UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _______ to

Commission File Number: 001-32401

MANITEX INTERNATIONAL, INC.
(Exact Name of Registrant as Specified in Its Charter)

Michigan **(State or Other Jurisdiction of Incorporation or Organization)**	**42-1628978** **(I.R.S. Employer Identification Number)**
9725 Industrial Drive, Bridgeview, Illinois **(Address of Principal Executive Offices)**	**60455** **(Zip Code)**

(708) 430-7500
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	MNTX	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's common stock, no par, outstanding at May 2, 2023 was 20,194,810.

MANITEX INTERNATIONAL, INC. AND SUBSIDIARIES

GENERAL

This Quarterly Report on Form 10-Q filed by Manitex International, Inc. speaks as of March 31, 2023 unless specifically noted otherwise. Unless otherwise indicated, Manitex International, Inc., together with its consolidated subsidiaries, is hereinafter referred to as "Manitex," the "Registrant," "us," "we," "our" or the "Company."

Forward-Looking Information

Certain information in this Quarterly Report includes forward-looking statements (within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995). These statements relate to, among other things, the Company's expectations, beliefs, intentions, future strategies, future events or future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. In addition, when included in this Quarterly Report or in documents incorporated herein by reference the words "may," "expects," "should," "intends," "anticipates," "believes," "plans," "projects," "estimates" and the negatives thereof and analogous or similar expressions are intended to identify forward-looking statements. However, the absence of these words does not mean that the statement is not forward-looking. We have based these forward-looking statements on current expectations and projections about future events. These statements are not guarantees of future performance. Such statements are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those reflected in such forward-looking statements. Such risks and uncertainties, many of which are beyond our control, include, without limitation, those described below and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, in the section entitled "Item 1A. Risk Factors":

- a future substantial deterioration in economic conditions, especially in the United States and Europe;
- the reliance of our customers on government spending, fluctuations in activity levels in the construction industry.
- our level of indebtedness and our ability to meet financial covenants required by our debt agreements;
- our ability to negotiate extensions of our credit agreements and to obtain additional debt or equity financing when needed;
- any failure on our part to maintain an effective system of internal controls;
- the cyclical nature of the markets we operate in;
- a large portion of our revenues are concentrated to a limited number of customers
- a further impact of increases in inflation and interest rates;
- our increasingly international operations expose us to additional risks and challenges associated with conducting business internationally, including currency exchange risks;
- difficulties in implementing new systems, integrating acquired businesses, managing anticipated growth, and responding to technological change;
- the availability of the third-party financing that some of our customers rely on to purchase our products;
- our operations are in a highly competitive industry and the Company is particularly subject to the risks of such competition;
- our dependency upon third-party suppliers makes us vulnerable to supply shortages;
- price increases in materials could reduce our profitability;
- our rental fleet ages causing significant impact to profitability;
- the Company is unable to collect on rental revenue;
- our rental fleet is subject to residual value risk;
- the Company faces product liability claims and other liabilities due to the nature of its business;
- the negative impacts COVID-19 has had and will continue to have on our business, financial condition, cash flows, results of operations and supply chain, as well as customer demand;

- the Company's success depends upon the continued protections of its trademarks and the Company may be forced to incur substantial costs to maintain, defend, protect and enforce its intellectual property rights;
- volatility relating to our stock price;
- our ability to access the capital markets to raise funds and provide liquidity;
- the willingness of our shareholders and directors to approve mergers, acquisitions, and other business transactions;
- compliance with changing laws and regulations;
- a substantial portion of our revenues are attributed to a limited number of customers which may decrease or cease purchasing at any time;
- a disruption or breach in our information technology systems;
- the significant percentage of our common stock held by principal shareholders, executive officers and directors;
- our reliance on the management and leadership skills of our senior executives;
- impairment in the carrying value of goodwill and/or other intangible assets could negatively affect our operating results; and
- provisions of the Michigan Business Corporation Act and the Company's Articles of Incorporation, may discourage or prevent a change in control of the Company.

The risks described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and in this Quarterly Report on Form 10-Q are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or operating results. If any of these risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. We do not undertake, and expressly disclaim, any obligation to update this forward-looking information, except as required under applicable law.

MANITEX INTERNATIONAL, INC.

FORM 10-Q INDEX

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PART 1—FINANCIAL INFORMATION

Item 1—Financial Statements

MANITEX INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)
(Unaudited)

	March 31, 2023	December 31, 2022
ASSETS		
Current assets		
Cash	$ 9,927	$ 7,973
Cash – restricted	208	217
Trade receivables (net)	43,395	43,856
Other receivables	1,742	1,750
Related party receivable (net)	66	—
Inventory (net)	79,051	69,801
Prepaid expense and other current assets	3,504	3,832
Assets held for sale	75	75
Total current assets	137,968	127,504
Total fixed assets, net of accumulated depreciation of $24,423 and $22,441 at March 31, 2023 and December 31, 2022, respectively	51,849	51,697
Operating lease assets	7,954	5,667
Intangible assets (net)	13,877	14,367
Goodwill	37,164	36,916
Deferred tax assets	452	452
Total assets	$ 249,264	$ 236,603
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	$ 49,256	$ 45,682
Accrued expenses	13,052	12,379
Related party payables (net)	—	60
Notes payable	21,237	22,666
Current portion of finance lease obligations	532	509
Current portion of operating lease obligations	2,134	1,758
Customer deposits	2,732	3,407
Total current liabilities	88,943	86,461
Long-term liabilities		
Revolving term credit facilities (net)	49,190	41,479
Notes payable (net)	21,970	22,261
Finance lease obligations (net of current portion)	3,239	3,382
Operating lease obligations (net of current portion)	5,820	3,909
Deferred gain on sale of property	407	427
Deferred tax liability	4,781	5,151
Other long-term liabilities	5,580	5,572
Total long-term liabilities	90,987	82,181
Total liabilities	179,930	168,642
Commitments and contingencies		
Equity		
Preferred Stock—Authorized 150,000 shares, no shares issued or outstanding at March 31, 2023 and December 31, 2022	—	—
Common Stock—no par value 25,000,000 shares authorized, 20,161,811 and 20,107,014 shares issued and outstanding at March 31, 2023 and December 31, 2022, respectively	133,659	133,289
Paid in capital	4,622	4,266
Retained deficit	(73,285)	(73,338)
Accumulated other comprehensive loss	(5,149)	(5,822)
Equity attributable to shareholders of Manitex International, Inc.	59,847	58,395
Equity attributed to noncontrolling interest	9,487	9,566
Total equity	69,334	67,961
Total liabilities and equity	$ 249,264	$ 236,603

The accompanying notes are an integral part of these financial statements

MANITEX INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except for share and per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2023	2022
Net revenues	$ 67,871	$ 60,420
Cost of sales	53,461	50,295
Gross profit	14,410	10,125
Operating expenses		
Research and development costs	814	716
Selling, general and administrative expenses	11,031	8,759
Total operating expenses	11,845	9,475
Operating income (loss)	2,565	650
Other income (expense)		
Interest expense	(1,765)	(505)
Interest income	—	2
Foreign currency transaction gain (loss)	(55)	(49)
Other income (expense)	(758)	264
Total other income (expense)	(2,578)	(288)
Income (loss) before income taxes	(13)	362
Income tax expense	13	132
Net income (loss)	(26)	230
Net income (loss) attributable to noncontrolling interest	(79)	—
Net income (loss) attributable to shareholders of Manitex International, Inc.	$ 53	$ 230
Income (loss) per share		
Basic	$ (0.00)	$ 0.01
Diluted	$ (0.00)	$ 0.01
Weighted average common shares outstanding		
Basic	20,122,054	19,961,785
Diluted	20,122,054	20,014,180

The accompanying notes are an integral part of these financial statements

MANITEX INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)
(Unaudited)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Net income (loss)	$ (26)	$ 230
Other comprehensive income (loss):		
Foreign currency translation gain (loss)	673	(635)
Total other comprehensive income (loss)	673	(635)
Comprehensive income (loss)	647	(405)
Comprehensive income (loss) attributable to noncontrolling interest	(79)	—
Total comprehensive income (loss) attributable to shareholders of Manitex International, Inc.	$ 726	$ (405)

The accompanying notes are an integral part of these financial statements

MANITEX INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands, except share amounts)
(Unaudited)

	Outstanding shares	Common Stock	APIC	Retained Deficit	AOCI (Loss)	Noncontrolling Interests	Total
Balance at December 31, 2022	20,107,014	$ 133,289	$ 4,266	$ (73,338)	$ (5,822)	$ 9,566	$ 67,961
Net income	—	—	—	53	—	(79)	(26)
Gain on foreign currency translation	—	—	—	—	673	—	673
Employee incentive plan issuance	62,402	410	(410)	—	—	—	—
Repurchase to satisfy withholding and cancelled shares	(7,605)	(40)	—	—	—	—	(40)
Share-based compensation	—	—	766	—	—	—	766
Balance at March 31, 2023	20,161,811	$ 133,659	$ 4,622	$ (73,285)	$ (5,149)	$ 9,487	$ 69,334
Balance at December 31, 2021	19,940,487	$ 132,206	$ 3,264	$ (68,436)	$ (4,219)	$ —	$ 62,815
Net income	—	—	—	230	—	—	230
Loss on foreign currency translation	—	—	—	—	(635)	—	(635)
Employee incentive plan issuance	104,681	734	(734)	—	—	—	—
Repurchase to satisfy withholding and cancelled shares	(17,354)	(137)	—	—	—	—	(137)
Share-based compensation	—	—	232	—	—	—	232
Balance at March 31, 2022	20,027,814	$ 132,803	$ 2,762	$ (68,206)	$ (4,854)	$ —	$ 62,505

The accompanying notes are an integral part of these financial statements

MANITEX INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three months ended March 31,	
	2023	**2022**
Cash flows from operating activities:		
Net income (loss)	$ (26)	$ 230
Adjustments to reconcile net income (loss) to cash used in operating activities:		
Depreciation and amortization	3,052	1,144
Changes in allowances for credit losses	29	24
Changes in inventory reserves	101	(436)
Deferred income taxes	(398)	(146)
Amortization of deferred debt issuance costs	19	13
Amortization of debt discount	86	24
Gain on forward currency contract	(15)	(356)
Gain on disposal of assets	(59)	—
Share-based compensation	766	232
Adjustment to deferred gain on sales and lease back	(20)	(20)
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	564	(4,793)
(Increase) decrease in other receivables	36	901
(Increase) decrease in inventory	(8,732)	(3,758)
(Increase) decrease in prepaid expenses	222	(1,142)
Increase (decrease) in other assets	—	(48)
Increase (decrease) in accounts payables and related party payables	2,857	3,475
Increase (decrease) in accrued expenses	740	300
Increase (decrease) increase in other current liabilities	(718)	(2,374)
Increase (decrease) in other long-term liabilities	(47)	(162)
Net cash used in operating activities	(1,543)	(6,892)
Cash flows from investing activities:		
Purchase of property and equipment	(2,458)	(536)
Investment in intangible assets	(161)	(64)
Proceeds from sale of assets	242	—
Net cash used in investing activities	(2,377)	(600)
Cash flows from financing activities:		
Net borrowings on revolving term credit facilities	7,678	—
Net borrowings (repayments) on working capital facilities	(1,522)	2,166
New borrowings—other	—	903
Note payments	(750)	(577)
Shares repurchased for income tax withholding on share-based compensation	(40)	(137)
Payments on finance lease obligations	(119)	(93)
Net cash provided by financing activities	5,247	2,262
Net increase (decrease) in cash and cash equivalents	1,327	(5,230)
Effect of exchange rate changes on cash	618	(606)
Cash, cash equivalents and restricted cash at the beginning of the year	8,190	21,581
Cash, cash equivalents and restricted cash at end of period	$ 10,135	$ 15,745
See Note 1 for supplemental cash flow disclosures		

The accompanying notes are an integral part of these financial statements

1. Nature of Operations and Basis of Presentation

The unaudited Condensed Consolidated Balance Sheets at March 31, 2023 and December 31, 2022 and the related Condensed Consolidated Statements of Operations, Condensed Consolidated Statements of Comprehensive Income (Loss), Condensed Consolidated Statements of Shareholders' Equity and Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2023 and 2022 have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission, and reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the financial condition, results of operations and cash flows of the Company for the interim periods. Interim results may not be indicative of results to be realized for the entire year. The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto, together with management's discussion and analysis of financial condition and results of operations, contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022. The Condensed Consolidated Balance Sheet as of December 31, 2022 was derived from our audited financial statements but does not include all disclosures required by accounting principles generally accepted in the United States ("GAAP").

The Company is a leading provider of engineered lifting solutions and equipment rentals. The Company designs, manufactures and distributes a diverse group of products that serve different functions and are used in a variety of industries. Following the completion of the Rabern acquisition the Company reports in two business segments and has five operating segments, under which there are five reporting units

On April 11, 2022, the Company entered into a Membership Interest Purchase Agreement (the "Agreement"), with Rabern Rentals, LLC ("Rabern") and Steven Berner, as owner of 100% of Rabern's outstanding membership interests. Pursuant to the Agreement, the Company acquired a 70% membership interest in Rabern from Steven Berner for a purchase price of approximately $26 million in cash plus assumed debt of $14 million. Rabern is a construction rental equipment provider, headquartered in Amarillo, Texas, primarily servicing business in the Texas panhandle.

