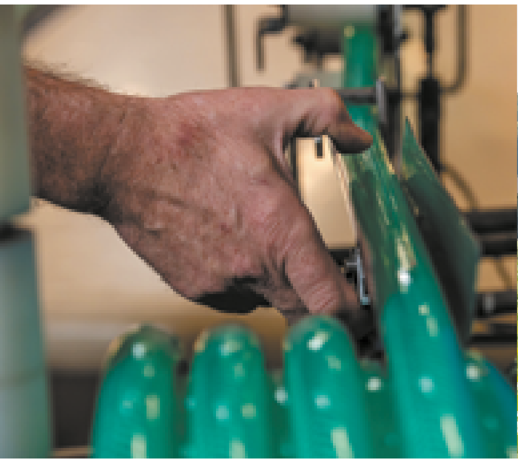
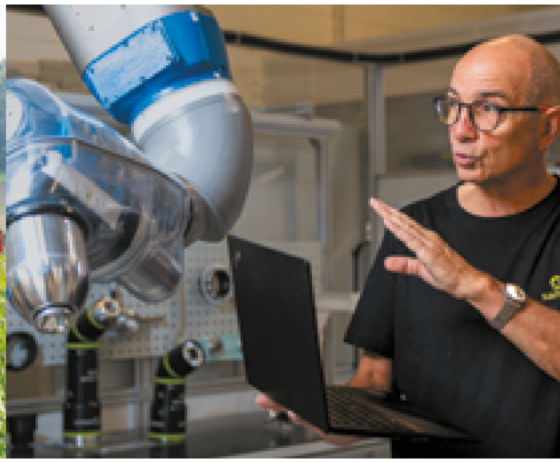




2021-2022 UNIVERSAL REGISTRATION DOCUMENT

Including the Annual Report, Statement of Non-Financial Performance
and Annual Financial Report

Doing differently and better than before



70 ANS

Groupe EXEL Industries

Contents

The elements of the Annual Financial Report (AFR) are clearly identified in the contents with the pictogram AFR

Universal Registration Document 2021-2022

Including the Annual Report, Statement of Non-Financial Performance and Annual Financial Report

Fiscal year from October 1, 2021
to September 30, 2022

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

AMF This Universal Registration Document was filed under the number D.23-0010 on January 16, 2023 with the French Financial Markets Authority (AMF), as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation. The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129. In compliance with the provisions of Article 19 of European Regulation No. 2017/1129 of June 14, 2017, for selected information the reader is referred to the previous Universal Registration Documents:

- the consolidated financial statements, annual financial statements and corresponding Statutory Auditors' reports for the fiscal year ended September 30, 2021 contained in the Universal Registration Document filed with the French Financial Markets Authority (AMF) on January 17, 2022;
- the consolidated financial statements, annual financial statements and corresponding Statutory Auditors' reports for the fiscal year ended September 30, 2020 contained in the Universal Registration Document filed with the French Financial Markets Authority (AMF) on January 18, 2021.

Groupe EXEL® Industries

Patrick Ballu

Chairman
of the Board of Directors

OF RESEARCH FOR EXCELLENCE

Since the creation by my father, 70 years ago, of TECNOMA, which became EXEL Industries, we have always pursued excellence *by doing things differently and better than before*.

This 70th anniversary is an opportunity to look back on our history. It has been marked by successes but also by difficulties, that have been successfully faced and overcome, together, with courage.

Boldness, innovation, and initiative are the foundation of our culture: this is what characterizes us and makes us so unique.

Over these seven decades, we have been able to question ourselves and we have dared to take up exhilarating, sometimes immense, challenges. Most of these “bets” have proven to be winners. The first, in 1947, was the launch by my father of the first high-clearance vineyard tractor, then, in 1952, the creation of TECNOMA and, finally, the marketing of synthetic resin sprayers in 1959.

Over the last 40 years, we have acquired more than 100 companies and we have diversified into industrial spraying, sugar beet harvesting, garden equipment and leisure activities. Along the way, since 1980, we have multiplied our workforce by 15, our revenue by 83 and our equity by 350, while preserving the family majority in EXEL Industries. In each of our activities, we are now one of the three world leaders.

As people are at the heart of our values, our growth has remained reasoned, conducted with pragmatism and always respecting the DNA of the companies that have joined us. To this end, we have maintained, as much as possible, the teams on site and sometimes even their historical leader.

Since then, we have continued to go further in innovation. In 2022, for the third consecutive year, we were on the podium of the mid-sized companies that filed the most patents in France. Obviously, we favor useful and responsible innovations. And to accelerate in this direction, we have created a pooled research center, EXXACT Robotics, for agriculture and an internal start-up, Nature With Us, for gardening. Both contribute to sustainable growth and value creation for all.

Finally, our original federal mode of operation – based on trust and decentralized initiative – gives us power, flexibility and agility.

In conclusion, I hope that EXEL Industries will successfully continue its positive trajectory by continuing to capitalize on its key success factors, its incomparable know-how, the exemplary nature of its managers and the talent of its teams.

Long live EXEL Industries!

INTERVIEW WITH

Yves Belegaud,
Chief Executive Officer
of EXEL Industries

We have everything we need to continue to move the Group forward

What is your assessment of 2021-2022, which was marked by a triple geopolitical, energy and inflationary crisis?

— **Yves Belegaud:** We had an unusual year, with first of all, a supply crisis that occurred just after the lifting of Covid-19 health restrictions. This was succeeded by a double energy and agricultural shock following the Russian invasion of Ukraine, which resulted in a surge in the price of raw materials. While the more favorable financial returns from which farmers benefited led them to invest in the purchase of agricultural equipment, our production rate was unable to fully meet demand, due to a lack of sufficient supplies. As a result, part of our revenue and margins have been delayed against the backdrop of unfavorable changes in our purchasing costs. The Garden activity saw a return to the situation that prevailed in 2019, resulting in a decline in activity of around 15% to 20%. The industrial spraying activity suffered from the decline in automotive sales in Europe but our diversified global footprint helped us to overcome this difficult environment with more favorable market conditions in North America and Asia. Finally, concerning the nautical industry, which remains a minor source of revenue, we are gradually returning to the race with the release of a new WAUQUIEZ model, the PS48e. We have also revitalized our distribution network and made our return to the major boat shows in order to become more attractive. To better face these various crises and adapt to these new market conditions, we have adjusted our organizations and created genuine task forces in order to share best practices within the Group. In order to improve our level of performance, we have also strengthened our Purchasing and Design Office organizations and decided to adjust the selling price of our equipment in a differentiated manner, as many times as necessary during the year.

In this context, how do you see the Group's performance?

— In 2021-2022, we achieved record revenue of €977 million, which is fully in line with our external growth and the evolution of our selling prices.

Our net income, which amounted to €28.6 million, was nevertheless penalized by various factors including the supply crisis already mentioned, the laborious launch of our management software package in the Garden activity and the trajectory of our working capital requirement, which was not optimal. We suffered the consequences of incomplete supplies that prevented us from delivering our machines. This increased our inventories of raw materials and components for which the value is also higher than expected due to the increase in our purchase prices. As a result, the inventory effect in our net income is significant and weighs on the available cash, although only temporarily.

What are the initiatives and advances that marked the year for EXEL Industries?

— The Group celebrated its 70th anniversary in 2022. We designed this anniversary as a time of celebration and mobilization by inviting our partners to Épernay and by organizing a seminar for our 100 Top Managers. The year was also marked by positive progress in CSR. For the second time, we took out impact financing by backing our medium-term financing lines to sustainability objectives. We also decided to completely rebuild our SAMES plant in Stains, Seine-Saint-Denis, France. This is a large-scale project, spread over three years, which will enable us to take a step forward in terms of CSR as this plant is aiming for both BREEAM and HQE certification. Finally, on the sales and marketing side, we continued to innovate by proposing new products to the market and launching the marketing of EXXACT Robotics solutions, which have been successfully tested in the field.

What are the main challenges now facing the Group?

— First of all, we must regain control of our working capital requirement trajectory. This means bringing our cash culture back to the forefront and optimizing the management of our inventories and supplies, which will make it possible to reduce our financial expenses. We also need to continue to improve our operational efficiency. We aim to reach a new level in terms of safety by reducing our frequency of workplace accidents. Lastly, CSR continues to be at the heart of our actions. At SAMES, we have thus replaced air freight with sea freight, although this requires greater working capital requirements. Production for the Garden activity, which was previously subcontracted in Asia, will be brought back in-house and we now use recycled polymers for manufacturing our hoses. As for our agricultural equipment, it is equipped with "stage 5" engines, which are the least polluting on the market. Similarly, via our Group grant fund, we finance CSR investments in our various companies. Another major event was the launch of the first prototype of the hydrogen-powered TRAXX, our autonomous high-clearance tractor. Lastly, we are continuing our efforts to reduce our carbon footprint with the deployment of targeted actions in scope 3.

> **"We achieved record revenue of €977 million, which is fully in line with our external growth and the evolution of our selling prices."**

In this world of uncertainty, what course do you set for EXEL Industries?

— In addition to optimizing our operational performance, we intend to continue our progress in terms of innovation, a key factor of success and differentiation, capitalize on our dual business and geographical diversification, and finance our development policy with our own resources.

Our governance

The Board of Directors examines and approves the main strategic guidelines of the Group and ensures their implementation. Composed of eight members, including three independent directors, it brings together a diversity of profiles with complementary skills that support the Executive Management in its strategic ambitions and its sustainable growth objectives. It is assisted by three committees, each chaired by an independent member of the Board: the Audit Committee, the Remuneration and Appointments Committee and since May 25, 2022, the CSR Committee.

The Board of Directors

1_ **Patrick Ballu**
Chairman of the Board of Directors

2_ **Pascale Auger**
Independent Director and Chair of the Audit Committee

3_ **Claude Lopez**
Independent Director / Chairman of the Remuneration and Appointments Committee

4_ **Ella Étienne-Denoy**
Director representing EXEL (SAS))

5_ **Marc Ballu**
Director

6_ **Cyril Ballu**
Director

7_ **Sylvain Maccorin**
Director representing the employees

8_ **Sonia Trocmé-Le Page**
Independent Director / Chair of the CSR Committee


1

2

3

4

5

6

7

8

43%
OF WOMEN

8
DIRECTORS

100%
PRESENCE ON THE BOARD OF DIRECTORS

3
INDEPENDENT DIRECTORS


1

2

3

14
MEMBERS


4

5

6


7

8

9


10

11

12


13

14

Our Management team

1_ **Yves Belegaud**
Chief Executive Officer

2_ **Daniel Tragus**
Deputy Chief Executive Officer in charge of Strategy, M&A, Industrial Property

3_ **Marc Ballu**
Deputy Chief Executive Officer, Chief Executive Officer in charge of the Garden activity and Chief Executive Officer of TRICOFLEX

4_ **Cyril Ballu**
Deputy Chief Executive Officer, Chief Executive Officer WAUQUIEZ, RHÉA MARINE and TOFINOU

5_ **Thomas Germain**
Chief Financial Officer

6_ **Patrick Tristani**
Chief Transformation Officer

7_ **Sylvie Le Callonec**
Legal Director (from 02/27/2023)

8_ **Philippe Besançon**
Human Resources Director

9_ **Matt Hays**
Chief Executive Officer, ET WORKS

10_ **Jens Kristensen**
Chief Executive Officer, HARDI

11_ **Gerhard Osenberg**
Chief Executive Officer, HOLMER

12_ **Cédric Perres**
Chief Executive Officer, SAMES

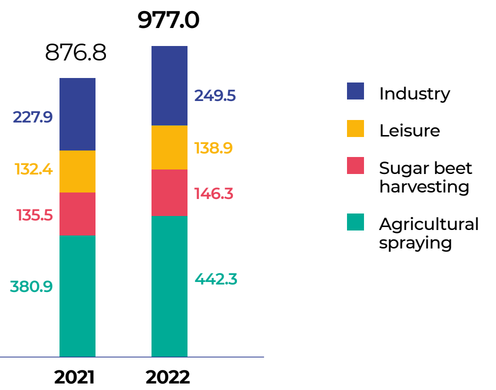
13_ **Philippe Breban**
Chief Executive Officer, FRANCE PULVÉ

14_ **Wim Van Den Bosch**
Chief Executive Officer, AGRIFAC

Our financial indicators

Sales by activity

in € millions



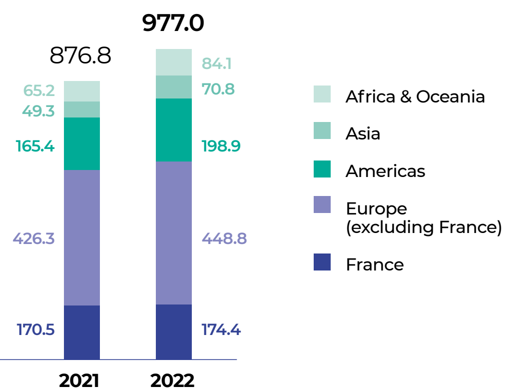
Net income

€29

MILLION

Sales by geographical area

in € millions



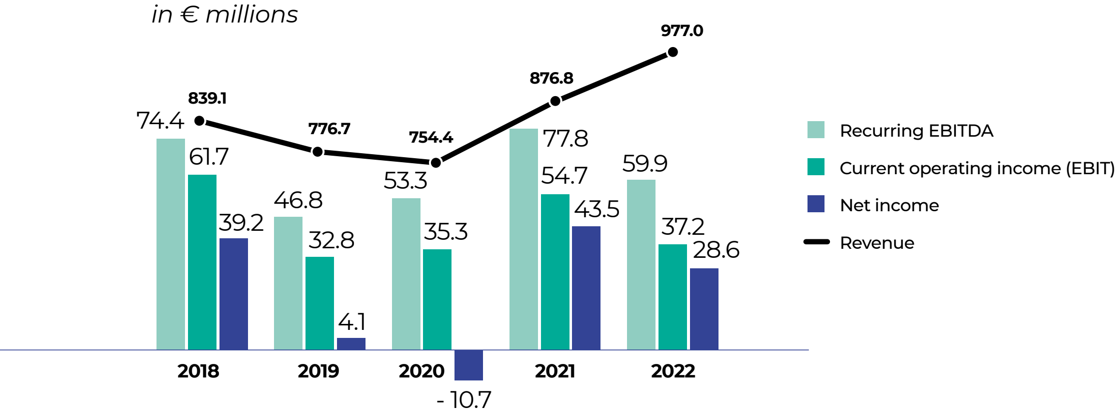
6.1%

Recurring EBITDA / Revenue

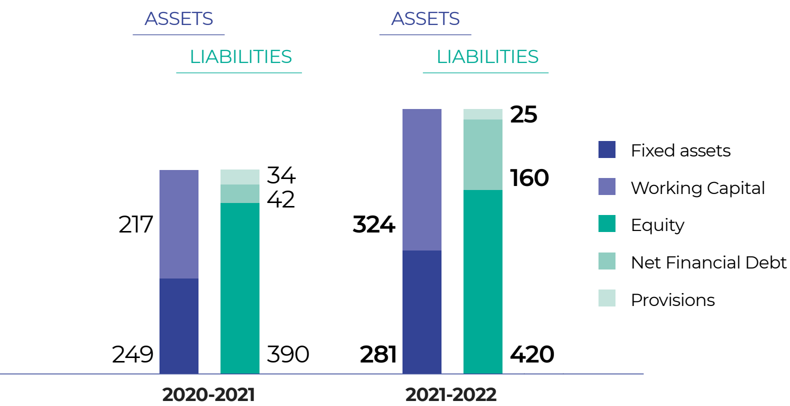
€1.05

Dividend per share

Results
in € millions



Simplified balance sheet
in € millions

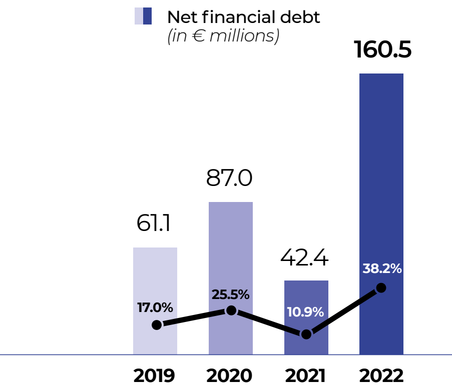


in revenue

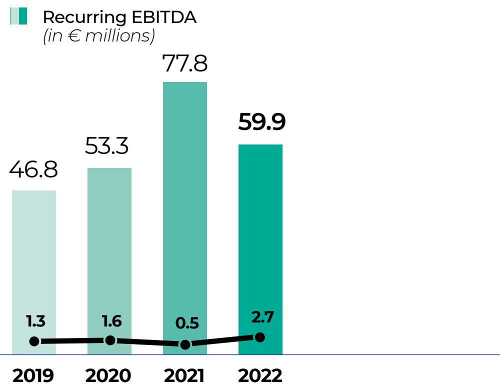
€977

MILLION

Net financial debt
Gearing
(Net financial debt/Equity)

