro for an amount of €142.7 million. The group also holds forward purchase contracts for currencies designed to cover future USD and PLN cash flows into euro for an amount of €1.76 million.

These hedges are considered effective under the IFRS. The change in fair value of these instruments is recorded accordingly on the balance sheet for €4.18 million for cash-flow hedges and on the operating income statement for €1.06 million for fair value hedges.

INTEREST-RATE RISK

Gross debt mainly corresponds to long-term funding, initially agreed partly at a fixed rate and partly at a variable rate. The risk arises from the impact interest-rate changes would have on the group's financial expenditure.

INTEREST-RATE RISK MANAGEMENT

The interest-rate management policy is coordinated and supervised by the Finance division of the parent company with the aim of protecting future cash flows and optimizing and reducing volatility and finance costs. The group uses the various instruments that are available on the market, in particular interest rate swaps.

CREDIT FACILITIES

The group has financial liabilities incurred for the general financing of its operations. These commitments are partially based on a variable interest rate. The interest rate variation risk was partially hedged by various financial instruments (swap of a variable interest rate for a fixed rate, swap of a variable interest rate against another variable rate, etc.). The possibility cannot be excluded that the interest rate applicable to the non-hedged portion of the loans could increase in the future. This could have a negative effect on the group's net income and financial position. Sensitivity to rates and the hedge rate are shown in the following table. The sensitivity tests show the impact before tax on the income statement. No impact has been identified in terms of shareholder's equity.

INTEREST-RATE HEDGING AND DEBT SENSITIVITY

Hedging of the confirmed bank debt at a variable interest rate	Hedge rate				Impact of a +0.5% interest-rate change**
	Fixed-rate hedge	Tunnel	Cap	Total*	
December 31, 2019	0%	0%	100%	100%	
December 31, 2020	0%	100%	0%	100%	+€0.08 million
December 31, 2021	0%	100%	0%	100%	+€0.08 million
December 31, 2022	0%	100%	0%	100%	+€0.15 million

** On the basis of the variable-rate bank debt at December 31, 2019.*
*** On the basis of the 3-month Euribor rate of -0.635 % applied on December 31, 2019 (pre-tax profit impact), disregarding the impact of hedging.*

13.2.3. EXCHANGE RATE RISK

Exchange rate risk: corresponds to the impact caused by fluctuations in the exchange rates on the income statement, balance sheet, and/or cash generation. Exchange rate risk arises either when executing transactions or through conversion exposure. All major contractors, as defined by the OECD guideline, bear the exchange-rate risk arising from the sale of their products. In view of the respective size of the organizations and the geographical spread of product distribution, Manitou BF is the most sensitive company in the group and incurred exchange-rate losses in 2019.

Exchange rate risk on transactions: arises when purchases or sales are performed in a currency other than the operating currency of the entity in which the transaction is performed. The group strives to minimize the exchange-rate risk of each entity in relation to its operating currency. The Finance division of the parent company or, more rarely, of the subsidiaries, hedges the most significant flows against exchange-rate risks for the net amount of their currency exposure after allowing for purchases made in foreign currency.

In 2019, the group billed about 34% of its sales in foreign currencies, mainly in US dollars (17%), sterling (9%), Australian dollars (3%) and Russian rubles (3%), the other currencies being the South African rand, the Singapore dollar, the Indian rupee, the Brazilian real, and the Chinese yuan. In 2019, exchange-rate hedges mainly consisted of forward sales of Sterling, Australian dollars, Russian rubles and South African rands, or or forward put options on these currencies.

A significant exchange-rate change could affect Manitou Group's profits due to the impact on currency conversion that it would generate and the pressure it might exert on sales prices in certain geographical regions.

The sensitivity analysis was performed based on receivables, liabilities, net cash position, and financial assets available for sale at December 31, 2019 for the main currencies used by the group as part of its operating activities. Sensitivity corresponds to a change of more than 5% of the currencies concerned compared to their closing rate.

The table below shows the impact by operating currency of a change of more than 5% of the exchange rate of the currencies compared to the closing rate on the receivables and liabilities denominated in foreign currencies.

31.12.2019 in thousands of euros	AUD/euros +5%	GBP/euros +5%	USD/euros +5%	ZAR/euros +5%	SGD/euros +5%	RUB/euros +5 %	BRL/euros +5 %	INR/euros +5 %
Receivables and liabilities denominated in foreign currency Breakdown by functional currency								
EUR								
Receivables (AUD, GBP, USD, ZAR, RUB, BRL, INR)	658	756	1 144	333	0	360	317	15
Liabilities (AUD, GBP, USD, ZAR, RUB)	-1	-148	-49	-11	0	-3	0	0
Net cash and cash equivalents (AUD, GBP, USD, ZAR)	555	467	4 460	3	0	0	0	0
SUB-TOTAL	**1 212**	**1 075**	**5 556**	**325**	**0**	**357**	**317**	**15**
AUD								
Receivables (euros)	-9							
Debts (euros)	2							
Cash and cash equivalents (euros)	-124							
SUB-TOTAL	**-131**							
GBP								
Receivables (euros)		-241						
Debts (euros)		1						
Cash and cash equivalents (euros)		80						
SUB-TOTAL		**-161**						
USD								
Receivables (euros)			-500					
Debts (euros)			153					
Cash and cash equivalents (euros)			-165					
SUB-TOTAL			**-511**					
ZAR								
Receivables (euros)				0				
Debts (euros)				0				
Cash and cash equivalents (euros)				0				
SUB-TOTAL				**0**				
SGD								
Receivables (euros)					-139			
Debts (euros)					387			
Cash and cash equivalents (euros)					-162			
SUB-TOTAL					**86**			
RUB								
Receivables (euros)						-194		
Debts (euros)						132		
Cash and cash equivalents (euros)						-2		
SUB-TOTAL						**-64**		
BRL								
Receivables (euros)							0	
Debts (euros)							0	
Cash and cash equivalents (euros)							-477	
SUB-TOTAL							**-477**	
INR								
Receivables (euros)								-76
Debts (euros)								11
Cash and cash equivalents (euros)								0
SUB-TOTAL								**-66**
TOTAL	**1 080**	**915**	**5 044**	**325**	**86**	**293**	**-161**	**-51**

THE NET POSITION OF OPERATIONAL ACTIVITIES IN THE MAIN FOREIGN CURRENCIES IN RELATION TO THE EURO IS AS FOLLOWS:

Vs EUROS in thousands of euros	Assets	Liabilities	Net currency position before hedging	Financial hedging instruments*	Net currency position after hedging
AUD	25 473	-30	25 443	-39 096	-13 653
GBP	25 693	-3 112	22 581	-85 240	-62 659
USD	117 692	-1 026	116 666	862	117 528
ZAR	7 046	-224	6 822	-6 623	199
Other currencies	14 520	-57	14 463	-10 917	3 546
TOTAL	**190 424**	**-4 449**	**185 975**	**-141 014**	**44 961**

compared to USD in thousands of euros	Assets	Liabilities	Net currency position before hedging	Financial hedging instruments*	Net currency position after hedging
EUR	12 622	-2 905	9 717	0	9 717
Other currencies	0	-177	-177		-177
TOTAL	**12 622**	**-3 082**	**9 540**	**0**	**9 540**

compared to GBP in thousands of euros	Assets	Liabilities	Net currency position before hedging	Financial hedging instruments*	Net currency position after hedging
EUR	4 585	-1 533	3 052	0	3 052
Other currencies	0	0	0	0	
TOTAL	**4 585**	**-1 533**	**3 052**	**0**	**3 052**

compared to SGD in thousands of euros	Assets	Liabilities	Net currency position before hedging	Financial hedging instruments*	Net currency position after hedging
EUR	5 720	-7 351	-1 631	0	-1 631
Other currencies	3 673	-443	3 230		3 230
TOTAL	**9 394**	**-7 794**	**1 599**	**0**	**1 599**

compared to INR in thousands of euros	Assets	Liabilities	Net currency position before hedging	Financial hedging instruments*	Net currency position after hedging
EUR	1 452	-205	1 247	0	1 247
Other currencies	1 061	-456	605		605
TOTAL	**2 513**	**-661**	**1 852**	**0**	**1 852**

** In addition to the positions open as of December 31, 2019, the group hedges a portion of its future operational transactions in foreign currencies. These hedges are considered effective under the IFRS 9. For more information, see note 13.2.2 in the notes to the consolidated financial statements.*

CONVERSION RISKS FOR THE PROFIT AND LOSS ACCOUNT

Exchange-rate fluctuations have an impact on the consolidated results as a result of conversion into euro of the foreign currency profit and loss accounts of subsidiaries.

The group does not hedge this type of risk. The table below sets out the breakdown of net sales, operating income and net income by operating currency.

Currency exposure		31.12.2019	
Currency (In thousands of euros)	Net Sales	Operating income	Net income
USD	365	12	9
GBP	200	7	5
AUD	68	3	2
RUB	54	4	3
SGD	26	1	1
ZAR	26	0	0
Other	46	0	-2
TOTAL	**785**	**28**	**18**

CONVERSION RISKS FOR THE BALANCE SHEET

Sensitivity means a fluctuation in the currencies concerned of more than 5% above their closing rate.

Sensitivity analysis		31.12.2019	
Currency (in millions of euros)	Net investment	Hedge %	Impact on equity capital of a 5% euro fluctuation
USD	380	0%	-19
GBP	26	0%	-1
ZAR	15	0%	-1
AUD	12	0%	-1
SGD	9	0%	0
Other	24	0%	-1
TOTAL	**465**	**0%**	**-23**

13.3. OFF-BALANCE SHEET COMMITMENTS

13.3.1. COMMITMENTS GIVEN

in thousands of euros	December 31, 2018	December 31, 2019
Sureties, deposits, and collateral	8 563	22 503
Financial commitments (including forward sales)	204 320	142 784
Equipment repurchase commitments*	2 048	1 132
Other commitments given	37	30
TOTAL	**214 968**	**166 449**

Equipment repurchase commitments valued at contractually defined repurchase amounts. It should be noted that the market value of this equipment generally exceeds the repurchase value.

13.3.2. COMMITMENTS RECEIVED

in thousands of euros	December 31, 2018	December 31, 2019
Financial commitments (including forward purchases)	956	1 770
TOTAL	**956**	**1 770**

NOTE 14 RELATED COMPANIES AND RELATIONS WITH RELATED PARTIES

ACCOUNTING PRINCIPLES

OPERATING INCOME INCLUDING NET INCOME FROM EQUITY ASSOCIATES

The "Operating income including net income from equity associates" aggregate line item includes the proportionate share of income from associate companies in operating income.

14.1. CHANGE IN INVESTMENTS IN ASSOCIATES

in thousands of euros	Manitou Finance France SAS	Manitou Finance Ltd.	Total
DECEMBER 31, 2018	**10 913**	**7 095**	**18 008**
Share of net income	840	1 352	2 192
Dividends	-1 837	-1 730	-3 597
Change			
Change of method			
Reclassification			
Inc. Monetary		353	353
DECEMBER 31, 2019	**9 917**	**7 070**	**16 986**

14.2. SHARE OF EARNINGS AND EQUITY OF ASSOCIATES

	Manitou Finance France SAS		Manitou Finance Ltd.		Hangzhou Manitou Machinery Equipment		Total	
in thousands of euros	31.12.18	31.12.19	31.12.18	31.12.19	31.12.18	31.12.19	31.12.18	31.12.19
Share of net income	898	840	1 412	1 352	16	N/A	2 326	2 192
Share of shareholders' equity*	-1 658	-2 654	2 222	2 197	-698	N/A	-134	-458

** Contribution of associates in the shareholders' equity of the group (share of shareholders' equity of the company accounted for using the equity method, net of the value of securities).*

14.3. BREAKDOWN BY COMPANY OF THE SIGNIFICANT ITEMS

	Manitou Finance France SAS		Manitou Finance Ltd.		Hangzhou Manitou Machinery Equipment	
in thousands of euros	31.12.18	31.12.19	31.12.18	31.12.19	31.12.18	31.12.19
Activity	Financing	Financing	Financing	Financing	Production	N/A
Net Sales	3 849	3 936	5 621	5 458	1 461	N/A
Net income	1 833	1 715	2 881	2 759	32	N/A
Balance sheet total	150 450	177 334	177 345	174 458	2 744	N/A
Net assets	22 272	20 237	14 482	14 430	1 107	N/A
Share held	49%	49%	49%	49%	50%	N/A

14.4. TRANSACTIONS WITH GROUP COMPANIES CONSOLIDATED USING THE EQUITY METHOD

	Manitou Finance France SAS		Manitou Finance Ltd.		Hangzhou Manitou Machinery Equipment	
in thousands of euros	31.12.18	31.12.19	31.12.18	31.12.19	31.12.18	31.12.19
Expenses	1 690	1 729	1 907	1 785	4	N/A
Income	1 835	2 843	156 103	154 237	122	N/A

14.5. TRANSACTIONS WITH INDIVIDUALS

	2018			2019		
in thousands of euros	Interest for 2018	Balance at December 31, 2018	Purchase price 2018	Interest for 2019	Balance at December 31, 2019	Purchase price 2019
CURRENT ACCOUNTS WITH ASSOCIATES:						
Mr. Marcel Braud	88	6 062		79	6 055	
Ms. Jacqueline Himsworth	4	275		4	278	
PURCHASES OF SHARE INVESTMENTS:						
Not applicable						

NOTE 15 STATUTORY AUDITORS' FEES

	KPMG				DELOITTE & ASSOCIÉS				RSM Ouest & members of the RSM International network				Other				Total	
	Amount		%		Amount		%		Amount		%		Amount		%		Amount	
in thousands of euros	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Statutory audits, certification of individual and consolidated financial statements																		
Issuer		165	0	33%	190	0	32%	0	190	165	57%	42%					380	330
Fully consolidated subsidiaries	32	340	100%	67%	396	11	68%	100%	146	227	43%	58%	2	9	100%		576	587
Services other than certification of financial statements																		
Issuer										24		100%						24
Fully consolidated subsidiaries																		
SUBTOTAL	**32**	**505**	**100%**	**100%**	**586**	**11**	**100%**	**100%**	**336**	**416**	**100%**	**100%**	**2**	**9**	**100%**	**100%**	**965**	**941**
Other services rendered by the networks for fully consolidated subsidiaries																		
TOTAL	**32**	**505**	**100%**	**100%**	**586**	**11**	**100%**	**100%**	**336**	**416**	**100%**	**100%**	**2**	**9**	**100%**	**100%**	**965**	**941**

The company believes that the nature of the information required under Article 222-8 of the General Regulations and Instruction No. 2006-10 of the AMF (*Autorité des marchés financiers*, the French financial markets authority) meets the provisions introduced by Decree No. 2008-1487 of December 30, 2008.

NOTE 16 POST-CLOSING EVENTS

COVID-19 CRISIS

Faced with a very serious health crisis, and in accordance with the regulatory recommendations or obligations, Manitou Group stopped its production activities in France on March 17, 2020 and in Italy and India on March 26, 2020.

The group is actively working to prepare its sites for reopening, which will not be able to take place before the second half of April. They will be started up again progressively in order to integrate new health measures and restart the entire supply chain.

In the group's distribution companies, business has also slowed down significantly in most geographical regions due to widespread lockdown policies and market uncertainty. When authorized and when conditions permit, the group has continued to distribute spare parts in order to be able to serve its customers that are still operating.

As of April 14, 2020, the group is unable to determine the total impact that this crisis will have over the entire fiscal year.