Lifting Equipment Segment

Manitex markets a comprehensive line of boom trucks, truck cranes, aerial platforms, electrical industrial cranes and utility vehicles. Manitex's boom trucks and crane products are primarily used for industrial projects, energy exploration, energy distribution and infrastructure development, including roads, bridges and commercial construction and the tree care industry. The Company previously announced the closing of the Badger reporting unit which is expected to be finalized in mid-2023.

PM Oil and Steel S.p.A. ("PM" or "PM Group"), a subsidiary of the Company, is a leading Italian manufacturer of truck- mounted hydraulic knuckle boom cranes with a 50-year history of technology and innovation, and a product range spanning more than 50 models. PM is also a manufacturer of truck-mounted aerial platforms with a diverse product line and an international client base. Through its consolidated subsidiaries, PM Group has locations in Modena, Italy; Valencia, Spain; Arad, Romania; Chassieu, France; Buenos Aires, Argentina; Santiago, Chile; Singapore and Querétaro, Mexico.

The Company's subsidiary, Manitex Valla S.r.L. ("Valla"), produces a full range of precision pick and carry industrial cranes using electric, diesel, and hybrid power options. Its cranes offer wheeled or tracked, and fixed or swing boom configurations, with special applications designed specifically to meet the needs of its customers. These products are sold internationally through dealers and into the rental distribution channel.

Crane and Machinery, Inc. ("C&M") is a distributor of the Company's products. Crane and Machinery Leasing, Inc. rents equipment manufactured by the Company as well as a limited amount of equipment manufactured by third parties.

Rental Equipment Segment

The Company's majority-owned subsidiary, Rabern, rents heavy duty and light duty commercial construction equipment, mainly to commercial contractors on a short-term rental basis. The Company also rents equipment to homeowners for do-it-yourself projects. Rabern has three branches located in the greater Amarillo, Texas market and has recently opened its fourth location in Lubbock, Texas.

COVID-19 Pandemic

We are continuing to closely monitor the impact of the COVID-19 pandemic and other economic conditions, including inflation, interest rate increases and various geopolitical factors, on all aspects of our business, including how these factors are impacting our customers, employees, supply chain, and distribution network, as well as the demand for our products in the industries and markets that we serve. While COVID-19 and these other economic factors have had a material impact on our past financial results, we are unable to predict the ultimate impact that they may have on our business, future results of operations, financial position or cash flows. The extent to which our operations may be impacted by these factors will depend largely on future developments, which are highly uncertain and cannot be accurately predicted. Furthermore, the impacts of a potential worsening of global economic conditions and the continued disruptions to and volatility in the financial markets remain unknown.

The Company is continuing to experience supply chain disruptions and related logistical bottlenecks that have impacted our ability to meet strong industrial demand and have also increased costs related to shipping, warehousing and working capital management. While the Company is actively working to mitigate these expenses and the associated timing issues, certain segments – such as truck chassis – have been more impacted than others. Where appropriate and feasible, we have implemented pricing adjustments to protect margins and, in tandem, continue to build inventory to meet our customer requirements. In addition, the Company is actively managing costs and working to further streamline operations where needed. Furthermore, the Company has modified its business practices to manage expenses (including practices regarding employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences).

Supplemental Cash Flow Information

Transactions for the periods ended March 31, 2023 and 2022 are as follows:

	Three months ended March 31, 2023	2022
Interest received in cash	$ -	$ 2
Interest paid in cash	1,828	464
Income tax payments in cash	22	28
Recognition of right-of-use asset and right-of-use liability	2,480	—
Reconciliation of cash, cash equivalents and restricted cash to consolidated balance sheets:		
Cash and cash equivalents	$ 9,927	$ 15,524
Restricted cash	208	221
Cash, cash equivalents and restricted cash at the end of year	$ 10,135	$ 15,745

2. Significant Accounting Policies

The summary of the Company's significant accounting policies is presented to assist in understanding the Company's consolidated financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all short-term securities purchased with maturity dates of three months or less to be cash equivalents. The cash in the Company's U.S. banks is not fully insured by the FDIC due to the statutory limit of $250.

Restricted Cash

Certain of the Company's lending arrangements require the Company to post collateral or maintain minimum cash balances in escrow. These cash amounts are reported as current assets on the balance sheets based on when the cash will be contractually released. Total restricted cash was $208 and $217 at March 31, 2023 and December 31, 2022, respectively.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are stated at the amounts the Company's customers are invoiced and do not bear interest. The Company has adopted a policy consistent with GAAP for the periodic review of its accounts receivable to determine whether the establishment of an allowance for credit losses is warranted based on the Company's assessment of the collectability of the accounts. The Company established an allowance for credit losses of $1,976 and $1,948 at March 31, 2023 and December 31, 2022, respectively. The Company also has, in some instances, a security interest in its accounts receivable until payment is received.

Property, Equipment and Depreciation

Property and equipment are stated at cost or the fair market value at the date of acquisition for property and equipment acquired in connection with the acquisition of a company. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation of property, and equipment is calculated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the three months ended March 31, 2023 and 2022 was $2,303 and $462, respectively.

Accrued Warranties

Warranty costs are accrued at the time revenue is recognized. The Company's products are typically sold with a warranty covering defects that arise during a fixed period of time. The specific warranty offered is a function of customer expectations and competitive forces.

A liability for estimated warranty claims is accrued at the time of sale. Such liability is established using historical warranty claim experience. The current provision may be adjusted to take into account unusual or non-recurring events in the past or anticipated changes in future warranty claims. Adjustments to the initial warranty accrual are recorded if actual claim experience indicates that adjustments are necessary.

As of March 31, 2023 and December 31, 2022, accrued warranties were $1,816 and $1,916, respectively.

Advertising

Advertising costs are expensed as incurred and were $187 and $110 for the three months ended March 31, 2023 and 2022, respectively.

Business Combinations

The Company accounts for acquisitions in accordance with guidance found in ASC 805, Business Combinations. The guidance requires consideration given, including contingent consideration, assets acquired and liabilities assumed to be valued at their fair market values at the acquisition date. The guidance further provides that: (1) acquisition costs will generally be expensed as incurred and (2) changes in deferred tax asset valuation allowances and income tax uncertainties after the acquisition date generally will affect income tax expense.

The Company records identifiable assets acquired and liabilities assumed at their estimated fair values as of the acquisition date. Goodwill is calculated as the excess of the aggregate of the fair value of the consideration transferred over the fair value of the net assets recognized.

Noncontrolling Interest

A noncontrolling interest is the equity interest of consolidated entities that is not owned by the Company. Noncontrolling interest is adjusted for the noncontrolling partners' share of earnings (losses) in accordance with the applicable agreement. Earnings allocated to such noncontrolling partners are recorded as income applicable to noncontrolling interest in the accompanying condensed consolidated statements of operations.

Share-based Compensation

The Company has elected to account for restricted stock awards with market conditions using a graded vesting method. This method recognizes the compensation cost in the statement of operations over the requisite service period for each separately-vesting tranche of awards.

3. Revenue Recognition

The following table disaggregates our revenue for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
Equipment sales	$ 52,749	$ 52,631
Part sales	7,192	6,772
Rentals	5,835	-
Services	1,117	1,017
Merchandise sales and other	978	—
Total Revenue	$ 67,871	$ 60,420

The Company attributes revenue to different geographic areas based on where items are shipped to or services are performed. The following table provides detail of revenues by geographic area for the three months ended March 31, 2023 and 2022.

	Three Months Ended March 31,	
	2023	2022
United States	$ 30,126	$ 30,884
Italy	13,278	6,673
Canada	5,899	4,088
Chile	4,544	2,452
France	2,259	3,677
Other	11,765	12,646
Total Revenue	$ 67,871	$ 60,420

Total Company Revenues by Sources

The sources of the Company's revenues are summarized below for the three months ended March 31, 2023 and 2022.

	Three Months Ended March 31,	
	2023	2022
Boom trucks, knuckle boom & truck cranes	$ 39,236	$ 37,631
Aerial platforms	8,889	8,325
Part sales	7,192	6,772
Rentals	5,835	-
Services	1,117	1,017
Other equipment	4,624	6,675
Merchandise sales and other	978	-
Total Revenue	$ 67,871	$ 60,420

Customer Deposits

At times, the Company may require an upfront deposit related to its contracts. In instances where an upfront deposit has been received by the Company and the revenue recognition criteria have not yet been met, the Company records a contract liability in the form of a customer deposit, which is classified as a short-term liability on the Condensed Consolidated Balance Sheets. That customer deposit is revenue that is deferred until the revenue recognition criteria have been met, at which time, the customer deposit is recognized into revenue.

The following table summarizes changes in customer deposits for the three months ended March 31, as follows:

	March 31, 2023	March 31, 2022
Customer deposits	$ 3,407	$ 7,121
Additional customer deposits received where revenue has not yet been recognized	1,937	2,078
Revenue recognized from customer deposits	(2,639)	(4,444)
Effect of change in exchange rates	27	(78)
Total customer deposits	$ 2,732	$ 4,677

4. Fair Value Measurements

The following tables set forth the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis as of March 31, 2023 and December 31, 2022 by level within the fair value hierarchy. As required by ASC 820-10, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The following is summary of items that the Company measures at fair value on a recurring basis:

	Fair Value at March 31, 2023			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Forward currency exchange contracts	$ —	$ 20	$ —	$ 20
Total recurring liabilities at fair value	$ —	$ 20	$ —	$ 20

	Fair Value at December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets:				
Forward currency exchange contracts	$ —	$ 124	$ —	$ 124
Total current assets at fair value	$ —	$ 124	$ —	$ 124

Fair Value Measurements

ASC 820-10 classifies the inputs used to measure fair value into the following hierarchy:

Level 1 — Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 — Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability and

Level 3 — Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The fair value of the forward currency contracts is determined on the last day of each reporting period using observable inputs, which are supplied to the Company by the foreign currency trading intermediary and are Level 2 items.

5. Derivative Financial Instruments

The Company's risk management objective is to use the most efficient and effective methods available to us to minimize, eliminate, reduce or transfer the risks which are associated with fluctuation of exchange rates between the Euro, Chilean peso and the U.S. dollar.

Forward Currency Contracts

The Company enters into forward currency exchange contracts such that the exchange gains and losses on the assets and liabilities denominated in other than the reporting units' functional currency would be offset by the changes in the market value of the forward currency exchange contracts it holds. The forward currency exchange contracts that the Company has to offset existing assets and liabilities denominated in other than the reporting units' functional currency have been determined not to be considered a hedge under ASC 815-10. The Company records the forward currency exchange contracts at its market value with any associated gain or loss being recorded in current earnings. Both realized and unrealized gains and losses related to forward currency contracts are included in current earnings and are reflected in the Condensed Consolidated Statements of Operations in the other income (expense) section on the line titled foreign currency transaction gain or loss. Items denominated in other than a reporting unit functional currency include certain intercompany receivables due from the Company's Italian subsidiaries and accounts receivable and accounts payable of our Italian subsidiaries and their subsidiaries.

PM Group has an intercompany receivable denominated in Euros from its Chilean subsidiary. At March 31, 2023, the Company had entered into a forward currency exchange contract that matures on May 31, 2023. Under this contract the Company was obligated to sell 2,400,000 Chilean pesos for 2,841 Euros. The purpose of the forward contract was to mitigate the income effect related to this intercompany receivable that results with a change in exchange rate between the Euro and the Chilean peso.

The following table provides the location and fair value amounts of derivative instruments that are reported in the Condensed Consolidated Balance Sheets as of March 31, 2023 and December 31, 2022:

		Fair Value	
	Balance Sheet Location	**March 31, 2023**	**December 31, 2022**
Asset Derivatives			
Foreign currency exchange contract	Prepaid expense and other current assets	$ —	$ 124
Liabilities Derivatives			
Foreign currency exchange contract	Accrued expenses	$ 20	$ —

The following tables provide the effect of derivative instruments on the Condensed Consolidated Statements of Operations for the three months ended March 31, 2023 and 2022:

		Gain (loss)	
	Location of gain or (loss) recognized in Statement of Operations	**Three Months Ended March 31,**	
		2023	**2022**
Derivatives Not Designated as Hedge Instruments			
Forward currency contract	Foreign currency transaction gains (losses)	$ 15	$ (356)
		$ 15	$ (356)

During the three months ended March 31, 2023 and 2022, there were no forward currency contracts designated as cash flow hedges. As such, all gains and loss related to forward currency contracts during the three months ended March 31, 2023 and 2022 were recorded in current earnings and did not impact other comprehensive income.