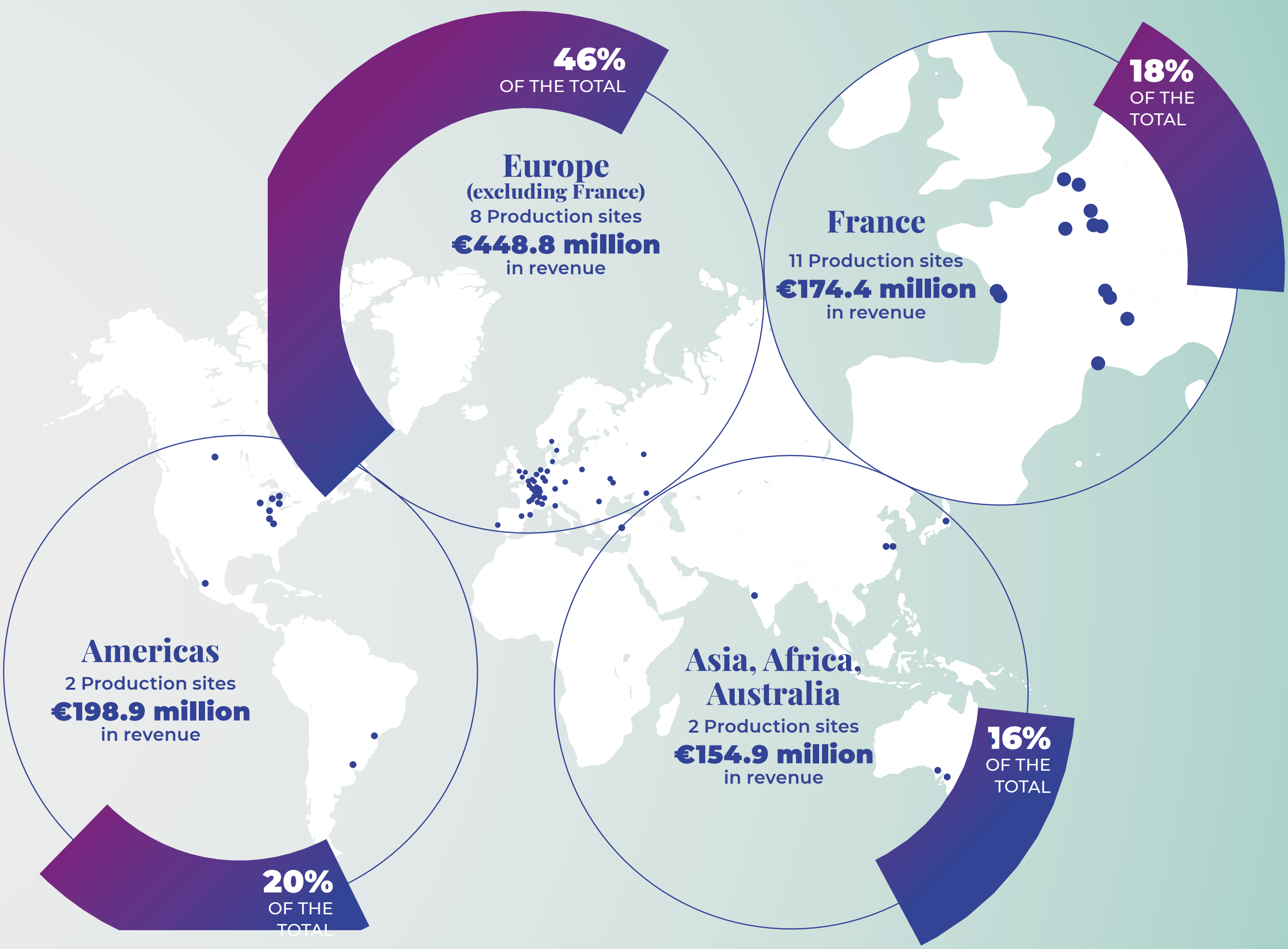


Net financial debt
Leverage
(Net financial debt/recurring EBITDA)



A strong international presence

With 82% of its revenue generated outside France, the Group is now commercially present in more than 178 countries.



Chapter

1

Presentation of the Group

1.1 HISTORY OF THE GROUP

In 1946, Vincent BALLU, father of Patrick BALLU, current Chairman of the Board of Directors, invents, develops and builds the prototype of the first "high-clearance tractor" for use in the vineyards of the famous Champagne producer Moët et Chandon. In 1947, this achievement won him first prize from the Association Viticole Champenoise and marked the beginning of automation for wine growing in Champagne and subsequently all narrow vineyards.

1952

— **CREATION**

Vincent BALLU founds the family limited company (Société Anonyme) TECNOMA to sell his high-clearance tractors.

1953-1986

1953
TECNOMA becomes local dealer for VERMOREL spraying equipment.

1959
TECNOMA starts manufacturing its new synthetic resin sprayers.

1966
Acquisition of the **VERMOREL** (former no. 1), and of Ulysse Fabre and Lachazette, manufacturers of sprayers.

1967
The Oscar for export is awarded to **TECNOMA**.

1975
Launch of the first garden spraying equipment made with synthetic resin injection.

1980
Death of the Company's founder Vincent BALLU. Patrick BALLU takes the helm from his father. The Company generates close to €12 million in revenue with around 300 people.

1986
TECNOMA continues its development by acquiring the Agricultural spraying companies CARUELLE, near Orléans, and NICOLAS in Agen.

1987-2000

1987
Incorporation of **EXEL**, the family holding company of the Ballu family, which becomes the parent company of the Group.

TECNOMA acquires the limited company SOFIBER and a group of 23 companies, including **BERTHOUD (SA)**, the French leader in agricultural and garden sprayers, and its subsidiaries **SEGUIP**, **THOMAS** and **PERRAS**.

1989
Acquisition of **VITITRAC** and **LOISEAU**, competitors in the **high**-clearance tractor **segment**.

1990
Acquisition of **PRÉCICULTURE**, specialized in self-propelled sprayers.

1996
With the acquisition of **KREMLIN**, the French leader in industrial spraying (paint), with a strong international presence, TECNOMA is investing in a new branch of activity. TECNOMA changes the colors of its sprayers.

1997
TECNOMA changes its corporate name to "EXEL Industries" SA and is listed on the Paris stock exchange.

At that time, the Company generates revenue of €150 million, of which 75% earned in France and 25% abroad.

2000
Acquisition of **FISCHER** (agricultural sprayers in Switzerland) and REXSON (industrial spraying).

2001-2012

2001
Acquisition of **SAMES Technologies**, a leading maker of electrostatic industrial spraying equipment, and **MATROT**, the leading French manufacturer of self-propelled sprayers and sugar beet harvesters.

2003
Merger of **KREMLIN** and **REXSON** (industrial spraying).

Acquisition of **HERRIAU** (sugar beet harvesters).

2006
Acquisition of **CMC** (high-clearance tractors for vineyards).

2007
Acquisition of the Danish **group HARDI**, world number two in agricultural sprayers.

Acquisition of **MOREAU**, the last French manufacturer of sugar beet harvesters.

2011
In April, Patrick BALLU handed over the Executive Management of the EXEL Industries group to his son Guerric BALLU. Over the current fiscal year, the Company generated revenue of €430 million, of which 60% was generated internationally.

2012
Acquisition of **AGRIFAC**, a Dutch company specializing in agricultural spraying and sugar beet harvesting.

Acquisition of the **British company HOZELOCK**, one of the leading European manufacturers of gardening equipment with a broad product range including watering, spraying, technical hoses (TRICOFLEX brand) and aquatics.

2013-2016

2013
Acquisition of **HOLMER**, the historical leader in sugar beet harvesting, which benefits from an international presence. This acquisition strengthens the position of EXEL Industries and makes it the world leader in the sugar beet harvesting market, with the new products bearing the HOLMER brand.

EXEL Industries was then organized into four business units: Agricultural Spraying, Sugar Beet Harvesting, Garden and Industrial Spraying.

2016
Acquisition of the **ET Works group**, an American company specializing in self-propelled agricultural sprayers, under the Apache brand.

KREMLIN REXSON and SAMES Technologies merge to become **SAMES KREMLIN**.

2017-2021

2017
MATROT Equipment and HARDI EVRARD merge to become **"GROUPE HARDI FRANCE"**.

2019
EXXACT Robotics is created as a pooled research center for agricultural equipment.

Guerric BALLU is replaced by Yves BELEGAUD, who becomes the first Chief Executive Officer of EXEL Industries from outside the BALLU family.

2020
Acquisition of Eisenmann iNTEC which has since become **iNTEC SAMES KREMLIN.**

2021
EXEL Industries continues to **diversify** with the acquisition of the WAUQUIEZ, RHÉA MARINE and TOFINOU brands. The Garden and Nautical Industry activities are now included in the Leisure activity.

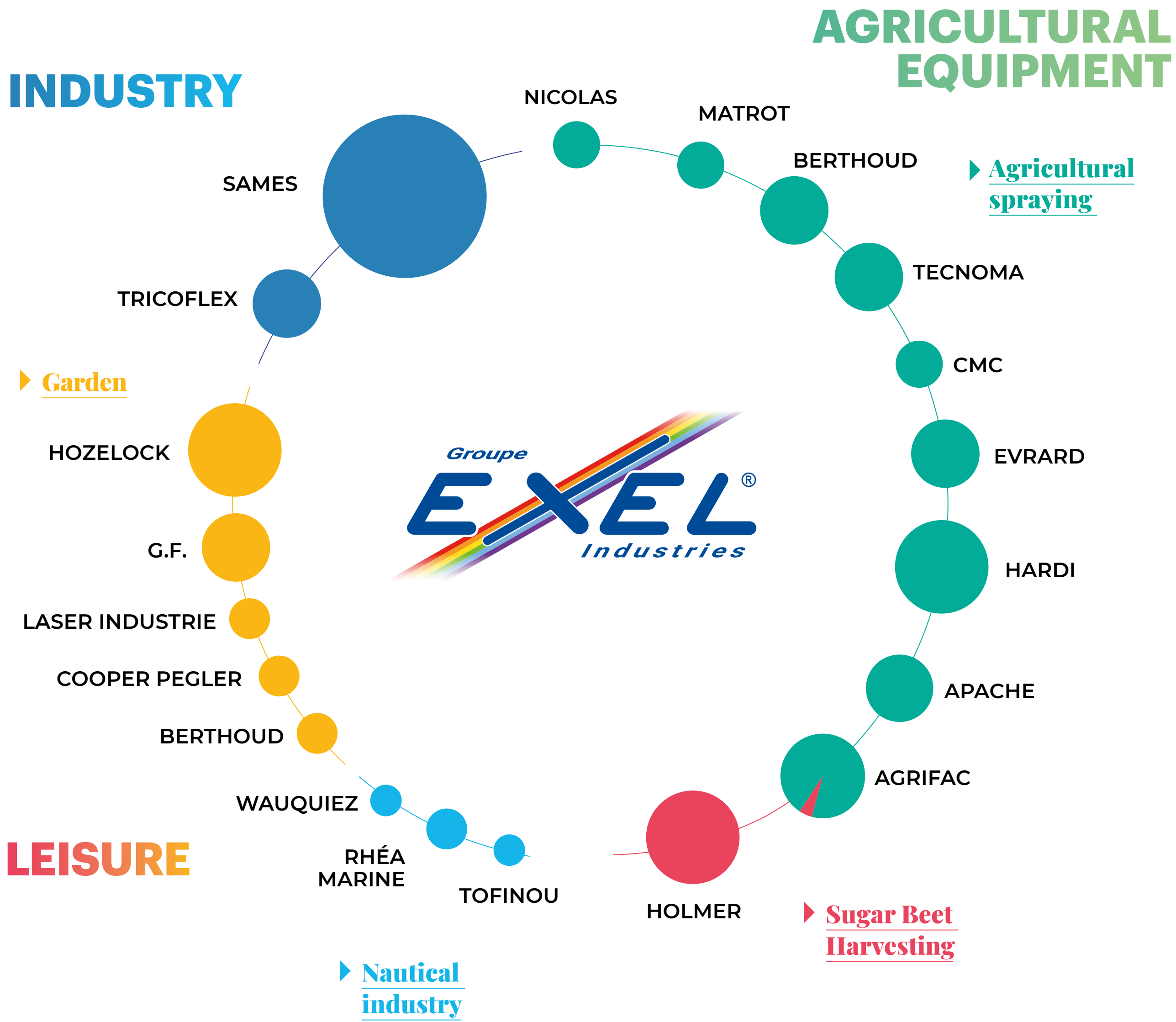
2022

Acquisition of **G.F.**, an Italian manufacturer of garden equipment (watering, irrigation, garden maintenance and outdoor living). Located in Correggio, in the Emilia-Romagna region, G.F. operates in more than 50 countries, through its own brands and private labels. G.F. has also developed a brand of recycled products, RECO.