NOTE 17 LIST OF SUBSIDIARIES AND AFFILIATES

	Parent company			
Manitou BF SA	Ancenis, France			

	Integrated companies	Consolidation method	% control	% interest
Production companies				
LMH Solutions SAS	Beaupréau-en-Mauges, France	FC	100%	100%
Manitou Brasil Manipulacao de Cargas Ltda.	São Paulo, Brazil	FC	100%	100%
Manitou Equipment America LLC	West Bend, Wisconsin, United States	FC	100%	100%
Manitou Equipment India	Greater Noïda, India	FC	100%	100%
Manitou Italia Srl	Castelfranco Emilia, Italy	FC	100%	100%
Distribution company				
Compagnie Francaise de Manutention Ile-de-France	Jouy le Moutier, France	FC	100%	100%
Manitou Asia Pte Ltd.	Singapore	FC	100%	100%
Manitou Australia Pty Ltd.	Alexandria, Australia	FC	100%	100%
Manitou Benelux SA	Perwez, Belgium	FC	100%	100%
Manitou Chile	Las Condes, Chile	FC	100%	100%
Manitou China Co Ltd.	Shanghai, China	FC	100%	100%
Manitou Deutschland GmbH	Ober Mörlen, Germany	FC	100%	100%
Manitou Global Services	Ancenis, France	FC	100%	100%
Manitou Interface and Logistics Europe	Perwez, Belgium	FC	100%	100%
Manitou Japan Co.Ltd	Tokyo, Japan	FC	100%	100%
Manitou Malaysia MH	Kuala Lumpur, Malaysia	FC	100%	100%
Manitou Manutencion Espana Sl	Madrid, Spain	FC	100%	100%
Manitou Mexico	Mexico City, Mexico	FC	100%	100%
Manitou Middle East Fze	Jebel Ali, United Arab Emirates	FC	100%	100%
Manitou Nordics Sia	Riga, Latvia	FC	100%	100%
Manitou North America LLC	West Bend, Wisconsin, United States	FC	100%	100%
Manitou Polska Sp Z.o.o.	Raszyn, Poland	FC	100%	100%
Manitou Portugal SA	Villa Franca, Portugal	FC	100%	100%
Manitou South Asia Pte Ltd.	Gurgaon, India	FC	100%	100%
Manitou Southern Africa Pty Ltd.	Johannesburg, South Africa	FC	74%	74%
Manitou UK Ltd.	Verwood, United Kingdom	FC	99.4%	99.4%
Manitou Vostok Llc	Moscow, Russian Federation	FC	100%	100%
Marpoll Pty Ltd (LiftRite Hire & Sales)	Perth, Australia	FC	50.5 %	50.5 %
Mawsley Machinery Ltd	Northampton, United Kingdom	FC	85%	85%
Companies consolidated using the equity method				
Manitou Finance France SAS	Nanterre, France	EM	49%	49%
Manitou Finance Ltd.	Basingstoke, United Kingdom	EM	49%	49%
Other companies*				
Cobra MS	Ancenis, France	FC	100%	100%
Gehl Power Products, Inc	Yankton, South-Dakota, United States	FC	100%	100%
Manitou America Holding Inc.	West Bend, Wisconsin, United States	FC	100%	100%
Manitou Développement	Ancenis, France	FC	100%	100%
Manitou PS	Verwood, United Kingdom	FC	85%	85%

FC: full consolidation
EM: Consolidated using the equity method
** Holdings and companies with no activity*

7.2. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS 2019

For the year ended 31 December, 2019,

OPINION

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Manitou BF S.A. for the year ended 31 December, 2019. These financial statements were approved by the Board of Directors on 3 March, 2020 based on the information available at that date and in the evolving context of the Covid-19 pandemic.

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 31 December, 2019 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 independence rules applicable to us, for the period from 1 January, 2019 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 or in the French Code of ethics (code de déontologie) for statutory auditors.

EMPHASIS OF MATTER

Sans We draw attention to the following matter described in Note 1.1.1. "Standards, interpretation and amendments to existing standards that must be applied to fiscal years starting on or after January 1, 2019" to the consolidated financial statements relating to the changes in standards, interpretations and applying amendments, which are compulsory as at 1st January, 2019, and in particular the accounting method change resulting from the application of IFRS 16 "Leases", whose impacts on financial statements as at 1st January, 2019 are presented in the Note 4 "Impact of new standards – First application of IFRS 16 and impact on the consolidated financial statements" to the consolidated financial statements. Our opinion is not modified in respect of this matter.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the 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, approved in the context described above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

PROVISIONS FOR WARRANTIES

Key audit matter

The Group records provisions for warranties and equipment recall campaigns to cover the estimated warranty costs of machines and spare parts, and the costs of overhauling sold equipment and the stock of machines in the event of major or dangerous malfunctions. These provisions, totalling €20.2 million as at 31 December 2019, are recorded for warranties when machines are sold to networks or end customers, and for recall campaigns when a malfunction is detected. The warranty provision amount covers the contractual warranty and its potential extension and is determined using historical statistical data projections. The campaign provision amount is determined using the unit cost of repair applied to the fleet of machines concerned.

We considered the valuation of these provisions to be a key audit matter in the consolidated financial statements due to their importance in understanding the financial statements, the complexity of their calculation components (average on warranty costs over the last five years, machine commissioning dates, outsourcing rate to suppliers, margin rate on spare parts) and their sensitivity to the assumptions adopted by management.

Response as part of our audit

Our work consisted in:

- familiarizing ourselves with the identification process of the population with warranty or which should be subject to recall campaigns and with provision valuation.
- testing the key controls set up by management that we consider as most relevant to determine the costs underlying this valuation, and particularly those relating to the various rates used in the estimates.
- assessing the relevance of the group's methodology,
- assessing the validity of the assumptions used to determine the warranty provisions, checking all of the data and calculations underlying these assumptions,
- reviewing the calculations on a test basis,
- comparing the accounting estimates of prior periods with the corresponding actual figures,
- assessing the appropriateness of the disclosures in Note 11.1 "Provisions" to the consolidated financial statements.

VALUATION OF LITIGATION PROVISIONS – INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS

Key audit matter

In May 2017, action was taken against Manitou Group by J.C. Bamford Excavators Limited (JCB), in France, the United Kingdom and later Italy, for allegedly infringing two European patents, as mentioned in Note 11.2 "Contigent liabilities" to the consolidated financial statements. The claims before the French court amounted initially to €20 million (subject to further evaluation) and before the UK court to an amount in excess of £10 million. The financial claims for Italy were not specified. In December 2018, JCB served a new summon on Manitou Group for infringement of intellectual property rights relating to a third patent in France and the United Kingdom, and then in Italy in 2019.

The legal proceedings for this dispute continued throughout 2019 and JCB valued its prejudice to €190 million.

Manitou Group considers, on the one hand, that a financial estimate of the risk actually incurred cannot be determined given the evidence at its disposal and the progress of the proceedings, and, on the other hand, that a significant outflow of resources in respect of these claims seems unlikely given the arguments put forward by Manitou group in its defence. In light of this, no provision was set aside in the consolidated financial statements for these claims. The Group only recorded the estimated future legal costs relating to this litigation in its 2019 financial statements, as indicated in Note 11.2 "Contigent liabilities" to the consolidated financial statements.

We considered this issue to be a key audit matter given its potential weight on the group's consolidated financial statements and insofar as significant judgment is required at the year-end regarding the uncertain outcome of this litigation in order to estimate the actual risk incurred.

Response as part of our audit

As part of our audit of the consolidated financial statements, our work primarily consisted in:

- examining the procedures implemented by the group to estimate the risk relating to this litigation;
- familiarising ourselves with the group's risk analysis,
- assessing the validity of the absence of provisions (excluding the legal costs) in light of the documentation provided by the company, the documents filed and the written consultations of external advisors;
- assessing the reasonableness of the assumptions used by management to estimate the provision for legal costs;

- analysing the documentation elements of opposing party request and of the Company defence elements;
- analysing, if necessary, Courts judgments;
- verifying the appropriateness of the disclosures relating to this litigation in Note 11.2 to the consolidated financial statements.

TRANSITION TO THE IFRS 16 STANDARD - LEASES

Key audit matter

As indicated in Note 4 to the consolidated financial statements as at 31 December, 2019, Manitou Group applied on 1st January, 2019 the IFRS 16 "Leases" new standard according to retrospective simplified method. According to this new standard, all leases are subject to a sole accounting model for lessees with "right of use" recognition to the assets and a rent loss to the liabilities.

The group decided to apply simplified measures as described in note 4 "Impact of new standards – First application of IFRS 16 and impact on the consolidated financial statements" to the consolidated financial statements including the measure which allows to maintain the identification, on the date of transition, of the leases made on the former standard basis. The group determined the lease debt on the date of transition taking into account, for each lease, the remaining lease duration, the nature of future payments and incremental rate loan as at 1st January, 2019 based on the remaining lease duration. The IFRS 16 "Leases" standard implementation thus generated as at 1st January, 2019 an increase of €.15.5m in the net debt and of €.14.2m in the right of use asset. Moreover, the group decreased its opening equity by €.1m net of deferred tax in order to reflect the cumulative effect of the first application of the standard (including the impact of the alignment of depreciation period of fixtures with the lease duration of the asset).

Considering the high volume of data to collect and the degree of management judgment required by the identification of the lease components in some contracts, by the determination of the remaining lease duration and of the incremental borrowing rate, we considered the first application of the new standard as at 1st January, 2019 to be a key audit matter.

Response as part of our audit

Our approach consisted in assessing the relevance of the Company's methodology and its conformity with the French accounting principles in order to determine the main assumptions.

Our work primarily consisted in:

- assessing the completeness of the contracts data base used by comparing the identified lease contracts with those relating to "operational leases" identified under the former standard;
- selecting a sample of contracts for which we have:
    + assessed the compliance of the restatement with the accounting principles, taking into account the contract characteristics;
    + substantiated the collected information for the valuation of lease debts and the right of use with contracts data,
    + as regards the remaining lease duration applied at the transition date, assessed the relevance of criteria taken into account by the management to determine the remaining lease duration,
    + as regards the incremental borrowing rate applied at the transition date, assessed the relevance of the Company's methodology and its compliance with the accounting principles;
- performing test of details, based on selected contracts, consisting in a recalculation of the debt and the right of use according to key assumptions as contracts duration and discount rates indicated in the follow up tool;
- assessing the accuracy and appropriateness of information given in the notes to the consolidated financial statements as regards restatments related to the implementation of the new standard, accounting principles and judgments applied by the group.

SPECIFIC VERIFICATIONS

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

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements of the information given in the management report of the Board of Directors approved on 3 March, 2020 and in the other documents with respect to the financial position and the financial statements provided to Shareholders. With regards to events which occurred and information that became known after the date the financial statements were approved by the Board of Directors relating to the impact of the crisis linked to Covid-19, management informed us that such events and information will be communicated to annual general meeting called to approve the 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 management report, it being specified that, in accordance with the provisions of 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 and this information must be reported by an independent third party.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as statutory auditors of Manitou BF S.A. by the annual general meeting held on 13 June, 2019 for KPMG and on 28 June, 1989 for RSM.

As at 31 December, 2019, KPMG was in the 1st year of total uninterrupted engagement and RSM was in the 30th 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 risks 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

OBJECTIVES 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 from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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:

- Identifies and assesses 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 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 his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the 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 audit report.

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

Nantes, on the 15 April 2020, Orvault, on the 15 April 2020

The statutory auditors

French original signed by

Vincent Broyé	Gwénaël Chedaleux	Jean-Michel Picaud
Partner	Partner	Partner



7.3. PARENT COMPANY FINANCIAL STATEMENTS

7.3.1. INCOME STATEMENT

in thousands of euros	Notes	31.12.2018	31.12.2019
OPERATING INCOME [1]:			
Sales of merchandise		424 362	439 433
Production sold (goods)		934 751	1 073 390
Production sold (services)		12 183	14 165
NET SALES	**NOTE 18**	**1 371 296**	**1 526 988**
Inventoried and capitalized production		25 955	- 9 360
Reversals of provisions and amortization, expense transfers	Note 19	15 008	17 830
Other income [1]		2 250	9 513
TOTAL		**1 414 509**	**1 544 971**
OPERATING EXPENSES [2]:			
Purchases and changes in inventories		-1 026 185	- 1 110 567
Other purchases and external expenses		-149 569	- 151 048
Taxes and related		-12 826	-13 431
Salaries and social security charges		-138 250	-153 087
Amortization and impairment		-26 838	-35 316
Net increase in provisions		-3 688	- 3 939
Other expenses [2]		-3 801	- 9 771
TOTAL		**- 1 361 157**	**- 1 477 159**
OPERATING PROFIT		**53 352**	**67 812**
Financial income [3]		68 184	72 487
Financial expenses [4]		-35 993	- 45 443
FINANCIAL RESULT	**NOTE 20**	**32 191**	**27 044**
RECURRING INCOME BEFORE TAXES		**85 543**	**94 856**
Non-recurring income		2 559	1 713
Non-recurring expenses		-1 662	- 2 575
NON-RECURRING INCOME/EXPENSES	**NOTE 21**	**897**	**- 862**
Employee profit-sharing		-1 272	- 2 350
Income taxes	Note 22	-15 809	-20 944
NET INCOME		**69 359**	**70 700**
[1] Of which income related to exchange gains on commercial operations		1 172	8 533
[2] Of which expenses related to exchange losses on commercial operations		2 884	8 550
[3] Of which income related to associates		31 687	40 698
[4] Of which expenses related to associates		4 099	3 314

7.3.2. CASH FLOW STATEMENT

	in thousands of euros	31.12.2018	31.12.2019
	NET INCOME	**69 359**	**70 700**
Elimination of income and expenses with no effect on operating cash flow and not linked to operating activities			
+	Amortization, depreciation, and provisions *	20 026	21 238
-	Reversals of amortization and provisions *	-12 001	-1 692
-	Proceeds from disposals of assets	-212	- 416
+	Net book value of asset disposals	823	1 524
-	Investment subsidies included in income	-10	- 9
+/-	Other non-cash income and expenses	0	
	EARNINGS BEFORE DEPRECIATION AND AMORTIZATION	**77 985**	**91 345**
Change in working capital requirement			
+/-	Changes in inventories	-59 987	15 416
+/-	Changes in accounts receivable	-55 763	49 462
+/-	Changes in other operating receivables	- 77 996	- 44 193
+/-	Changes in accounts payable	36 741	- 36 478
+/-	Changes in other operating liabilities	73 457	- 41 300
	CASH FLOW FROM OPERATING ACTIVITIES	**- 5 563**	**34 252**
+	Disposals of intangible and tangible assets	75	32
+	Sales of financial assets	138	384
-	Purchases of intangible and tangible assets	-27 923	- 42 831
-	Purchases of financial assets	- 5 086	- 5 243
+/-	Changes in supplier payables on assets	369	3 870
+/-	Cash flow related to mergers	0	
	CASH FLOW FROM INVESTING ACTIVITIES	**-32 427**	**- 43 788**
+	Capital increase	616	
-	Capital reduction	0	
+	Carryback receivable transferred	0	
-	Dividends paid	- 23 720	- 29 846
+	Increases in borrowings	85 513	188 453
-	Repayments of borrowings	-53 819	- 154 042
+/-	Changes in subscribed capital called but not paid	0	
	CASH FLOW FROM FINANCING ACTIVITIES	**8 590**	**4 565**
	Cash and cash equivalents – opening balance	41 684	12 284
	Cash and cash equivalents – closing balance	12 284	7 313
	CHANGE IN CASH AND CASH EQUIVALENTS	**- 29 400**	**- 4 971**

** Excluding current assets*

7.3.3. BALANCE SHEET

ASSETS		31.12.2018	31.12.2019		
in thousands of euros	Notes	Net amount	Gross amount	Amortization and depreciation and impairment	Net amount
FIXED ASSETS					
INTANGIBLE ASSETS [1]	Note 2	24 094	101 649	70 470	31 179
TANGIBLE ASSETS	Note 3	66 631	282 486	201 213	81 273
FINANCIAL ASSETS [2]	Note 4	417 675	448 191		448 191
		508 400	**832 326**	**271 683**	**560 643**
CURRENT ASSETS					
INVENTORIES & WORK IN PROGRESS	Note 6	287 865	282 135	9 685	272 450
PREPAYMENTS AND ADVANCES TO SUPPLIERS		293	54		54
RECEIVABLES FROM OPERATIONS [3]	Note 7	429 897	425 456	212	425 244
CASH AND MARKETABLE SECURITIES	Note 9	38 203	30 705		30 705
ACCRUALS	Note 15	3 385	3 801		3 801
		759 643	**742 151**	**9 897**	**732 254**
CURRENCY TRANSLATION DIFFERENCES ON ASSETS	Note 16	10 210	10 278		10 278
TOTAL ASSETS		**1 278 253**	**1 584 755**	**281 580**	**1 303 175**
[1] Of which leasehold rights					
[2] Of which less than one year		3 807			4 263
[3] Of which more than one year					

LIABILITIES		31.12.2018	31.12.2019
in thousands of euros	Notes	Net amount	Net amount
SHAREHOLDERS' EQUITY	Note 10		
Share capital	Note 10	39 668	39 668
Issue, merger, and acquisition premiums, etc.		45 119	45 119
Revaluation differences [4]	Note 17	18 806	44 476
Retained earnings and reserves		435 132	474 645
Income for the period		69 359	70 700
Investment subsidies		65	56
Regulated provisions		7 785	7 354
		615 934	**682 018**
PROVISIONS FOR RISKS AND CONTINGENCIES	Note 11	40 122	49 227
DEBT [1]			
FINANCIAL DEBTS [2]	Note 12	294 370	275 263
DEBT RELATED TO OPERATING ACTIVITIES	Note 12		
Supplier accounts payable and related		238 401	201 923
Tax and social security liabilities		52 316	54 237
Other operating liabilities		15 950	12 140
OTHER DEBT	Note 12	3 159	8 424
ACCRUALS	Note 15	11 690	12 544
		615 886	**564 531**
Currency translation differences on liabilities	Note 16	6 311	7 399
TOTAL PROVISIONS		**1 278 253**	**1 303 175**
[1] Of which more than one year		33 636	148 983
Of which less than one year		582 250	415 548
[2] Of which outstanding bank overdrafts and credit balances		17 604	23 400
[3] Of which equity loans		0	0
[4] Of which change in equity method valuation		17 898	43 568

GENERAL INFORMATION

COMPANY IDENTITY

Manitou BF is a French Public Limited Company (*société anonyme*) with a Board of Directors with capital of €39 668 399 consisting of 39 668 399 shares with a par value of €1 per share.