6. Inventory, net

The components of inventory are as follows:

	March 31, 2023	**December 31, 2022**
Raw materials and purchased parts, net	$ 53,239	$ 47,168
Work in process, net	8,178	6,015
Finished goods, net	17,634	16,618
Inventory, net	$ 79,051	$ 69,801

The Company has established reserves for obsolete and excess inventory of $8,112 and $7,971 as of March 31, 2023 and December 31, 2022, respectively.

7. Goodwill and Intangible Assets

Intangible assets and accumulated amortization by category as of March 31, 2023 is as follows:

	Weighted Average Amortization Period (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Patented and unpatented technology	2	$ 16,632	$ (14,876)	$ 1,756
Customer relationships	9	22,162	(14,914)	7,248
Trade names and trademarks	15	5,470	(2,859)	2,611
Software	4	237	(68)	169
Indefinite lived trade names		2,093		2,093
Total intangible assets, net				$ 13,877

Intangible assets and accumulated amortization by category as of December 31, 2022 is as follows:

	Weighted Average Amortization Period (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Patented and unpatented technology	2	$ 16,469	$ (14,553)	$ 1,916
Customer relationships	9	22,000	(14,344)	7,656
Trade names and trademarks	15	5,469	(2,804)	2,665
Software	4	236	(56)	180
Indefinite lived trade names		1,950	—	1,950
Total intangible assets, net				$ 14,367

Amortization expense for intangible assets was $749 and $683 for the three months ended March 31, 2023 and 2022, respectively.

Estimated amortization expense for the period ending March 31 for the next five years and subsequent is as follows:

	Amount
2024	$ 3,065
2025	2,513
2026	860
2027	621
2028	521
And subsequent	4,204
Total intangible assets currently to be amortized	11,784
Intangible assets with indefinite lives not amortized	2,093
Total intangible assets	$ 13,877

Changes in goodwill for the three months ended March 31, 2023 and 2022 are as follows:

	2023	2022
Balance January 1,	36,916	$ 24,949
Effect of change in exchange rates	248	(320)
Balance March 31,	37,164	$ 24,629

The Company performed an impairment assessment as of December 31, 2022. No triggering events have been identified during the quarter ended March 31, 2023.

8. Accrued Expenses

	March 31, 2023	December 31, 2022
Accrued payroll and benefits	$ 4,834	$ 4,929
Accrued expenses—other	2,550	1,898
Accrued vacation	2,002	1,635
Accrued warranty	1,817	1,916
Accrued legal settlement	1,205	1,160
Accrued income tax and other taxes	644	841
Total accrued expenses	$ 13,052	$ 12,379

9. Accrued Warranty

The liability for estimated warranty claims is accrued at the time of sale and the expense is recorded in the Condensed Consolidated Statements of Operations in Cost of Sales. The liability is established using historical warranty claim experience. The current provision may be adjusted to take into account unusual or non-recurring events in the past or anticipated changes in future warranty claims. Adjustments to the warranty accrual are recorded if actual claim experience indicates that adjustments are necessary. Warranty reserves are reviewed to ensure critical assumptions are updated for known events that may impact the potential warranty liability.

The following table summarizes the changes in product warranty liability:

	For the three months ended March 31, 2023	2022
Balance January 1,	$ 1,916	$ 1,578
Provision for warranties issued during the year	167	660
Warranty services provided	(274)	(503)
Foreign currency translation	8	(10)
Balance March 31,	$ 1,817	$ 1,725

10. Credit Facilities and Debt

Debt is summarized as follows:

	March 31, 2023	December 31, 2022
U.S. Credit Facilities	$ 49,223	$ 41,521
U.S Term Loan	14,309	14,721
Italy Group Short-Term Working Capital Borrowings	18,149	19,365
Italy Group Term Loan	9,931	9,675
Other	875	1,223
Total debt	92,487	86,505
Less: Debt issuance costs	(90)	(99)
Debt, net of issuance costs	$ 92,397	$ 86,406

U.S. Credit Facilities and Term Loan

On April 11, 2022, the Company entered into a Commercial Credit Agreement (the "Credit Agreement"), by and among the Company, the Company's domestic subsidiaries and Amarillo National Bank. The Credit Agreement provides for a $40,000 revolving credit facility, a $30,000 revolving credit facility and a $15,000 term loan.

Borrowings under the $40,000 revolving credit facility bear interest at a floating rate equal to the Prime Rate plus 0.5%. The $40,000 revolving credit facility requires monthly interest payments with the full principal balance coming due at maturity. The facility originally provided for maturity on April 11, 2024. On January 25, 2023, lender agreed to extend the maturity date to April 11, 2025, with a rolling two-year maturity extension provided there is no event of default. The rolling two-year maturity extension repeats on April 11 each year following 2025 unless the lender provides 120 days' written notice of non-extension.

Borrowings under the $30,000 revolving credit facility bear interest at a floating rate equal to the Prime Rate plus 0.5%. The $30,000 facility requires quarterly interest payments and principal payments in the amount of 3% of the outstanding balance thereunder on a quarterly basis beginning on January 1, 2023. The facility originally provided for maturity on April 11, 2024. On January 25, 2023, the maturity date was extended to April 11, 2025.

The term loan requires monthly interest payments at a floating rate equal to the Prime Rate plus 0.5% beginning on May 11, 2022. Monthly installments of principal and interest based on an 84-month amortization are payable beginning on November 11, 2022 with the remaining principal balance coming due at maturity on October 11, 2029.

The unused balance of the revolving credit facilities incurs a 0.125% fee that is payable semi-annually. At March 31, 2023 and December 31, 2022, the Company had $49,223 and $41,521 in borrowings under the revolving credit facilities and $14,309 and $14,721 in borrowings under the term loan.

The Credit Agreement requires the Company to maintain a debt service coverage ratio of at least 1.25:1.00 measured on the last day of each calendar quarter, beginning June 30, 2022, and each measurement is based on a rolling 12-month basis. The Credit Agreement also requires the Company to maintain a U.S. net worth of at least $80,000, measured as of the last day of each calendar quarter, beginning June 30, 2022. The Company was in compliance with its covenants under the Credit Agreement as of March 31, 2023.

PM Group Short-Term Working Capital Borrowings

At March 31, 2023 and December 31, 2022, PM Group had established demand credit and overdraft facilities with five banks in Italy, one bank in Spain, twelve banks in South America and one bank in Romania. Under the facilities, as of March 31, 2023 and December 31, 2022, PM Group can borrow up to $24,983 and $24,127 for advances against invoices, letter of credit and bank overdrafts. These facilities are divided into two types: working capital facilities and cash facilities. As of March 31, 2023 and December 31, 2022, the interest on the Italian working capital facilities is charged at the 3-month Euribor plus a spread ranging from 175 to 355 basis points and 3-month Euribor plus 450 basis points. Interest on the South American facilities is charged at a flat rate for advances on invoices. Interest on the Romanian facility ranges from 4% to 4.8%.

At March 31, 2023 and December 31, 2022, the banks had advanced PM Group $17,997 and $19,130, respectively.

Valla Short-Term Working Capital Borrowings

At March 31, 2023 and December 31, 2022, respectively, Valla had established demand credit and overdraft facilities with two Italian banks. Under the facilities, Valla can borrow up to $609 and $599, respectively for advances against orders, invoices and bank overdrafts. Interest on the Italian working capital facilities is charged at a flat percentage rate for advances on invoices and orders of 1.67% at March 31, 2023 and 1.67% - 12% at December 31, 2022. At March 31, 2023 and December 31, 2022, the banks had advanced Valla $152 and $235, respectively.

PM Group Term Loans

At March 31, 2023 and December 31, 2022, respectively, the PM Group has a $5,119 and $5,038 term loan that is split into a note and a balloon payment and is secured by the PM Group's common stock. The term loan is charged interest at a fixed rate of 3.5%, has annual principal payments of approximately $600 per year and has a balloon payment of $2,937 due in 2026.

At March 31, 2023 and December 31, 2022, respectively, the PM Group has unsecured borrowings totaling $4,713 and $4,637, respectively. The borrowings have a fixed rate of interest of 3.5%. Annual payments of approximately $1,500 are payable ending in 2025.

As of March 31, 2023 and December 31, 2022 the PM Group has a loan in Romania in the amount of $152 and $175 with a fixed interest of 2.75% rate maturing in 2027.

11. Leases

The Company leases certain warehouses, office space, machinery, vehicles and equipment. Leases with an initial term of 12 months or shorter are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the applicable lease term.

The Company is not aware of any variable lease payments, residual value guarantees, covenants or restrictions imposed by the leases. Most leases include one or more options to renew, with renewal terms that can extend the lease term. The exercise of these lease renewal options is at the Company's sole discretion. The depreciable life of assets is limited by the expected lease term for finance leases.

If there was a discount rate explicit in the lease, then such discount rate was used. For those leases with no explicit or implicit interest rate, an incremental borrowing rate was used. The weighted average remaining useful life for operating and finance leases were 5.8 and 5 years, respectively. The weighted average discount rate for operating and finance leases was 6.0% and 12.4% respectively.

Leases	Classification	March 31, 2023	December 31, 2022
Assets			
Operating lease assets	Operating lease assets	$ 7,954	$ 5,667
Financing lease assets	Fixed assets, net	1,907	2,005
Total leased assets		$ 9,861	$ 7,672
Liabilities			
Current			
Operating	Current liabilities	$ 2,134	$ 1,758
Financing	Current liabilities	532	509
Non-current			
Operating	Non-current liabilities	5,820	3,909
Financing	Non-current liabilities	3,239	3,382
Total lease liabilities		$ 11,725	$ 9,558

		Three months ended March 31,	
Lease Cost	Classification	2023	2022
Operating lease costs	Operating lease assets	$ 501	$ 296
Finance lease cost			
Amortization of leased assets	Amortization	98	91
Interest on lease liabilities	Interest expense	119	131
Lease cost		$ 718	$ 518

	Three months ended March 31,	
Other Information	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 501	$ 296
Operating cash flows from finance leases	$ 119	$ 131
Financing cash flows from finance leases	$ 119	$ 93

Future principal minimum lease payments for the period ending March 31 for the next five years and subsequent are:

	Operating Leases	Capital Leases
2024	$ 2,230	$ 971
2025	1,741	999
2026	1,509	996
2027	1,397	1,026
2028	696	1,056
And subsequent	772	89
Total undiscounted lease payments	8,345	5,137
Less interest	(391)	(1,366)
Total liabilities	$ 7,954	$ 3,771
Less current maturities	(2,134)	(532)
Non-current lease liabilities	$ 5,820	$ 3,239

In connection with our acquisition of Rabern, the Company became the lessee of four locations from HTS Management LLC (“HTS”), an entity controlled by Steven Berner, who is a key member of Rabern management. HTS operates as a holding company for property and as a single lessor leasing company for business use property for Rabern. HTS’s ongoing activities preceding and succeeding the Rabern acquisition relate to financing, purchasing, leasing and holding property leased to Rabern.

12. Income Taxes

For the three months ended March 31, 2023, the Company recorded an income tax provision of $13, which includes a discrete income tax provision of $16. The calculation of the overall income tax provision for the three months ended March 31, 2023 primarily consists of a discrete income tax expense for the accrual of interest related to unrecognized tax benefits. For the three months ended March 31, 2022, the Company recorded an income tax provision of $132, which includes a discrete income tax expense of $19. The calculation of the overall income tax provision for the three months ended March 31, 2022 primarily consists of foreign income taxes and a discrete income tax expense for the accrual of interest related to unrecognized tax benefits.

The effective tax rate for the three months ended March 31, 2023 was an income tax provision of 100% on pretax loss of $13 compared to an income tax provision of 36.5% on a pretax income of $362 in the comparable prior period. The effective tax rate for the three months ended March 31, 2023 differs from the U.S. statutory rate of 21% primarily due to a valuation allowance in the U.S. and a partial valuation allowance in Italy, nondeductible permanent differences, income taxed in foreign jurisdictions at varying tax rates, and an accrual of interest related to unrecognized tax benefits.

The Company’s total unrecognized tax benefits as of March 31, 2023 and 2022 were approximately $2.9 million and $3.0 million, respectively.