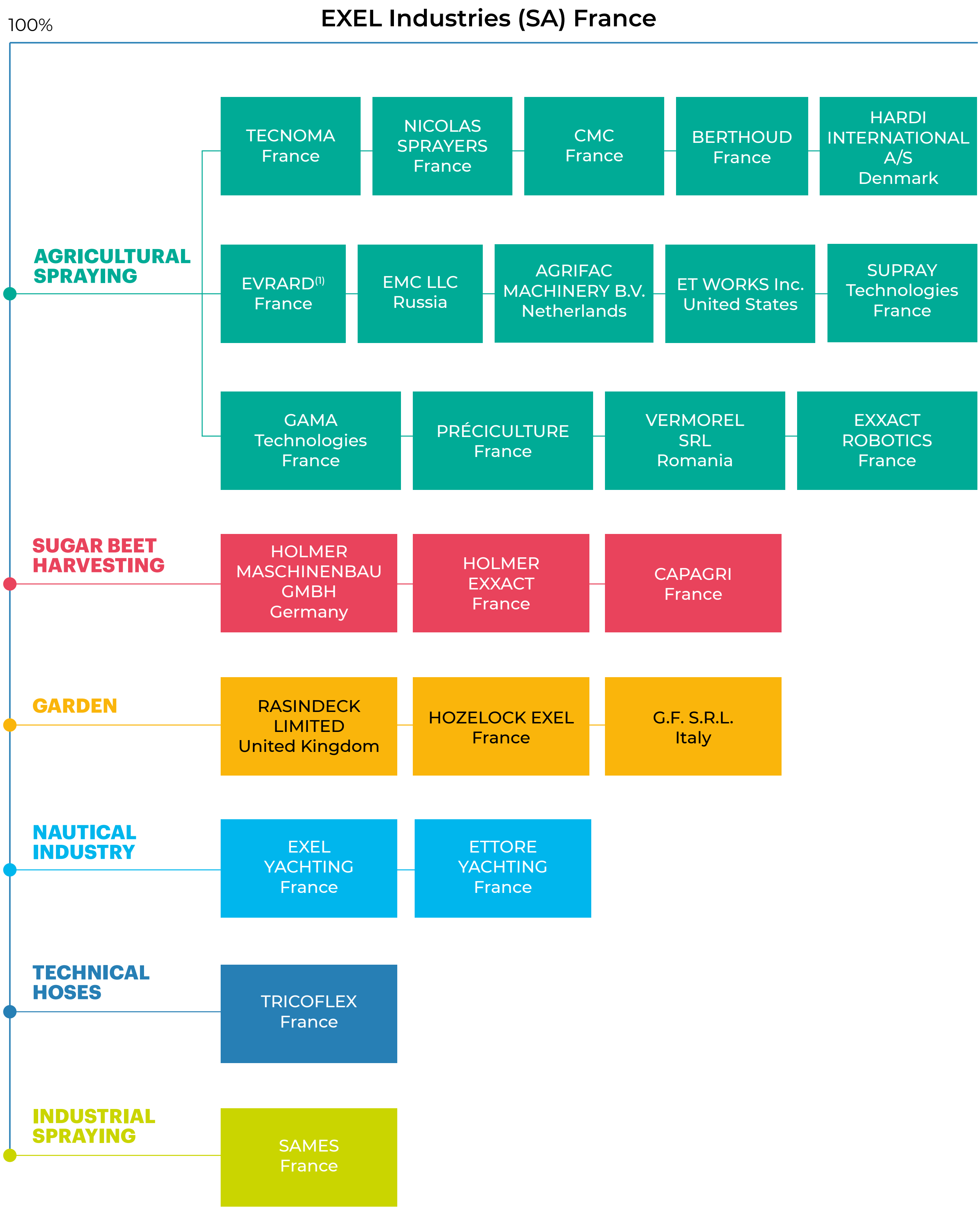
SAMES KREMLIN and **iNTEC SAMES KREMLIN** transform to become **Sames** in order to better meet the technological and environmental challenges of customers, partners and employees.

1.2 SIMPLIFIED ORGANIZATION CHARTS AT SEPTEMBER 30, 2022

SIMPLIFIED BRAND ORGANIZATION CHART



SIMPLIFIED ORGANIZATION CHART OF COMPANIES



(1) EXEL Industries became the Sole Shareholder of EVRARD (formerly GROUPE HARDI FRANCE) on October 1, 2021

1.3 BUSINESS MODEL

Our business model (our activities, the main markets by geography and customer type, competitive positioning, positioning in the sector, products and services, means of production) is described below.

Our value creation

Our Resources

FINANCIAL AND ECONOMIC CAPITAL

€977 million in revenue
€420 million in equity
27 countries of operation
€160 million net financial debt

HUMAN CAPITAL

4,080 permanent and seasonal employees worldwide
121 apprentices
20% women

INTELLECTUAL CAPITAL

335 patent families
1,037 brand families
3.6% of revenue dedicated to R&D expenses

SOCIETAL AND ENVIRONMENTAL CAPITAL

CSR strategy affirmed at the highest level
MORE label
BREEAM certification

Our activities

AGRICULTURAL EQUIPMENT

One of the world leaders in agricultural and winegrowing spraying and sugar beet harvesting

LEISURE

Global expert in paint spraying, application of high-viscosity products – manufacturer of technical hoses

INDUSTRY

Efficient solutions for home and professional gardeners – manufacturer of high-end pleasure boats

MARKET TRENDS

THE CLIMATE CHALLENGE

WHO ARE WE?

The EXEL Industries group is a family-owned company, whose ambition is to design, manufacture and market equipment goods and associated services that enable its customers to increase efficiency, productivity, or contribute to the pleasure of living, and to achieve their environmental and societal objectives. EXEL Industries employs over 3,770 people (permanent contracts) spread across five continents.

Our strengths

3 STRATEGIC PILLARS

Ensuring the Group's solidity over the long term

Innovating to create more value

Carrying out managed and responsible development

OUR CSR APPROACH

Ensuring the safety and well-being of our employees.

Offering our customers solutions that enable them to reduce their environmental impact.

Contributing to the objective of carbon neutrality.

Our shared value

EMPLOYEES

€244 million in wages and social security contributions

Our employees operate in **33** countries

Number of permanent contract hires: **635**

17% female managers

CONTRIBUTION TO THE ECOSYSTEM

Among the leaders in our markets

Present commercially in **178** countries

€15 million taxes and duties

€558 million purchase volume

SHAREHOLDERS / INVESTORS

-56% share performance over one year

€238 million market capitalization (at 09/30/2022)

€60 million recurring EBITDA

€29 million net income

€37 million current operating income

TERRITORY AND ENVIRONMENT

€34 million industrial investments

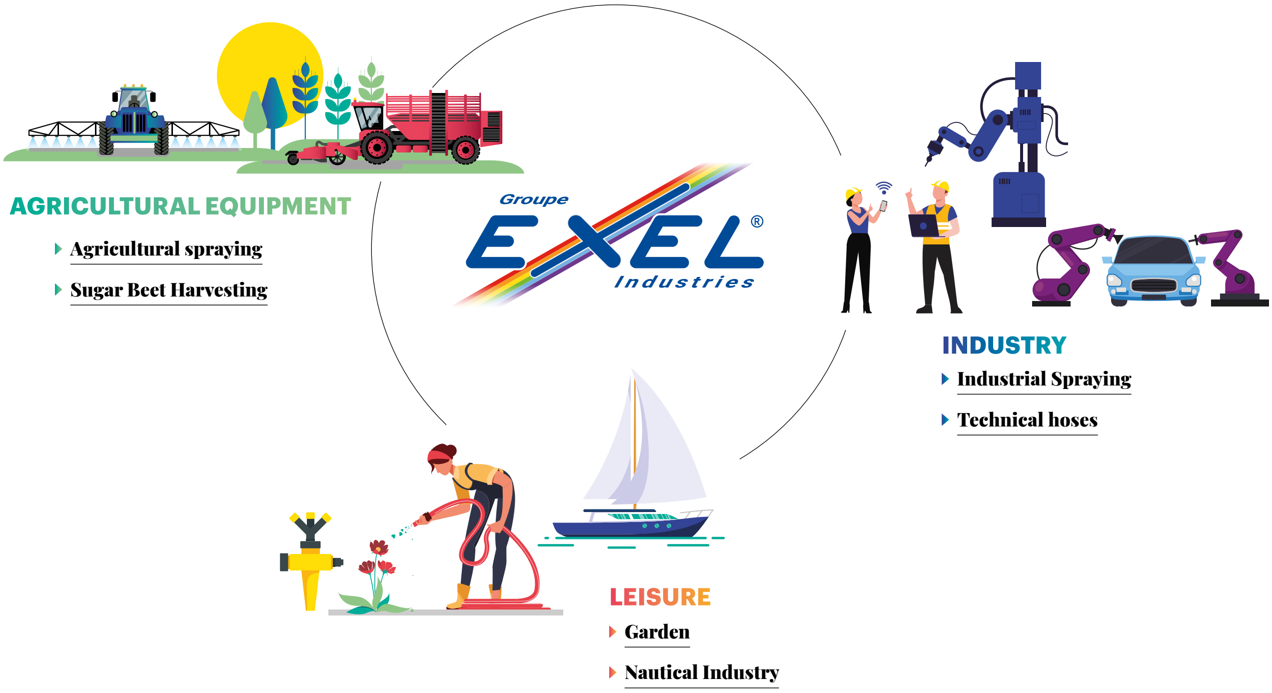
€157 million financing indexed to CSR criteria

THE FOOD CHALLENGE

THE SOCIETAL CHALLENGE

1.4 GROUP BUSINESSES AND PRODUCTS

1.4.1 Group profile



EXEL Industries is a French family-owned group that designs, manufactures and markets capital goods and associated services in the areas of agricultural equipment, industry and leisure. These solutions promote increased efficiency and productivity for its customers or contribute to the pleasure of living while enabling them to achieve their environmental and societal objectives.

In order to meet the requirements of its customers at any time and everywhere, EXEL Industries has built its model around two components. The holding company is responsible for cross-company functions, in particular financing, legal issues, strategic studies, mergers/acquisitions, industrial property, transformation, human resources and the consolidation of results. The various activities have considerable autonomy to manage the processes throughout the value chain.

In a changing world, EXEL Industries is transforming itself and imagining new solutions by building on a stable majority shareholder and strong brands.

At September 30, 2022, the Group had generated revenue of €977 million and devoted almost 4% of its revenue to research and development. EXEL Industries employs 3,770 permanent employees spread over 33 countries and 23 production sites.

1.4.2 Group strategy

The capital goods market, whether it is B2B, B2C or B2B2C, depends to a large extent on the evolution of the global economy. It varies significantly from one year to another, and even from one geographical area to another. Due to its strategic choices, EXEL Industries is less exposed to this cyclical nature. The Group has decided to specialize in small and medium-batch premium products and has chosen to control the entire value chain, from design to marketing. The brands in its portfolio are most often leaders in their respective markets and enjoy a strong reputation. Capitalizing on its proactive strategy, EXEL Industries intends to continue its growth thanks to its differentiating strengths, its long-term vision and its diversification policy.

Focus 1: Ensuring the Group's solidity over the long-term

- Long-term vision
- Majority family shareholding
- Independence
- Geographic diversity

Focus 2: Innovating to create more value

- Strategy based on breakthrough innovations
- Search for structural competitiveness
- Leading position in the INPI list of patent applicants
- Protection and defense of our industrial property rights

Focus 3: Managing responsible development

- Desire to remain and environmental issues in our strategic choices
- Ability to harmoniously combine organic and external growth
- Consideration of societal and environmental issues in our strategic choices

1.4.3 Agricultural Equipment

1.4.3.1 Agricultural Spraying

Revenue: €442.3 million, or 45.3% of total Group revenue

Number of employees: 1,705 (permanent contracts)

Production sites: 10

Description

Agricultural spraying involves protecting and enabling crop yields to be improved by accurately delivering the right amount of plant protection products or fertilizers they need. The optimized use of the products applied, including herbicides (to fight against weeds), insecticides (to protect against attack by insects), fungicides (to protect against fungal and mildew attack), liquid fertilizers and other products requires ever more accurate and efficient application so that only the plant is protected and any dispersion of sprayed products is prevented.

The EXEL Industries group's agricultural sprayers are used by farmers working in the market gardening, mixed farming, large-scale crops, industrial crops, arboriculture and viticulture segments.

Spraying equipment may be motorized (self-propelled), carried or trailed by a tractor. It costs between €10,000 and €500,000 depending on the size, performance and degree of sophistication. The diversity of our customers' operating profiles requires a very wide range of products (spray boom width, working height, tank size, etc.), as well as numerous options using the most advanced technologies (GPS guidance, regulation of spraying according to speed, electronic control of the opening of the nozzles, cameras, ground monitoring, precise dose pulsating nozzles, etc.).

There are different techniques for spraying fertilizers and plant protection products:

- **air blast sprayer:** droplets are created by pressurization of the liquid (2 to 5 bars);
- **aero-convection or carried jets:** the droplets generated by the pressure of the liquid are transported by a stream of air created by a ventilator. It is often used in arboriculture to ensure the droplets reach deep into the foliage;
- **pneumatic:** this form of spraying is produced by the high air speed (several hundred km per hour) generated by a centrifugal ventilator which also sprays the liquid arriving at the center of the air jet. This technique is used in vineyards or crops needing a strong penetration at a highly localized position;
- **centrifugal:** the liquid is directed without pressure to the center of a disc carried at high speed by an electric motor and is sprayed on its periphery. The size of the drops is directly related to the speed of the disc which provides a highly homogeneous spectrum of droplets. This technique is used to apply much more concentrated products (with ten times less water transported), for example to treat cotton in Africa by using wind drift.

A wide range of sprayers is offered by each of the Group's major brands, AGRIFAC, APACHE, BERTHOUD, EVRARD, HARDI, MATROT, NICOLAS and TECNOMA, to cover all market requirements.

Regulatory constraints

Spraying equipment design requires expertise in cutting-edge technologies that are both environmentally friendly and safe for the operators.

This equipment must comply with a significant number of demanding safety and environmental standards. For this reason, new players need to obtain product certification before they can be introduced on the market.

A summary of key regulations and standards in force is provided below:

- European directive 2006/42/EC (the amended "Machinery directive" entered into effect on December 29, 2009) setting key European safety requirements for agricultural equipment manufacturers. For sprayers, this directive is based on EN ISO 4254, parts I and VI;
- amendment to the Machinery directive (directive 2009/127/EC adopted by the European Parliament on April 22, 2009). This amendment, that concerns only sprayers, supplements requirements laid down by the directive on machine safety with a specific section on the "Environment". As of December 15, 2011, new sprayers marketed in the EU must comply with these new environmental standards. The EN ISO 16119 standard specifies other specifications;
- framework directive 2009/128/EC on the sustainable use of pesticides (adopted by the European Parliament in January 2009) establishes a framework for Community action with respect to the use of phytosanitary or plant health products within Europe, through measures such as user training, obligatory inspection of sprayers, phytosanitary effluent management, adherence to best practices, etc.; in-service inspection of sprayers is explained in the EN ISO 16122 standard. Each EU Member State has developed a National Action Plan which form the basis for a number of national regulations, as the French regulations demonstrate;
- obligatory national or European certification mandatory for high-clearance tractors, self-propelled and trailed sprayers, both in France and in other European countries;
- decree of May 7, 2007 on the use of phytosanitary products that notably encourages manufacturers to offer sprayers in France meeting new requirements for tank filling (overflow prevention systems), dilution of tank bottom residue and reduction of spray drift;
- new French "Water Act", adopted on December 20, 2006, that has imposed a requirement for regular technical inspections (every five years) of all sprayers, mandatory since January 1, 2009;
- the Water Framework Directive (2000/60/EC) has also had some impact by improving accuracy in order to reduce drift;
- the Ecophyto action plan adopted by the French government to reduce the use of plant health (phytosanitary) products and strengthen prevention measures in the area of user safety and health;
- French Agricultural Act 2014-1170 of October 13, 2014, laying down new provisions on plant treatment restrictions near public places;
- decree of December 27, 2019 establishing untreated areas near residential areas and the possibility of altering the safety distance depending on the spraying equipment used;

- classification of vineyard sprayers according to their environmental agricultural performance (Label Pulvé);
- EU road transport approval requirements and the new brake regulation are also imposing an increased workload on all design departments. EU Regulation No. 167/2013 of the European Parliament and of the Council of February 5, 2013 on the approval and market surveillance of agricultural and forestry vehicles;
- European Green Deal and its Farm to Fork variant which aim to reduce the use of plant protection products by 50% and the use of fertilizers by 20% by 2030.

As a result, these requirements call for a high level of precision in the application of plant health (phytosanitary) products and demand that the "right dose in the right place at the right time" be applied at all times. For example, nozzle flow must not vary by more than 5% from nominal flow, and transversal distribution under the boom must be perfectly uniform (<7% variance).

The annual cost of the spraying equipment is around 5% of the annual plant protection budget for a farm, whereas the sprayer actually controls and plays an essential role in achieving good application results. This gives us a better understanding of the importance of its performance quality in contributing to controlling and optimizing farmers' operating costs, when faced with the new challenges of globalization and changing agricultural subsidy policies (in particular the EU's Common Agricultural Policy).