The company's head office, which is also the main production site, is:

430 rue de l'Aubinière - BP 10 249 - 44158 Ancenis Cedex France

The company is registered in the Nantes Trade and Companies Register under number: 857 802 508 RCS Nantes - SIRET (business registration) No.: 857 802 508 00047 - APE (principal activity code): 292 D - NAF (business sub-sector ID) No.: 2822Z.

FINANCIAL INFORMATION RELATED TO THE APPROVAL OF THE FINANCIAL STATEMENTS

Manitou BF's financial statements were approved by the Board of Directors on March 3, 2020.

COMMENTS ON THE NOTES TO THE BALANCE SHEET

The Notes to the balance sheet before distribution of dividends show the following:

The balance sheet for the period shows a total of €1 303 175 thousand.

The income statement reports:

- total income of €1 619 171 thousand,
- total expenses of €1 548 471 thousand,
- net income of +€70 700 thousand.

The period began on January 1, 2019, ends on December 31, 2019, and spans 12 months.

The Notes (or tables) below are an integral part of the annual financial statements.

HIGHLIGHTS OF THE PERIOD

MONITORING OF LITIGATION FOR INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS

In May 2017, action was taken against Manitou Group by J.C. Bamford Excavators Limited (JCB) for allegedly infringing two European patents regarding certain features related to the control system of the overload cut-off of certain telehandlers manufactured and/or marketed.

Financially, in May 2017, the claimant was seeking preliminary damages (subject to further evaluation) of €20 million before the French court, increased in June 2018 to €50 million.

In December 2018, JCB served a new summons on Manitou BF for infringement of intellectual property rights relating to a third European patent, also relating to certain features concerning the overload cut-off control system for certain telehandlers. This summons repeats the application for a provision of €50 million submitted in the first proceeding brought in France.

In 2018, JCB produced an appraisal valuing its loss at €160 million for the first two patents. At the end of 2019, in the context of the first proceedings on the merits, JCB increased its valuation of the loss in its last submission to €190 million. This increase is the result of an update to the loss in terms of duration, or according to JCB, until March 2019. This valuation also includes the estimated loss arising from the third patent.

The legal proceedings for the dispute regarding the first two patents continued throughout 2019.

In the context of a procedural issue in 2018, JCB applied for interim injunctive relief against Manitou BF. The pretrial judge decided on January 31, 2019 to dismiss the plaintiff's application for the first patent on which JCB was basing its allegations and, with regard to the second patent, temporarily prohibited Manitou BF from manufacturing, offering for sale, leasing, and holding a former configuration of certain telehandlers. This decision has no impact on Manitou BF's business insofar as it relates to the control system incorporated in certain models produced and sold before August 2017 that were therefore no longer manufactured by Manitou BF on the date of that decision, a fact that was acknowledged by the decision. Manitou BF immediately appealed this decision in order to contest the prohibition measure ordered since it only concerned a configuration that Manitou had stopped producing 18 months prior. This immediate appeal for abuse of power was found inadmissible, reserving the possibility of appeal with the judgment on the merits.

For this same incident, Manitou BF had alternatively proposed, if the judge considered the interim injunctive relief well founded, the establishment of a bank guarantee of €470 000 for the two patents as a replacement for the bans. This proposal became irrelevant for the first patent, for which the judge did not declare a preliminary injunction. As for JCB, it requested that this guarantee, if it should be ordered, be equal to €30 million (also for the two patents) based on an appraisal that it had produced, which valued its loss at €160 million (for the two patents). This proposal was not accepted by the judge, nor was JCB's application for penalties of €100 000 per day of delay, with the penalties declared by the judge at €1 000 per offense, the decision emphasizing that the loss alleged by the plaintiff concerns only the overload cut-off control system and not the machine as a whole.

Manitou BF completely denies JCB's allegations and continues to defend itself vigorously.

In terms of the progress of the proceedings, the financial risk liable to be incurred is difficult to reliably estimate. Moreover, significant payouts in respect of these claims seem to be unlikely in view of the evidence put forward by Manitou BF to defend itself. As a result, no provision in respect of these claims has been recognized in Manitou BF's financial statements.

FINANCING

In June 2019, Manitou BF finalized a new €105 million corporate bond issue. The bonds are divided into three tranches with 6, 7 and mainly 8 year maturities. This private placement, concluded on favorable terms for Manitou Group, allows it to extend the maturity of its debt and pursue its strategy of diversifying its financing sources. The income from these issues will be used to refinance the existing bond debt in the long term and will be used mainly for the company's development.

SHARE INVESTMENTS

HANGHZOU MANITOU MACHINERY EQUIPMENT

In March 2019, the company finalized the sale of the stake it held in Hanghzou Manitou Machinery Equipment.

This transaction had virtually no impact on the year's financial statements, since the financial loss of €1 078 thousand had been anticipated in 2018 through a provision for impairment of €1 051 thousand. See note 20.

MANITOU PS UK

On October 29, 2019, Manitou subscribed to 85% of the capital of Holding Manitou PS UK. This company was created for the purpose of acquiring all of the securities of the British company Mawsley Machinery Ltd, based close to Northampton.

MANITOU AUSTRALIA

On March 29, 2019, Manitou bought back the 6% stake held by minority shareholders, thereby increasing its stake to 100%.

MANITOU JAPAN CO LTD

On May 5, 2019, Manitou created Manitou Japan Co Ltd, based in Japan, and holds 100% of its capital.

NOTE 1 ACCOUNTING PRINCIPLES

1.1. GENERAL PRINCIPLES

The balance sheet and the income statement are prepared in accordance with French legislation and generally accepted accounting methods in France.

The base method used for financial statement items is the historical cost method.

A number of points that could have a material impact are described in detail below.

1.2. CHANGES IN ACCOUNTING METHODS

There were no changes in accounting methods in the financial year.

1.3. FIXED ASSETS

1.3.1. DEVELOPMENT COSTS

In compliance with Article 212-3-2 of ANC Regulation No. 2014-03, the development costs incurred by the company in 2019 relating to clearly defined projects likely to be completed and marketed profitably were capitalized, as the capitalization requirements specified by the French accounting regulations had been fulfilled. As it is a recommended method, the company made the decision in 2005 to apply this accounting treatment.

All research expenses and the costs of studies and development other than those described above are expensed in the period in which they are incurred.

1.3.2. SOFTWARE

These mainly include the costs incurred in the implementation of various projects, for the portion related to the detailed design of these projects, and to programming, testing, and documentation.

Costs recorded during the preliminary study phase, the functional analysis phase and for user training are recognized as expenses.

1.3.3. DEPRECIATION OF FIXED ASSETS

In accordance with ANC Regulation No. 2014-03, the accounting methods relating to tangible and intangible assets (excluding development costs) are as follows:

- the depreciable amount is the difference between the cost of the asset and its residual value, considered to be zero for all depreciable assets,
- the depreciation periods have been adjusted to the estimated useful lives of the various asset categories and calculated using the straight-line method,
- the main depreciation periods are as follows:
  - goodwill: 5 years,
  - patents: 5 years,
  - software: 3 years and 7 years for the integrated information system (ERP),
  - development costs: 5 years,
  - buildings: between 20 and 30 years depending on the construction quality,
  - improvements to land and buildings: 10 years,
  - technical facilities: 10 years,
  - industrial equipment: between 3 and 7 years depending on the type of equipment,
  - industrial tooling and molds: 3 years,
  - transport equipment: 4 years for passenger cars, 5 years for large commercial vehicles,
  - office and IT equipment: between 3 and 5 years depending on the type of equipment,
  - office furniture: 10 years.

The difference between tax depreciation calculated using the declining balance method and straight-line depreciation based on the estimated useful life is recorded in regulated provisions (special depreciation allowances). For development costs, special amortization allowances are recognized as of the date the asset is capitalized, as provided by law.

1.3.4. IMPAIRMENT OF ASSETS

Tangible and intangible assets must be tested for impairment whenever there is an indication of impairment.

When an indication of impairment exists, an impairment test is conducted. The carrying amount is determined with reference to the market and to the utility of the asset to the company, which depends on its fair value and its value in use.

1.4. SHARE INVESTMENTS

In order to report its shareholders' equity on a comparable basis for both the corporate and the consolidated financial statements, the company chose, as of year-end 1990, to value shares in wholly controlled companies using the portion of shareholders' equity owned, as determined using the rules of consolidation, in accordance with Article 3 of the French Law of January 3, 1985 and Article 11 of the Decree of February 17, 1986.

In accordance with Article 221-4 of ANC regulation No. 2014-03, if, at year-end, the aggregate value of securities valued using the equity method is less than their purchase price, the aggregate value of the portfolio is reduced accordingly. A provision for overall portfolio risk is also created if the aggregate value using the equity value is negative.

Acquisition costs are capitalized. In accordance with the applicable tax laws, such acquisition costs are amortized over 5 years on a straight-line basis.

1.5. TREASURY SHARES

Treasury shares are recorded in "Marketable securities" when such securities are intended to cover stock option plans and share awards and in "Other financial assets" in other cases.

For plans deemed to be exercisable (where the the market value of the share is greater than the exercise price of the option) for which an outflow of resources is probable, the corresponding shares are classified in a specific "Marketable securities" account.

When the market value of Manitou shares falls below their purchase price, an impairment loss is recorded for the difference. No impairment loss is recorded for shares classified as marketable securities to be canceled, nor for shares classified in the specific marketable securities sub-account (plans deemed to be exercisable). Such shares are relevant to the calculation of liabilities, determined as described below.

In accordance with Articles 624-2 to 624-18 of ANC Regulation No. 2014-03, expenses relating to option plans and performance share awards pertaining to Manitou BF shares are spread over the employees' vesting period, on a straight-line basis. They are recognized in the income statement under "Salaries and social security charges" against a balance sheet expense provision.

For purchase option plans, these expenses correspond to the difference between the portfolio value, net of impairment, of the shares allocated to such plans, and the corresponding exercise price, if lower. For performance share plans, they amount to the portfolio value of the shares granted.

1.6. INVENTORIES

1.6.1. VALUATION

- Merchandise: valued at the weighted average purchase price,
- Raw materials: valued at the weighted average purchase price,
- Semi-finished products, work in process and finished products: valued at the cost of production (raw materials, equipment, and labor at actual cost).

1.6.2. WRITE-DOWNS FOR IMPAIRMENT

- Merchandise: as in previous years, merchandise was subject to write-downs for impairment calculated statistically based on inventory turnover and probable losses from impairment,
- Raw materials: the same method as for merchandise is used, i.e. low-turnover items are subject to a write-down for impairment,
- Finished products: equipment is subject to a component-by-component analysis, the equipment in question being used or demonstration equipment in storage or with a low turnover. The rate of write-downs for impairment is determined by product group.

1.7. RECEIVABLES AND PAYABLES

Receivables and payables are recorded at their nominal value. An impairment loss is recognized when their recoverable value, appraised on a case-by-case basis, is estimated to be less than their accounting value.

1.8. PROVISIONS FOR RISKS AND CONTINGENCIES

Provisions are created for risks and contingencies when the company has a liability to a third party and it is probable or certain that it will face an outflow of resources to the said third party, without consideration.

Such provisions are estimated taking into account the best-estimate assumptions as of the reporting date.

1.9. RETIREMENT BENEFIT COMMITMENTS

The liability is calculated in accordance with IAS 19 (Revised) as authorized by ANC Recommendation 2013-02 of November 7, 2013. The method used is the projected unit credit method, sometimes known as the "project benefits method prorated on years of service."

Retirement benefit commitments are assessed taking demographic and economic assumptions into account. They are discounted to their present value using a discount rate based on the interest rates for the highest-quality bonds. The various categories of defined benefit plans in place within Manitou BF and the main assumptions used are set out in Note 11 to the financial statements.

1.10. LONG-SERVICE AWARDS

The liability was calculated in the same way as for the previous period, in accordance with CNC (French accounting authority) Recommendation 2003-R-01 of 04/01/2003, which reproduces the terms of IAS 19.

1.11. FOREIGN CURRENCY TRANSLATIONS

Foreign currency transactions are valued at the exchange rate on the date of the transaction. Receivables and payables are translated at the exchange rate on the reporting date. The difference resulting from the translation of foreign currency payables and receivables at the rate on the reporting date is recorded in the balance sheet as currency translation differences. Unrealized exchange losses that are not hedged are subject to a provision for risk.

1.12. FINANCIAL FORWARD INSTRUMENTS AND HEDGING TRANSACTIONS

In accordance with ANC Regulation No. 2015-05 on financial instruments, the exchange losses and gains related to commercial operations were recognized in operating income and the hedging instruments at year-end were revalued.

The effects of hedging instruments are recognized in the income statement symmetrically with those of the hedged item. The impairment or provision for risks relating to a hedged item take into account the hedging effect. Changes in the fair value of the instruments are not recognized on the balance sheet, unless this would make the accounting treatment symmetrical with the hedged risk and for the non-currency derivatives (receivables, liabilities, etc.) converted at closing.

The company documents the relationship between the hedging instrument and the hedged instrument, in addition to is hedging policy.

The company endeavors to minimize the exchange risk by performing exchange hedges on the largest cash flows for the net amount of their exposure to currencies, after recognition of purchases in foreign currency.

NOTE 2 INTANGIBLE ASSETS

in thousands of euros	31.12.2018	Purchases	Transfers between line items	Outflows	Gross amounts 12/31/2019
Research and development costs	34 908		4 248	181	38 975
Concessions, patents, and licenses	45 644	787	2 839		49 270
Goodwill	1 708				1 708
Other intangible fixed assets					
Intangible assets in process	6 285	12 498	-7 087		11 696
Prepayments and advances					
TOTAL	**88 545**	**13 285**	**0**	**181**	**101 649**

in thousands of euros	31.12.2018	Increases	Outflows	Depreciation 12/31/2019
Research and development costs	28 020	2 736		30 756
Concessions, patents, and licenses	34 867	3 283		38 150
Goodwill	1 564			1 564
Other intangible fixed assets				
Intangible assets in process				
Prepayments and advances				
TOTAL	**64 451**	**6 019**		**70 470**

in thousands of euros	31.12.2018	Net amounts 12/31/2019
Research and development costs	6 888	8 219
Concessions, patents, and licenses	10 777	11 120
Goodwill	144	144
Other intangible fixed assets		
Intangible assets in process	6 285	11 696
Prepayments and advances		
TOTAL	**24 094**	**31 179**

2.1. RESEARCH AND DEVELOPMENT COSTS

Development costs, incurred directly by the company and capitalized in 2019 amounted to €8 374 thousand, making a total of €48 265 thousand in capitalized expenses as of December 31, 2019 (versus €39 890 in 2018). This amount was split between projects in process for €9 289 thousand (€4 982 thousand in 2018) and completed projects for €38 976 thousand (€34 908 thousand in 2018). All research costs and the costs of studies and development other than those described above were expensed in 2019 for an amount of €9 034 thousand, as compared to €9 431 thousand in 2018.