13. Net Earnings (Loss) per Common Share

Basic net earnings per share is computed by dividing net income by the weighted average number of common shares outstanding for the period. Details of the calculations are as follows:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Net income (loss)	$ (26)	$ 230
Net income (loss) attributable to noncontrolling interest	(79)	—
Net income (loss) attributable to shareholders of Manitex International, Inc.	$ 53	$ 230
Income (loss) per share		
Basic		
Net income (loss)	$ -	$ 0.01
Net income (loss) attributable to shareholders of Manitex International, Inc.	$ —	$ 0.01
Diluted		
Net income (loss)	$ -	$ 0.01
Net income (loss) attributable to shareholders of Manitex International, Inc.	$ —	$ 0.01
Weighted average common shares outstanding		
Basic	20,122,054	19,961,785
Diluted		
Basic	20,122,054	19,961,785
Dilutive effect of restricted stock units and stock options	—	52,395
Basic and Dilutive	20,122,054	20,014,180

	As of March 31, 2023	As of March 31, 2022
Unvested restricted stock units	337,453	178,505
Options to purchase common stock	197,437	97,437
	534,890	275,942

14. Equity

Stock Issued to Employees and Directors

The Company issued shares of common stock to employees and Directors as restricted stock units issued under the Company's 2019 Incentive Plans vest. Upon issuance, entries were recorded to increase common stock and decrease paid in capital for the amounts shown below. The following is a summary of stock issuances that occurred during the three months ended March 31, 2023:

Date of Issue	Employees or Director	Shares Issued	Value of Shares Issued
March 6, 2023	Employees	14,064	$ 82,837
March 7, 2023	Directors	18,000	92,700
March 8, 2023	Employees	18,338	141,753
March 8, 2023	Directors	12,000	92,760
		62,402	$ 410,050

Stock Repurchases

The Company purchases shares of Common Stock from certain employees at the closing share price on the date of purchase. The stock is purchased from the employees to satisfy employees' withholding tax obligations related to stock issuances described above. The below table summarizes shares repurchased from employees during the current year through March 31, 2023:

Date of Purchase	Shares Purchased	Closing Price on Date of Purchase
March 6, 2023	3,801	$ 5.12
March 8, 2023	3,804	$ 5.32
	7,605	

Restricted Stock Awards

The following table contains information regarding restricted stock units through March 31, 2023:

	March 31, 2023
Outstanding on January 1, 2023	288,904
Units granted during the period	114,000
Vested and issued	(54,797)
Vested-issued and repurchased for income tax withholding	(7,605)
Forfeited	(1,150)
Outstanding on March 31, 2023	339,352

The value of the restricted stock is being charged to compensation expense over the vesting period. Compensation expense includes expense related to restricted stock units of $329 and $228 for the three months ended March 31, 2023 and 2022, respectively. Additional compensation expense related to restricted stock units will be $698, $713 and $263 for the remainder of 2023, 2024 and 2025, respectively.

Restricted Stock Award with Market Conditions

On May 3, 2022, in connection with J. Michael Coffey's appointment as the Company's Chief Executive Officer as of April 11, 2022, he was granted 490,000 restricted stock units that vest upon attainment of certain stock price hurdles of the Company's stock. The restricted stock units can only be received on an annual basis from the vesting start date. The fair value of the market conditions award was $2.2 million calculated by using the Monte Carlo Simulation based on the average of 20,000 simulation runs. The requisite service period used was three years, expected volatility was 60% and the risk-free rate of return was 2.95%. The value of the restricted stock units granted to Mr. Coffey is being charged to compensation expense over the requisite service period. Under ASC 718-10-35-2, compensation cost for the award of share-based compensation is recognized over the derived service periods (the time from the service inception date to the expected date of satisfaction) of either 12 or 24 months depending on the particular tranche based on the median number of days it takes for the award to vest in scenarios where they meet their threshold. Compensation expense related to restricted stock units was $371 for the three months ended March 31, 2023. Additional compensation expense related to Mr. Coffey's restricted stock units will be $657 and $231 for the remainder of 2023 and 2024, respectively.

Restricted Stock Award with Market and Performance Conditions

On May 3, 2022, in connection with his appointment, Mr. Coffey was also granted 100,000 restricted stock units that vest upon a change in control in which the per share consideration for the Company's common stock exceeds $10.00. The fair value of the market and performance conditions award was $481, calculated by using the Black-Scholes Option Pricing Model. The requisite service period used for the calculation was three years, expected volatility was 60% and the risk-free rate of return was 2.95%. The fair value of stock-based compensation for market and performance conditions will be recognized in the Company's financial statements only if it is probable that the conditions will be satisfied.

Stock Options

On May 3, 2022, in connection with his appointment, Mr. Coffey was also granted 100,000 stock options with an exercise price of $4.13 per share. The options vest ratably on each of the first three anniversary dates of Mr. Coffey's appointment date, subject to his continued service with the Company on each vesting date. Compensation expense related to the Company's stock options was $66 for the three months ended March 31, 2023. Additional compensation expense related to Mr. Coffey's options will be $93, $67 and $13 for the remainder of 2023, 2024 and 2025, respectively.

	Grant date 5/3/2022
Dividend yields	—
Expected volatility	55.0%
Risk free interest rate	3.02%
Expected life (in years)	6
Fair value of the option granted	$ 4.13

15. Legal Proceedings and Other Contingencies

The Company is involved in various legal proceedings, including product liability, employment related issues, and workers' compensation matters that have arisen in the normal course of operations. The Company has product liability insurance with self-insurance retentions that range from $50 to $500.

When it is probable that a loss has been incurred and possible to make a reasonable estimate of the Company's liability with respect to such matters, a provision is recorded for the amount of such estimate to estimate the amount within the range that is most likely to occur. Certain cases are at a preliminary stage, and it is not possible to estimate the amount or timing of any cost to the Company for these cases. However, the Company does not believe that these contingencies, in the aggregate, will have a material adverse effect on the Company.

The Company has been named as a defendant in several multi-defendant asbestos related product liability lawsuits. In the remaining cases the plaintiff has, to date, not been able to establish any exposure by the plaintiff to the Company's products. The Company is uninsured with respect to these claims but believes that it will not incur any material liability with respect to these claims.

On May 5, 2011, Company entered into two separate settlement agreements with two plaintiffs. As of March 31, 2023, the Company has a remaining obligation under these agreements to pay the plaintiffs $855 without interest in 9 annual installments of $95 on or before May 22 of each year. The Company has recorded a liability for the net present value of the liability. The difference between the net present value and the total payment will be charged to interest expense over the payment period.

It is reasonably possible that the estimated reserve for product liability claims may change within the next 12 months. A change in estimate could occur if a case is settled for more or less than anticipated, or if additional information becomes known to the Company.

The Company has accrued $335 for settling a litigation matter involving a product liability case. In addition, the Company has recorded a charge of $487 for the estimated withdrawal liability for pension payments that it may owe under a collective bargaining agreement with the unions. These amounts are recorded in other expense in the Statement of Operations for the quarter ended March 31, 2023.

16. Transactions between the Company and Related Parties

In the course of conducting its business, the Company has entered into certain related party transactions.

C&M conducts business with RAM P&E LLC for the purposes of obtaining parts business as well as buying, selling and renting equipment.

C&M is a distributor of Terex rough terrain and truck cranes. As such, C&M purchases cranes and parts from Terex.

PM is a manufacturer of cranes. PM sold cranes, parts, and accessories to Tadano during 2023.

Rabern rents heavy duty and light duty commercial construction equipment, mainly to commercial contractors on a short-term rental basis. Rabern sold a fixed asset to Steven Berner, the general manager of Rabern, in April 2022, in connection with the Rabern acquisition.

In 2022, the Company became the lessee of four buildings from HTS Management LLC ("HTS"), an entity controlled by Mr. Berner, who is a key member of Rabern management. HTS operates as a holding company for property and as a single lessee leasing company for business use property for Rabern. HTS's ongoing activities preceding and succeeding the Rabern acquisition relate to financing, purchasing, leasing and holding property leased to Rabern. Based on these activities, HTS would be subject to interest rate risk and real estate investment pricing risk related to holding the real estate as an investment. These risks represent the potential variability to be considered as passed to interest holders. Although we have a variable interest through our relationship with Mr. Berner, such variability is not passed on to Rabern in connection with the arrangement, and therefore Rabern is not the primary beneficiary of the VIE.

Furthermore, all risks and benefits of the significant activities of HTS are passed to Mr. Berner directly and do not represent a direct or an indirect obligation for Rabern.

As of March 31, 2023 and December 31, 2022, the Company had accounts receivable and payable with related parties as shown below:

		March 31, 2023	December 31, 2022
Accounts Receivable	Terex (1)	$ 59	$ —
	Tadano	49	—
		$ 108	$ —
Accounts Payable	Terex (1)	$ 35	$ 60
	Tadano (2)	7	
		$ 42	$ 60
Net Related Party Accounts Receivable/(Payable)		$ 66	$ (60)

The following is a summary of the amounts attributable to certain related party transactions as described in the footnotes to the table, for the periods indicated:

		Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Rent paid:	Rabern Facility (4)	$ 191	$ —
Sales to:	Terex (1)	$ 59	$ 39
	Tadano (2)	50	13
	RAM P&E (3)	—	27
Total Sales		$ 109	$ 79
Purchases from:	Terex (1)	$ 35	$ 69
	Tadano (2)	7	130
Total Purchases		$ 42	$ 199

(1) Terex is a significant shareholder of the Company and conducts business with the Company in the ordinary course of business.
(2) Tadano is a significant shareholder of the Company and conducts business with the Company in the ordinary course of business.
(3) RAM P&E is owned by the Company's Executive Chairman's daughter.
(4) The Company leases its Rabern facilities from HTS, an entity controlled by Steven Berner, the General Manager of Rabern. Pursuant to the terms of the lease, the Company makes monthly lease payments to HTS. The Company is also responsible for all the associated operations expenses, including insurance, property taxes and repairs. The leases contain additional renewal options at the Company's discretion.

Note 17. Restructuring

On January 12, 2022, the Company announced a restructuring plan (the "Restructuring") that will result in the closure of its Badger facility in Winona, Minnesota. As part of the Restructuring, the Company intends to move the manufacturing of its straight mast boom cranes and aerial platforms produced in Winona, Minnesota, to its Georgetown, Texas, facility. The Restructuring is expected to be completed during 2023.

Note 18. Business Combination

On April 11, 2022, Manitex entered into a Membership Interest Purchase Agreement (the "Purchase Agreement"), with Rabern and Steven Berner. Pursuant to the Purchase Agreement, the Company acquired a 70% membership interest in Rabern for a purchase price of approximately $26 million in cash plus assumed debt of $14 million, subject to the various adjustments, escrows and other provisions of the Purchase Agreement. The Rabern acquisition closed on April 11, 2022. A total of $1.5 million of the purchase price is held in escrow for various purposes, as described in the Purchase Agreement. Rabern is a construction equipment rental provider established in

1984 and primarily serves Northern Texas. The president and founder of Rabern, Steven Berner, retained a 30% ownership interest and continues to run the operation as a stand-alone division of the Company. The purchase price is subject to adjustments based on the final calculation of working capital and the net book value of the rental fleet as of the date of the acquisition. The Company financed the acquisition by borrowings on the Company's line of credit and a term loan.

The acquisition of Rabern was accounted for as a business combination in accordance with Accounting Standards Codification ASC 805, Business Combinations, which requires allocation of the purchase price to the estimated fair values of assets acquired and liabilities assumed in the transaction. The preliminary fair value of the consideration transferred at the acquisition date was $40.5 million. Adjustments to the valuation of Rabern's assets and liabilities may be materially different due to possible changes as the purchase price allocation is completed.

The financial results of Rabern beginning on April 11, 2022 are included in the Company's condensed consolidated financial statements and are reported in the Rental Equipment segment.

The following table summarizes the purchase price allocations for the Rabern acquisition as of March 31, 2023:

Total purchase consideration:	
Consideration	$ 25,900
Revolving loan payoff	14,604
Net purchase consideration	40,504
Allocation of consideration to assets acquired and liabilities assumed:	
Cash	2,975
Net working capital	2,886
Other current assets	419
Fixed assets	27,658
Customer relationships	4,500
Trade name and trademarks	1,200
Goodwill	12,850
Deferred tax liability	(2,521)
Other current liabilities	(500)
Total fair value of assets acquired	49,467
Less: noncontrolling interests, net of taxes	8,963
Net assets acquired	$ 40,504

The fair value of identifiable intangible assets is determined primarily using the relief from royalty approach and multi-period excess earnings method for trademarks and customer relationships, respectively. Fixed asset values were estimated using either the cost or market approach. Goodwill represents the amount by which the purchase price exceeds the estimated fair value of the net assets acquired. The Rabern acquisition was structured as a taxable purchase of 70% of a partnership interest whereby Manitex and Mr. Berner subsequently contributed their respective membership interest in Rabern to a newly formed Delaware corporation. The partnership will make an IRC Section 754 Election which will give Manitex Section 743(b) step-up in the tax basis in the partnership assets for its acquired membership interest.

Note 19. Segment Information

The Company reports segment information based on the "management" approach. The management approach designates the internal reporting used by the Chief Executive Officer, who is also the Company's Chief Operating Decision Maker, for making decisions about the allocation of resources and assessing performance as the source of the Company's reportable operating segments.

The Company is a leading provider of engineered lifting solutions and equipment rentals. The Company operates in two business segments: the Lifting Equipment segment and the Rental Equipment segment.

Lifting Equipment Segment

The Lifting Equipment segment is a leading provider of engineered lifting solutions. The Company manufactures a comprehensive line of boom trucks, articulating cranes, truck cranes and sign cranes. The Company is also a manufacturer of specialized rough terrain cranes and material handling products. Through PM and Valla, two of the Company's Italian subsidiaries, the Company manufacturers truck-mounted hydraulic knuckle boom cranes and a full range of precision pick and carry industrial cranes using electric, diesel and hybrid power options.

Rental Equipment Segment

The Company's Rental Equipment segment rents heavy duty and light duty commercial construction equipment, mainly to commercial contractors on a short-term rental basis. The Company also rents equipment to homeowners for do-it-yourself projects.