Trends

The challenge for agriculture is to feed the Earth's population in a healthy and balanced manner, while preserving natural resources.

In 2050, the planet will have 9.7 billion inhabitants compared with a little more than 8 billion today. World agriculture must be able to produce the food necessary to feed the population, two thirds of whom will be living in towns and cities. This food must also be healthy and diverse (plants, proteins, etc.). Moreover, the agriculture of tomorrow must manage the natural resources necessary for life (water, soil, air, biodiversity, etc.), and contribute to combating climate change.

Today, the fight against the main scourges (weeds, insects, rodents and diseases) relies mainly on the use of synthetic or natural phytosanitary or plant health products. These products are applied by our agricultural sprayers. However, in France and in certain other Western European countries, these increasingly controversial products are subject to strict regulations (*e.g.* controversy over glyphosate).

Agricultural spraying must play a part in the agroecological transition by innovating and mastering new technology such as precision agricultural, electronics, automation, confined spraying and artificial intelligence to detect plants to be treated, etc., which will allow a significant reduction in the doses used.

Description of Group companies

EXEL Industries has 10 main trademarks: AGRIFAC, TECNOMA, BERTHOUD, NICOLAS Sprayers, EVRARD, MATROT, HARDI, CMC and APACHE. Sprayers may be produced by companies of the same name (AGRIFAC, HARDI), or by companies specializing in the design and assembly of certain types of equipment for several brands (GAMA Technologies, SUPRAY Technologies, PRÉCICULTURE, ET Works).

TECNOMA, a company based in Épernay, in the Marne department, markets all large-scale crop and viticulture sprayers, as well as the TECNOMA brand high-clearance tractor.

NICOLAS Sprayers, a company based in Épernay, markets NICOLAS Sprayers brand sprayers for the treatment of vines and fruit trees.

CMC (Constructions Mécaniques Champenoises), a company based in Épernay, joined the EXEL Industries group in July 2006. It markets a complete range of high-clearance tractors for use in vineyards.

BERTHOUD, a company based in Belleville-en-Beaujolais, in the Rhône department, markets all of the BERTHOUD brand large-scale crop and viticulture sprayers.

HARDI INTERNATIONAL A/S with its registered office in Nørre-Alslev in Denmark, designs, manufactures and markets a very broad range of agricultural sprayers for large-scale crops, vineyards, fruit trees, golf courses, parks and gardens.

EVRARD (formerly GROUPE HARDI FRANCE) located in Beaurainville designs, produces and markets a range of self-propelled and trailed agricultural sprayers intended for large-scale crops.

EMC, a company based in Volgograd in Russia, manufactures and markets agricultural sprayers for the Russian market and sells them under different EXEL Industries brands.

AGRIFAC MACHINERY B.V., headquartered in Steenwijk, designs, manufactures and markets high-end self-propelled sprayers.

ET WORKS Inc., headquartered in Mooresville, Indiana, United States, manufactures and markets self-propelled sprayers for the Apache brand. The Group has four sales subsidiaries in the United States and one in Canada.

SUPRAY Technologies, a company based in Épernay in the Marne department, designs and manufactures sprayers dedicated to Viticulture and Arboriculture for the TECNOMA, NICOLAS Sprayers, BERTHOUD and HARDI brands. It also manufactures and distributes components for other companies, and in particular Group companies (tanks, injection components, etc.).

GAMA Technologies, a company based in Belleville-en-Beaujolais, in the Rhône department, designs and manufactures mounted and trailed sprayers for the BERTHOUD and TECNOMA brands.

PRÉCICULTURE, a company based in Fère-Champenoise in the Marne department, designs and manufactures self-propelled sprayers for large-scale crops in the BERTHOUD and TECNOMA brand colors, as well as high-clearance tractors marketed by CMC and TECNOMA.

VERMOREL, a company based in Ploiesti in Romania, manufactures mechanically welded sub-assemblies for the rest of the Group.

EXXACT Robotics, a company based in Épernay, is an internal entity entirely dedicated to the search for breakthrough innovations, registered in October 2019. This pooled research center offers sustainable solutions to agro-ecological transformations to all EXEL Industries agricultural spraying companies.

Main competitors

EXEL Industries group's main competitors in this market are:

- John Deere (United States) tractor manufacturer, which has a wide range;
- CASE (United States) tractor manufacturer, which is looking to build a wide range;
- Jacto (Brazil) for large-scale crops, vineyards and orchards;
- Amazone (Germany) for large-scale crops;
- Horch (Germany) for large-scale crops;
- Kuhn, a subsidiary of the Bucher group (Switzerland), which has a wide range in the large-scale crops sector.

However, EXEL Industries is currently the only player on a global scale with the ability to cover the full range of farmers' requirements.

1.4.3.2 Sugar beet harvesting

Revenue: €146.3 million, or 15.0% of total Group revenue

Number of employees: 351 (permanent contracts)

Production sites: 2

EXEL Industries, through HOLMER and AGRIFAC, develops, manufactures and markets three sugar beet harvesting product lines.

Sugar beet harvesting

The Group has a complete range of HOLMER TERRA DOS and AGRIFAC LIGHTTRAXX sugar beet harvesters to meet the most varied needs. Sugar beet harvesting can be done using different processes: pulled, self-propelled or tanker harvester.

- The first process requires the use of a tractor with a leaf stripper attached at the front, and a lifting unit at the rear. The sugar beets are left in swaths on the soil and must then be picked up by a loader. This process is disappearing in Europe, but is still widely used in the United States.
- Self-propelled harvesters lift the sugar beets, which are transferred directly into a storage tank moving alongside the machine. A small hopper measuring 5 to 7 m^3 is used to contain a buffer stock during the time taken for the storage tank to be replaced by the next one. Used especially widely in France, this type of equipment is giving way to larger and more powerful tanker harvesters.
- Tanker harvesters have a storage capacity that allows the beets to be lifted and the harvest only transferred when the storage capacity has been reached. The storage capacity of tanker machines varies between 12 and 40 m^3. They allow the tanks needed for storage to be eliminated or greatly reduced. Tanker harvesters also preserve the beets, lift less soil and can even work in wet conditions.

Sugar beet harvesters are very technologically advanced machines, as they need to penetrate the ground to lift the beets without damaging them and while bringing up as little soil as possible, whatever the weather conditions, land quality and field topology.

Our research and development work aims to further improve the availability rate of the machines (seasonal use 24/7), increase their beet lifting productivity, enhance lifting quality and cleaning, reduce fuel consumption and limit soil compaction.

Sugar beet harvester design requires expertise in cutting-edge technologies that are both environmentally-friendly and safe for the operators.

Beet cleaner-loaders

HOLMER TERRA FELIS cleaner-loaders allow beets to be cleaned and loaded before being transported to the sugar refinery. When the tanker harvester has emptied its harvest at the end of the field, a sugar beet cleaning loader collects the beets, improves harvesting and transfers them to a transport container, which then takes them to the sugar refinery.

High- and medium-capacity carriers

High- and medium-capacity carriers are used for logistics in the field. The HOLMER TERRA VARIANT high- and medium-capacity carriers are used to transport sugar beets or grains from the harvester (picker or reaper) to the field's edge or directly into the truck. These machines are also used to spread various products in the fields, such as slurry and methanization digestate.

Description of Group companies

HOLMER group, based in Eggmühl (Bavaria), Germany, manufactures and markets tanker harvesters, cleaning loaders and high- and medium-capacity systems tractors. In addition to its manufacturing and marketing site in Germany, HOLMER has seven sales subsidiaries in France, Poland, the Czech Republic, Ukraine, the United States, Turkey and Egypt. It also has a representative office in Beijing, China.

CAPAGRI, a company located in Noyelles-sur-Escault in northern France, markets equipment parts, mainly for sugar beet and potato harvesters.

AGRIFAC, located in Steenwijk in the Netherlands, manufactures and sells sugar beet harvesters described as "small tanker harvesters", which are easier to use and with smaller capacity than HOLMER machines.

Main competitors

EXEL Industries group's main competitors in this market are:

- Ropa (Germany), which is diversifying with a range of potato harvesters;
- Grimme (Germany) is the world leader for potato harvesters.

1.4.4 Leisure

1.4.4.1 Garden

Revenue: €128.8 million, or 13.2% of total Group revenue

Number of employees: 549 (permanent contracts)

Production sites: 3

Through its HOZELOCK, G.F., BERTHOUD, LASER INDUSTRIE and COOPER PEGLER brands, the EXEL Industries group, one of the leaders in the watering and plant protection market, offers innovative, high-quality products to provide solid and efficient solutions for consumers and professional gardeners.

Garden watering

Watering tools are used for the garden, flowers, vegetables and other plants in the ground or planters. HOZELOCK and G.F. have a comprehensive and diverse line-up of products in non-buried watering category: hoses, reels, connectors and fittings, sprinklers, timers and micro-irrigation.

In this highly weather dependent world, the flagship products are freestanding and wheeled hose reels and hoses for HOZELOCK which offers leading products such as Auto Reel, an automatic rewinding reel, the Super TRICOFLEX premium hose, the Superhoze extending hose launched in 2017 and lastly the Tuffhoze launched in 2020. For the G.F. brand, the flagship products are connectors, freestanding and wheeled hose reels and solar showers. G.F. has also developed the RECO range, composed of more than 70% recycled plastic, manufactured entirely in Italy.

HOZELOCK is the market leader in the UK and Scandinavia, and also operates all over Europe and Australia. G.F. is particularly active in Italy, France and Germany, and more broadly in Southern Europe.

Garden sprayers

Garden sprayers make it possible to treat plants with fertilizer and protect them against weeds and other pests. In the garden business, HOZELOCK manufactures and distributes a range of spraying equipment for consumers and the semi-professional segment in France and Europe under the BERTHOUD brand, which has a reputation for the quality of its products in the agricultural sector. The HOZELOCK garden sprayers complement the BERTHOUD brand in France and in the international market. HOZELOCK also manufactures and distributes a range of garden spraying equipment under the COOPER PEGLER brand, recognized for its sturdiness and reliability in the agricultural markets of the UK, Latin America, South America and Africa.

As an alternative to sprayers, the Group also offers high-performance thermal weeders. This product range has increased in importance as consumers focus on alternatives to chemical weeding. It also meets new legal requirements concerning phytosanitary products for green spaces and private gardens in France and internationally.

HOZELOCK also manufactures and markets a range of professional sprayers to meet the specific needs of industrial markets (in particular the building trade). These products are marketed under the LASER INDUSTRIE brand name.

Description of Group companies

HOZELOCK, based in Birmingham, United Kingdom, assembles and markets gardening equipment with a range of products for watering, plant protection, technical hoses and aquatics. The group has five subsidiaries in Europe and around the world.

HOZELOCK EXEL is a company based in Villefranche-sur-Saône (Rhône department). It designs, manufactures and markets sprayers for semi-professionals and gardeners, as well as watering products in addition to HOZELOCK in the United Kingdom. The company also offers alternatives to sprayers for weeding, in the form of thermal and electric weeders.

Through its consumer brands, HOZELOCK and BERTHOUD, the company has a large market share in sprayers in France, and is enjoying strong growth in watering. Its products are also distributed throughout Europe.

G.F. - S.R.L., located in Italy, produces items for watering, irrigation, garden maintenance and outdoor living. It operates in more than 50 countries, either through its G.F. brand or by manufacturing private label products. It has also developed a range of products made with recycled materials, called "RECO". G.F. has an industrial site in Correggio, in the Emilia-Romagna region of Italy.

Main competitors

EXEL Industries group's main competitors in the watering market are:

- Gardena (Germany and Europe);
- Cellfast (Poland and Eastern Europe);
- Claber (Italy and Southern Europe);
- Fitt (Italy and Europe);
- Dealer brands (Europe);
- Matabi (Spain);
- Gloria, Mesto, Solo (Germany);
- dealer brands (various countries).

1.4.4.2 Nautical Industry

Revenue: €10.1 million, or 1.0% of total Group revenue

Number of employees: 88 (permanent contracts)

Production sites: 3

The markets in which the three brands of the nautical industry operate are driven by a growing demand for boats that combine tradition and modernity. Unlike generalists in the sector, in the great French marine tradition, the **RHÉA MARINE**, **WAUQUIEZ** and **TOFINOU** shipyards build small series of boats designed to last, with timeless lines, but equipped with advanced technologies both in the manufacturing process and in the choice of onboard components and equipment.

The three brands of the Nautical Division are complementary and cover three distinct segments of the yachting market: chic fishing and pleasure boating with RHÉA MARINE; neo-classic elegant and sporty *day-sailers* with TOFINOU and lastly prestigious offshore cruising with WAUQUIEZ.

Company descriptions

EXEL YACHTING, formerly RHÉA MARINE, is a company with two production sites located in Neuville-en-Ferrain and La Rochelle. It specializes in the design and manufacture of boats and integrates carpentry, cabinet-making, mechanics, electricity, assembly, prototyping, sail making, upholstery, etc.

ETTORE YACHTING, based in Port-Camargue is a company specialized in boating for more than 20 years. Its activities include boat sail, rigging and fittings manufacturing.

Main competitors

The main competitors of the EXEL Industries group in the nautical industry are:

Overall: Grand Large Yachting

- RHÉA MARINE:
  - Merry Fisher (Beneteau)
  - Jeanneau (Beneteau)
  - Beneteau
  - Da Vinci Yacht
- TOFINOU:
  - Eryd
  - Cape Cod
  - A Yacht
  - Sarch
  - Saffieryachts
- WAUQUIEZ:
  - AMEL
  - X-Yachts
  - Nautor's Swan
  - CNB
  - Solaris
  - Contest

1.4.5 Industry

Revenue: €249.5 million, or 25.5% of total Group revenue

Number of employees: 1,054 (permanent contracts)

Production sites: 6

1.4.5.1 Industrial Spraying

The EXEL Industries group's industrial spraying business comprises SAMES and its subsidiaries.

Industrial spraying covers a number of areas: bonding, protection and finishing.

The products developed by SAMES are used to prepare, distribute, dose, mix and apply all types of liquid, powder or thick products on a range of different materials, such as wood, metal, plastic, glass or leather.

With two manufacturing sites in France, in Stains and Meylan, and a production site in Erftstadt, in Germany, SAMES and its 15 subsidiaries are able to meet their clients' needs on a worldwide basis, for all industrial assembly processes (joints and glues), support protection (anti-corrosion, technical primers, other forms of protection) and finishing (dyes, base coats, lacquers and varnishes).

In order to compete with ever more aggressive competition, SAMES puts its emphasis on innovation, matching each client's needs on an optimal basis and an efficient supply chain.

Based on differentiating technologies, SAMES develops comprehensive ranges of pumps, machines, technical hoses and manual, automatic or robot applicators. This product line-up delivers significant productivity gains to customers through increasingly precise spraying, while protecting the environment and the health of the operator.

Company description

SAMES

A pioneer of pneumatic spraying techniques (1925), electrostatic power coating (1960) and Airmix® spraying (1975), SAMES is behind a large number of patents; 6.6% of its headcount is involved in R&D.

Its offering is segmented into product ranges involving specific techniques:

- The SAMES KREMLIN product brand includes the Airspray, Airmix and Airless ranges:
  - **AIRSPRAY:** pneumatic effect product spraying, enabling the best quality finishes;
  - **AIRLESS:** high-pressure atomized product spraying using a calibrated nozzle, which allows high flow rates and good performance but a relatively coarse finish;
  - **AIRMIX:** combined airless and pneumatic spraying, thus enabling high flows and application performance with a high-quality finish.
- SAMES iNTEC brings together solutions for applying adhesives and sealants.
- SAMES NANOCOAT stands for liquid paint application solutions using rotating bowls, with and without electrostatism.
- SAMES INOCOAT stands for powder coating solutions.