NOTE 3 TANGIBLE ASSETS

in thousands of euros	31.12.2018	Purchases	Transfers between line items	Disposals	Gross amounts 12/31/2019
Land	17 681	799	1 107	0	19 587
Buildings	44 908	6	5 493	0	50 407
Installations, improvements, and fixtures	42 379	1 008	3 292	32	46 647
Technical installations and industrial equipment	126 997	4 376	4 199	1 990	133 582
Other tangible assets	18 553	2 043	303	804	20 095
Tangible fixed assets under production	5 248	21 314	- 14 394		12 168
TOTAL	**255 766**	**29 546**	**0**	**2 826**	**282 486**

in thousands of euros	31.12.2018	Increases	Outflows	Depreciation 12/31/2019
Land	7 151	735		7 886
Buildings	31 076	2 018		33 094
Installations, improvements, and fixtures	30 732	2 092	23	32 801
Technical installations and industrial equipment	104 736	8 472	1 926	111 282
Other tangible assets	15 440	1 511	801	16 150
TOTAL	**189 135**	**14 828**	**2 750**	**201 213**

in thousands of euros	31.12.2018	Net amounts 12/31/2019
Land	10 530	11 701
Buildings	13 832	17 313
Installations, improvements, and fixtures	11 647	13 846
Technical installations and industrial equipment	22 261	22 300
Other tangible assets	3 113	3 945
Tangible fixed assets under production	5 248	12 168
TOTAL	**66 631**	**81 273**

Investments in 2019 include the construction of new industrial buildings at the different production sites for €18 450 thousand, including €9 387 thousand for the new aerial platform production unit at the CANDE site that is under construction, production equipment for €8 667 thousand, including €2 521 thousand in connection with the development of new machines, as well as computer and office equipment for €2 429 thousand.

NOTE 4 FINANCIAL ASSETS

in thousands of euros	31.12.2018	Revaluation	Purchases	Transfers between line items	Decreases	Gross amounts 12/31/2019
Share investments [1]	18 940		20		1 447	17 513
Receivables linked to share investments [2]	9 627		1 868		2 514	8 981
Investments valued using the equity method [3]	389 024	25 670	5 440			420 134
Loans	6				4	2
Other financial assets	1 129		432			1 561
TOTAL	**418 726**	**25 670**	**7 760**		**3 965**	**448 191**

(1) In March 2019, Manitou BF sold all of the securities that it held in its Chinese subsidiary, Hangzhou Manitou Machinery Equipment.

(2) On November 1, 2019, Manitou BF granted a loan to its subsidiary, Manitou PS UK Ltd, for an amount of €1 696 thousand (£1 504 thousand).

(3) This item includes share investments held at proportions of above 50% and valued using the equity method in accordance with the accounting principles defined in paragraph 1.4. The recognition of the securities using the equity method resulted in a revaluation during fiscal year 2019 of the overall securities portfolio of €25 670 thousand, thereby bringing the change in equity method valuation from €17 898 thousand to €43 568 thousand. See note 5 for more details.

Details and change in share investments at their purchase price:

In thousands of euros					
Companies	31.12.2018	Acquisitions in 2019	Transfers between line items	Disposals	31.12.2019
Manitou Global Services	1 716				1 716
Manitou UK	598				598
Manitou Italia	34 460				34 460
Manitou Benelux	712				712
Manitou Asia	1 309				1 309
Manitou Portugal	2 963				2 963
Manitou Deutschland	8 712				8 712
Manitou Southern Africa	1 642				1 642
Manitou Australia	869	457			1 326
Manitou China	5 705				5 705
Manitou Manutencion Espana	200				200
Manitou Vostok	5 010				5 010
Manitou Polska	53				53
Manitou America Inc.	278 973				278 973
Manitou Interface and Logistics Europe	1 995				1 995
Manitou South Asia	636				636
Manitou Brasil Manipulacao de Cargas	6 570				6 570
Manitou Nordics	244				244
Manitou Middle East	212				212
Manitou Malaysia	1 364				1 364
Manitou Chile	20				20
LMH Solutions	3 000				3 000
Manitou Developpement	10	15			25
Manitou Equipment India	11 560	4 000			15 560
Marpoll Pty Ltd (LiftRite Hire & Sales)	2 372				2 372
Manitou Mexico	221				221
Manitou Japan CO LTD		10			10
Manitou PS UK		958			958
TOTAL	**371 126**	**5 440**			**376 566**

As part of its business development, Manitou BF created two new companies, Manitou Japan Co Ltd, based in Japan, and Manitou PS UK Ltd, based in the United Kingdom.

Manitou BF also subscribed to the capital increases of its subsidiary, Manitou Equipment India, in the amount of €4 000 thousand.

In addition, Manitou BF bought back the 6% stake held by minority shareholders in its Manitou Australia subsidiary, thereby increasing its stake from 94% to 100%.

in thousands of euros	31.12.2018	Increases	Reversals	Impairment 31.12.2019
Investments valued using the equity method				
Other investments [1]	1 051		1 051	
Other financial assets				
TOTAL	**1 051**		**1 051**	**0**

[1] The sale of the securities of the Chinese subsidiary Hanghzou Manitou Machinery Equipment resulted in a reversal of a securities impairment of €1 051 thousand.

NOTE 5 INVESTMENTS VALUED USING THE EQUITY METHOD (IN THOUSANDS OF EUROS)

	31.12.2018				31.12.2019			
Companies	% held	Accounting value (acq. cost or restated 1976 valuation)	Equity method value (IFRS)	Equity accounting reserve (IFRS)	% held	Accounting value (acq. cost or restated 1976 valuation)	Equity method value (IFRS)	Equity accounting reserve (IFRS)
Manitou Global Services	100 %	1 716	15 672	13 956	100 %	1 716	18 076	16 360
Manitou UK	99.42%	598	12 037	11 439	99.42%	598	14 467	13 869
Manitou Italia	100 %	34 460	92 297	57 837	100 %	34 460	99 161	64 701
Manitou Benelux	99.99%	713	5 974	5 261	99.99%	713	6 741	6 028
Manitou Asia	100 %	1 310	7 841	6 531	100 %	1 310	8 893	7 583
Manitou Portugal	100 %	2 963	5 853	2 890	100 %	2 963	6 770	3 807
Manitou Deutschland	100 %	8 712	3 874	- 4 838	100 %	8 712	4 421	-4 291
Manitou Southern Africa	74.00%	1 642	10 589	8 947	74.00%	1 642	10 912	9 270
Manitou Australia	94.00%	869	7 421	6 552	100 %	1 325	7 703	6 378
Manitou China	100 %	5 705	2 272	- 3 433	100 %	5 705	2 606	-3 099
Manitou Manutencion Espana	100 %	200	2 426	2 226	100 %	200	3 017	2 817
Manitou Vostok	100 %	5 010	7 225	2 215	100 %	5 010	8 527	3 517
Manitou Polska	100 %	53	356	303	100 %	53	394	341
Manitou America Inc.	100 %	278 973	194 196	- 84 777	100 %	278 973	206 018	-72 955
Manitou Interface and Logistics Europe	99,75 %	1 995	3 232	1 237	99,75 %	1 995	3 644	1 649
Manitou South Asia	100 %	637	1 570	933	100 %	637	1 757	1 120
Manitou Brasil Manipulacao de Cargas	99.96%	6 570	- 2 017	- 8 587	99.96%	6 570	-2 911	-9 481
Manitou Nordics	100 %	244	407	163	100 %	244	439	195
Manitou Middle East	100 %	211	258	47	100 %	211	257	46
Manitou Malaysia	100 %	1 364	1 246	- 118	100 %	1 364	1 311	-53
Manitou Chile	100 %	20	36	16	100 %	20	46	26
LMH Solutions	100 %	3 000	2 089	- 911	100.00%	3 000	2 116	-884
Manitou Developpement	100 %	10	10	0	100.00%	25	25	0
Manitou Equipment India	100 %	11 560	11 869	309	100.00%	15 560	12 186	-3 374
Marpoll Pty Ltd (LiftRite Hire & Sales)	50.50%	2 372	2 062	-310	50.50%	2 372	2 229	-143
Manitou Mexico	100 %	221	229	8	100.00%	221	243	22
Manitou Japan CO LTD					100.00%	10	12	2
Manitou PS UK					85.00%	958	1 074	116
TOTAL		**371 126**	**389 024**	**17 898**		**376 566**	**420 134**	**43 568**

NOTE 6 INVENTORIES

			31.12.2018			31.12.2019
in thousands of euros	Gross value	Impairment	Net	Gross value	Impairment	Net
Raw materials	100 710	2 080	98 630	110 820	2 397	108 423
Work in process	25 927		25 927	22 963		22 963
Finished products	96 664	1 233	95 431	79 280	1 009	78 271
Merchandise	74 209	6 332	67 877	69 072	6 279	62 793
TOTAL	**297 510**	**9 645**	**287 865**	**282 135**	**9 685**	**272 450**

NOTE 7 RECEIVABLES FROM OPERATIONS

	Gross amounts			Provisions		
in thousands of euros	31.12.2018	Changes in 2019	31.12.2019	31.12.2018	Changes in 2019	31.12.2019
Trade accounts and other receivables	307 429	- 49 406	258 023	155	57	212
Other receivables	18 167	- 5 981	12 186			
Misc. receivables	104 456	50 791	155 247			
Subscribed capital called but not paid						
TOTAL	**430 052**	**- 4 596**	**425 456**	**155**	**57**	**212**

		Net amounts
in thousands of euros	31.12.2018	31.12.2019
Trade accounts and other receivables [1]	307 274	257 811
Other receivables	18 167	12 186
Misc. receivables	104 456	155 247
Subscribed capital called but not paid		
TOTAL	**429 897**	**425 244**
[1] Including bills of exchange	4	6

NOTE 8 BREAKDOWN OF RECEIVABLES

in thousands of euros	Gross value	Less than 1 year	1 to 5 years	Over 5 years
On fixed assets				
Receivables linked to share investments [1]	8 981	2 727	3 361	2 893
Loans	2	2		
Other financial assets	1 561	1 561		
On current assets				
Doubtful or disputed accounts receivable	146	146		
Other accounts receivable	257 876	257 876		
Employee and related accounts	17	17		
Social Security and other social organizations	69	69		
Income tax	6 225	6 225		
Value-added tax	8 425	8 425		
Miscellaneous	21	21		
Group and associates	148 551	148 551		
Misc. debtors	4 125	4 125		
Prepaid expenses	3 801	3 801		
TOTAL	**439 800**	**433 546**	**3 361**	**2 893**
[1] Loans granted to subsidiaries during the period	1 768			
[1] Loans repaid by subsidiaries during the period	2 382			

NOTE 9 CASH AND MARKETABLE SECURITIES

Marketable securities were valued at their market price on December 31.

Money market funds (SICAV) were subject to a "bought-sold" on that date, and the interest accrued on other investments was recorded at the end of the financial year.

in thousands of euros	2018	2019
Money market funds (SICAV) (valued at the market price on 12/31/2018, purchase price on that date)	0	
Shares of listed company	0	
Provision for impairment of shares	0	
Treasury shares *	23 445	23 445
Provision for impairment of treasury shares *	0	
TOTAL MARKETABLE SECURITIES	**23 445**	**23 445**
Cash and cash equivalents	14 756	7 260
TOTAL MARKETABLE SECURITIES & CASH AT BANK	**38 201**	**30 705**

** Treasury shares*

As of December 31, 2019, the treasury shares held by the company to cover stock options (1 381 461 shares) were reported as marketable securities at the purchase price value of €23 445 thousand, i.e. an average price per share of €16.97.

NOTE 10 SHAREHOLDERS' EQUITY

10.1. CHANGES IN SHAREHOLDERS' EQUITY

in thousands of euros	Share Capital	Share premi-ums	Valuation differ-ences	Statutory reserve	Other reserves	Retained earnings	Income for the period	Grants and regulated provisions	Total equity
31.12.2018	**39 668**	**45 119**	**18 806**	**3 962**	**315 338**	**115 831**	**69 359**	**7 851**	**615 934**
Capital increase									
2018 income				5		69 354	-69 359		
Dividends						-29 847			-29 847
2019 income							70 700		70 700
Impact of changes in the value of associates (equity method)			25 670						25 670
Change in investment subsidies								-9	-9
Change in price increase allowance									
Change in special depreciation allowances for the year								-430	-430
31.12.2019	**39 668**	**45 119**	**44 476**	**3 967**	**315 338**	**155 338**	**70 700**	**7 412**	**682 018**

10.2. BREAKDOWN OF SHARE CAPITAL

	Nominal value	Number	Amount
Composition of capital at the start of the year	€1.00	39 668 399	€39 668 399
Capital increase	€1.00		
Share subscription options	€1.00		
CAPITAL AS AT 12/31/2019	**€1.00**	**39 668 399**	**€39 668 399**

NOTE 11 PROVISIONS

in thousands of euros	31.12.2018	Increases	Reversals Used	Reversals Unused	31.12.2019
REGULATED PROVISIONS					
Provision for price increases					
Special depreciation allowances	7 785	211	641		7 355
Other regulated provisions			0		0
TOTAL	**7 785**	**211**	**641**	**0**	**7 355**
PROVISIONS FOR RISKS AND CONTINGENCIES					
Litigation [1]	2 875	1 108	1 486	140	2 357
Customer warranties [2]	6 998	7 395	3 943	350	10 100
Exchange losses	8 798	9 656	8 798		9 656
Pensions and related liabilities [3]	1 067	360	56		1 371
Other provisions for risks & contingencies					
Provisions for retirement benefit plan commitments [5]	20 383	5 360	0		25 743
TOTAL	**40 122**	**23 879**	**14 283**	**490**	**49 227**
PROVISIONS FOR IMPAIRMENT					
Intangible assets		135			135
Tangible assets	1				1
Share investments	1 051		1 051		
Inventories and work in process	9 645	3 848	3 273	535	9 685
Accounts receivable	155	91	30	4	212
Other [4]					
TOTAL	**10 852**	**3 229**	**3 509**	**539**	**10 033**
TOTAL PROVISIONS	**58 758**	**28 164**	**19 278**	**1 029**	**66 615**
Of which increases and reversals:		Increases		Reversals	
- operating		18 544		10 374	
- financial		9 274		9 294	
- extraordinary		346		641	

[1] LITIGATION: the allocation for the period comprises, in particular, a provision created to cover the costs of legal proceedings in the context of a patent dispute.

[2] WARRANTIES: a provision is created to cover the estimated cost of warranties on machinery and spare parts when they are put into use by the sales networks or end customers. It covers the contractual warranty, as well as any potential extension on a case-by-case basis or in relation to campaigns. The provision is calculated on a statistical basis.

[3] PENSIONS AND RELATED LIABILITIES: this line item corresponds to the amount of the provision for long-service awards.

[4] OTHER: impairment of treasury shares (see Note 9).

[5] PROVISIONS FOR RETIREMENT BENEFIT PLAN COMMITMENTS: provisions for retirement benefits were valued according to the principles described in Note 1.9. The actuarial assumptions used in the valuation of these commitments are as follows:

		31.12.2018	31.12.2019
Retirement age	- managers	62/67 years	62/67 years
	- non-managers	62/67 years	62/67 years
		Progressive increase in the number of contribution years to 43 years	Progressive increase in the number of contribution years to 43 years
Annual employee growth rate		4.00%	4.00%
Discount rate		1.80%	1.00%
Rate of return on plan assets		1.80%	1.00%
Mortality rate		TGH05/TGF05	TGH05/TGF05
Staff turnover rate	- managers	2.50%	2.50%
	- non-managers	1.00%	1.00%

Actuarial gains and losses are recognized in full in income.