The following is financial information for our two operating segments: Lifting Equipment and Rental Equipment:

	Three Months Ended March 31, 2023	2022
Net revenues		
Lifting Equipment	$ 61,112	$ 60,420
Rental Equipment	6,759	—
Total revenue	$ 67,871	$ 60,420
Operating income (loss)		
Lifting Equipment	$ 2,581	$ 650
Rental Equipment	(16)	—
Total operating income (loss)	$ 2,565	$ 650
Depreciation and amortization		
Lifting Equipment	$ 1,088	$ 1,144
Rental Equipment	1,964	—
Total depreciation and amortization	$ 3,052	$ 1,144
Capital expenditures		
Lifting Equipment	$ 513	$ 536
Rental Equipment	1,945	—
Total capital expenditures	$ 2,458	$ 536

	Three Months Ended March 31, 2023		
	Lifting Equipment	Rental Equipment	Total
Net sales by country			
United States	$ 23,367	$ 6,759	$ 30,126
Italy	13,278	—	13,278
Canada	5,899	—	5,899
Chile	4,544	—	4,544
France	2,259	—	2,259
Other	11,765	—	11,765
Total	$ 61,112	$ 6,759	$ 67,871

	Three Months Ended March 31, 2022		
	Lifting Equipment	Rental Equipment	Total
Net sales by country			
United States	$ 30,884	$ -	$ 30,884
Italy	6,673	—	6,673
Canada	4,088	—	4,088
France	3,677	—	3,677
Chile	2,452	—	2,452
Other	12,646	—	12,646
Total	$ 60,420	$ -	$ 60,420

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

Recent Developments

Impact of COVID-19

The COVID-19 pandemic has significantly impacted our ability to meet demand for the Company's products. While these impacts began to subside in 2023, the Company is still experiencing, supply chain and logistic constraints and increased costs that negatively impact its ability to manufacture and ship products to meet customer requirements.

Business Overview

The following management's discussion and analysis of financial condition and results of continuing operations should be read in conjunction with the Company's financial statements and notes and other information included elsewhere in this Quarterly Report on Form 10-Q.

Backlog

The Company's backlog was approximately $238 million and $230 million at March 31, 2023 and December 31, 2022, respectively.

Results of Condensed Consolidated Operations

MANITEX INTERNATIONAL, INC.

(In thousands)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	$ Change	% Change
Net revenues	$ 67,871	$ 60,420	$ 7,451	12.3%
Cost of sales	53,461	50,295	3,166	6.3
Gross profit	14,410	10,125	4,285	42.3
Operating expenses				
Research and development costs	814	716	98	13.7
Selling, general and administrative expenses	11,031	8,759	2,272	25.9
Total operating expenses	11,845	9,475	2,370	25.0
Operating income (loss)	2,565	650	1,915	(294.6)
Other income (expense)				
Interest expense	(1,765)	(505)	(1,260)	249.5
Interest income	-	2	(2)	(100.0)
Foreign currency transaction gain (loss)	(55)	(49)	(6)	12.2
Other income (expense)	(758)	264	(1,022)	(387.1)
Total other income (expense)	(2,578)	(288)	(2,290)	795.1
Income (loss) before income taxes	(13)	362	(375)	(103.6)
Income tax expense	13	132	(119)	(90.2)
Net income (loss)	(26)	230	(256)	(111.3)
Net income (loss) attributable to noncontrolling interest	(79)	—	(79)	100.0%
Net income (loss) attributable to shareholders of Manitex International, Inc.	$ 53	$ 230	$ (177)	(77.0)%

Three Months Ended March 31, 2023 Compared to Three Months Ended March 31, 2022

Net revenues and gross profit

Net revenues increased $7.5 million or 12.3% to $67.9 million for the three months ended March 31, 2023 compared with $60.4 million for the comparable period in 2022. The increase in revenues is primarily due to the acquisition of Rabern, which generated $6.8 million of revenue for the period and increases in sales of articulated cranes by the Company's PM business, partially offset by lower chassis sales.

Gross profit increased $4.3 million to $14.4 million for the three months ended March 31, 2023 from $10.1 million for the comparable period in 2022. The increase in gross profit is attributable to increases in revenues due to the Rabern acquisition and increases in sales of articulated cranes. The gross margin percentage was 21.2% for the three months ended March 31, 2023 as compared with 16.8% for the prior year, an increase of 440 basis points. The increase in gross profit percentage is primarily driven by higher margins generated by the Rabern business and product mix and improved absorption from the Lifting Segment.

Research and development — Research and development expense was $0.8 million for the three months ended March 31, 2023 compared to $0.7 million for the same period in 2022. The Company's research and development spending reflects our continued commitment to develop and introduce new products, with the costs generated particularly in the PM and Valla business units, that give the Company a competitive advantage.

Selling, general and administrative expense — SG&A expense for the three months ended March 31, 2023 was $11.0 million compared to $8.8 million for the comparable period in 2022. The increases are primarily related to SG&A expense of $1.4 million related to the Rabern acquisition, which occurred in the second quarter of 2022, costs related to attending the Con Expo trade show of $0.8 million and increased stock compensation of $0.5 million, partially offset by lower transaction costs which were incurred in Q1 2022.

Interest expense —Interest expense was $1.8 million for the three months ended March 31, 2023 compared to $0.5 million for the comparable period in 2022. The increase in interest expense is primarily due to higher revolver borrowings and term debt added in connection with the Rabern acquisition and higher interest rates on the credit facilities.

Foreign currency transaction losses — For the three months ended March 31, 2023, the Company had foreign currency loss of $0.1 million, consistent with a loss of $0.1 million for the comparable period in 2022. A substantial portion of the loss relates to changes in the Chilean peso.

Other income (expense) — Other expense was $0.8 million for the three months ended March 31, 2023 compared with other income of $0.3 million for the same period in 2022. The expense in 2023 relates to a pension settlement obligation of $0.5 million related to the termination of services provided by union members and $0.3 million of legal settlement charges. The amount for 2022 relates to the reversal of a previously recorded contingent liability.

Income taxes — For the three months ended March 31, 2023, the Company recorded an income tax provision of less than $0.1 million. The calculation of the overall income tax provision for the three months ended March 31, 2023 primarily consists of a discrete income tax expense for the accrual of interest related to unrecognized tax benefits. For the three months ended March 31, 2022, the Company recorded an income tax provision of $0.1 million. The calculation of the overall income tax provision for the three months ended March 31, 2022 primarily consists of foreign income taxes and a discrete tax expense for the accrual of interest related to unrecognized tax benefits.

The effective tax rate for the three months ended March 31, 2023 was an income tax provision of 100% on pretax loss of less than $0.1 million compared to an income tax provision of 36.5% on a pretax income of $0.4 million in the comparable prior period. The effective tax rate for the three months ended March 31, 2023 differs from the U.S. statutory rate of 21% primarily due to the valuation allowance in the U.S. and a partial valuation allowance in Italy, nondeductible permanent differences, income taxed in foreign jurisdictions at varying tax rates and an accrual of interest related to unrecognized tax benefits.

Liquidity and Capital Resources

The global economy generally and our customers and suppliers specifically are being significantly impacted by a number of factors, including the ongoing impacts of the COVID-19 pandemic, increasing inflation and interest rates and general economic uncertainty. While the potential negative financial impact that these factors will have on our results of operations and liquidity position cannot be reasonably estimated at this time, such impacts could be material. In the context of these uncertain conditions, we are actively managing the business to maintain cash flow and ensure that we have sufficient liquidity for a variety of scenarios. We believe that such strategy will allow us to meet our anticipated funding requirements.

On April 11, 2022, the Company entered into an $85 million credit facility with Amarillo National Bank consisting of a working capital facility of $40 million secured by assets of Manitex U.S. businesses, working capital facility of $30 million secured by assets of Rabern, and $15 million term loan facility. This new banking facility provided the funds for the Rabern acquisition and working capital facilities for both the Manitex U.S. and Rabern businesses. At March 31, 2023, the PM Group had established working capital facilities with five Italian, one Spanish, twelve South American banks and one Romanian bank. Under these facilities, the PM Group can borrow $25 million against orders, invoices and letters of credit.

Cash, cash equivalents and restricted cash were $10.1 million and $8.2 million at March 31, 2023 and December 31, 2022. At March 31, 2023, the Company had global liquidity of approximately $36 million based on the cash balance and availability under its working capital facilities. Future advances are dependent on having available collateral.

If our revenues were to increase significantly in the future, the provision limiting borrowing against accounts receivable and inventory would limit future borrowings. If this were to occur, we would attempt to negotiate higher inventory caps with our banks. There is, however, no assurance that the banks would agree to increase the caps.

The Company expects cash flows from operations and existing availability under the current revolving credit and working capital facilities will be adequate to fund future operations. If, in the future, we were to determine that additional funding is necessary, we believe that it would be available. There is, however, no assurance that such financing will be available or, if available, on acceptable terms.

At March 31, 2023 and December 31, 2022, no customer accounted for 10% or more of the Company's accounts receivable.

Cash flows for the three months ended March 31, 2023 compared to the three months ended March 31, 2022

Operating Activities - For the three months ended March 31, 2023, cash flow used in operating activities was $1.5 million compared to cash used in operating activities of $6.9 million for the same period in the prior year. Cash used by working capital was $5.3 million for the three months ended March 31, 2023 compared to cash used by working capital of $5.1 million for the same period in the prior year. The increase is primarily related to inventory to meet increasing demand and backlog.

Investing Activities - Cash used in investing activities was $2.4 million in the first three months of 2023, compared to $0.6 million used in investing activities in the same period a year ago. Cash used in the three month period ended March 31, 2023 was primarily related to cash payments for property and equipment purchases of $2.5 million. Cash used in the three month period March 31, 2022 was related to cash payments for property and equipment and investment in intangible assets.

Financing Activities - Cash provided by financing activities was an inflow of $5.2 million for the three months ended March 31, 2023 which included an increase in borrowings on the revolving credit facility of $7.7 million and working capital borrowing of $1.5 million, primarily to fund purchases of inventory to meet increasing backlog and fixed assets to support the rental segment. Cash provided by financing activities was an inflow of $2.3 million for the three months ended March 31, 2022 which included an increase in working capital borrowing of $2.2 million and borrowings for insurance agreements and finance leases of $0.9 million, offset by repayments of notes of $0.6 million.

Critical Accounting Policies

The Company's critical accounting policies have not materially changed since the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 was filed. See Item 7, Management's Discussion and Analysis of Results of Operations and Financial Condition, in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 for a discussion of the Company's critical accounting policies.

Item 3—Quantitative and Qualitative Disclosures about Market Risk

Not required for Smaller Reporting Companies.

Item 4—Controls and Procedures

Disclosure Controls and Procedures

With the participation of our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer) and under the supervision of the Audit Committee of the Board of Directors, our management conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act, as of March 31, 2023. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures, as of March 31, 2023, were effective and provided reasonable assurance that the information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). During the period covered by this report, the Company made no changes that have materially affected, or that are reasonably likely to materially affect, its internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1—Legal Proceedings

The information set forth in Note 15 (Legal Proceedings and Other Contingencies) to the accompanying Condensed Consolidated Financial Statements included in Part I. Item 1 "Financial Statements" of this Quarterly Report on Form 10-Q is incorporated herein by reference.

Item 1A—Risk Factors

As of the date of this filing, there have been no material changes from the risk factors disclosed in the Company's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2022.

Item 2—Unregistered Sales of Equity Securities and Use of Proceeds.

The Company's Credit Agreement with Amarillo National Bank directly restricts the Company's ability to declare or pay dividends without Amarillo's consent. In addition, pursuant to the Company's Credit Agreement with Amarillo National Bank, the Company's U.S. subsidiaries must maintain a debt service coverage ratio of at least 1.25:1.00 and a net worth for U.S. entities of at least $80 million, each as measured on the last date of each calendar quarter, beginning June 30, 2022.

ISSUER PURCHASES OF EQUITY SECURITIES

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 1 - January 31, 2023	—	$ —	—	—
February 1 - February 28, 2023	—	—	—	—
March 1 - March 31, 2023	7,605	5.22	—	—
	—	$ 5.22	—	—

Item 3—Defaults Upon Senior Securities

None.

Item 4—Mine Safety Disclosures

Not applicable.

Item 5—Other Information

None.

Item 6—Exhibits

See the Exhibit Index set forth below for a list of exhibits included with this Quarterly Report on Form 10-Q.