SAMES designs and manufactures all of its equipment involving pumps, applicators, dosing, mixing units and pressure, temperature and flow control devices.

The pumps are double or quadruple bearings, diaphragm pumps or pallet pumps for the most viscous products. They are driven pneumatically or electrically.

The applicators are spray gun or rotating bell in manual, automatic or robotic versions that can be mounted on machines or on robots.

All SAMES equipment allows users to achieve higher levels of performance, productivity and quality in their industrial processes while making significant production savings (cost of materials, air and therefore energy consumption, total ownership costs) and protecting the environment and the operator's health by reducing paint fume emissions.

Using its equipment, SAMES designs, manufactures and distributes standard solutions by means of a worldwide network of qualified integrators. These solutions, from the simplest to the most complex technological levels, are manual, automatic or robotic. They are used to apply liquids, powders or viscous products.

To meet the daily needs of its customers, SAMES develops and markets a range of local services through its trained and qualified dealers.

A large number of markets are targeted. These are divided into seven main categories: automotive, wood, agriculture, construction, industry, transport and consumer goods.

The entire range of SAMES products is marketed through the many Group subsidiaries worldwide (Europe, North and South America, China, Japan, India, South-East Asia, and Russia).

Main competitors

The main competitors in this market are:

- Graco (USA) with the Graco and Gema brands;
- Carlisle Finishing (USA) with the following brands: Devilbiss, Ransburg and Binks;
- Nordson (USA);
- Wagner (Germany);
- Anest Iwata (Japan);
- Dürr (Germany);
- ABB (Switzerland/Sweden) for electrostatic spraying.

1.4.5.2 Technical hoses

TRICOFLEX has more than 60 years of innovation in the service of industry and the general public. From Vitry-le-François in the Marne department, TRICOFLEX develops and manufactures flexible technical hoses. The company is one of the European leaders able to offer knitted hoses, spiral hoses, covered hoses and unreinforced tubes.

TRICOFLEX selects the best raw materials, makes the formulations and manufactures the equivalent of twice the Earth's circumference each year. ISO 9001 certified, the brand guarantees a high level of quality.

TRICOFLEX joined the Group in October 2012 with the acquisition of HOZELOCK.

Main competitors

The main competitors in this market are:

- REHAU (Germany);
- FITT (Italy);
- MASTERFLEX (Germany);
- SCHAUENBURG (Germany).

1.4.6 Customers – suppliers

1.4.6.1 Agricultural spraying customers

The five largest customers represent 13.9% of the consolidated revenue of the Agricultural Spraying activity, compared with 10.8% last year, of which 4.0% for the main one. They do not, therefore, represent a significant portion of business revenue.

Agricultural spraying equipment is primarily sold ex-works to agricultural machinery retailers sometimes called dealerships. They demonstrate, sell and set up new spraying equipment and also provide after-sales services, trade-in and sales of used equipment.

Each Group brand develops its own marketing strategy through its own distribution networks.

The rationale behind this "multi-brand" and "multi-network" policy is based on:

- geographical market segmentation and coverage;
- brand loyalty among farmers;
- maintaining and developing the market share historically developed by each Group brand based on specific arguments and an original marketing mix;

- the need to maintain a large selection of several brands of sprayers with decisive differences to increase customer loyalty among the many agricultural equipment dealers through an offering providing differentiation from their competitors.

Each of the Group's main brands therefore has its own network made up of several hundred approved and trained dealers. The distribution agreements are renewed on an annual basis. The technical and sales staff of each distributor is required to attend a session lasting several days at one of the Group's approved training centers.

The end users of EXEL Industries spraying equipment are farmers. These include cereal farmers, tree growers, wine growers and vegetable growers. Farmers today have a pivotal role in the development of sustainable and eco-friendly agriculture. As good business managers, they seek to adopt the most sustainable approach for treatment with the goal of producing "clean" products. They also ensure the traceability of treatment operations. Spraying equipment is also used in various exotic or tropical environments such as for cotton production.

1.4.6.2 Sugar beet harvesting customers

The five largest customers represent 17.3% of the consolidated revenue of the sugar beet harvesting activity, compared to 11.0% last year, of which 10.8% for the main one. They do not, therefore, represent a significant portion of business revenue.

Sugar beet harvesters are mainly used by agricultural service supply agencies, farming associations, very large agricultural holdings (Eastern Europe) that can manage the entire chain up to sugar production, and planters with very large sugar beet crop areas. Cleaning loaders are for agricultural service supply agencies and agricultural holdings, or directly used by sugar refineries. Terra Variant products are used by Agricultural contractors.

Sales are mainly made directly in countries where HOLMER and AGRIFAC are established with their own subsidiary, or through dealers in other countries. Selling often includes recovering a used machine, refurbishing it and placing it on the market. Countries undergoing mechanization or changing their crop lifting methods represent good opportunities for these used machines.

The intensive use of the machines (more than 1,000 hours over four months) requires highly responsive technical support, 24/7 during the high season. This support is provided by our own teams and our dealers worldwide. An efficient logistics network for spare parts is also crucial for satisfying our users.

1.4.6.3 Garden business customers

The five largest customers represent 24.6% of the consolidated revenue of the garden watering and spraying activity, compared to 31.6% last year, of which 6.0% for the main one. They do not, therefore, represent a significant portion of business revenue.

Products marketed by G.F., HOZELOCK and HOZELOCK EXEL, specialized in watering and plant protection, are mainly sold through specialized dealers (garden centers, agricultural cooperatives and DIY superstores) in traditional retailers and online (*pure players* or sites affiliated to our specialized dealers). Through its industrial efficiency, G.F. has also been able to develop "own brands", including the RECO brand of recycled products. Keen to work closely with its customers, the Group enjoys excellent relationships with major international and national groups, as well as networks of independent dealers.

In an extremely seasonal watering market, our dealer customers expect our teams to be very responsive. Consumers are now looking for products made close to home. With the strengthening of our industrial and logistical capacities, we will be able to respond more flexibly to our customers' demands. We believe that our European production bases are a major asset in meeting the level of service expected by our distribution networks. With the integration of G.F. during this fiscal year, the Group has strengthened its positions in Southern Europe and represents a real local alternative to products manufactured in Asia. After two years of exceptional growth following the international health crisis, which led to a return to gardening and self-production, 2022 saw a decline in the Garden watering markets in France and England, although they remain above 2019 levels.

1.4.6.4 Nautical Industry customers

The three brands WAUQUIEZ, TOFINOU and RHÉA MARINE are located in very specific niche markets. The price positioning and high technicality of the products require distribution channels that are able to cater to a high-end and necessarily demanding customer base.

The three brands are distributed through a specialized national and international distribution network, in constant contact with the sales representatives of the shipyards.

The customers of the three brands WAUQUIEZ, TOFINOU and RHÉA MARINE have in common their passion. The customers of our brands are passionate about boating:

- for WAUQUIEZ: customers wishing to achieve their life-on-board ambition with all the comforts included;
- for TOFINOU: customers who are passionate about sailing and, more specifically, racing/regatta;
- for RHÉA MARINE: customers passionate about the traditional fishing philosophy.

Club enthusiasts of the RHÉA MARINE and WAUQUIEZ brands bring together dozens of users around their passion: their boat. The brands lead these networks of enthusiasts through exclusive and historic events: the Rhéa Fishing Cup, Challenge Tofinou, Tofinou Morgan Cup, etc.

1.4.6.5 Industrial customers

The five largest customers represent 16.2% of the consolidated revenue of the industrial spraying activity, compared with 15.5% last year, of which 4.2% for the main one. They do not, therefore, represent a significant portion of business revenue.

The companies operating in the industrial spraying segment are major players in traditional and sustainable markets such as the automotive industry, the timber industry, railways, consumer goods and farm machinery, and pursue growth in high value-added markets: the food industry, healthcare and renewable energy.

This enables the industrial spraying business to fund research and innovation.

Distribution

The equipment is sold from our plants and distributed through a variety of distribution channels coordinated by our subsidiaries. These networks are made up of "Approved Resellers" (typical of counter sales and modern distribution), "Approved Dealers" (active sales including servicing) and consolidators (sale of "turnkey" solutions).

Selected according to specific criteria, the members of our networks benefit from continuous training and professional development to improve their skills and ensure customer satisfaction.

Major accounts

To maintain contact with our markets, we have developed a specific approach for "major accounts" involving direct sales or support through our distribution partners.

Numerous prestigious companies place their trust in us:

Airbus, Alstom, Areva, Audi, Bang & Olufsen, Beneteau, Caterpillar, Dacia, Dassault, EDF, Fagor, Ford, GM, IKEA, Lafarge, Lamborghini, Louis Vuitton, Mahindra, Mercedes, Philips, Stellantis, Renault-Nissan, Rolls-Royce, Safran, Schneider Electric, Tata, Tefal, Tesla, Veolia, Porsche, BMW, Bosch, Volkswagen, Chrysler.

Given our very diversified markets and customers, consolidated revenue is well balanced between our different accounts.

For our Group, industry is a very dynamic customer segment:

- investing heavily in new factories located in regions where there is strong growth in product demand (emerging and newly industrialized countries);
- constantly looking for new sprayer solutions to increase its productivity and profitability.

1.4.6.6 Suppliers

The five largest suppliers account for 3.1% of the Group's consolidated purchases, compared with 4.7% last year, of which 1.3% for the main one. They do not, therefore, represent a significant portion of the Group's consolidated purchases.

Whenever several suppliers were able to provide the same product to more than one subsidiary, attempts were made to achieve standardization and economies of scale at the Group level. As a result, one or more authorized suppliers may be selected for the whole of the Group.

Negotiations are carried out by one or more buyers and contribute to securing favorable sales conditions (prices, deadlines, quality, etc.).

With regard to the manufacture of agricultural sprayers, the three largest purchase items are:

- mechanized welding: chassis, ramp arms, etc.;
- plastics for the manufacture of tanks or bodywork parts;
- general mechanical parts: engines, cylinders, universal blocks, wheel rims, etc.

Manufacturing sprayers or pumps for the industrial market requires sophisticated and very precise industrial techniques with tolerance or surface finish of within a few microns to ensure no leaks under very high spraying pressures (more than 600 bars).

1.4.7 Plant and machinery

1.4.7.1 Production techniques

The main technologies used in the Group's factories are:

- injection and over-injection of synthetic thermoplastic resin;
- machining of metals with great precision (machining center for up to 11 axes);
- rotational molding of tanks and cowling of complex shapes;
- automatic flow and robot-controlled or semi-automatic welding of complex chassis items;
- surface preparation and application of paint in liquid or powder form *via* an electrostatic process (manual or automated).

1.4.7.2 Production organization

All of the Group's factories are organized as autonomous workshops operating on a just-in-time basis. This organization contributes to better responsiveness to seasonal fluctuations in activity and more efficient management of working capital.

Lean Management is deployed in all our production sites.

The EXEL Industries group has a number of production sites in Europe, Australia, Russia, China and the United States, listed below:

Companies	Country	City	Postal code	Address	Total surface area *(in m²)*	Of which useful building surface area *(in m²)*
AGRIFAC MACHINERY B.V.	Netherlands	Steenwijk	8332 JA	Eesveesenweg 15-17	40,510	23,368
EMC LLC	Russia	Volgograd	400075	5, Serijny Proezd	4,935	4,935
ET WORKS Inc.	United States	Mooresville	IN 46158	2201 Hancel Parkway	31,124	10,600
EVRARD (formerly HARDI GROUP France)	France	Beaurainville	62990	Rue du 21-Mai 1940	63,543	14,272
EXEL Yachting (formerly RHÉA MARINE)	France	La Rochelle	17000	ZA Les Rivauds Nord Rue Élie Barreau	17,300	3,660
EXEL Yachting (formerly RHÉA MARINE)	France	Neuville-en-Ferrain	59960	Zone Industrielle Rue du Vertuquet	13,690	4,417
G.F.-SRL	Italy	Correggio	42015	Via dell'Industria 1-9 / Via Costituzione 49	4,800	3,200
GAMA Technologies	France	Belleville-en-Beaujolais	69220	1, rue de l'Industrie	57055	16,372
HARDI AUSTRALIA PTY LTD	Australia	Cavan	SA 5094	534-538 Cross Keys Road	58,880	16,700
HARDI INTERNATIONAL A/S	Denmark	Nørre-Alslev	4840	Herthadelvej 10	155,176	47,500
HOLMER Maschinenbau GmbH	Germany	Rogging / Pfakofen	93101	Zaitzkofenerstraße 5	10,824	1,920
HOLMER Maschinenbau GmbH	Germany	Schierling / Eggmühl	84069	Regensburgerstraße 20	54,275	10,594
HOZELOCK EXEL	France	Villefranche	69400	891, route des Frênes, ZI de Joux	46,426	18,240
HOZELOCK Ltd	United Kingdom	West-Midlands	B76 1AB	Midpoint Park, Minworth	43,717	34,218
PRECICULTURE	France	Fère-Champenoise	51230	165, rue des Verriers	90,042	11,409
SAMES	France	Meylan	38240	13, chemin de Malacher	28,715	13,266
SAMES	France	Stains	93240	150, avenue de Stalingrad	36,453	13,081
SAMES CO., LTD	China	Shanghai	201611	Building No. 9, No. 3802 Shengang Road, Songjiang	3,125	3,125
SAMES GmbH	Germany	Erftstadt	50374	Otto Hahn Allee 9	13,139	4,513
SAMES NORTH AMERICA INC.	United States	Plymouth	MI 48170	45001, Five Mile Road	20,234	4,830
SUPRAY Technologies	France	Épernay	51200	54, rue Marcel-Paul	33,297	18,296
TRICOFLEX	France	Vitry-le-François	51300	17, avenue Jean-Juif	69,074	24,940
VERMOREL	Romania	Ploiesti	100411	3, Pompelor Street, Prahova County	8,433	6,196

1.5 HIGHLIGHTS OF THE PAST FISCAL YEAR

Annual revenue of **€977** million, up by **11.4%** (+€100.3 million), includes a favorable scope effect of €29.8 million, related to the acquisition of the WAUQUIEZ, RHEA MARINE, TOFINOU brands on September 30, 2021 and G.F. - S.R.L. on February 15, 2022.

- The prices of agricultural raw materials are expected to remain at high base levels, continuing to favor the replacement of equipment. Rebounds by the various brands in Asia-Pacific, notably in Australia, also helped sustain revenue growth. However, the shortage of components disrupted factories to a greater extent this year, delaying deliveries by several weeks. The order book at September 30, 2022 was at its highest in agricultural equipment. The business is maintaining its strict discipline on selling prices in line with its cost inflation. The highly appreciated innovations presented at SIMA (International Agricultural Machinery Fair) are entering the marketing phase.
- Sugar prices reached high levels, which are very favorable to farmers, making it possible to maintain sales of new machines at a good level for the next fiscal year. The reorganization of the business model at Holmer is continuing and should make it possible to reduce the take-backs of used machines.
- The Garden activity managed to recover at the end of the fiscal year, after three difficult quarters (IT migration) and in an overall context of decline in the garden equipment market. The strengthening of commercial and industrial synergies has begun since the integration of G.F. The reorganization of the nautical activity continues and the return of the WAUQUIEZ, RHÉA MARINE and TOFINOU brands to the late summer shows was appreciated.
- The underlying markets (mainly automotive, furniture and industry) experienced contrasting trends. However, the industrial spraying business continued to post high volumes throughout the year in line with the 2020-2021 fiscal year. The technical hose division was impacted by declining volumes in the gardening business, while the B2B business was impacted by falling demand towards the end of the year.