Provisions for retirement indemnities changed as follows:

in thousands of euros	31.12.2018	31.12.2019
Commitment at end of period	24 261	29 088
Plan assets at end of period	3 878	3 345
Financial situation	- 20 383	- 25 743
Past service costs	0	0
(Provision)/amount prepaid	- 20 383	- 25 743

The impact on income recorded in the financial statements in 2018 and 2019 can be broken down as follows:

in thousands of euros	31.12.2018	31.12.2019
Service costs	1 694	1 828
Cost of discounting	439	468
Expected return on plan assets	- 77	-76
Reduction		
Past service costs		
SUBTOTAL	**2 056**	**2 220**
Acquisition transfer		
Actuarial gain/loss calculated	-70	3 140
TOTAL	**1 986**	**5 360**

NOTE 12 BREAKDOWN OF DEBT

in thousands of euros	Gross value 31.12.2019	Less than 1 year	1 to 5 years	Over 5 years
Bank loans and debt [1]	185 188	42 874	34 207	108 107
Loans and other financial liabilities	6 333	6 333		
Supplier accounts payable and related	201 923	201 923		
Employee and related accounts	30 013	30 013		
Social Security and other social organizations	20 135	20 135		
Income tax				
Value-added tax	104	104		
Other taxes	3 984	3 984		
Debts on fixed assets and related accounts	5 222	5 222		
Group and associates	83 742	83 742		
Other liabilities	15 342	15 342		
Deferred revenues	12 545	5 876	6 669	
TOTAL	**564 531**	**415 548**	**40 876**	**108 107**
[1] Loans taken out during the period	188 433			
[1] Loans repaid during the period	154 052			

NOTE 13 ITEMS RELATED TO AFFILIATES

in thousands of euros	31.12.2018	31.12.2019
Investments valued using the equity method [1]	389 024	420 134
Receivables from affiliates	9 627	8 982
Other investments	18 940	17 513
Accounts receivable and related	190 010	152 186
Other receivables	100 883	150 147
Supplier accounts payable and related	60 351	49 822
Debt on fixed assets	2	2
Other liabilities	140 762	88 601
Financial expenses	4 099	3 313
Income from equity investments	26 865	31 817
Other financial income	4 822	8 882
[1] Of which change in equity method valuation:	17 898	43 568

No transactions were made outside of normal market conditions.

NOTE 14 ACCRUED INCOME AND EXPENSES

14.1. ACCRUED INCOME

in thousands of euros	31.12.2018	31.12.2019
Receivables from affiliates	132	100
Other financial assets		
Accounts receivable and related	52 698	53 840
Other receivables	4 186	3 722
Cash and cash equivalents		

14.2. ACCRUED EXPENSES

in thousands of euros	31.12.2018	31.12.2019
Bank loans and debt	538	678
Other loans and financial liabilities		
Supplier accounts payable and related	87 651	55 943
Tax and social security liabilities	43 871	46 108
Debts on fixed assets and related accounts	1 195	4 019
Other liabilities	13 732	12 390

NOTE 15 PREPAID INCOME AND EXPENSES

		31.12.2019
in thousands of euros	Expenses	Income
Operating expenses/income	3 801	12 545
Financial expenses/income		
Non-recurring expenses/income		
TOTAL	**3 801**	**12 545**

NOTE 16 TRANSLATION DIFFERENCES ON FOREIGN CURRENCY PAYABLES AND RECEIVABLES

		31.12.2019
in thousands of euros	Asset differences (1)	Liability differences
Loans and financial liabilities	9 274	6 636
Financial Instruments	615	6
Accounts receivable	337	743
Suppliers	52	14
TOTAL	**10 278**	**7 399**

(1) Offset by a risk provision of €9 656 thousand.

NOTE 17 REVALUATION DIFFERENCES

in thousands of euros	31.12.2018	31.12.2019
ASSETS		
Land	354	354
Share investments	554	554
TOTAL	**908**	**908**
LIABILITIES		
Revaluation reserve (1976)	908	908
Other differences (equity method, see note 5)	17 898	43 568
TOTAL	**18 806**	**44 476**

NOTE 18 BREAKDOWN OF SALES

in thousands of euros	2018	2019
A - BREAKDOWN BY BUSINESS ACTIVITY		
Production (Manitou BF)	943 619	1 084 355
Spare parts trading	152 554	164 727
Equipment trading	275 123	277 906
TOTAL	**1 371 296**	**1 526 988**
B - BREAKDOWN BY MARKET REGION		
France	376 215	435 171
Export	995 081	1 091 817
TOTAL	**1 371 296**	**1 526 988**

NOTE 19 REVERSALS OF PROVISIONS AND TRANSFERS OF EXPENSES

	2018	2019
in thousands of euros	Income	Income
Reversal of provision for risks	6 876	6 530
Reversal of impairment on tangible assets		
Reversal of provision for impairment of current assets	3 403	3 842
Transfer of operating expenses (1)	4 729	7 458
TOTAL	**15 008**	**17 830**

(1) The transfer of expenses item mainly consists of rebilling from central services to the Manitou Italia subsidiary for €2 886 thousand and to the Manitou Americas subsidiary for €507 thousand, as well as the rebilling of various expenses.

NOTE 20 FINANCIAL RESULT

20.1. FINANCIAL INCOME

in thousands of euros	2018 Income	2019 Income
Income from securities	26 865	31 817
Exchange gains	25 877	31 632
Reversal of impairment provision on securities [1]	10 375	1 051
Other income	5 067	7 987
TOTAL	**68 184**	**72 487**

[1] The sale of the securities of the Chinese company Hanghzou Manitou Machinery Equipment resulted over fiscal year 2019 in a reversal of a securities impairment of €1 051 thousand. As a reminder, the valuation of the securities using the equity method resulted in a provision reversal of €10 375 thousand for fiscal year 2018.

20.2. FINANCIAL EXPENSES

in thousands of euros	2018 Expenses	2019 Expenses
Loan interest	2 487	4 314
Exchange losses	28 418	36 430
Increases in impairment on securities [1]	1 051	
Other expenses	4 037	4 699
TOTAL	**35 993**	**45 443**

NOTE 21 NON-RECURRING INCOME/EXPENSES

21.1. NON-RECURRING INCOME

in thousands of euros	2018 Income	2019 Income
Income from the disposal of tangible assets	75	32
Income from the disposal of financial assets [1]	138	384
Reversals of special depreciation allowances	1 604	641
Reversal of provision for risks	23	
Miscellaneous	719	656
TOTAL	**2 559**	**1 713**

[1] This item includes the income from the sale of securities in the Chinese company Hanghzou Manitou Machinery Equipment for an amount of €384 thousand.

21.2. NON-RECURRING EXPENSES

in thousands of euros	2018 Expenses	2019 Expenses
Net expenses on disposals of tangible assets	35	76
Net expenses on disposals of financial assets [1]	788	1 448
Special depreciation allowances and extraordinary depreciation	215	527
Miscellaneous	624	524
TOTAL	**1 662**	**2 575**

[1] This item includes the net expense for the sale of securities in the Chinese company Hanghzou Manitou Machinery Equipment for an amount of €1 448 thousand.

As a reminder, a securities impairment provision was funded in the amount of €1 051 thousand and was integrated over the fiscal year into the financial result.

NOTE 22 TAX

22.1. BREAKDOWN OF INCOME TAX

in thousands of euros	Income before tax	Income taxes	Income after tax
Recurring income	94 856	24 415	70 441
Non-recurring income/expenses	-862	70	-932
Share investment	-2 350		-2 350
Tax credits [(1)]		-2 589	2 589
Income from taxes from tax consolidation [(2)]		-952	952
NET INCOME	**91 644**	**20 944**	**70 700**

[(1)] *Tax credits for research and apprenticeships.*
[(2)] *Tax income from the subsidiary Manitou Global Services and CFM Ile de France.*

22.2. RESEARCH TAX CREDIT

The research tax credit amount recognized for 2019 was €2 583 thousand.

22.3. INCREASES AND REDUCTIONS IN FUTURE TAX LIABILITIES

	2019	
in thousands of euros	Basis	Amount
NATURE OF TEMPORARY DIFFERENCES		
INCREASES		
Regulated provisions at 12/31/2019	7 355	
Other tax differences		
TOTAL	**7 355**	
INCREASES IN FUTURE TAX LIABILITIES		**2 533**
REDUCTIONS		
Provisions non-deductible in the year of recognition	9 909	
TOTAL	**9 909**	
REDUCTIONS IN FUTURE TAX LIABILITIES		**3 413**

22.4. IMPACT OF TAX DIFFERENCES

in thousands of euros	31.12.2019
INCOME FOR THE PERIOD	**70 700**
Share investment	2 350
Income tax	20 944
INCOME BEFORE TAX	**93 994**
Change in regulated provisions	-430
Other tax differences	
INCOME BEFORE TAX EXCLUDING THE IMPACT OF TAX DIFFERENCES	**93 564**

NOTE 23 LEASES

There were no real estate leases outstanding as of December 31, 2019.

NOTE 24 OFF-BALANCE SHEET COMMITMENTS

24.1. COMMITMENTS GIVEN

in thousands of euros	31.12.2019
Discounted notes outstanding	
Sureties, deposits, and collateral	4 119
Mortgages	
Shareholder agreements	665
Forward sales of foreign currency & Currency options	142 784
Currency CAP	62 500
Tunnel	62 500
Equipment repurchase commitments	

It should be noted that the market value of this equipment generally exceeds the repurchase value.

24.2. COMMITMENTS RECEIVED

in thousands of euros	31.12.2019
Forward purchases of foreign currency	1 770

NOTE 25 AVERAGE HEADCOUNT

salaried staff	2018	2019
Managers	466	524
Supervisors and technicians	57	63
Employees	533	578
Manual workers	1 029	1 121
TOTAL	**2 085**	**2 286**

NOTE 26 INFORMATION ON EXECUTIVE COMPENSATION

Total amount of compensation and benefits in kind paid to corporate officers during 2019:

In thousands of euros or number of shares	Salaries	Other compensation	Stock options granted	Stock options exercised	Other provisions and commitments
Non-executive corporate officers	156	483			
Executive corporate officers		1 433			443

NOTE 27 INFORMATION ON STATUTORY AUDITORS' FEES

The company believes that the nature of the information required under Article 222-8 of the General Regulations and Instruction No. 2006-10 of the AMF (*Autorité des marchés financiers*, the French financial markets authority) and given in the Notes to the consolidated financial statements, complies with the provisions introduced by Decree No. 2008-1487 of December 30, 2008.

NOTE 28 LIST OF SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2019

As for the valuation of investments in associates, the consolidated financial statements for 2019 were prepared in accordance with IFRS. The values shown in this table were calculated on the basis of those standards.

COMPANIES in thousands of euros or foreign currency	Share Capital	Reserves and retained earnings before appropriation of income	% of share capital held	BOOK VALUE OF SHARES HELD Gross	Net	Consolidated using the equity method	Loans and advances granted and outstanding	Amounts of guarantees provided by the company	Sales excluding taxes	Profit or Loss (-)	Dividends received
I - DETAILED INFORMATION											
A - SUBSIDIARIES (AT LEAST 50% OF THE CAPITAL HELD BY THE COMPANY)											
	EUR	EUR		EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Manitou Global Services	1 320	14 473	100 %	1 716	1 716	18 076	7 797		16 663	2 098	
LMH Solutions	3 000	-851	100 %	3 000	3 000	2 116	2 636		11 086	17	
Manitou Italia	5 000	99 069	100 %	34 460	34 460	99 161	7 142		329 986	22 891	16 000
Manitou Benelux	500	6 241	100 %	713	713	6 741			163 098	3 682	2 871
Manitou Portugal	600	6 099	100 %	2 963	2 963	6 770			26 471	923	
Manitou Deutschland	800	3 621	100 %	8 712	8 712	4 421			128 031	2 570	2 000
Manitou Manutencion Espana	200	2 817	100 %	200	200	3 017	6 211		11 499	595	
Manitou Interface & Logistics Europe	2 000	1 644	99.75%	1 995	1 995	3 644	11 457		59 789	411	
Manitou Nordics	242	197	100 %	244	244	439			1 096	67	
Manitou UK	GBP 230	GBP 13 032	99,42 %	598	598	14 467	4 494		GBP 175 532	GBP 4 028	3 462
Manitou America Inc.	USD 361 165	USD -150 608	100 %	278 973	278 973	206 018			USD 0	USD 221	
Manitou Asia	SGD 400	SGD 13 038	100 %	1 310	1 310	8 893	2 596		SGD 50 364	SGD 1 217	
Manitou Southern Africa	ZAR 938	ZAR 231 714	74.00%	1 642	1 642	10 912	1 966		ZAR 421 569	ZAR - 1 069	57
Manitou Middle East	AED 1 000	AED 59	100 %	212	212	257			AED 3 903	AED - 13	
Manitou Australia	AUD 400	AUD 11 919	100 %	1 325	1 325	7 703	5 730		AUD 93 008	AUD 2 535	1 392
Marpoll Pty Ltd (LiftRite Hire & Sales)	AUD 100	AUD 7 217	50,50 %	2 372	2 372	2 229	1 968		AUD 25 100	AUD 416	
Manitou China	CNY 59 938	CNY -39 561	100 %	5 705	5 705	2 606			CNY 34 122	CNY 2 405	
Manitou Vostok	RUB 338	RUB 596 157	100 %	5 010	5 010	8 527			RUB 3 945 281	RUB 238 688	2 434
Manitou Polska	PLN 200	PLN 1 476	100 %	53	53	394			PLN 6 424	PLN 240	
Manitou South Asia	INR 45 000	INR 95 919	100 %	637	637	1 757			INR 356 180	INR 16 933	
Manitou Equipment India	INR 2 300 004	INR -1 299 432	100 %	15 560	15 560	12 186			INR 2 746 143	INR - 224 178	
Manitou Brasil Manipulacao de Cargas	BRL 23 123	BRL -36 270	99.96%	6 570	6 570	- 2 911	8 547		BRL 52 629	BRL - 3 709	
Manitou Malaysia	MYR 6 465	MYR - 442	100 %	1 364	1 364	1 311	271		MYR 5 614	MYR 139	
Manitou Chile	CLP 15 000	CLP 23 574	100 %	20	20	46	107		CLP 381 989	CLP 11 240	
Manitou Mexico	MXN 5 150	MXN 14	99.00%	221	221	243			MXN 2 033	MXN 4	
Manitou Japan Co Ltd	JPY 1 200	JPY 262	100 %	10	10	12			JPY 8 618	JPY 262	
Manitou PS UK Ltd	GBP 1 000	GBP - 9	85.00%	958	958	1 074	1 779		GBP 0	GBP - 9	

COMPANIES in thousands of euros or foreign currency	Share Capital	Reserves and retained earnings before appropri-ation of income	% of share capital held	BOOK VALUE OF SHARES HELD Gross	Net	Consolidated using the equity method	Loans and advances granted and out-standing	Amounts of guar-antees provided by the company	Sales excluding taxes	Profit or Loss (-)	Dividends received
B - INVESTMENTS IN AFFILIATES (10% TO 50%)											
Manitou Finance France	EUR 4 682	EUR 15 556	49.00%	12 571	12 571				EUR 50 380	EUR 1 715	1 837
Manitou Finance Ltd	GBP 7 270	GBP 5 005	49.00%	4 875	4 875				GBP 7 047	GBP 2 422	1 763
C - INVESTMENTS IN AFFILIATES (NON-TRADING COMPANIES)											
Cobra MS	40	- 15	100 %	40	40					- 2	
Manitou Developpement	25	- 8	100 %	25	25	25				- 2	
I I - GENERAL INFORMATION											
A - SUBSIDIARIES NOT INCLUDED IN PARAGRAPH I	**NONE**										
B - INVESTMENTS IN AFFILIATES NOT INCLUDED IN PARAGRAPH I	**NONE**										
C - INVESTMENTS IN AFFILIATES NOT INCLUDED IN PARAGRAPH I	**NONE**										