EXHIBIT INDEX

Exhibit Number	Exhibit Description
10.1*†	Employment Agreement, effective as of April 11, 2022, between Manitex International, Inc. and J. Michael Coffey.
31.1*	Certification by the Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification by the Chief Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification by the Chief Executive Officer and the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document- the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
104	Cover Page Interactive Data File-The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

* Filed herewith
** Furnished herewith
† The Company is re-filing this exhibit to provide the correct final version, as an incorrect version was inadvertently filed with the Company’s Current Report on Form 8-K filed on April 13, 2022.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

May 4, 2023

By: /S/ MICHAEL COFFEY
Michael Coffey
Chief Executive Officer
(Principal Executive Officer)

May 4, 2023

By: /S/ JOSEPH DOOLAN
Joseph Doolan
Chief Financial Officer
(Principal Financial and Accounting Officer)

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made as of the 11th day of April, 2022 (the "Effective Date"), by and between Michael Coffey ("Employee") and Manitex International, Inc. a Michigan corporation, whose address is 9725 S. Industrial Drive, Bridgeview, Illinois 60455 (the "Company").

RECITALS

WHEREAS, the Company is engaged in the business of the design, manufacturing, and sale of specialty equipment (the "Business").

WHEREAS, the Company desires to employ Employee as its Chief Executive Officer, and Employee desires to be employed by the Company, upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, and intending to be legally bound, the parties, subject to the terms and conditions set forth herein, agree as follows:

TERMS

1. Employment Term. Subject to the terms and conditions set forth herein, the Company agrees to employ Employee, and Employee hereby accepts employment, as the Chief Executive Officer ("CEO") of the Company and its subsidiaries (the "Position"), for a term commencing on the Effective Date and ending on the date Employee's employment is terminated as provided in Section 10 of this Agreement (such term, the "Employment Term"). Employee shall be employed at will, and Employee's employment may be terminated by either party at any time, with or without reason or cause. However, as described in this Agreement, Employee may be entitled to severance benefits upon a termination by the Company without Cause (as defined below) or by Employee for Good Reason (as defined below).

2. Duties. During the Employment Term, Employee shall serve the Company faithfully and to the best of Employee's ability, shall devote Employee's full attention, skill and efforts to the performance of the duties of the Position. Employee shall report to the Company's Board of Directors (the "Board"), and the Company shall nominate Employee to serve on the Board. Employee will render such business and professional services in the performance of his duties, consistent with Employee's position within the Company, as will reasonably be assigned to him by the Board. For the avoidance of doubt, Employee is employed to serve as the Company's sole CEO and not as co-CEO. During the Employment Term, Employee will devote Employee's full business efforts and time to the Company and will use good faith efforts to discharge Employee's obligations under this Agreement to the best of Employee's ability. For the duration of the Employment Term, Employee agrees not to actively engage in any other employment, occupation, or consulting activity for any direct or indirect remuneration without the prior approval of the Board; provided, that Employee may, without the approval of the Board, serve in any capacity with any civic, educational, or charitable organization, provided such services do not materially interfere with Employee's obligations to Company, as determined by the Company in its reasonable judgment.

3. Other Business Activities. During the Employment Term, other than as provided in Section 2 above, Employee will not engage in any other business activities or pursuits which are contrary to Employee's responsibilities and obligations pursuant to this Agreement.

4. Compensation.

a. Base Salary. As of the Effective Date, the Company will pay Employee an annual salary of $400,000 as compensation for his services (such annual salary, as is then effective, to be referred to herein as "Base Salary"). The Base Salary will be paid periodically in accordance with the Company's normal payroll practices and be subject to the usual, required withholdings. Employee's salary will be reviewed annually by the Compensation Committee of the Board or any successor thereto (the "Committee"), in consultation with Employee, at the beginning of each year on or about March 1, and adjustments may be made at the discretion of the Committee. Base Salary may be increased but may not be decreased except with Employee's consent.

b. Annual Incentive. Employee will be eligible to receive annual cash incentives payable for the achievement of performance goals established by the Committee in consultation with Employee (the "Annual Incentive"). Employee's target Annual Incentive each year will be 200% of Base Salary. The actual earned Annual Incentive, if any, payable to Employee for any performance period will depend upon the extent to which the applicable performance goal(s) specified by the Committee are achieved and will be decreased or increased accordingly, in accordance with the terms of the Company's incentive compensation program, as it may exist from time to time. Payment of Annual Incentive shall be made in the year following the Fiscal Year to which such bonus relates, and will be subject to normal and customary withholdings. For the Company's Fiscal Year 2022, Employee shall be guaranteed a minimum Annual Incentive equal to fifty percent (50%) of the target bonus for such year.

c. Equity. Subject to approval of the Compensation Committee of the Board, the Company shall grant Employee the following inducement equity awards with respect to common stock of the Company ("Stock"):

i. one hundred thousand (100,000) restricted stock units, which shall vest one-third on the first anniversary of the Effective Date, one-third on the second anniversary of the Effective Date and one-third on the third anniversary of the Effective Date, subject to Employee's continued service on each vesting date;

ii. options to purchase one hundred thousand (100,000) shares of Stock, which shall have an exercise price equal to the closing price of the Stock on the grant date, and shall vest one-third on the first anniversary of the Effective Date, one-third on the second anniversary of the Effective Date and one-third on the third anniversary of the Effective Date, subject to Employee's continued service on each vesting date;

iii. four hundred and ninety thousand (490,000) restricted stock units, which will become vested to the extent that the thirty-day moving average market price of the Stock reaches certain levels described on Exhibit A to this Agreement, subject to Employee's continued service as of the achievement of each of the performance conditions; and

iv. one hundred thousand (100,000) restricted stock units which will become vested upon a Change in Control (as defined in the Company's 2019 Equity Incentive Plan) in which the per share consideration for the Stock exceeds $10.00, subject to Employee's continued service through the Change in Control.

All equity awards will be subject to the terms and conditions determined by the Compensation Committee and the applicable forms of award agreement thereunder.

d. Equity Purchases. Employee agrees that he will purchase up to 25,000 shares of Stock on the open market, in one or more tranches, as soon as practicable following the Effective Date.

5. Benefits. Employee shall be entitled to those employee benefits which the Company from time to time generally make available to employees ("Benefits") pursuant to the terms and conditions of the Company's benefit plans and/or policies. The Benefits shall initially include, without limitation:

a. Medical, dental, vision, and life and disability insurance and such other benefits as the Company may determine from time to time.

b. Incentive, savings and retirement plans, practices, policies and programs applicable to Employees of the Company, including 401(k), and stock matching.

c. Paid vacation time in accordance with the plans, practices, policies and programs applicable to Employees of the Company at four weeks for each calendar year.

d. A monthly automobile expense allowance in the amount of $1,500.

e. An insurance annuity upon terms and conditions reasonably consistent with the Company's past practice.

6. Reimbursement of Business Expenses. Subject to such conditions as the Company may from time to time determine, Employee shall be reimbursed for ordinary and reasonable documented expenses incurred by Employee in the performance of Employee's duties under this Agreement. Employee shall also be reimbursed for cellular telephone and personal data assistant costs and expenses as well as customary expenses relating to professional activities.

7. Confidentiality.

a. Duty. Employee recognizes and acknowledges that the Confidential Information (as hereinafter defined) is a valuable, special and unique asset of the Company. As a result, both during and after the Employment Term, Employee shall not, without the prior written consent of the Company, for any reason, either directly or indirectly divulge to any third party or use for Employee's own benefit or for any purpose other than the exclusive benefit of the Company any confidential, proprietary, business or technical information or trade secrets of the Company or of any subsidiary or affiliate of the Company ("Confidential Information") revealed, obtained or developed in the course of Employee's employment with the Company. Such Confidential

Information shall include, but shall not be limited to, the intangible personal property described in Section 8.b hereof, any information relating to methods of production, manufacture, service, research, specifications, computer codes, business, marketing and sales techniques and concepts, other data and materials used in performing Employee's duties (other than his personal contact list), costs, business studies, finances, marketing data, plans and efforts, the terms of contracts and agreements with customers, contractors and suppliers, litigation strategy and other Confidential Information relating to litigation, the Company's relationship with actual and prospective customers, contractors and suppliers and the needs and requirements of, and the Company's course of dealing with, any such actual or prospective customers, contractors and suppliers, personnel information, and any other materials that have not been made available to the industry; provided, that nothing herein contained shall restrict Employee's ability to make such disclosures during the course of Employee's employment as may be necessary or appropriate to the effective and efficient discharge of the duties required by or appropriate for Employee's Position or as such disclosures may be required by law; and further provided, that nothing herein contained shall restrict Employee from divulging or using for Employee's own benefit or for any other purpose any Confidential Information that is readily available to the general public so long as such information did not become available to the general public as a direct or indirect result of Employee's breach of this Section 7.

b. Defend Trade Secrets Act Provision. Notwithstanding any other provision of this Agreement, 18 U.S.C. §1833(b) provides, in part: *"(1) An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal . . . . (2) An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order."* Nothing in this Agreement, any other agreement executed by Employee, or any Company policy, is intended to conflict with this statutory protection.

8. Inventions and Property.

a. Title to Proprietary Information. All right, title and interest in and to proprietary information shall be and remain the sole and exclusive property of the Company. During the Employment Term, Employee shall not remove from the Company's offices or premises any documents, records, notebooks, files, correspondence, reports, memoranda or similar materials of, or containing, proprietary or Confidential Information or other materials or property of any kind belonging to the Company, unless necessary or appropriate in accordance with the duties and responsibilities required by or appropriate for Employee's position, and, in the event that such materials or property are removed, all of the foregoing shall be returned to their proper files or places of safekeeping as promptly as possible after the removal. Notwithstanding the foregoing, Employee may elect to purchase a Company-provided laptop computer, tablet computer or mobile telephone for its fair market value, as determined by the Company in its reasonable judgment, provided that

Employee first delivers such device to the Company so that the Company can remove all Confidential Information from the device.

b. Development of Intellectual Property.

i. Employee agrees that all right, title and interest in and to any innovations, designs, systems, analyses, ideas for sales and marketing programs, customer contacts, and all copyrights, patents, trademarks and trade names, or similar intangible personal property which have been or are developed or created in whole or in part by Employee (A) at any time and at any place during Employee's employment with the Company and which, in the case of any or all of the foregoing, are related to and used in connection with the Business or any other business of the Company, (B) as a result of tasks assigned to Employee by the Company or (C) from the use of premises or personal property (whether tangible or intangible) owned, leased or contracted for by the Company (collectively, the "Intellectual Property"), shall be and remain forever the sole and exclusive property of the Company. Employee shall promptly disclose to the Company all Intellectual Property and Employee shall have no claim for additional compensation for the Intellectual Property.

ii. Employee acknowledges that all the Intellectual Property that is copyrightable shall be considered a work made for hire under United States Copyright Law. To the extent that any copyrightable Intellectual Property may not be considered a work made for hire under the applicable provisions of the United States Copyright Law, or to the extent that, notwithstanding the foregoing provisions, Employee may retain an interest in any Intellectual Property that is not copyrightable, Employee hereby irrevocably assigns and transfers to the Company any and all right, title, or interest that Employee may have in the Intellectual Property under copyright, patent, trade secret and trademark law, in perpetuity or for the longest period otherwise permitted by law, without the necessity of further consideration. The Company shall be entitled to obtain and hold in their own name all copyrights, patents, trade secrets, and trademarks with respect thereto.

iii. Employee further agrees to reveal promptly all information relating to the same to an appropriate officer of the Company and to cooperate with the Company and execute such documents as may be necessary or appropriate (A) in the event that the Company desires to seek copyright, patent or trademark protection, or other analogous protection, thereafter relating to the Intellectual Property, and when such protection is obtained, to renew and restore the same, and (B) to defend any opposition proceedings in respect of obtaining and maintaining such copyright, patent or trademark protection, or other analogous protection.

iv. Notwithstanding the foregoing, Employee shall have no obligation to assign an invention that qualifies for fully for protection under 765 ILCS 1060/2, which currently states as follows:

Sec. 2. Employee rights to inventions - conditions.

(1) A provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer does not apply to an invention for which no equipment, supplies, facilities, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of this State and is to that extent void and unenforceable. The employee shall bear the burden of proof in establishing his invention qualifies under this subsection.

(2) An employer shall not require a provision made void and unenforceable by subsection (1) of this Section as a condition of employment or continuing employment. This Act shall not preempt existing common law applicable to any shop rights of employers with respect to employees who have not signed an employment agreement.

(3) If an employment agreement entered into after January 1, 1984, contains a provision requiring the employee to assign any of the employee's rights in any invention to the employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer.