Recurring EBITDA was down to €60 million, *i.e.* 6.1% of Group revenue, compared to €78 million or 8.9% of sales in 2020-2021. Several factors explain this decrease:

- on the one hand, in agricultural equipment, shortages, inflation and supply chain disruptions have lengthened production times and reduced margins, even though the Group's main brands have adjusted their pricing policies throughout the fiscal year with better results in the second semester;
- after two exceptional years in connection with the health crisis, the garden equipment market is back to its previous level. On the other hand, the difficult IT migration carried out in the second quarter, constrained Hozelock brand sales volumes;
- lastly, after four relatively stable years, general operating expenses increased over the fiscal year as a result of acquisitions, the ramp-up of EXXACT Robotics, and the distribution of a purchasing power bonus for all Group employees for a total of €3 million.

Net income fell to €28.6 million, compared to €43.5 million in 2020-2021. This decrease is mainly due to the decrease in EBITDA and net extraordinary income/(loss), which was very favorable the previous fiscal year (gain of €5.3 million from the revaluation of pension commitments in England). It consists of the following components:

- negative non-recurring income of €1.7 million, comparable to the first half-year, which mainly includes the scrapping and losses on destroyed assets located in the war zone in Ukraine;
- positive net financial income of €1.0 million, consisting of the cost of financial debt and other miscellaneous financial expenses for approximately €3.5 million. However, favorable exchange rate movements more than offset these expenses for +€4.5 million. The change in exchange rates was broadly neutral for the Group in 2020-2021;
- tax expense of €8.6 million, benefiting from tax rate reductions in certain countries such as France.

Net financial debt at September 30, 2022 was €160.5 million, compared with €42.4 million in 2021. The deterioration in the cash position over the fiscal year is mainly due to the working capital requirement which was up sharply due to the increase in sales in the fourth quarter (+23% compared to 2021) and shortages. Under the effect of economic factors (acquisitions, decline in EBITDA and inflation of working capital requirements), financial gearing for 2021-2022 (Net Financial Debt/recurring EBITDA) went to 2.7. This level does not have any consequences, from the debt repayment viewpoint, as the Group does not have any covenants in its financing lines.

1.6 ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS AND STATUTORY ACCOUNTS

EXEL Industries has continued its two activities:

- managing and coordinating its direct subsidiaries, all more than 95% owned;
- managing and steering its portfolio of patents, trademarks, designs and models for which it grants operating licenses.

1.6.1 Consolidated financial statements – Main consolidated data

(in € millions)	09/30/2022	09/30/2021
Shareholders' equity before appropriation of income	419.6	390.0
Goodwill	70.7	64.1
Net fixed assets (excluding *goodwill*)	210.4	184.4
Cash and cash equivalents	65.5	83.3
Financial debt (current and non-current)	226.1	125.9
Provisions for contingencies and expenses (current and non-current)	37.4	47.3
REVENUE (EXCLUDING VAT)	**977.0**	**876.8**
Current operating results	37.2	54.7
Non-recurring operating items	(1.7)	5.3
Operating results	35.6	59.9
Financial income/(expenses)	1.0	(2.1)
Net income from consolidated operations	28.6	43.5
Net income attributable to owners of the parent before appropriation	28.6	43.5
Operating cash flows	50.1	56.1
Consolidated net income per share *(in €)*	4.2	6.4
Cash flow per share *(in €)*	7.4	8.3

1.6.1.1 Income statement

Consolidated revenue is 11.4% higher than for the period ended September 30, 2021, up from €876.8 million to €977.0 million.

Revenue from exports increased by 13.6% from €706.3 million to €802.6 million. International revenue accounted for 82.1% of total revenue, compared with 80.6% in the previous year.

Revenue was positively impacted by a translation gain of €31.3 million due to the appreciation of certain currencies, notably the US dollar.

Current operating income went from €54.7 million to €37.2 million.

The Group's net non-recurring income and expenses is -€1.7 million, mainly related to the scrapping of Holmer assets in Ukraine.

Net financial income/(expense) was positive at €1.0 million. It includes the net cost of financial debt and other miscellaneous financial expenses for approximately €3.5 million and net foreign exchange gains for €4.5 million.

Profit (loss) before tax went from €57.9 million to €36.6 million.

The tax expense decreased from €14.9 million in the previous fiscal year to €8.6 million.

Net income attributable owners of the parent was €28.6 million, compared to €43.5 million last year, or 2.9% of revenue.

1.6.1.2 Balance sheet

Shareholders' equity increased from €390.0 million to €419.6 million, up €29.7 million, breaking down as follows:

Total recognized income and expenses	€38.2 million
Restatements for opening equity (see 5.1.1.1)	€2.4 million
Dividend distribution	€(10.9) million

Equity represented 47.0% of the balance sheet total, compared with 49.9% at the end of the previous fiscal year.

Provisions for contingencies and expenses (current and non-current) of €37.4 million were set aside or maintained to cover risks identified by the Company.

Working capital increased by €42.7 million, from €218.6 million to €261.3 million, as a result of the following:

+ Change in equity	€29.7 million
+ Change in short-term provisions	€(0.7) million
+ Change in non-current liabilities	€44.3 million
- Change in non-current assets	€30.6 million

The change in working capital requirement amounted to +€91.9 million at September 30, 2022 and is explained by:

+ Change in current assets (excluding cash and cash equivalents)	€62.8 million
- Change in current liabilities (excluding provisions and current financial debt)	€(21.2) million
Impact Change	€8.0 million

At September 30, 2022, current financial debt amounted to €128.7 million, and cash and cash equivalents to €65.5 million, resulting in a negative balance of -€63.1 million.

1.6.2 Statutory accounts

Key figures of the statutory accounts:

(in € millions)	2022	2021
Revenue	31.6	24.9
Operating results	12.2	11.0
Net financial income/(expense)	19.0	28.2
Net income	34.4	28.5

Net financial income primarily includes dividends paid by subsidiaries and interest income from cash and cash equivalents, as well as net allocations to financial provisions and impairments. Net financial income/(expense) is detailed in the notes to the statutory accounts, in Chapter 6.

1.6.3 Investments

1.6.3.1 Summary of capital investments over recent fiscal years

(in € millions)	2022	2021	2020	2019	2018	2017
Capital expenditures for tangible and intangible assets	26.3	15.5	10.3	10.2	19.0	20.9
Non-current financial assets	1.2	0.5	0.6	0.2	0.3	-
New leases subject to IFRS 16	7.6	5.1	3.3	-	-	-

1.6.3.2 Main capital expenditures

In the last fiscal year, Group capital expenditures amounted to €35.1 million. The main capital expenditures included:

- the acquisition of an industrial site in Birmingham to increase the capacity of Hozelock's production facilities;
- purchases of tooling and industrial facilities, for all of our subsidiaries.

1.7 RESEARCH AND DEVELOPMENT

1.7.1 A culture of innovation

The companies of the EXEL Industries group share a passion for innovation. The premium positioning of our brands requires a strong differentiation of our products. Our customers find specific benefits in our products, the result of particularly developed R&D within the Group.

Around 8.2% of the EXEL Industries group's headcount and 3.6% of its revenue are dedicated to R&D. The R&D teams are organized by area of expertise in each of our activities. The overall management of R&D projects is approved by the Group's holding company. Similarly, patents and trademarks (here, as intellectual property rights) are registered in the name of EXEL Industries, which manages and defends them, if applicable.

Intellectual property

Innovation is reflected, in particular, by strong activity in terms of patent filings. Around 30 patent applications were filed for the 2021-2022 fiscal year. The EXEL Industries group maintained its third place in the ranking of French midcap companies in terms of the number of filings in France. It even entered the Top 50 applicants in France, all sizes of companies combined. At the end of the 2021-2022 fiscal year, the EXEL Industries group had 335 patent families, extended for each one and on average in ten countries. In addition, from this fiscal year, one of the additional criteria to those of simple patentability consists of taking into account the CSR contribution of the proposed invention.

At the end of the 2021-2022 fiscal year, the EXEL Industries group also owned 1,037 trademark families, and 85 design families, registered on average in ten countries. The Group has strengthened its policy of protecting the design of its products.

Domain names are also managed centrally by the Group's holding company.

EXEL Industries has an active policy of defending its patents and trademarks, asserting its rights by all available legal means. While most disputes can be resolved amicably, we also sometimes use "saisies contrefaçon" from potential counterfeiters in France or retailers.

1.7.2 Strategic innovation focuses

The innovation efforts of EXEL Industries in terms of products, services and processes are guided by several strategic focuses:

- for agricultural spraying: reliable and easy-to-use sprayers that allow the right dose of plant protection product to be applied to the right place at the right time. Connected machines enabling better equipment maintenance and real-time data collection;
- for sugar beet harvesters: making them easier to use by automating more machine functions according to user needs. Connecting our machines to the various stakeholders (farmers, agricultural contractors, sugar factories). Limiting soil compaction for sustainable agriculture;
- for industrial spraying: significantly reducing paint losses, adapting gluing processes to new products and materials, preparing our equipment for Plant 4.0;
- for technical hoses: development of hoses for new applications, use of recycled materials to reduce the environmental footprint;
- for the garden: developing irrigation products and alternative products to chemicals. Digital development in customer relations.

1.7.3 Innovation focused on customer needs

- For Agricultural Spraying:
  - **Large-scale crops: 3S Spot Spray Sensor® ultra-localized spraying integrated into a global agroecology scheme.** This real-time image capture and analysis solution is based on the detection and visual recognition of weeds and leaf diseases. The data, analyzed by the 3S technology, are sent to the sprayer, which can then effectively apply the right dose to the right place. 3S Sport Spray Sensor® allows farmers to reduce the doses sprayed by 30 to 80% and thereby meet the objectives of the Green Deal and more specifically Farm to Fork which plans to reduce the use of plant protection products by 50% by 2030.
  - **Vineyard: the Panel'Jet is a confined spray panel, not only a traditional recovery panel.** The Panel'Jet allows confined spraying, that is more environmentally friendly, especially in narrow vineyards. The Panel'Jet has been patented.

    The TRAXX autonomous high-clearance tractor developed by EXXACT Robotics specializes in working the soil in narrow vines. **Light and compact, the TRAXX maintains a good working quality and a good crossing ability, while avoiding soil compaction.** It is controlled remotely by an operator, using a remote control and a smartphone.

    The Tecnoma-CMC range and Jaguar models have been added and optimized for four-wheel and three-wheel high-clearance tractors for greater driver comfort.
- For sugar beet harvesters:
  - Work on the design of the shares has made it possible to increase their longevity and reduce the maintenance costs of the sugar beet harvester.
  - **Connection of our machines to the My Holmer app and Agrirouter.** Agrirouter simplifies the exchange of data and makes the data generated by machines from different manufacturers usable by agricultural software. HOLMER machines are connected in real time and the data transmitted by each machine can be used for diagnostic purposes, preventive maintenance, training in better use of the machine, etc.
- For industrial spraying:
  - **PRiNTEC:** based on printed painting technology, thanks to its patented print head, PRiNTECTM allows high-speed painting, to the nearest tenth of a millimeter without **paint mist,** of all types of patterns and shapes on 2D and 3D surfaces, **for wood, ceramics and the automotive industry.** It can also be used to print adhesives and sealants. PRiNTEC™ is a convincing response to the need for differentiation and customization of the various industrial markets that it targets, with increased productivity, reduced costs and real environmental benefits.
  - **Sames Low Energy: electrostatic spraying as close as possible to the part to be painted,** with the rotation speeds of the electrostatic bowls reduced as much as possible (energy saving, paint spraying, less waste in the booth).

- **Development of “remote connection” functionalities,** in the Airmix, Airless and Airspray ranges and multi-component dosing and high-viscosity dosing machines, in order to anticipate wear parts (predictive maintenance using the Internet of Things).
- For Technical hoses: TRICOFLEX has obtained the MORE label (MObilisés pour REcycler), which is the first European label that promotes the action of plastics manufacturers for the circular economy and the integration of recycled plastics in production. This action recognizes its ongoing commitment to reduce the environmental footprint associated with the manufacture of its products.
- For the garden:
  - **Bokashi** allows you to make your own organic fertilizer at home by yourself.
  - **BioMix** makes it easy to prepare natural and organic home-made solutions from plants such as nettle and comfrey to stimulate plants and prevent disease. Its lid and its mixing action guarantee rapid decomposition of the comfrey leaves while no bad smells come out of the blender.
  - **EasyMix 2in1** (click and spray): at a time when recycling is becoming an increasingly common practice, Hozelock has marketed a composter that gives back to nature what nature has given us. It is aimed at gardeners wishing to use the potential of their food and gardening waste. It has unique features with fast composting times, an innovative collection system for compost juice and ease of use that, with one click, allows the user to connect the collector to a hose in order to fertilize the garden with a 100% natural fertilizer.
  - The **Olla Aquasolo Outdoor** range (microporous ceramic pots) offers irrigation without watering, thus reducing the risk of water stress and disease related to watering the foliage while allowing up to 50% water savings.

1.7.4 R&D that meets sustainable development objectives

EXEL Industries has set itself the goal of meeting several SDGs (Sustainable Development Goals). The R&D teams are fully committed to this path.

The R&D teams of our companies in the agricultural sector are particularly committed to achieving SDG 2, which aims to end world hunger and promote sustainable agriculture. The development of the TRAXX high-clearance tractor by EXXACT Robotics will reduce the use of phytosanitary products by promoting tillage in the vineyards. EXXACT Robotics is also working on the 3S solution – Spot Spray Sensor – which combines bi-spectral cameras with artificial intelligence to treat only the plants that need it. This technological solution makes it possible to reduce the quantities of phytosanitary products used by 30 to 80%.

All these technologies help to maintain, or even increase, agricultural yields while significantly reducing the use of plant protection products. The objective of the European Green Deal along with its Farm to Fork plan is to reduce the use of plant protection products by 50% and the use of fertilizers by 20%. The innovations of EXEL Industries make it possible to contribute significantly achieving this objective.

1.7.5 Open innovation

The Group is continuing its efforts to open up to an ecosystem that enables better and more agile innovation. Several examples of concrete actions help to strengthen this dimension of open innovation:

- The financial commitment in the Agrinnovation fund managed by the asset management company DEMETER. Agrinnovation invests in start-ups in the AgTech and AgFood sectors. With a seat on the Advisory Committee, EXEL Industries has a privileged observation post for innovations from the start-up world. Around 400 projects are reviewed by the fund each year.
- The creation of the internal start-ups EXXACT Robotics and Nature with Us (internal to HOZELOCK) allows their teams to work in a much more agile mode, by relying on external partners to collaborate on technological topics. They may be SMEs specializing in specific technical fields or universities as part of research projects or doctoral programs.
- More recently, EXEL Industries joined forces with an initiative of AgroParisTech (a leading higher education institution in the life sciences and industries): the H@rvest Alliance. The members of the Alliance are mainly research and educational institutions as well as industrial players in the Agro sector. The H@rvest Alliance aims to study, design and test data sensors, the transmission of information flows and data storage, as well as to study, design and test data analysis methods and tools. and decision support.

1.8 STRATEGIC ORIENTATIONS 2022-2023

AGRICULTURAL SPRAYING. The agricultural equipment market is supported by two main factors: firstly, government support plans are still ongoing in Europe. On the other hand, the rebound in agricultural commodity prices since the Covid crisis continued throughout the year and continues to remain at high levels, well above pre-crisis prices. Meanwhile, higher input and transport prices have made it necessary to adjust our pricing policy. Supply chains continue to be disrupted by components shortages requiring production to be adapted accordingly, leading to delivery delays.

SUGAR BEET HARVESTERS. The rebound in sugar and oil prices led to an improvement in beet prices, which supported equipment orders. Given the sharp increase in sugar beet prices, at interesting levels for farmers, sales of new machines should remain at a good level over the next fiscal year. The diversification undertaken with the development of TERRA VARIANT mainly in Europe was favorable, with an increase in the billing of this range of products.