NOTE 29 INVENTORY OF SECURITIES HELD

COMPANY in number of units or shares or thousands of euros	Type and par value	Currency	Number of units or shares	Original book value	Equity consolidation method value
Manitou Global Services	Shares at 20	EUR	66 000	1 716	18 076
Manitou Finance France	Shares at 1 000	EUR	12 571	12 571	12 571
Manitou UK	Shares at 1	GBP	228 670	598	14 467
Manitou Italia	Shares at 1	EUR	5 000 000	34 460	99 161
Manitou Benelux	Units at 500	EUR	999	713	6 741
Manitou Asia	Shares at 1	SGD	400 000	1 310	8 893
Manitou Portugal	Shares at 5	EUR	120 000	2 963	6 770
Manitou Deutschland	Shares at 800 000	EUR	1	8 712	4 421
Manitou Southern Africa	Units at 1	ZAR	693 750	1 642	10 912
Manitou Finance Ltd.	Units at 1	GBP	3 562 000	4 875	4 875
Manitou America Inc.	Shares at 361 101	USD	1	278 973	206 018
Manitou Australia	Shares at 1	AUD	400 000	1 325	7 703
Manitou China				5 705	2 606
Manitou Manutencion Espana	Shares at 1	EUR	200 000	200	3 017
Manitou Vostok	Shares at 1	RUB		5 010	8 527
Manitou Polska	Units at 1	PLN	400	53	394
Manitou Interface and Logistics Europe	Shares at 500	EUR	3 990	1 995	3 644
Manitou South Asia	Shares at 10	INR	4 499 999	637	1 757
Manitou Brasil Manipulacao de Cargas	Shares at 1	BRL	14 174 270	6 570	-2 911
Manitou Nordics	Shares at 1	EUR	170 000	244	439
Manitou Middle East	Shares at 1	AED	1 000 000	212	257
Manitou Malaysia	Shares at 1	MYR	6 465 100	1 364	1 311
Manitou Chile	Shares at 1	CLP	15 000 000	20	46
LMH Solutions	Shares at 10	EUR	300 000	3 000	2 116
Manitou India Equipment	Shares at 10	INR	230 000 375	15 560	12 186
Marpoll Pty Ltd (LiftRite Hire & Sales)	Shares at 1	AUD	50 500	2 372	2 229
Manitou Mexico	Shares at 200	MXN	25 493	221	243
Manitou Japan Co Ltd	Shares at 100	JPY	12 000	10	12
Manitou PS PS Ltd	Shares at 1	GBP	850 000	958	1 074
Cobra MS	Shares at 100	EUR	100	40	
Manitou Developpement	Shares at 1	EUR	10 000	25	25
TOTAL				**394 054**	**437 580**

NOTE 30 POST-CLOSING EVENTS

COVID-19 CRISIS

Faced with a health crisis that is still very serious, the company stopped production activities in France on March 17, 2020. This measure applies to all French operations, excluding spare parts, customer support, and certain central functions.

The company is actively working to prepare its sites for reopening, which will not be able to take place before the second half of April. They will be started up again progressively in order to integrate new health measures and restart the entire supply chain.

In this context, the company has been working hard to address all of the consequences of the COVID-19 crisis, with respect to its employees, its customers, its operations, and all of its stakeholders.

As of April 14, 2020, the company is unable to determine the total impact that this crisis will have over the entire fiscal year.

7.4. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS 2019

7.4.1. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To the annual general meeting of Manitou BF S.A.

OPINION

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Manitou BF S.A. for the year ended 31 December, 2019. These financial statements were approved by the Board of Directors on 3 March, 2020 based on the information available at that date and in the evolving context of the Covid-19 pandemic.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December, 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

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

BASIS FOR OPINION

AUDIT FRAMEWORK

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

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

INDEPENDENCE

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January, 2019 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 or in the French Code of ethics (code de déontologie) for statutory auditors.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

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

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

PROVISIONS FOR WARRANTIES

Key audit matter

The Company records provisions for warranties and equipment recall campaigns to cover the estimated warranty costs of machines and spare parts, and the costs of overhauling sold equipment and the stock of machines in the event of major or dangerous malfunctions. These provisions, totalling €10.1 million as at 31 December 2019, are recorded for warranties when machines are sold to networks or end customers, and for recall campaigns when a malfunction is detected. The warranty provision amount covers the contractual warranty and its potential extension and is determined using historical statistical data projections. The campaign provision amount is determined using the unit cost of repair applied to the fleet of machines concerned.

We considered the valuation of these provisions to be a key audit matter in the financial statements due to their importance in understanding the financial statements, the complexity of their calculation components (average on warranty costs over the last five years, machine commissioning dates, outsourcing rate to suppliers, margin rate on spare parts) and their sensitivity to the assumptions adopted by management

Response as part of our audit

Our work consisted in:

- familiarizing ourselves with the provision valuation process.
- testing the key controls set up by management that we consider as most relevant to determine the costs underlying this valuation, and particularly those relating to the various rates used in the estimates.
- assessing the relevance of the group's methodology,
- assessing the validity of the assumptions used to determine the warranty provisions, checking all of the data and calculations underlying these assumptions,
- reviewing the calculations on a test basis,
- assessing the judgements made by management and the appropriateness of the disclosures in Note 11 "Provisions" to the financial statements,
- comparing the accounting estimates of prior periods with the corresponding actual figures.

JCB LITIGATION

Key audit matter

In May 2017, Manitou BF was sued by J.C. Bamford Excavators Limited for infringing two patents, as mentioned in note 3 to the financial statements. The claim before the French court amounted initially to €20 million (subject to further evaluation).

In December 2018, JCB served Manitou BF with a writ of summons for infringement of a third patent.

The legal proceedings for this dispute continued throughout 2019 and JCB valued its prejudice to €190 million.

Manitou BF considers, on the one hand, that a financial estimate of the risk actually incurred cannot be determined given the evidence at its disposal and the progress of the proceedings, and, on the other hand, that a significant outflow of resources in respect of these claims seems unlikely given the arguments put forward by Manitou BF in its defence. In light of this, no provision was set aside in the financial statements for these claims. The Company only recorded the estimated future legal costs relating to this litigation in its 2019 financial statements, as indicated in Note 11 to the financial statements.

We considered this issue to be a key audit matter given its potential weight on the Company's financial statements and insofar as significant judgment is required at the year-end regarding the uncertain outcome of this litigation in order to estimate the actual risk incurred.

Response as part of our audit

Our work primarily consisted in:

- examining the procedures implemented by the Company to estimate the risk relating to this litigation;
- familiarising ourselves with the Company's risk analysis,
- assessing the validity of the absence of provisions (excluding the legal costs) in light of the documentation provided by the Company, the documents filed and the written consultations of external advisors;
- assessing the reasonableness of the assumptions used by management to estimate the provision for legal costs;
- analysing the documentation elements of opposing party request and of the Company defence elements;
- analysing, if necessary, Courts' judgments;
- verifying the appropriateness of the disclosures relating to this litigation in the notes to the financial statements.

SPECIFIC VERIFICATIONS

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

INFORMATION GIVEN IN THE MANAGEMENT REPORT AND IN THE OTHER DOCUMENTS WITH RESPECT TO THE FINANCIAL POSITION AND THE FINANCIAL STATEMENTS PROVIDED TO THE SHAREHOLDERS

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors approved on 3 March, 2020 and in the other documents with respect to the financial position and the financial statements provided to Shareholders. With regards to events which occurred and information that became known after the date the financial statements were approved by the Board of Directors relating to the impact of the crisis linked to Covid-19, management informed us that such events and information will be communicated to annual general meeting called to approve the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-4 of the French Commercial Code (Code de commerce).

INFORMATION RELATING TO CORPORATE GOVERNANCE

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.225-37-3 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by the members of the Executive Board and of the Supervisory Board and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

OTHER INFORMATION

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as statutory auditors of Manitou BF S.A. by the annual general meeting held on 13 June, 2019 for KPMG and on 28 June, 1989 for RSM.

As at 31 December, 2019, KPMG was in the 1st year of total uninterrupted engagement and RSM was in the 30th year of total uninterrupted engagement .

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

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

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

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

The financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

OBJECTIVES AND AUDIT APPROACH

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

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

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

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

REPORT TO THE AUDIT COMMITTEE

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

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

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

Nantes, on the 15 April 2020, Orvault, on the 15 April 2020

The statutory auditors,
French original signed by

Vincent Broyé	Gwénaël Chedaleux	Jean-Michel Picaud
Partner	Partner	Partner

7.4.2. STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

To the annual general meeting of Manitou BF S.A.

In our capacity as Statutory Auditors of your Company, we hereby report to you on the regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, and the reasons justifying that these commitments and agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (Code de Commerce), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information provided for in Article R. 225-31 of the French Commercial Code in respect of the performance of the agreements and commitments already authorised by the Shareholders' Meeting and having continuing effect during the year, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

AGREEMENTS AND COMMITMENTS AUTHORISED DURING THE YEAR

We hereby inform you that we have not been notified of any following agreements or commitments authorised and signed during the year to be submitted to the approval of the Shareholders' meeting pursuant to Article L. 225-38 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

AGREEMENTS AND COMMITMENTS AUTHORISED IN PREVIOUS YEARS HAVING CONTINUING EFFECT DURING THE YEAR

Pursuant to Article R. 225-30 of the French Commercial Code, we have been advised that the following agreements and commitments authorised in previous years have had continuing effect during the year.

AGREEMENTS WITH MR MARCEL BRAUD, FOUNDING HONORARY PRESIDENT OF MANITOU

PAYMENT OF TRAVEL AND ENTERTAINMENT EXPENSES

On 26 April 2017, your Board of Directors authorised an agreement covering the travel and entertainment expenses and resources needed for the performance of Mr Marcel Braud's duties, as Honorary Chairman and Founder of Manitou (mainly a company car with chauffeur, broadband, mobile phone and travel expenses), the latter assuming the role of Group representative and remaining in contact with Executive Management and the various boards and committees.

As at 31 December 2019, your Company paid corresponding expenses of €54,763.

CURRENT ACCOUNT

Mr. and Mrs. Braud's current account totalled €6,055,447 as of 31 December 2019 (including interest, net of deductions). This account bore interest at 1.32%. The amount of interest assumed by your Company in this respect totalled €79,209 in 2019.

AGREEMENT AND COMMITMENTS UNDERTAKEN FOR MR. MICHEL DENIS, CHIEF EXECUTIVE OFFICER (CEO) SINCE 13 JANUARY 2014, RENEWED IN ADVANCE ON 5 DECEMBER 2017

AUTHORISATION TO EXTEND THE CONTRACT FOR THE SUPPLY OF TWO VEHICLES

On 5 December 2017, your Board of Directors authorised the signing of an amendment to the contract for the supply by GLGM Conseil, of which Mr. Michel Denis is manager, to Manitou BF, of which Mr. Michel Denis is CEO, of two vehicles, one for strictly professional use and one for professional and private use by Mr. Michel Denis, stipulating that the lease amount will be revised annually according to the SYNTEC index prevailing on 1 January of each year.

This agreement was signed on 10 March 2015 for a period of one year and is renewable by tacit agreement, subject to its termination by either of the parties or the termination of Mr. Michel Denis' duties as manager of GLGM Conseil and/or Chief Executive Officer of Manitou BF.

The total monthly budget allocated to the management of the two vehicles is €2,150, including VAT. This price may be revised annually.

As at 31 December 2019, your Company paid corresponding expenses of €21,453.

SEVERANCE PAY RELATING TO THE TERMINATION OF THE CEO'S DUTIES

On 5 December 2017, your Board of Directors authorised the principle by which Mr. Michel Denis would receive severance pay should his 4-year mandate be cancelled before its term or not renewed at the end of its term, unless such cancellation or non-renewal was due to gross negligence.

This authorisation follows on from the early renewal of Mr. Denis' mandate as CEO by the Board of Directors on 5 December 2017. The renewed mandate will begin at the end of the 2018 Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2017 for a 4 year period until the 2022 Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2021.

The amount of severance pay was set at 150% of the total annual fixed and variable compensation payable for the fiscal year preceding that during which the mandate was cancelled or not renewed, should such cancellation or non-renewal occur between 14 June 2018 and 31 December 2019, and at 200% should such cancellation or non-renewal occur between 1 January 2020 and the end of the mandate, provided that the financial criteria that triggers the payment of this compensation has been met. This criteria will be met as soon as the CEO has received, for all fiscal years from 2014 to that preceding the year in which the mandate will expire, a mathematical average at least equal to 35% of the potential maximum amounts of his variable compensation.

NON-COMPETE OBLIGATION RELATING TO THE TERMINATION OF THE CEO'S DUTIES

The CEO shall comply with a non-compete obligation for a period of twelve months following the end of his mandate, regardless of the reasons for the termination of said mandate. In consideration for this obligation, the CEO shall receive a monthly compensation for a period of one year following the effective termination of his mandate, equal to half of his monthly fixed compensation received during the last month preceding the termination of his mandate.

The Board of Directors may release the CEO from the clause in writing, within fifteen days following notification of the mandate's termination, thereby removing the obligation for the company to pay the aforementioned compensation.

AGREEMENT WITH MRS. JACQUELINE HIMSWORTH, CHAIRMAN OF THE BOARD OF DIRECTORS

CURRENT ACCOUNT

Mrs. Jacqueline Himsworth's current account totalled €277,683 (including interest, net of deductions) as of 31 December 2019. This account bore interest at 1.32%. The amount of interest assumed by your Company in this respect totalled €3,632 in 2019.

Nantes, on the 15 April 2020, Orvault, on the 15 April 2020

The statutory auditors		RSM Ouest
French original signed by		
Vincent Broyé	Gwénaël Chedaleux	Jean-Michel Picaud
Partner	Partner	Partner

7.5. MANAGEMENT REPORT WITH THE ANNUAL FINANCIAL STATEMENTS OF THE MBF COMPANY

HIGHLIGHTS OF THE PERIOD

In June 2019, Manitou BF finalized a new €105 million corporate bond issue. The bonds are divided into three tranches with 6, 7 and mainly 8 year maturities. This private placement, concluded on favorable terms for Manitou BF, allows it to extend the maturity of its debt and pursue its strategy of diversifying its financing sources. The income from these issues will be used to refinance the existing bond debt and will be used mainly for the company's development.

MANITOU BF REVENUE

Revenue for Manitou BF was up 11.3% at €1 527 million as compared with €1 371 million in 2018, driven by strong growth in sales of telehandlers and aerial work platforms.

The company saw its revenue rise across all markets (construction, agriculture and industry) and geographical regions.

MANITOU BF RESULTS

In 2019, the operating profit was €67.8 million, an increase of €14.5 million (+27.1%) as compared with the previous year. It comes to 4.4%, of revenue, versus 3.9% in 2018.

This growth is due to the increase in activity and control of external expenses and despite slightly higher warranty costs, additional costs related to adjustments to the production speeds to optimize the delivery timelines and an increase in overhead costs to support the group's growth.

The financial result is down €5.2 million at +€27 million, primarily due to the adjustment to the valuation of the equity interests, down compared to 2018 (€0.0 million in 2019, versus €10.4 million in 2018). This negative impact is partially offset by the increase in dividends received (€31.8 million in 2019, versus €26.8 million in 2018).

The tax expense increased by €5.2 million (+32.5%) to €20.9 million in light of the financial performance of the fiscal year.

The net profit was €70.7 million, as compared with €69.4 million in 2018.

OTHER INFORMATION

NON-DEDUCTIBLE EXPENSES REFERRED TO IN ARTICLES 39-4 AND 39-5 OF THE FRENCH GENERAL TAX CODE

In accordance with the provisions of Article 223 *quater* of the French General Tax Code, the accounts for the financial year just ended included a sum of €442 075, corresponding to rental charges and the non-tax-deductible portion of attendance allowances.

INFORMATION ON PAYMENT PERIODS FOR MANITOU BF SUPPLIERS

In accordance with Articles L.441-6-1 and D.441-4 of the French Commercial Code, we hereby indicate that at the end of the fiscal year, the balance of debts to suppliers, broken down by payment due date, is as follows.