9. <u>Non-Competition and Non-Solicitation.</u>

a. <u>Non-Competition</u>. During the Employment Term and for a period of twelve (12) months thereafter (the "<u>Restricted Period</u>"), Employee shall not, within the Restricted Territory directly or indirectly, (a) own (in whole or in part), invest in, lend to or finance, or (b) provide any services to, whether as director, officer, manager, employee, agent, contractor, consultant, joint-venturer or otherwise, any natural person or entity that sells or offers for sale any products or services that are the same as or substantially similar to products or services sold or offered for sale by the Company. As used in this Agreement, the "<u>Restricted Territory</u>" shall mean the United States of America. Notwithstanding the foregoing, this Section 9(a) shall not prevent Employee from owning five percent (5%) or less of the equity securities of any entity whose equity securities are listed on an internationally-recognized stock exchange, provided that Employee does not, directly or indirectly, participate in the management of such entity or provide any services to such entity.

b. <u>Customer Non-Solicitation</u>. During the Restricted Period, Employee shall not, directly or indirectly, except for the benefit of the Company, solicit or induce, or attempt to solicit or induce, any customer of the Company to terminate, reduce or otherwise alter to the detriment of the Company such customer's business relationship with the Company.

c. Employee Non-Solicitation. During the Restricted Period, Employee shall not, directly or indirectly, except for the benefit of the Company, solicit or induce, or attempt to solicit or induce, any employee, contractor or consultant of the Company to terminate, reduce or otherwise alter to the detriment of the Company such person's business relationship with the Company.

d. Enforcement. Employee acknowledges that the time limitation, territorial restriction and restriction on activities described herein are reasonable in scope and are appropriate to protect the Company's trade secrets, goodwill and other protectable interests. Employee further acknowledges and agrees that Employee has received adequate consideration for the restrictions described herein and that such restrictions will not prevent Employee from earning a living. Employee acknowledges and agrees that any material breach by Employee of any covenant in this Section 9 will cause the Company irreparable injury and damage and that the Company shall therefore be entitled to, in addition to all other remedies available to it, injunctive and other equitable relief (without the necessity of posting a bond) to prevent or stop such breach and to secure the enforcement of this Agreement. Should Employee breach any covenant in this Section 9, the Restricted Period shall be extended one day for each day of breach by Employee. Should a court or arbitrator of competent jurisdiction determine that any restriction described herein is overly broad or otherwise unenforceable, in whole or in part, the parties agree that the court shall modify such restriction to the minimum extent necessary to render the restriction enforceable.

10. Termination.

a. Termination Date: Employee's employment with the Company shall terminate upon the effective date of the earliest of the following to occur (the "Termination Date"): (i) Employee's death, (ii) Employee's Permanent Disability (as defined below), (iii) Employee's termination of his employment for Good Reason (as defined below), (iv) Employee's termination of his employment without Good Reason, (v) the Company's termination of Employee's employment for Cause (as defined below), or (vi) the Company's termination of Employee's employment Without Cause (as defined below).

b. Effective Dates. Termination of Employee's employment with the Company shall be effective on the following date: (i) if terminated as a result of death, on the date of death; (ii) if terminated as a result of Permanent Disability, on the date specified in the Disability Termination Notice (as defined below); (iii) if terminated as a result of Employee's resignation (whether for Good Reason or without Good Reason), on the date specified in a written notice delivered by Employee to the Company, which date shall be at least ninety (90) days following the date of such written notice; and (iv) if terminated by the Company (whether for Cause or Without Cause), on the date specified in a written notice delivered by the Company to Employee.

c. Actions Following Notice. Upon the giving of any notice of termination by the Company or by Employee, the Company may, at its sole discretion, require

Employee to work from home or other remote location, relieve Employee of all or any part of Employee's duties, place Employee on paid administrative leave, or any combination thereof, and no such actions, alone or in combination, shall constitute Good Reason for termination.

d. Definition of Cause: As used in this Agreement, "Cause" shall mean: (i) Employee's admission of, or conviction of any act of fraud, embezzlement or theft against the Company or any of its subsidiaries; (ii) Employee's plea of guilty or of no contest with respect to, admission of, or conviction for, a felony or any crime involving moral turpitude, fraud, embezzlement, theft or misappropriation; (iii) Employee's violation of the provisions set forth in Sections 7, 8 or 9; (iv) Employee's misappropriation of the Company's or any of its subsidiaries' funds or a corporate opportunity by Employee; (v) Employee's negligence, willful or reckless conduct that has brought or is reasonably likely to bring the Company or any of its subsidiaries into public disgrace or disrepute or which has had or is reasonably likely to have a materially adverse effect on the Business; (vi) any violation by Employee of any statutory or common law duty of loyalty to the Company or any of its subsidiaries; (vii) alcohol or substance abuse by Employee that interferes with the performance of Employee's duties; or (viii) any other material breach by Employee of this Agreement; provided, that the reasons described in clauses (iii), (vi), (vii) and (viii) shall constitute Cause only upon Employee's failure to correct such behavior prospectively within ten (10) days following written notice thereof from, or on behalf of the independent members of the Board of Directors of the Company, and further provided, that Cause shall not include (x) bad judgment or negligence other than habitual neglect of duty, (y) any act or omission believed by Employee in good faith to have been in or not opposed to the interest of the Company (without intent of Employee to gain therefrom, directly or indirectly, a profit to which Employee was not legally entitled); or (z) any act or omission with respect to which a determination could properly have been made that Employee met the applicable standard of conduct for indemnification or reimbursement under the by-laws of the Company, any applicable indemnification agreement or the laws and regulations under which the Company is governed, in each case in effect at the time of such act or omission. The exercise of the right of the Company to terminate Employee's employment for Cause shall not abrogate any rights or remedies of the Company in respect of the action giving rise to such termination.

e. Definition of Good Reason. As used in this Agreement, "Good Reason" shall mean the occurrence of any of the following events without Employee's prior written consent: (i) a material diminution in Employee's base salary, (ii) a material diminution in Employee's authority, duties, or responsibilities, (iii) a requirement that Employee relocate his principal work location more than thirty (30) miles, or (iv) any other material breach of this Agreement by the Company; provided, that Good Reason shall not exist unless: (x) Employee provides written notice to the Company within thirty (30) days after the first occurrence of the event alleged to constitute Good Reason, which notice describes the event and identifies it as "Good Reason" for termination; (y) the Company fails to cure such event within thirty (30) days after its receipt of such notice; and (z) Employee terminates his employment within thirty (30) days after the expiration of such cure period.

f. Definition of Without Cause. As used in this Agreement, a termination "Without Cause" means a termination by the Company for any reason not specified in clauses (i) through (v) of Section 10.a.

g. Definition of Permanent Disability. As used in this Agreement, "Permanent Disability" shall be deemed to exist upon the earlier of (i) the end of a six (6) consecutive month period during which, by reason of physical or mental injury or disease, Employee has been unable to perform substantially all of his usual and customary duties under this Agreement or (ii) the date that a reputable physician selected by the Board, and as to whom Employee (or Employee's legal representative in the event of Employee's incapacity) has no reasonable objection, determines in writing that Employee will, by reason of physical or mental injury or disease, be unable to perform substantially all of Employee's usual and customary duties under this Agreement for a period of at least six (6) consecutive months. If any question arises as to whether Permanent Disability exists, upon reasonable request therefore by the Board, Employee shall submit to reasonable medical examination for the purpose of determining the existence, nature and extent of any such disability. The Board shall promptly give Employee written notice of any such determination of Employee's disability and of any decision of the Board to terminate Employee's employment by reason thereof on or after the date of such determination (such notice of decision, a "Disability Termination Notice").

11. Termination Payments.

a. Payments upon Termination. Upon the termination of Employee's employment, Employee (or Employee's estate in the event of Employee's death) shall be entitled to (i) payment of Employee's Base Salary through the Termination Date, (ii) payment of any bonus earned but unpaid as of the Termination Date as determined by the Board, (iii) payment for vacation accrued but unused as of the Termination Date, (iv) reimbursement of any business expenses incurred during the Employment Term and reimbursable as provided in Section 6 of this Agreement, and (v) payment or provision of any benefits explicitly provided under the terms of any benefit plan, policy or program of the Company or as otherwise required by applicable law (collectively, the "Accrued Payments"). Employee shall not be entitled to payment of severance or any other post-termination compensation except as expressly provided in Section 11.b or Section 11.c of this Agreement.

b. Severance. If Employee's employment with the Company is terminated by the Company without Cause (actually and not constructively), by Employee for Good Reason, or due to Permanent Disability, and provided that Employee complies with all of the Severance Conditions (as defined below), the Company shall provide to Employee, in addition to the Accrued Payments, the following severance benefits ("Severance"):

i. continued payment of Employee's Base Salary for a period of twelve (12) months after the Termination Date (the "Severance Period"); provided, that the first such payment will be made on the first regularly-scheduled Company payroll date following the sixtieth (60th) day after the Termination Date (the "First Payment Date") and shall include all sums that would have been paid sooner had payments begun on the first payroll date after the Separation Date; and further provided, that, in the case of termination due to Permanent

Disability, Base Salary payable to Employee shall be reduced dollar-for-dollar by the amount of disability benefits paid to Employee in accordance with any disability policy or program of the Company (the "Disability Offset");

ii. payment of a sum equal to the Annual Incentive, paid using the same schedule used for Employee's Base Salary;

iii. if Employee timely and properly elects health continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), the Company shall reimburse Employee for the monthly COBRA premium paid by Employee to continue coverage in effect as of the Termination Date under the Company's medical, dental and vision insurance plans for the Severance Period; provided, that, if the Company determines in its reasonable judgment providing such continued coverage would violate applicable law or result in taxes or other penalties to the Company, the Company may, at its sole discretion, in lieu of providing such continued coverage, make taxable payments to Employee in an amount equal to the premiums Employee would be required to pay for such coverage (as determined by the Company in its reasonable judgment); and provided further, however, that no payment pursuant to this clause (ii) shall be owed or made before the First Payment Date; and

iv. full vesting acceleration of any equity awards that are subject only to service-based vesting conditions (for the avoidance of doubt, including the restricted stock units and stock options described in Sections 4.c.i and 4.c.ii hereof, but excluding the restricted stock units described in Sections 4.c.iii and 4.c.iv hereof) and that held by Employee as of the Termination Date.

c. Conditions to Receipt of Severance. Notwithstanding any other provision of this Agreement, no Severance shall be owed or paid unless Employee complies with all of the following conditions (the "Severance Conditions"):

i. Employee shall be in material compliance with all provisions of this Agreement;

ii. Employee shall execute and return to the Company a release in full of all claims against the Company and related persons, in the form attached as Exhibit B to this Agreement (subject to reasonable modification to ensure a full and effective release, as determined by the Company in its reasonable judgment), that becomes effective and irrevocable within sixty (60) days after the Termination Date;

iii. (A) Employee shall not malign or disparage the Company or its owners, directors, officers, managers, employees, agents, products or services, and (B) the Company shall not malign or disparage Employee on or after the Termination Date; provided, however, that nothing in this Agreement shall prohibit any person from (x) giving truthful testimony under oath in a judicial, administrative or arbitral proceeding, (y) making truthful statements to government officials in the performance of their duties, or (z) reporting violations of law to law enforcement officials.

d. Mitigation. Employee will not be required to mitigate the amount of any payment contemplated by this Agreement. In addition, except for the Disability Offset and the requirement of eligibility in Section 11(b)(ii), no compensation or benefits that Employee may receive from any other source will reduce any such payment.

12. Section 280G. If any of the payments or benefits received or to be received by Employee (including, without limitation, any payment or benefits received in connection with a Change in Control or Employee's termination of employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement, or otherwise) (all such payments collectively referred to herein as the "280G Payments") constitute "parachute payments" within the meaning of Section 280G of the Code and would, but for this Section 12, be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then prior to making the 280G Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to Employee of the 280G Payments after payment of the Excise Tax to (ii) the Net Benefit to Employee if the 280G Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under (i) above is less than the amount under (ii) above will the 280G Payments be reduced to the minimum extent necessary to ensure that no portion of the 280G Payments is subject to the Excise Tax. "Net Benefit" shall mean the present value of the 280G Payments net of all federal, state, local, foreign income, employment, and excise taxes. Any reduction made pursuant to this Section 12 shall be made in a manner determined by the Company that is consistent with the requirements of Section 409A. All calculations and determinations under this Section 12 shall be made by an independent accounting firm or independent tax counsel appointed by the Company (the "Tax Counsel") whose determinations shall be conclusive and binding on the Company and Employee for all purposes. For purposes of making the calculations and determinations required by this Section 12, the Tax Counsel may rely on reasonable, good faith assumptions and approximations concerning the application of Section 280G and Section 4999 of the Code. The Company and Employee shall furnish the Tax Counsel with such information and documents as the Tax Counsel may reasonably request in order to make its determinations under this Section 12. The Company shall bear all costs the Tax Counsel may reasonably incur in connection with its services.

13. Indemnification; D&O Coverage. The Company shall indemnify Employee, to the maximum extent permitted by law, during and after the termination of Employee's employment, against any and all judgments, settlement payments, costs, attorney fees, and other reasonable expenses incurred by Employee in connection with the defense of any claim, action, suit or proceeding, arising from events before or during the term of Employee's employment to which Employee has been made a party because of Employee's performance of his duties under this Agreement, or by way of inclusion, the execution of this Agreement; provided, however, that no indemnification shall be owed or provided to the extent arising from acts or omissions of Employee that were not taken or omitted to be taken in good faith and with a reasonable basis to believe that such act or omission was required by law or otherwise in the best interest of the Company. This right to indemnification shall be in addition to any rights that Employee may otherwise be entitled to under the Certificate of Incorporation or Bylaws of the Company as applicable. The Company shall provide directors and officers insurance coverage to Employee on the same basis that it provides such coverage to other Company executives.

14. Survival of Provisions. The provisions of this Agreement set forth in Sections 7, 8, 9, 10, 11, 13 and 20 hereof shall survive the termination of Employee's employment hereunder.

15. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. This Agreement shall inure to the benefit of and be binding upon Employee and, and upon his death or incapacity, his heirs, executors, and legal representatives. The Company may assign this Agreement to any parent, subsidiary, affiliated entity or successor in interest. Employee may not assign this Agreement, and any attempted assignment by

Employee shall be null and void, except that Employee's rights to compensation and benefits pursuant to this Agreement may transfer by will or the laws of descent and distribution in the event of Employee's death.

16. Notice. Any notice or communication required or permitted under this Agreement shall be made in writing and shall be deemed given (a) on the date of personal delivery, (b) on the date delivered by UPS, FedEx or other national or international delivery service to the address shown below, or (c) on the third (3rd) business day after it has been sent by certified or registered mail, return receipt requested, addressed as follows:

If to Employee:

Michael Coffey
7095 Round Road
Cumming, GA 30040

If to the Company:

Chairman of the Compensation Committee
Manitex International, Inc.
9725 S. Industrial Drive
Bridgeview, IL 60455

or to such other address as either party may from time to time duly specify by notice given to the other party in the manner specified above.

17. Entire Agreement; Amendments. This Agreement contains the entire agreement and understanding of the parties hereto relating to the subject matter hereof, and supersedes all prior and contemporaneous discussions, agreements and understandings of every nature between the parties hereto relating to the employment of Employee with the Company. This Agreement may not be changed or modified, except by an Agreement in writing signed by each of the parties hereto.

18. Waiver. The waiver of the breach of any term or provision of this Agreement shall not operate as or be construed to be a waiver of any other or subsequent breach of this Agreement.

19. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Illinois without giving effect to the choice of law principles of any state.

20. Settlement of Disputes. Any claims, controversies, demands, disputes, or differences between the parties hereto arising out of, or by virtue of, or in connection with, or relating to this Agreement, Employee's employment relationship with the Company or termination of such employment relationship (including whether such termination was for Cause or Good Reason or otherwise) shall be submitted to and settled by arbitration in Chicago, Illinois before a single arbitrator who shall be knowledgeable in the field of business law and employment relations and such arbitration shall be in accordance with the employment arbitration rules of the American Arbitration Association ("AAA") then in force. The parties agree to bear joint and equal responsibility for all fees of AAA and the arbitrator, abide by any decision rendered as final and binding, and waive the right to submit the dispute to a public tribunal for a jury or non-jury trial. Notwithstanding the foregoing, either party may apply to any court of competent jurisdiction to compel arbitration pursuant to this Section 20 and grant temporary or preliminary injunctive relief to preserve the status quo and prevent irreparable harm pending arbitration.

21. Severability. In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the validity of any other provision of this Agreement, and such provision(s) shall be deemed modified to the extent necessary to make it enforceable.

22. Section Headings. The section headings in this Agreement are for convenience only, and form no part of this Agreement and shall not affect its interpretation.

23. Specific Enforcement: Attorney Fees. Employee acknowledges that the restrictions contained in Sections 7, 8 and 9 hereof are reasonable and necessary to protect the legitimate interests of the Company and its affiliates and that the Company would not have entered into this Agreement in the absence of such restrictions. Employee also acknowledges that any breach by Employee of Sections 7, 8 and 9 hereof will cause continuing and irreparable injury to the Company for which monetary damages would not be an adequate remedy. Employee shall not, in any action or proceeding to enforce any of the provisions of this Agreement, assert the claim or defense that an adequate remedy at law exists. In the event of such breach by Employee, the Company shall have the right to enforce the provisions of Sections 7, 8 and 9 of this Agreement through securing injunctive or other relief without the necessity of posting a bond, and this Agreement shall not in any way limit remedies of law or in equity otherwise available to the Company. If an action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover, in addition to any other relief, reasonable attorneys' fees, costs and disbursements.

24. Compliance with Section 409A. It is intended that all of the benefits and payments under this Agreement be exempt from application of Section 409A of the Code ("Section 409A"), including under Treas. Reg. 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9), and this Agreement will be construed to the greatest extent possible as consistent with those provisions. If not so exempt, this Agreement (and any definitions hereunder) will be construed in a manner that complies with Section 409A of the Code, and incorporates by reference all required definitions and payment terms. To the extent required to avoid an accelerated or additional tax under Section 409A, amounts reimbursable to Employee under this Agreement for expenses shall be paid to Employee on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement during one year may not affect the amounts reimbursable in any subsequent year. To the extent that the timing of the Severance Conditions spans two (2) calendar years, in no event will payments or benefits that constitute "deferred compensation" within the meaning of Code Section 409A be paid prior to the first day of such second calendar year. Notwithstanding any other provision in this Agreement or in any other document, the Company shall not be responsible for the payment of any applicable taxes incurred by Employee pursuant to this Agreement, including with respect to compliance pursuant to Section 409A. The Company makes no representation that any or all of the payments and benefits described in this Agreement will be exempt from or comply with Section 409A.

25. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall be deemed to be one and the same instrument.

[Signatures appear on following page]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year first written above.

"EMPLOYEE"
MICHAEL COFFEY

/s/MICHAEL COFFEY____________
Michael Coffey

____
Date: April 11, 2022

"COMPANY"
MANITEX INTERNATIONAL, INC

/s/DAVID J. LANGEVIN________
David J. Langevin

Title: Chairman

Date: April 11, 2022

EXHIBIT A

PERFORMANCE CONDITIONS: RESTRICTED STOCK UNITS

Stock Price (1)(2)	RSUs Vested
$9.00	40,000
$12.00	50,000
$14.00	60,000
$16.00	70,000
$18.00	80,000
$20.00	90,000
$22.00	100,000
Total	**490,000**

(1) Highest 30-day moving day average during prior 360 days, calculated on a rolling basis.

(2) Calculated at the Anniversary Date.

EXHIBIT B

FORM OF RELEASE

GENERAL RELEASE

In exchange for the promises described in Section 11(b) of the Employment Agreement (the "Agreement") between myself and Manitex International, Inc.(the "Company"), I, for myself and my heirs, assigns and personal representatives, fully and completely release the Company and its parent, subsidiary and affiliated entities and all predecessors and successors thereto, and all benefit plans thereof, and all of their shareholders, members, partners, directors, officers, managers, employees, attorneys, administrators and agents (each a "Releasee" and collectively the "Releasees") from any and all claims or causes of action that I may have against the Releasees, known or unknown, including claims or causes of action that relate in any way to my employment with the Company or any other Releasee or the termination thereof, from the beginning of time through the date I sign this General Release ("Released Claims"), including but not limited to claims based on any of the following:

(a) federal, state or local laws prohibiting discrimination (including harassment and retaliation) in employment, such as: (i) the Age Discrimination in Employment Act ("ADEA"), the Older Workers Benefit Protection Act, and Executive Order 11141, which prohibit discrimination based on age; (ii) Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866 (42 U.S.C. § 1981), the Equal Pay Act, and Executive Order 11246, which prohibit discrimination based on race, color, national origin, religion, or sex; (iii) the Genetic Information Nondiscrimination Act, which prohibits discrimination on the basis of genetic information; (iv) the Americans With Disabilities Act and Sections 503 and 504 of the Rehabilitation Act of 1973, which prohibit discrimination based on disability; (v) the National Labor Relations Act, which prohibits discrimination for engaging in certain concerted protected activity; (vi) the Occupational Safety and Health Act and the Mine Safety and Health Act, which prohibit discrimination for engaging in certain safety-related activity; (vii) the Sarbanes Oxley Act, which prohibits discrimination for engaging in certain whistleblowing activity; and (viii) the Illinois Human Rights Act (775 ILCS 5/1 et seq.), which prohibits discrimination on many of the bases described above;

(b) federal, state or local laws regarding wages and hours, including laws regarding minimum wage, overtime compensation, wage payment, vacation pay, sick pay, compensatory time, commissions, bonuses, and meal and break periods wages, such as the Fair Labor Standards Act and the Illinois Wage Payment and Collection Act (820 ILCS 115/1 et seq.);

(c) other employment laws, including but not limited to: (i) the Family and Medical Leave Act, which requires employers to provide leaves of absence under certain circumstances; (ii) the Worker Adjustment and Retraining Notification Act (WARN), which requires advance notice of certain workforce reductions; (iii) the Employee Retirement Income Security Act, which protects employee benefits (among other things); and (iv) the Uniformed Services Employment and Reemployment Rights Act, which requires employers to provide military leave under certain circumstances; or

(d) any common law theory, including but not limited to breach of contract (expressed or implied), promissory estoppel, wrongful discharge, outrageous conduct, defamation, fraud or misrepresentation, tortious interference, invasion of privacy, negligent hiring or supervision, or any other claims based in contract, tort or equity.

Notwithstanding the foregoing, I understand that the Released Claims do not include claims for breach of Section 11(b) of the Agreement, claims that arise after I sign this General Release, claims for vested pension benefits, claims for workers' compensation benefits or unemployment compensation benefits, and any other claims that cannot by law be released by private agreement. In addition, this General Release does not prevent me from filing (i) a lawsuit to challenge the effectiveness of my release of claims of age discrimination under the ADEA; or (ii) a charge with a governmental agency, including but not limited to the U.S. Equal Employment Opportunity Commission and the U.S. Securities and Exchange Commission ("SEC"), but I am waiving my right to recover any monetary or injunctive relief pursuant to any such charge (except that this General Release does not prevent me from recovering a bounty or similar award for providing information to the SEC).

I acknowledge and agree that I am releasing both known and unknown claims and waive the benefits of any statute purporting to prevent me from releasing unknown claims, including, but not limited to protection of Cal. Civ. Code Section 1542, which states:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

By signing this General Release, I represent and warrant that:

(a) I have no Released Claims pending against the Company or any other Releasee and have not assigned or transferred any Released Claim to anyone;

(b) Except for the Severance defined in Section 11(b) of the Agreement, I have been timely paid all compensation owed for services rendered through the Separation Date, including all salary, wages, bonuses, commissions, overtime compensation (if applicable) and payment for all accrued but unused vacation, and have timely received all meal periods and rest breaks to which I may have been entitled;

(c) I have been fully reimbursed for all business expenses incurred by me for which I was entitled to reimbursement;

(d) I did not suffer any work-related injury or illness as an employee of the Company or any other Releasee, and I am not aware of any facts or circumstances that would give rise to a workers' compensation claim by me against the Company or any other Releasee; and

(e) I did not suffer any sexual harassment or sexual abuse as an employee of the Company or any other Releasee, and I am not aware of any facts or circumstances that would give rise to such a claim by me against the Company or any other Releasee.

I acknowledge and agree that:

(a) the consideration described in the Agreement is consideration to which I would not otherwise be entitled, but for my execution of this General Release;

(b) I have been advised to consult with legal counsel about this General Release and have been given an opportunity to do so;

(c) I have been given at least twenty-one (21) calendar days in which to consider this General Release before signing it, any changes to this General Release did not restart the 21-day consideration period, and if I have signed this General Release in less than 21 days, I have done so voluntarily;

(d) I have not relied on any promises or representations of any kind, except those set forth in the Agreement; and

(e) I have executed this General Release voluntarily, of my own free will, and without any threat, intimidation or coercion.

I understand that I may revoke this General Release by delivering written notice of revocation to the Company by U.S. Mail, delivery or email addressed as follows, which notice must be received not later than the seventh (7th) calendar day following my execution of this General Release, and this General Release shall not become effective until the seven-day revocation period has expired without revocation by me:

Manitex International, Inc.
9725 S. Industrial Drive
Bridgeview, Illinois 60455
Email: DJLangevin@ManitexInternational.com
ATT: David J. Langevin, Chair.

NOTE:
Sign and return within 21 days after last day of employment.
Do not sign until employment has ended.

____
Michael Coffey

Date:_____________

Exhibit 31.1

CERTIFICATIONS

I, Michael Coffey, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Manitex International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2023	By:	/s/ Michael Coffey
	Name:	**Michael Coffey**
	Title:	**Chief Executive Officer (Principal Executive Officer of Manitex International, Inc.)**

Exhibit 31.2

CERTIFICATIONS

I, Joseph Doolan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Manitex International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2023	By:	/s/ Joseph Doolan
	Name:	**Joseph Doolan**
	Title:	**Chief Financial Officer**
		(Principal Financial and Accounting Officer of Manitex International, Inc.)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Solely for the purpose of complying with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, we, the undersigned Chief Executive Officer and Chief Financial Officer of Manitex International, Inc. (the “Company”), hereby certify that, to the best of our knowledge, the Quarterly Report of the Company on Form 10-Q for the quarter ended March 31, 2023 (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By:	/s/ Michael Coffey
Name:	Michael Coffey
Title:	**Chief Executive Officer** **(Principal Executive Officer of Manitex International, Inc.)**

Dated: May 4, 2023

By:	/s/ Joseph Doolan
Name:	Joseph Doolan
Title:	**Chief Financial Officer** **(Principal Financial and Accounting Officer of Manitex International, Inc.)**

Dated: May 4, 2023