LEISURE. After two exceptional years in connection with the health crisis, the garden equipment market is back to its 2019 level. The problems encountered during the IT migration at Hozelock are now resolved and allow us to fulfill customer orders on time. Continued increases in raw material prices and logistics issues required us to adjust our pricing. In the Nautical Industry, the commercial actions carried out to relaunch the network of distributors and dealers have made it possible to increase the visibility of our brands.

INDUSTRY. The underlying markets (automotive, furniture, construction, industry) remained stable over the fiscal year despite contrasting dynamics according to regions and markets (particularly in the automotive sector). Asia and North America remain the catalysts for volume growth. Vehicle electrification benefits iNTEC, which benefits from Sames' customer portfolio. The TRICOFLEX technical hoses business grew despite difficulties in the supply of plastics.

Chapter 2

Report on Corporate Governance

Pursuant to Article L.22-10-10 of the French Commercial Code, this report on corporate governance, prepared under the responsibility of the Board of Directors, reports on the composition and the conditions of preparation and organization of the work of the Board of Directors during the 2021-2022 fiscal year, as well as the application of the principle of balanced representation of men and women.

The report also mentions the list of offices and positions held in any company by each corporate officer and the Corporate Governance Code to which the Company refers, and includes the table summarizing delegations of authority to increase the share capital (section 7.7) and the specific terms and conditions relating to the participation of shareholders in the Annual General Meeting (section 7.10). Lastly, it set out the aspects liable to have an impact in the event of a takeover bid (section 7.9).

It specifies the principles and rules adopted by the Board of Directors to determine the remuneration and benefits of any kind granted to corporate officers.

EXEL Industries refers to the Corporate Governance Code established by MiddleNext (the "MiddleNext Code"). The French Financial Markets Authority (AMF) recommendations were also followed for the preparation of this report, which was reviewed.

This report was reviewed by the Remuneration and Appointments Committee on December 14, 2022. It was reviewed in the form of a draft and approved by the Board of Directors on December 15, 2022.

2.1 CORPORATE GOVERNANCE STATEMENT

Deviations from the MiddleNext Code in accordance with the Comply or Explain principle

The Company refers to the MiddleNext Code, which was last revised on September 13, 2021. This Code is available on the MiddleNext website.

Three new recommendations were introduced in the MiddleNext Code in September 2021: (1) training of Directors, (2) establishment of a CSR Committee, (3) diversity and equity policy within the Company.

A CSR Committee was created and its first meeting was held on September 28, 2022; the topics discussed at this meeting are described below (section 2.3.3):

- the Group strives to diversify its recruitment, particularly in terms of gender balance, with the overall rate of women being 20% and 17% among management (see Chapter 4, Statement of Non-Financial Performance);
- Directors regularly receive presentations by management and interviews with the Group's management team.

In accordance with the provisions of Article L.225-37 of the French Commercial Code, the Board of Directors undertakes to review its application of the MiddleNext Code each year.

The table below lists the provisions of the Middlenext Code that have been excluded and the reasons for which they were excluded.

MiddleNext recommendations	*Comply or Explain*
Assessment of the work of the Board of Directors each year	*Given the size of the Board of Directors and its composition, the members of the Board consider that assessing its work every two years enables it to have a sufficient perspective on its progress.*
Succession of executive managers	*The management team of the EXEL Industries holding company has been strengthened and includes three Deputy General Managers, a Chief Transformation Officer and a Chief Financial Officer, in addition to the Chief Executive Officer; in the event of impediment, one of the members of this team could act as interim Chief Executive Officer.* *Should the Chairman of the Board be unable to attend, the Chairmanship of the Board of Directors may be held by another Director appointed for this purpose by the Board.*

2.2 BOARD OF DIRECTORS

2.2.1 Composition of the Board of Directors

In accordance with Article 13 of the Articles of Association, the Company is managed by a Board of Directors of at least three and no more than eighteen members.

Since April 22, 2011, the functions of the Chairman of the Board of Directors have been separated from those of the Chief Executive Officer. In the event of a tie, the Chairman of the Board of Directors has a casting vote.

At the date of filing of this Universal Registration Document, the Board of Directors comprised eight members. Seven members are appointed by the Annual General Meeting for a six-year term; the eighth member, representing the employees, is appointed by the Group Works Council of the EXEL Industries group for a period of three years. This member has attended the meetings of the Board of Directors since February 7, 2018, with voting rights. His term of office was renewed by the Group Works Council on February 9, 2021.

At the Annual General Meeting of February 7, 2023, the shareholders will be asked to renew the terms of office as Directors of EXEL (SAS) and Patrick BALLU.

The number of members of the Board of Directors over the age of 70 may not, at the end of each Ordinary General Meeting, exceed one-third of the sitting members of the Board of Directors.

The Company complies with the legal requirements regarding the proportion of women on the Board of Directors (Article L.22-10-3 of the French Commercial Code): when the Board of Directors is composed of no more than eight members, the difference between the number of directors of each gender may not be greater than two; as the Board of Directors comprises eight members, including the director representing employees, who is not included in the calculation, the number of women is three out of seven, *i.e.* a difference of one and a proportion of 43%.

Therefore, the compliance of the composition of the Board of Directors goes beyond the recommendations of the law.

Composition of the Board of Directors as of January 16, 2023

Name	Gender	Function	Date of first term	Expiry of current term	Membership of a Committee	Independence (MiddleNext Code)	Experience and expertise provided
Patrick BALLU	M	Chairman of the Board of Directors	AGM of September 13, 1980	AGM 2023	Member of the Remuneration and Appointments Committee and the CSR Committee	No	Expertise of the agricultural world and industry
Marc BALLU	M	Director	AGM of January 24, 2012	AGM 2024		No	Expertise of the agricultural world, leisure industry and B2B2C
Cyril BALLU	M	Director	AGM of March 12, 2020	AGM 2026		No	Expertise of the agricultural world and nautical industry
Pascale AUGER	F	Director	AGM of February 7, 2018	AGM 2024	Chairwoman of the Audit Committee Member of the Remuneration and Appointments Committee	Yes	Finance/ accounting Industrial experience Strategy
JUMP'TIME represented by Claude LOPEZ	M	Director	Decision of the Board of Directors of February 18, 2014 ratified by the AGM of January 21, 2015	AGM 2028	Chairman of the Remuneration and Appointments Committee Member of the Audit Committee Member of the CSR Committee	Yes	B2B2C marketing/ commerce Expertise of the agricultural world Strategy Mergers/ acquisitions
Sylvain MACCORIN	M	Director representing the employees	Decision of the Group Works Council dated February 9, 2021	AGM 2024		No	Retail Knowledge of the agricultural world
EXEL (SAS) represented by Ella ÉTIENNE-DENOY	F	Director	AGM of February 2, 1995	AGM 2023	Member of the CSR Committee	No	Digital Sustainable development Strategy consulting
Sonia TROCMÉ-LEPAGE	F	Director	AGM of February 8, 2022	AGM 2028	Chairwoman of the CSR Committee	Yes	Finance Sustainable development

BOARD OF DIRECTORS		BOARD COMMITTEES	AUDIT COMMITTEE
3 women	**3** independent members	Chaired and composed predominantly of independent members	**100%** independent

2.2.2 Diversity policy of the Board of Directors

The composition of the Board of Directors complies with the recommendations of the MiddleNext Code. The Board of Directors of EXEL Industries pays particular attention to the quality of the skills of its members, their knowledge of the Group and the markets in which it operates, as well as their strategic vision.

It recently enlisted the skills of two new Directors: Ella ÉTIENNE-DENOY, permanent representative of EXEL (SAS) on the Board of Directors, who brings her knowledge in the field of digital, sustainable development and strategy consulting and Sonia TROCMÉ-LE PAGE, who brings her expertise in impact financing and her knowledge of the international financial and non-financial environment, particularly in the United States.

These complementary and in-depth skills are essential to support the EXEL Industries' Executive Management in its strategic ambitions and the Group's organic growth.

2.2.3 Analysis of the independence of the members of the Board of Directors

Each year, the Board of Directors reviews the independence of its members with regard to the criteria of the MiddleNext Code.

Thus, at their meetings of December 14 and 15, 2022, the Remuneration and Appointments Committee and the Board of Directors conducted a review of the independence of its members on the basis of questionnaires prepared by the Remuneration and Appointments Committee based on the five independence criteria set out in the MiddleNext Code.

In accordance with the recommendation of the MiddleNext Code, the Board of Directors considered that three members meet the independence criteria set out by the MiddleNext Code as of December 15, 2022, namely Pascale AUGER, Claude LOPEZ and Sonia TROCMÉ-LE PAGE.

2.2.4 Other information on the directors

No conviction for fraud, public incrimination and/or sanction, or liability for bankruptcy during the last five years

To the Company's knowledge and as of the date of this Universal Registration Document, no member of the Board of Directors has, during the last five years: (i) been convicted of fraud or an official challenge and/or an official public sanction pronounced by statutory or regulatory authorities; (ii) been associated with a bankruptcy, receivership, liquidation or placement in judicial administration; (iii) been deprived by a court of the right to serve as a member of the Board of Directors, as a member of management or as a supervisory member of an issuer or to intervene in the management or conduct of the affairs of an issuer.

Conflicts of interest, family ties and service contracts

Patrick BALLU, Marc BALLU and Cyril BALLU are members of the BALLU family. They are also respectively Chairman and Deputy Chief Executive Officers of EXEL (SAS), the Company's main shareholder, holding company of the BALLU family. Marc BALLU and Cyril BALLU are also Deputy Chief Executive Officers of the Company.

To the best of the Company's knowledge and as of the date of this Universal Registration Document, there are no known or potential conflicts of interest between, on the one hand, the private interests or other duties of the members of the Board of Directors or, on the other hand, their obligations towards the Company that have not been dealt with in accordance with the procedure for managing conflicts of interest provided for in the Internal Rules of the Board of Directors.

There are no family ties between the members of the Board of Directors and the Chief Executive Officer.

Terms of office of the members of the Board of Directors as of September 30, 2022

Patrick BALLU: Chairman of EXEL (SAS), Manager of SCI Le Capricorne, SCI Le Lion and SCI Le Sagittaire (intra-group offices[1]), Manager of GROUPEMENT FORESTIER P.A.P. (GF PAP).

Marc BALLU: Deputy Chief Executive Officer of EXEL Industries, Deputy Chief Executive Officer of EXEL (SAS), Chief Executive Officer of HOZELOCK EXEL and TRICOFLEX, Chairman of HOZELOCK AB, HOZELOCK AUSTRALIA PTY Ltd., Director of HOZELOCK Limited, HOZELOCK Holland B.V., RASINDECK LIMITED, MINWORTH PROPERTY UK LIMITED and G.F. s.r.l. (intra-group offices[1]).

Cyril BALLU: Deputy Chief Executive Officer of EXEL Industries, Deputy Chief Executive Officer of EXEL (SAS), Chief Executive Officer of EXEL Yachting and Ettore Yachting, Manager of SCI Maizy Tessous, Manager of SOCIÉTÉ CIVILE IMMOBILIÈRE DES VOILIERS, Manager of INGELIA (*intra-group offices*[1]), Chairman of the simplified joint-stock company (*société par actions simplifiée*) SAGAVEST.

Pascale AUGER: Chairwoman of CORPORATE ANGEL CONSULTING, Chairwoman of the Board of Directors of Prodeval, Director of the ICAPE Group and Chairwoman of its Governance Committee.

Claude LOPEZ: Chairman of SAS Jump'Time, Manager of SARL DES GRANDES TERRES.

Ella ÉTIENNE-DENOY: Chairwoman of EED Impact SAS, Co-manager of SCGEIMMO, Director of Smart Buildings Alliance for Smart Cities, of the MAJ fund and of PAREF Group.

Sonia TROCMÉ-LE PAGE: Director of ForSee Power (listed company), SofiOuest, 50inTech, Eonef, Roger Voice, member of the Supervisory Board of ESFIN Gestion, member of the Investment Committee of a Generali impact fund.

Sylvain MACCORIN: Deputy Mayor of Lugny (71260).

(1) These mandates concern companies controlled by EXEL (SAS), the main shareholder of EXEL Industries.

2.2.5 Framework governing the work of the Board of Directors

The conditions for the preparation and organization of the work of the Board of Directors are laid down in the Internal Rules of the Board of Directors, dated September 25, 2019. The Board's Internal Rules constitute the directors' Governance Charter.

The Board of Directors meets as often as the interests of the Company require, when called by its Chairman.

The provisional annual schedule of Board meetings (excluding extraordinary meetings) is drawn up and communicated to each member before the end of each fiscal year.

The Statutory Auditors are invited to the Board meetings that approve the annual and half-year financial statements. The Chief Financial Officer attends Board meetings for matters that concern him.

Whenever necessary, the Board of Directors holds discussions without the presence of the Chief Executive Officer.

Each meeting gives rise to the preparation of a preparatory file covering the items on the agenda. It is submitted to each member before the meeting in order to allow the directors to examine the documents in advance.

During the meeting, a detailed presentation of the items on the agenda is made by the members of the Executive Management; each director receives the information necessary for the performance of his or her duties and may request any relevant documents. The presentations are subject to questions and are followed by discussions before the vote. Draft minutes mentioning the decisions taken and the reservations raised are then sent to the members for review and comment before being formally approved by the Board of Directors.

The directors also receive useful information at any time in the life of the Company, if the importance or urgency of the information so requires. They also receive all information published by the Company (press releases) at the time of its release.

2.2.6 Internal Rules of the Board of Directors

The Internal Rules of the Board of Directors were adopted at the Board meeting of September 25, 2019. They note that the Board determines the strategy and direction of the Group's activities and oversees their implementation by the corporate officers it appoints. Subject to the powers expressly granted by law to Annual General Meetings and within the limits of the corporate purpose, it deals with all matters relating to the smooth running of the Company and settles matters concerning it through its decisions.

The Internal Rules are divided into three parts:

- part I is devoted to the composition and functioning of the Board, and in particular independence criteria for directors, informing directors and the management of conflicts of interest;
- part II is devoted to Board Committees and the assessment of the Board;
- part III describes the duties of the Chairman of the Board, the Chief Executive Officer and the Deputy Chief Executive Officers.

2.2.7 Tasks of the Board of Directors

As stated in the Board of Directors' Internal Rules, each director exercises his or her role with probity, loyalty, non-competition, ethics, confidentiality and professionalism in the corporate interest of EXEL Industries and the Group, and in the common interest of its shareholders.

The main points discussed at Board of Directors' meetings during the 2021-2022 fiscal year and the beginning of the 2022-2023 fiscal year were as follows:

- With regard to accounting and financial matters, the Board of Directors approved the statutory accounts and the consolidated financial statements for the first half of 2021-2022 and the 2021-2022 fiscal year, as well as the related financial communication. It examined the Group's business activity and progress, as well as the Group's provisional management documents, financial position, debt, cash position and long-term financing. It reviewed and approved the Group's draft budget for the 2022-2023 fiscal year.
- With regard to strategic issues, the Board of Directors monitored the implementation of the Group's strategic orientations and approved the acquisition projects, in particular the acquisition of G.F. S.R.L. in Italy, to strengthen the "Garden" division. The Board of Directors regularly analyzes and discusses a strategic issue and keeps abreast of market developments. In particular, in May 2022, the Board of Directors devoted a day to a strategic seminar, during which the topics of CSR and external growth were discussed.
- With regard to governance issues, the Board reviewed the evolution of the Board's composition and reviewed the draft Universal Registration Document. It reviewed the Company's compliance with the recommendations of the MiddleNext Code, the remuneration of the management team, discussed professional and salary equality within the Group, the assessment of the Board of Directors and non-financial reporting.