Payment period	0 days	1-30 days	31-60 days	61-90 days	91 days or more	TOTAL 1 day or more
Number of bills concerned	-					2 513
Total amount of the bills concerned before tax (millions of euros)	-	3.4	0.9	0.4	1.6	6.3
Percentage of total purchases before tax for the fiscal year	-	0.3%	0.1%	0.0%	0.1%	0.5%
BILLS EXCLUDED FROM (A) RELATING TO ACTIONABLE DEBT OR CLAIMS NOT BOOKED TO THE ACCOUNTS						
Number of bills excluded						494
Total amount of bills excluded (millions of euros)						1.9

It is based on the statutory periods, although they may be shorter for certain suppliers (45 days from the end of the month for goods not imported, 30 days for carriers and certain service providers, and less than 30 days for certain other service providers).

INFORMATION ON PAYMENT PERIODS FOR MANITOU BF CUSTOMERS

In accordance with Articles L.441-6-1 and D.441-4 of the French Commercial Code, we hereby indicate that at the end of the financial year, the balance of bills issued but not settled by our clients, broken down by payment due date, is as follows.

Payment period (a)	0 days	1-30 days	31-60 days	61-90 days	91 days or more	TOTAL 1 day or more
Number of bills concerned	-					2 976
Total amount of the bills concerned before tax (millions of euros)	-	4.6	1.7	0.4	2.0	8.8
Percentage of total revenue before tax for the fiscal year	-	0.3%	0.1%	0.0%	0.1%	0.6%
BILLS EXCLUDED FROM (A) RELATING TO ACTIONABLE DEBT OR CLAIMS NOT BOOKED TO THE ACCOUNTS						
Number of bills excluded						0
Total amount of bills excluded						0

For France, the payment periods used for these calculations are the minimum statutory periods, if not shorter for certain clients (45 days from the end of the month). For exports, the periods vary depending on the geographical region concerned.

COMPANY FINANCIAL RESULTS FOR THE LAST FIVE YEARS

in euros	2015	2016	2017	2018	2019
I - FINANCIAL POSITION AT YEAR END					
a) Share capital	39 551 949	39 557 449	39 621 598	39 668 399	39 668 399
b) Number of shares issued	39 551 949	39 557 449	39 621 598	39 668 399	39 668 399
c) Number of convertible bonds					
II - COMPREHENSIVE INCOME FROM ACTUAL OPERATIONS					
a) Sales excluding taxes	875 052 088	950 604 154	1 164 794 691	1 371 296 011	1 526 988 385
b) Income before taxes, depreciation, amortization, provisions, and employee profit-sharing	63 921 122	64 585 177	77 809 954	99 752 816	122 741 938
c) Income tax	2 442 468	7 061 863	13 167 140	15 808 625	20 944 489
d) Income after taxes, depreciation, amortization, provisions, and employee profit-sharing	60 814 467	54 342 359	38 039 778	69 359 358	70 700 087
e) Total dividends paid	13 842 132	14 238 702	17 035 707	24 563 144	30 941 351
III - INCOME PER SHARE FROM OPERATIONS					
a) Income after taxes but before depreciation, amortization, provisions, and employee profit-sharing	1.55	1.45	1.63	2.12	2.57
b) Income after taxes, depreciation, amortization, provisions, and employee profit-sharing	1.54	1.37	0.96	1.77	1.78
c) Dividend paid per share	0.36	0.43	0.62	0.78	0
IV - PERSONNEL					
a) Number of employees	1 788	1 794	1 898	2 085	2 286
b) Total payroll expense	73 349 207	74 417 961	81 367 375	91 504 420	101 509 115
c) Amounts paid for employee benefits	38 410 040	40 879 418	43 272 286	46 745 235	51 578 464

8. ADDITIONAL INFORMATION

8.1. MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION AND INTERNAL REGULATION OF THE BOARD OF DIRECTORS

NAME

Manitou BF

HEAD OFFICE

430, rue de l'Aubinière BP 10,249

44158 Ancenis Cedex – France Telephone + 33 (0)2 40 09 10 11

LEGAL FORM - LEGAL IDENTIFIER

A French public limited liability company (*société anonyme*) with a Board of Directors, governed by the provisions of the French Commercial Code.

The legal entity identifier (LEI) of the issuer is FR0000038606.

LAWS GOVERNING ITS ACTIVITIES

The group designs, assembles, and distributes high technology products that meet the standards set by the administrative authorities as well as national and supranational organizations.

DURATION OF THE COMPANY

The company's incorporation was published on February 5, 1954, and the company was registered in the Nantes Trade Register on September 23, 1957. The company's duration was set at ninety-nine years (99) as of June 3, 1980.

BUSINESS PURPOSE (ART. 3 OF THE COMPANY'S ARTICLES OF ASSOCIATION)

The company's purpose in France and in all countries consists of:

All industrial and commercial transactions relating to:

- the operation of all industrial and commercial establishments aimed at the representation, concession, manufacture, purchase, sale, rental, import, and export of all construction and lifting equipment, and all agricultural and industrial equipment and the directly or indirectly associated spare parts,
- the creation, acquisition, rental, leasing, installation, and operation of any establishments or factories,
- the purchase, acquisition, operation, or disposal of any processes or patents related to these activities,
- the direct or indirect participation of the company in any commercial, industrial, or financing transactions that may be related to the company purpose, including the creation of new companies, investments in partnerships, mergers, alliances, joint ventures, or other transactions,
- and generally, any financial, commercial, industrial, civil, securities, or real estate transactions that may be directly or indirectly associated with any of the purposes specified, or any other similar or related purpose.

COMPANY REGISTRATION DETAILS

Trade and Companies Register number and APE (principal activity code):

857 802 508 RCS Nantes – APE (principal activity code) 292 D – NAF (business sub-sector ID) number 2822Z

FINANCIAL PERIOD

The financial period covers twelve months starting on January 1st and ending on December 31st of each year.

STATUTORY DISTRIBUTION OF EARNINGS

Net earnings are composed of the net gains for the financial period recognized in the annual financial statements, after deduction of general expenses and other personnel expenses, any asset amortization or depreciation charges and any provisions for commercial or industrial risks.

Distributable earnings are composed of the net profit for the year less prior year losses and the amounts retained in reserves in accordance with the law or the articles of association, plus retained earnings.

The Shareholders' Meeting may decide to distribute amounts deducted from the reserves at its disposal, in which case the decision will expressly indicate the reserve items from which the payments are to be deducted.

Except in the case of a capital reduction, no distribution can be made to shareholders if the net assets are, or would become as a result of such a distribution, less than the amount of the paid-in-capital plus reserves whose distribution is prohibited by the law or the articles of association.

VOTING RIGHTS

Excerpt from Article 9 of the articles of association, "rights and obligations associated with shares":

"Each share grants the right to one vote at Shareholders' Meetings. In accordance with the option provided by subparagraph 3 of Article L.225-123 of the French Commercial Code, fully paid-up shares that have been registered in a shareholder's name for at least two years shall not benefit from double voting rights."

8.2. PERSONS RESPONSIBLE FOR THE DOCUMENT

PERSON RESPONSIBLE FOR THE 2019 REGISTRATION DOCUMENT

Michel Denis, President and CEO of Manitou BF

STATEMENT OF THE PERSON RESPONSIBLE FOR THE 2019 REGISTRATION DOCUMENT

I declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and omits no information likely to affect the scope.

I certify, to my knowledge, that the financial statements have been prepared in accordance with the accounting standards applicable and give a true and fair view of the assets, liabilities, financial situation, and income of the company and all the companies included in the consolidation and that the management report contained in this document, as specified in the correspondence table in section 8.6, presents an accurate picture of the development of the business, income, and financial situation of the company and all the companies included in the consolidation and that it describes the main risks and uncertainties that they face.

Ancenis, April 21, 2020

Michel Denis, President and Chief Executive Officer

PERSON RESPONSIBLE FOR FINANCIAL INFORMATION

Michel Denis, President and Chief Executive Officer

Hervé Rochet, Corporate Secretary

MANITOU BF

430, rue de l'Aubinière

BP 10 249

44158 Ancenis Cedex

France

Telephone: +33 (0)2 40 09 10 11

8.3. DOCUMENTS ACCESSIBLE TO THE PUBLIC

The Registration Document is available at the Company's head office, 430, rue de l'Aubinière - BP 10 249 - 44 158 Ancenis Cedex – France

Telephone +33 (0)2 40 09 10 11

For the validity period of the universal registration document, the following documents can be consulted at Manitou's head office and at the website (www.manitou-group.com / relations investisseurs):

- the Company's memorandum and the latest version of the articles of association,
- all reports, letters, and other documents.

Pursuant to Article 19 of Regulation (EU) 2017/1129, the following information is included by reference in this universal registration document:

- the 2017 Registration Document registered with the AMF on April 3, 2018, under reference number D.18-0257, (https://www.manitou-group.com/fr/investisseurs/informations-reglementees/)

- the 2018 Registration Document registered with the AMF on April 12, 2019, under reference number D. 19-0320 (https://www.manitou-group.com/fr/investisseurs/informations-reglementees/)

The parts of this document that are not included are either not applicable to the investor or are covered in said document.

The information found at the website links www.reduce-program.com, www.manitou-group.com, www.cofrac.fr, and www.middlenext.com in this universal registration document, with the exception of the information included as a reference, is not a part of this universal registration document. As a result, this information was not reviewed or approved by the AMF.

8.4. PERSONS RESPONSIBLE FOR THE CONTROL OF FINANCIAL STATEMENTS

STATUTORY AUDITORS

KPMG Audit, registered member of the Regional Association of Statutory Auditors of Rennes, represented by Vincent Broyé and Gwénaël Chedaleux, partners,

7 boulevard Albert Einstein, BP 41125- 44311 Nantes Cedex 3

Appointed on June 13, 2019 (to replace the firm Deloitte et Associés)

Mandate expires: Shareholders' Meeting called to approve the financial statements for the period ended December 31, 2024

RSM OUEST, registered member of the Regional Association of Statutory Auditors of Rennes, represented by Jean Michel Picaud, partner,

213, route de Rennes, BP 60277 – 44702 Orvault Cedex

Appointed June 13, 2019 (renewal)

Mandate expires: Shareholders' Meeting called to approve the financial statements for the period ended December 31, 2024

STATUTORY AUDITORS' FEES

The fees recorded in 2019 by Manitou BF and its fully consolidated subsidiaries for the assignments entrusted to the college of Statutory Auditors, their respective network, and their colleagues are detailed in Note 15 of the consolidated financial statements.

8.5. GLOSSARY

EXPLANATION OF REPORTING LINES

REVENUE

Revenue mainly consists of the sales of new handling equipment assembled within the group or acquired from third parties, spare parts and attachments, equipment rentals, equipment fleet management services, and other miscellaneous services.

COST OF SALES

The cost of sales is made up of the cost of goods and services sold, which comprises the cost of raw materials and components, labor directly attributable to the goods or services, and all related production and logistics operating costs. It also includes the amortization of intangible assets, equipment, and materials allocated to production, contractual warranty costs, provisions for inventory impairment, and exchange gains and losses on operating income in foreign currency resulting from the difference between the valuation at the exchange rate on the day of the transaction and the rate on the day of settlement.

GROSS MARGINS

The gross margin on the cost of sales is the difference between revenue and the cost of sales.

RESEARCH AND DEVELOPMENT COSTS

Research and development costs consist of personnel costs for staff assigned to innovation, development, design, prototyping, and product improvements. The businesses frequently use external services as well as dedicated equipment and materials for which depreciation will affect the function. Research and development expenses that meet the criteria of feasibility and innovation may be capitalized as intangible assets and subsequently amortized in cost of sales. Expenses that do not meet the capitalization criteria are recognized directly as expenses.

SALES AND MARKETING COSTS

Sales costs consist primarily of personnel and associated costs allocated to business development assignments, coordination of dealer networks, and marketing and technical expenses. This line item also includes sales commissions, advertising costs, trade shows, credit insurance expenses, the cost of sales warranties, travel expenses, and the depreciation of associated infrastructure.

ADMINISTRATIVE EXPENSES

Administrative expenses consist primarily of personnel expenses and costs associated with the support functions (human resources, finance, corporate secretary, etc.). They also include depreciation of the infrastructure associated with these functions.

CURRENT (OR RECURRING) OPERATING RESULT

The recurring operating income (ROI) includes all recurring and non-recurring items described below, before taking into account the non-recurring elements of the financial result, income tax, and the group's share of the net income from equity associates. It includes:

- revenue,
- cost of goods and services sold,
- research and development costs,
- sales, marketing, and services costs and administrative expenses,
- other operating income and expenses.

NON-CURRENT (OR NON-RECURRING) INCOME AND EXPENSES

Non-current expenses and income include the following items:

- the recognition of impairment,
- income from significant or unusual disposals of tangible and intangible assets,
- acquisition and consolidation expenses,
- income relating to "Badwill,"
- income from disposals of consolidated securities,
- restructuring costs,
- unusual items corresponding to other income and expenses that are not usual in terms of their frequency, nature, and amount.

OPERATING INCOME OR OPERATING MARGIN

Operating income, also referred to as operating margin in this document, includes all the recurring and non-recurring items described above.

OPERATING INCOME INCLUDING NET INCOME FROM EQUITY ASSOCIATES

The "Operating income including net income from equity associates" aggregate line item includes the proportionate share of income from associate companies in the operating income.

FINANCIAL INDICATORS & OTHER DEFINITIONS

AT CONSTANT EXCHANGE RATE

The foreign exchange effect is calculated by applying the exchange rate for the previous period to the revenue for the current period, or for 2019, the 2018 exchange rate.

AT CONSTANT SCOPE

The scope effect is calculated by:

- excluding the revenue, for the current period, of the companies acquired during the period,
- excluding the revenue, from January 1st of the current period to the anniversary month of their acquisition, of the companies acquired during the previous period,
- excluding the revenue, for the current period and the comparable period, of the companies sold during the current period or the comparable period.

For 2019:

- acquisitions in 2018: none,
- company acquired in 2019: Mawsley in November 2019. Deduction of its contribution from November 1st to December 31st of current fiscal year,
- outgoing company for the 2018 and 2019 fiscal years: none

NET DEBT

Net debt corresponds to the difference between current and non-current financial liabilities on the one hand and, on the other hand, current financial assets and cash and cash equivalents.

EBITDA

Operating income +/- provisions - reversals of amortization and impairment losses.

RECURRING EBITDA

Operating income - income and expenditure on non-recurring items +/- provisions - reversals of amortization and impairment losses.

GEARING

Ratio of net debt divided by the amount of shareholders' equity.

LEVERAGE

Ratio determined by dividing the amount of net debt at the end of the period by rolling 12-month EBITDA. This measures the amount of the debt in number of years of EBITDA.

OPERATING WORKING CAPITAL REQUIREMENT

Inventory and work in progress + trade receivables + other debtors - trade accounts payable - other current liabilities.

Operating working capital requirement excludes sales financing receivables, which do not change in proportion to the operating activity.

RETURN ON CAPITAL EMPLOYED (ROCE OR ROACE)

Indicator calculated from the ratio between the recurring operating income and the capital employed.

EVENT OF DEFAULT

Actual occurrence of credit risk such as, for example, the bankruptcy of the reference entity, payment default, or restructuring.

8.6. CORRESPONDENCE TABLES

CORRESPONDENCE TABLE WITH THE INFORMATION REQUIRED IN THE UNIVERSAL REGISTRATION DOCUMENT (URD)

In order to facilitate reading of this universal registration document, the correspondence table presented below makes it possible to identify the main information required by appendixes 1 and 2 of Regulation (EU) 2019/980 of March 14, 2019.

19	**ADDITIONAL INFORMATION**	
19.1	Share capital	
19.1.1	Amount of capital issued	102
19.1.2	Shares not representing capital	N/A
19.1.3	Treasury shares	102
19.1.4	Marketable securities	N/A
19.1.5	Conditions of right of acquisition and/or any obligation	N/A (To be confirmed by the legal department)
19.1.6	Option or agreement	102
19.1.7	Share capital history	102
19.2	Memorandum and articles of association	
19.2.1	Entry in the register and business purpose	186
19.2.2	Existing share categories	102, 186
19.2.3	Provision impacting a change of control	104
20	**MAJOR CONTRACTS**	
20.1	Summary of each contract	N/A
21	**AVAILABLE DOCUMENTS**	
21.1	Declaration on available documents	187

CORRESPONDENCE TABLE WITH THE INFORMATION REQUIRED IN THE MANAGEMENT REPORT

Headings	Information for	Paragraphs	Pages
STATEMENT BY THE PERSON RESPONSIBLE	**AFR**	**8.2**	**185**
PARENT COMPANY FINANCIAL STATEMENTS	**AFR**	**7.3**	**156**
CONSOLIDATED FINANCIAL STATEMENTS	**AFR**	**7.1**	**106**
STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS	**AFR**	**7.4**	**177**
STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS	**AFR**	**7.2**	**153**
MANAGEMENT REPORT			
INFORMATION IN RESPECT OF THE BUSINESS OF THE COMPANY AND THE GROUP			
Situation of the company and the group during the past financial year, foreseeable trends, and important events since year-end L.232-1 II + V; L.233-26 French Commercial Code		2 7.5	24 to 34 180
Business and results of the company and the group by business line L.233-6 French Commercial Code		2.5	30 to 31
Objective and comprehensive analysis of the business trends, results, and financial situation (in particular, the debt situation) of the company and the group L.225-100-1 French Commercial Code	AFR	2.3 2.4 2.6 7.5	27 to 28 29 32 to 33 180
Key financial and, where applicable, non-financial performance indicators of the company and the group L.225-100-1 French Commercial Code	AFR	1.1 1.5.2 2.1	8 to 9 20 26
Main risks and uncertainties of the company and the group L.225-100-1 French Commercial Code	AFR	4.4	66 to 70
Internal control and risk management procedures relating to the preparation and processing of the accounting and financial information of the company and the group L.225-100-1 French Commercial Code	AFR	4.6	71
Objective and hedging policy of the company and the group for transactions for which hedge accounting is used Exposure to price, credit, liquidity and cash risks of the company and the group Use of financial instruments of the company and the group L.225-100-1 French Commercial Code	AFR	4.3 7.1 Note 13.1.3.6 7.1 Note 13.2	66 145 146 to 149
The company and group's financial risks associated with the effects of climate change and presentation of measures taken to reduce them (low carbon strategy) L.225-100-1 French Commercial Code	AFR	3.1.1 4.4	41 67
Research and development activity of the company and the group L.232-1 II + V; L.233-26 French Commercial Code		2.6.4	33

Headings	Information for	Paragraphs	Pages
Branches L.232-1 II + V French Commercial Code		N/A	
LEGAL, FINANCIAL, AND TAX INFORMATION OF THE COMPANY			
Breakdown and changes in share ownership structure L.233-13 French Commercial Code		6.2	100
Name of controlled companies and portion of the company's share capital they hold L.233-13 French Commercial Code		7.1 Note 17	127
Significant stakes acquired during the period in companies having their head office in French territory L.233-6 French Commercial Code		N/A	
Cross-shareholdings R.233-19 French Commercial Code		N/A	
Employee share ownership situation L.225-102 French Commercial Code		6.2	100
Acquisition and disposal by the company of its own shares (share buyback) L.225-211 French Commercial Code	AFR	6.2 7.1 Note10.1.3 7.3 Note 9	100 134 166
Adjustments to shares giving access to capital in the event of financial operations R.228-91 French Commercial Code		N/A	
Adjustments to shares giving access to capital and stock options in the event of share buybacks R.228-90 and R. 225-138 French Commercial Code		N/A	
Dividend distributions over the last three years 243 bis CGI (French General Tax Code)		6.4	103
Expenses and costs that are not tax deductible 223 quater CGI (French General Tax Code)		7.5	180
Injunctions or financial penalties for anti-competitive practices L.464-2 I-5 French Commercial Code		N/A	
Payment deadlines and breakdown of the balance of trade payables L.441-6-1; D.441-4; A 441-2 French Commercial Code		7.5	180 to 181
Amount of inter-company loans L.511-6 3 bis Comofi (French Monetary and Financial Code)		7.4 note 4	162
INFORMATION ON CORPORATE OFFICERS			
Summary of securities transactions of persons discharging managerial responsibilities and closely associated persons. L.621-18-2 Comofi (French Monetary and Financial Code); 223-26 RG AMF (AMF General Regulations)		5.2	87 to 96
CSR INFORMATION			
Non-Financial Performance Declaration L.225-102-1; R.225-105; R.225-105-1 French Commercial Code		3	37 to 61
DOCUMENTS ATTACHED TO THE MANAGEMENT REPORT			
Table of the company's results for each of the last five years R. 225-102 French Commercial Code		7.5	181
Report on corporate governance L.225-37-2 to L.225-37-5; L.225-68; L.226-10-1 French Commercial Code		5 6	72 to 97 100 to 105

AFR: Annual Financial Report

CORRESPONDENCE TABLE WITH THE INFORMATION REQUIRED IN THE NON-FINANCIAL PERFORMANCE DECLARATION (DPEF)

NON-FINANCIAL PERFORMANCE DECLARATION (DPEF) CORRESPONDENCE TABLE	IN THIS DOCUMENT, REFER TO...
Business model	1.5.2. The business model (pages 20-21)
Mapping of non-financial risks	3.1.1 Commitments to address the group's main non-financial risks (pages 40-43)
Policies and procedures	
Management indicators	

Societal commitments in favor of combating food waste, combating food insecurity, respect for animal well-being, and a responsible, fair, and sustainable diet do not concern Manitou Group in relation to its business.

Manitou Group operates in compliance with the tax laws of the countries in which it is present and fulfills its tax reporting and payment obligations within the deadlines.

Manitou Group has not put structures in place for the purpose of tax evasion and applies the tax laws and regulations with honesty and integrity.

CORRESPONDENCE TABLE	GRENELLE II LAW, Article 225, and the Decree of 08/19/2016	GRI, version 4	ISO 26000 standard	Global Compact	In this document, refer to...	Indicator and/or comments
SOCIAL INFORMATION						
EMPLOYMENT						
Total headcount and distribution of employees (by gender, age and geographical area)	I.a) 1.1 to 1.4	G4-9 G4-10 LA 1 LA 12	6.4.4	-	p.50	Headcount Breakdown by sex, age, length of service, contract, status, and geographical area
Movements of headcount (Recruitments and departures)	I.a) 2.1 and 2.2	EC6 LA1			p.21, 50	Number of recruitments and departures (resignations, dismissals, and other reasons) Voluntary departure rate Number of employees on international mobility
Compensation	I.a) 3.1	G4-51* G4-52* G4-53* G4-54* EC1 EC5			p.51	Total payroll
Change in compensation	I.a) 3.2	G4-55*				Change in payroll compared with change in headcount
WORK ORGANIZATION						
Organization of working time	I.b) 1	-	6.4.4	-	p.54	
Absenteeism	I.b) 2				p.53	Rate of absenteeism due to accidents and illnesses (including occupational illnesses)
SOCIAL RELATIONS						
Organization of social dialog	I.c) 1	LA4	6.4.3 & 6.4.5	# 3 - 8	p.54	-
Outcome of collective agreements reached within the company	I.c) 2					
HEALTH AND SAFETY						
Health and safety in the workplace	I.d) 1	LA5	6.4.6	# 4 - 5	p.53	Number of hours of training devoted to safety
Agreements signed with trade unions or employee representative bodies as regards health and safety at work	I.d) 2	LA8			p.54	-
Frequency and severity of workplace accidents	I.d) 3	LA6 LA7			p.53	Accident frequency and severity rates for group employees Accident frequency and severity rates for temporary workers
Occupational illnesses	I.d) 4	LA6				Number of occupational illnesses recognized in the year
TRAINING						
Training policies implemented	I.e) 1	LA10 LA11	6.4.7	# 4	p.51	Percentage of the payroll devoted to training
Number of hours of training	I.e) 2	LA9 HR2				Number of employees that have attended at least one training course Training access rate Average number of hours of training per employee
EQUAL TREATMENT						
Measures taken to promote gender equality	I.f) 1	LA3 LA12 LA13	6.3 & 6.3.7	# 5 - 10	p.52	Proportion of female headcount by status
Measures taken to promote the employment and integration of people with disabilities	I.d) 2	LA12				Number of people with disabilities and proportion in the headcount
Anti-discrimination policy	I.f) 3	LA12 HR3				

CORRESPONDENCE TABLE	GRENELLE II LAW, Article 225, and the Decree of 08/19/2016	GRI, version 4	ISO 26000 standard	Global Compact	In this document, refer to...	Indicator and/or comments
PROMOTION AND COMPLIANCE WITH THE FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANIZATION (ILO)						
Respect for freedom of association and the right to collective bargaining	I.g) 1	HR4	6.3.3-6.3.5 6.3.8 6.3.10 6.4.5 6.6.6	# 3	p.54	Signature of the UN Global Compact
Elimination of discrimination in employment and profession	I.g) 2	HR3	6.3.6 & 6.3.7 6.3.10 6.4.3	# 6	p.52	Proportion of female headcount by status Proportion of people with disabilities in headcount
Elimination of forced labor	I.g) 3	HR6	6.3.3-6.3.5 6.3.10 6.6.6	# 4	p.56	
Effective abolition of child labor	I.g) 4	HR5	6.3.3-6.3.5 6.3.7 6.3.10 6.4.5 6.6.6 6.8.4	#5	p.56	Signature of the UN Global Compact

ENVIRONMENTAL INFORMATION

CORRESPONDENCE TABLE	GRENELLE II LAW, Article 225, and the Decree of 08/19/2016	GRI, version 4	ISO 26000 standard	Global Compact	In this document, refer to...	Indicator and/or comments
GENERAL ENVIRONMENTAL POLICY						
Company organization in place to deal with environmental issues	II.a) 1.1	G4-1	6.5.1 & 6.5.2	# 7 - 8 - 9	p.47	-
Environmental assessment or certification procedures	II.a) 1.2	-			p.47	Proportion of revenue generated by ISO 14001-certified sites
Training and information provided to employees on environmental protection issues	II.a) 2	G4-43*			p.48	
Resources devoted to the prevention of environmental risks and pollution	II.a) 3	EN30 EN31			p.47-48	
Amount of provisions and guarantees allocated to environmental risks	II.a) 4	EC2				Since 2013, the company has taken out a specific “environmental damage” insurance policy, the purpose of which is to insure against environmental damage caused by its businesses (France and Italy)
POLLUTION						
Prevention, reduction, and repair measures: air	II.b) 1.1	EN20 EN21 EN24	6.5.3	# 7 - 8 - 9	p.47	VOC emissions per truck equivalent produced
Prevention, reduction and repair measures: water	II.b) 1.2	EN10 EN22 EN24 EN26			p.47	
Prevention, reduction, and repair measures: soil	II.b) 1.3	EN24			p.47	
Integration of noise pollution and any other form of pollution specific to an activity	II.b) 2	EN24	-	-		-
THE CIRCULAR ECONOMY						
Waste prevention and management	II.c).i)	-	-	-	-	-
Prevention measures, recycling, re-use, and other forms of waste recovery and elimination	II.c).i) 1	EN23 EN24 EN25 EN28	6.5.3	# 7 - 8 - 9	p.49	Volume of industrial waste generated per equivalent truck produced Recycling rate by type of industrial waste
Actions taken to combat food waste	II.c).i) 2	-	-	-	-	-
Sustainable use of resources	II.c).ii)	-	-	-	-	-
Water consumption	II.c).ii) 1.1	EN8	6.5.4	# 7 - 8 - 9	p.47	Water consumption per truck equivalent
Water supply as per local constraints	II.c).ii) 1.2	EN8 EN9				The group is not subject to local constraints regarding supply
Consumption of raw materials	II.c).ii) 2.1	EN1 EN2			p.47,48,49	Paint consumption per truck equivalent
Measures taken to improve efficiency in the use of raw materials	II.c).ii) 2.2	-				
Energy consumption	II.c).ii) 3.1	EN3 EN4				Energy consumption per truck equivalent
Measures taken to improve energy efficiency	II.c).ii) 3.2	EN6 EN7				Actions taken to reduce environmental impact
Measures taken to improve the use of renewable energies	II.c).ii) 3.3	-			-	Installation of solar panels in Benelux (360 m²) and several panels at the Castelfranco site in Italy No other use of renewable energies
Use of land	II.c).ii) 4	EN11			-	New R&D testing building: footprint of 810 m²

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CLIMATE CHANGE						
The significant items of greenhouse gas emissions generated by the company's activity, especially due to the use of the goods and services that it produces	II.d) 1	EN15 EN16 EN17 EN18 EN19	6.5.5	# 7 - 8 - 9	p.47	GHG emissions by truck equivalent
Adaptation to the consequences of climate change	II.d) 2	-		# 12 - 13	p.41	Climate risk and natural risks
PROTECTION OF BIODIVERSITY						
Measures taken to preserve or develop biodiversity	II.e) 1	EN11 EN12 EN13 EN14 EN26	6.5.6	# 7 - 8 - 9	p.47	Actions taken to reduce environmental impact

INFORMATION RELATING TO SOCIETAL COMMITMENTS TO PROMOTE SUSTAINABLE DEVELOPMENT AND REGARDING THE TERRITORIAL, ECONOMIC, AND SOCIAL IMPACT OF THE COMPANY'S BUSINESS

RELATIONSHIPS MAINTAINED WITH PERSONS OR ORGANIZATIONS INTERESTED IN THE COMPANY'S ACTIVITIES						
Conditions of dialog with these persons or organizations	III.b) 1	G4 26 G4-37	5.3.3	# 3 - 8	p.44-45	Concerns of the stakeholders
Partnership and corporate sponsorship actions	III.b) 2	EC 7	6.8.9	# 4 - 5 - 10 - 17	p.56-57	Local networks and players, new sponsorship policy
SUB-CONTRACTING AND SUPPLIERS						
Integration of the social and environmental challenges in the purchasing policy	III.c) 1	LA14 LA15 EN33 HR5 HR9 HR11	6.6.6	# 1 - 2	p.55	Responsible purchasing policy
Importance of sub-contracting and the integration of social and environmental responsibility into relationships with suppliers and sub-contractors	III.c) 2	LA14 LA15 G4-12 EN32 EN33 HR5 HR9 HR11 S09 S010	6.6	# 1 - 2		CSR performance of suppliers, reverse CSR rating of suppliers
ETHICAL PRACTICES						
Actions undertaken to prevent fraud and corruption	III.d) 1	G4-56 - G4-58 SO3 SO4 SO5	6.6.3	# 8 - 10	p.56	Proportion of the headcount working in sensitive countries in terms of corruption (Methodology based on the 2016 CPI index of International Transparency: the countries selected have a score of <50 (out of 100)
Measures taken to promote the health and safety of consumers	III.d) 2	EN27 PR1 PR2 PR3 PR4 PR6 PR7 PR8 PR9	6.7.4	# 10 - 12	p.46-47	REDUCE Risks program
Other actions undertaken to protect human rights	III.e)	HR1 HR2 HR7 HR8 HR9 HR10 HR11 HR12	6.3-6.8 6.6.6 & 6.6.7 6.8.3	# 1 - 2	-	Signature of the UN Global Compact

Key: *Indicators partially covering the topic

Source: Adapted from [Utopies, 2017] [(1)], [Institut RSE, 2011] [(2)] [GRI-ISO, 2014] [(3)]

[(1)] Correspondence table for the non-financial reporting criteria for Grenelle II (article 225 and Decree of 19/08/2016) - GRI G4. Utopies. 4 p. February 2017.

[(2)] Correspondence table for Grenelle II, art. 225 – GRI 3.1 – ISO 26000 – Global Compact, Institut RSE. 2 p. August 2011.

[(3)] GRI G4 Guidelines and ISO 26000:2010 How to use the GRI G4 Guidelines and ISO 26000 in conjunction. GRI & ISO. 42 p. January 2014.

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