The Board of Directors met three times during the 2021-2022 fiscal year, with an attendance rate of 100%. The meetings lasted an average of eight hours. In addition, the Board of Directors held several videoconference meetings during the year on *ad hoc* topics; these meetings lasted approximately one hour.

2.2.8 Board of Directors' assessment

The assessment of the work of the Board of Directors was carried out in December 2022 on the basis of a questionnaire supplemented by individual interviews conducted by the Chairman of the Remuneration and Appointments Committee.

The assessment was positive; areas for improvement have been identified. The Board of Directors discussed it at its meeting of December 15, 2022. This assessment of the work of the Board of Directors is carried out every two years (see section 2.1 above).

2.2.9 Evaluation charter for related-party agreements and agreements relating to day-to-day transactions entered into on an arm's length basis

The evaluation charter for related-party agreements was drawn up in accordance with Article L.22-10-12 of the French Commercial Code, which requires the Board of Directors of EXEL Industries to implement a procedure in place to regularly assess whether the agreements considered as current meet these conditions or whether they must be reclassified as related-party agreements. The provisions relating to related-party agreements are intended to prevent potential conflicts of interest between a company and its corporate officers or significant shareholders.

The Charter was approved by the Board of Directors of EXEL Industries on December 16, 2020, on the recommendation of the Audit Committee and in conjunction with its Statutory Auditors. The Company referred to the guide of the *Compagnie Nationale des Commissaires aux Comptes* ("CNCC") of February 2014 for the establishment of the Charter.

The Charter describes which agreements are subject to the control procedure for related-party agreements, in particular taking into account the specific features of the EXEL Industries group. It then specifies the criteria for agreements relating to standard transactions concluded on an arm's length basis; a non-exhaustive list of agreements excluded from the control procedure for related-party agreements or standard agreements is provided in the appendix to the Charter.

The Charter then describes the procedure for assessing standard agreements:

Before signing, each function involved in the negotiation and conclusion of a standard agreement must assess whether the conditions fall within the criteria of standard agreements concluded on an arm's length basis. This assessment must be documented.

In the event of doubt as to the classification of an agreement, the Legal Department is consulted, as are the Statutory Auditors; if there is any doubt, it is recommended that the said agreement be subject to the related-party agreements control procedure.

The Legal Department, in collaboration with the Finance Department, regularly reviews the application of the Charter.

To facilitate this evaluation work, the functions involved in the conclusion of the agreements must be able to list and transmit the agreements in their scope to the Legal Department. People with a direct or indirect interest in one of these agreements do not take part in the assessment (depending on the case, the Chairman of the Board of Directors, the Chief Executive Officer, the Deputy Chief Executive Officers, the directors, shareholders holding more than 10% of the voting rights or the company (or companies) controlling that shareholder).

If the Legal Department and the Finance Department jointly consider that an agreement appearing on the list of standard agreements concluded on an arm's length basis should fall within the scope of related-party agreements, the Audit Committee may be asked to confirm the application of the procedure for related-party agreements. The Board of Directors, if necessary during its review of related-party agreements, may decide, on the recommendation of the Audit Committee, to regularize the situation (regularization procedure set out in Article L.225-42 of the French Commercial Code).

The Legal Department reports, when necessary, to the Audit Committee on the results of its assessment.

The agreements entered into by EXEL Industries during the 2021-2022 fiscal year are current intra-group agreements and entered into on an arm's length basis with its subsidiaries.

For agreements that could be classified as related-party agreements, Article L.22-10-12 of the French Commercial Code provides that agreements entered into between two companies of which one holds, directly or indirectly, all of the share capital of the other party, are not subject to the control procedure for related-party agreements, even if they are not current by nature (*e.g.* write-offs of receivables, disposals of buildings or leases).

In view of the fact that all the companies of the EXEL Industries group (with the exception of one company) are wholly owned by the holding company, EXEL Industries SA, the provisions of Article L.22-10-12 of the French Commercial Code are applicable.

Under good governance, these agreements are presented to the Board of Directors, as provided for in the Agreement Qualification Charter.

2.3 COMMITTEES OF THE BOARD OF DIRECTORS

For the Board of Directors to perform its duties under the best possible conditions, its Internal Rules provide that its discussions should in certain areas be prepared by specialized Committees.

There are three such Committees, namely the Audit Committee, the Remuneration and Appointments Committee and the CSR Committee.

2.3.1 The Audit Committee

The Audit Committee currently has two independent members: Pascale AUGER, Chairwoman, and Claude LOPEZ, representing Jump'Time (SAS). The Chairman of the Board of Directors has a standing invitation to each meeting of the Audit Committee. The Statutory Auditors as well as the Chief Executive Officer and the Group Chief Financial Officer are also invited to each meeting. Any director who so wishes may attend. The EXEL Industries Audit Committee has been in existence since December 9, 2011.

In accordance with Order No. 2008-1278 of December 8, 2008 on the Statutory Auditors, the AMF's final report on the Audit Committee (July 2010) and AMF recommendation 2010-19, the Audit Committee's main task is to monitor:

- the process of preparing financial and non-financial information;
- the efficiency of the internal control and risk management systems;
- the statutory audit by the Statutory Auditors of the annual and consolidated financial statements;
- the independence of the Statutory Auditors;
- the approval of the provision of services other than the certification of financial statements.

For this purpose, the Audit Committee analyzes, oversees and gives its opinion on the accuracy and fairness of the consolidated financial statements, the effectiveness of the internal control and opportunity and risk management (ORM) processes, and the observance of corporate social and environmental responsibilities (CSR). The Audit Committee reviewed the Group's tax risks, discussed the implementation of internal control and examined the procedures for integrating the Group's new nautical activity.

In 2021-2022, the Audit Committee met twice, with an average attendance rate of 100%. The meetings lasted an average of four hours.

2.3.2 The Remuneration and Appointments Committee

The Remuneration and Appointments Committee has three members, two of whom are independent: Patrick BALLU, Chairman of the Board of Directors, Claude LOPEZ representing Jump'Time (SAS), Chairman of the Committee and independent Director, and Pascale AUGER, Independent Director. The Chief Executive Officer has a standing invitation, but does not take part in decisions concerning him. The Group Human Resources Director is invited on an as-needed basis. The Remuneration and Appointments Committee has been in existence since April 14, 2014.

The main tasks of the Remuneration and Appointments Committee are as follows:

- propose changes to its composition to the Board of Directors;
- propose to the Board of Directors the remuneration of the Chief Executive Officer and set the criteria for his or her variable remuneration;
- approve the remuneration policy for the management team decided by the Chief Executive Officer;
- propose the amount and distribution of directors' remuneration;
- manage the assessment of the Board of Directors.

In 2021-2022, the Remuneration and Appointments Committee met three times, with an average attendance rate of 100%. The meetings lasted an average of two and a half hours.

2.3.3 The CSR Committee

The CSR Committee has four members, two of whom are independent: Sonia TROCMÉ-LE PAGE, Chairwoman of the Committee and Independent Director, Ella ÉTIENNE-DENOY, representing EXEL SAS, Patrick BALLU, Chairman of the Board of Directors, Claude LOPEZ representing Jump'Time (SAS), Independent Director. The Chief Executive Officer and the Group Chief Transformation Officer are invited to each meeting.

The Group Chief Transformation Officer is responsible for implementing the Group's CSR policy.

The CSR Committee was officially established on May 25, 2022.

The main duties of the CSR Committee are as follows:

- propose to the Board of Directors the actions to be implemented within the Group;
- propose a long-term CSR strategy to the Board of Directors;
- review mandatory CSR publications.

2.4 GROUP MANAGEMENT

2.4.1 Executive Management

The Executive Management of the EXEL Industries group has been performed by Yves BELEGAUD since December 17, 2019.

Yves BELEGAUD spent 26 years with the Tereos Group, the second largest global sugar company, operating in 18 countries, where he served as Chief Executive Officer for Europe from 2014 to 2019. He had previously worked for the Rhône-Poulenc Group for seven years. Yves BELEGAUD is a graduate of the *École des Mines de Douai*.

- Intra-group offices: Yves BELEGAUD is the Company's representative, Chair of the Group's subsidiaries, set up in the form of an SAS (see below, offices of members of the Executive Management).
- Offices held outside the Group: Chairman of SASU Mancoby.

Yves BELEGAUD is assisted by three Deputy Chief Executive Officers: Marc BALLU, Cyril BALLU and Daniel TRAGUS.

Offices of members of the Executive Management as of September 30, 2022

Yves BELEGAUD:

- Permanent representative of the Chair of EXXACT Robotics, GAMA Technologies, BERTHOUD, CMC – Constructions Mécaniques Champenoises, PRÉCICULTURE, EVRARD (formerly HARDI FRANCE Group), SUPRAY Technologies, TECNOMA, NICOLAS SPRAYERS, SAMES, TRICOFLEX, HOZELOCK EXEL, EXEL YACHTING and ETTORE YACHTING;
- Chairman of EMC LLC, Rasindeck Limited, EXEL REAL ESTATE DENMARK A/S, HARDI INTERNATIONAL A/S, G.F. S.R.L;
- Director of ET WORKS Inc., EXEL REAL ESTATE Inc., EXEL REAL ESTATE AUSTRALIA PTY LTD, EXEL REAL ESTATE NETHERLANDS BV, EREG (EXEL REAL ESTATE GERMANY) GmbH;
- Chairman of MANCOBY (SASU).

Daniel TRAGUS:

- Chairman of the Board of Directors of POMMIER – S.C.E.B.P., ET Works Inc.;
- Permanent representative of EXEL Industries, Chair of CAPAGRI;
- Director of Agrifac Machinery B.V., Agrifac North America, Inc., Hardi International A/S, Lemo Hardi S.A.U., Hardi Australia Pty Ltd, EXEL REAL ESTATE AUSTRALIA PTY LTD, EXEL REAL ESTATE NETHERLANDS B.V., EREG (EXEL REAL ESTATE GERMANY) GmbH, EXEL REAL ESTATE DENMARK A/S;
- Manager of SCI Cathan.

No conviction for fraud, public incrimination and/or sanction, or liability for bankruptcy during the last five years

To the Company's knowledge and as of the date of this Universal Registration Document, no member of the Executive Management has, during the last five years: (i) been convicted of fraud or an official challenge and/or an official public sanction pronounced by statutory or regulatory authorities; (ii) been associated with a bankruptcy, receivership, liquidation or placement in judicial administration; (iii) been deprived by a court of the right to serve as a member of the Board of Directors, as a member of management or as a supervisory member of an issuer or to intervene in the management or conduct of the affairs of an issuer.

Conflicts of interest, family ties and service contracts

Marc BALLU and Cyril BALLU are members of the BALLU family. They are also Deputy Chief Executive Officers of EXEL SAS, the Company's main shareholder.

To the best of the Company's knowledge and as of the date of this Universal Registration Document, there are no proven or potential conflicts of interest between, on the one hand, the private interests or other duties of the members of the Executive Management and, on the other hand, their obligations to the Company.

2.4.2 Top Managers Committee

As of the date of publication of this Universal Registration Document, the Committee of Top Managers is composed of the Chief Executive Officers of the Group's main activities or companies as well as the Group's main functional managers.

2.5 STOCK MARKET ETHICS OF MANAGEMENT BODIES AND MANAGEMENT OF CONFLICTS OF INTEREST

2.5.1 Stock market ethics

Directors and members of Executive Management are bound by a strict confidentiality obligation concerning precise, non-public information that could have a significant influence on the price of the Company's shares or any other listed securities. This information constitutes inside information.

The members of the management and supervisory bodies must refrain from carrying out, directly or indirectly, on their own behalf or on behalf of others, any transaction in the Company's shares or any other listed securities when they are in possession of inside information. They are then included on the lists of insiders drawn up by the Company's Legal Department.

This same obligation of confidentiality is required during certain periods known as "blackout windows", when the Company publishes its annual and half-yearly financial statements and its quarterly revenue. These periods are as follows: for the publication of the annual and half-yearly financial statements, these are the 30 calendar days preceding and the day following this publication; for the publication of quarterly revenue, this refers to the 15 calendar days preceding and the day following this publication.

This abstention requirement is required at any other period communicated by the Company's Legal Department.

These abstention periods end as from the publication of the information concerned, which is the subject of an effective and complete distribution.

Directors and members of the Company's Executive Management, as well as persons related to them, are required to declare to the French Financial Markets Authority (AMF), within three trading days, any transactions they carry out in the Company's shares.

2.5.2 Managing conflicts of interest

Each Director and each guest on the Board has a duty to declare to the Board of Directors any potential conflict of interest, whether current or potential, direct or through an intermediary, between him or herself and the Group. In the event of a conflict of interest, he or she abstains from participating in the discussion and, in the case of a Director, from voting.

The Board conducts an annual review of the absence of conflicts of interest. Any interested party may refer a conflict of interest to the Board of Directors with a Director of which they are aware.

The Board may ask the Remuneration and Appointments Committee to give its opinion and then decide on the measures to be taken.

The Board, after discussion, may decide to request the dismissal of the Director concerned at the Annual General Meeting, unless he or she resigns voluntarily.

2.6 REMUNERATION OF THE COMPANY'S CORPORATE OFFICERS

Pursuant to law No. 2016-1691 of December 9, 2016, known as Sapin 2, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the total remuneration and benefits of any kind attributable to the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officers of the Company in respect of their respective offices are submitted to the vote of the shareholders.

This section takes into account the provisions of law No. 2019-486 relating to the growth and transformation of companies, known as the Pacte law and the government order of November 27, 2019 on the remuneration of corporate officers of listed companies. It describes the remuneration of the corporate officers of EXEL Industries SA.

The report on the remuneration of executive corporate officers was approved by 99.99% of the votes at the Annual General Meeting of February 8, 2022 (11th resolution).

2.6.1 Remuneration policy for corporate officers (*ex-ante* vote)

2.6.1.1 Remuneration policy for members of the Board of Directors

Directors of the Company receive remuneration for their office. The maximum overall amount of the remuneration package to be distributed among the directors is authorized by the Annual General Meeting on the proposal of the Board of Directors.

Exceptional remuneration may be allocated by the Board of Directors for assignments or offices entrusted to members of the Board of Directors. No exceptional assignments were carried out in 2021-2022.

The Annual General Meeting of February 8, 2022 set the total amount of directors' remuneration at €148,000. An increase in this overall budget will be proposed at the next Annual General Meeting in view of the creation of a new Board committee. Shareholders will be asked to increase the budget to €156,000.

For the 2022-2023 fiscal year, the directors' remuneration will be allocated on an identical basis to that of 2021-2022:

- director: annual flat rate of €16,000;
- participation in a Committee: annual flat rate of €4,000;
- chairmanship of a Committee: annual flat rate of €8,000.

2.6.1.2 Remuneration policy for the Chairman of the Board of Directors

The remuneration of the Chairman of the Board of Directors consists of:

- fixed remuneration, determined by the Board of Directors, on the recommendation of the Remuneration and Appointments Committee, consistent with the tasks entrusted to the Chairman, his experience and market practices. This fixed remuneration is €66,000, unchanged since 2016; this remuneration does not form part of the directors' fees decided by the Annual General Meeting;
- remuneration for his term of office as Director and his duties on the Remuneration and Appointments Committee and the CSR Committee, the allocation of which is determined in accordance with the allocation rules decided by the Board of Directors: this is the director's flat rate of €16,000;
- the Chairman of the Board of Directors also receives benefits in kind corresponding to health insurance and the provident scheme and a company car.

2.6.1.3 Remuneration policy for executive corporate officers

The remuneration policy for the Chief Executive Officer and the Deputy Chief Executive Officers for the 2022-2023 fiscal year is described in this section. It will be submitted for approval to the Ordinary General Meeting called to approve the financial statements for the fiscal year ended on September 30, 2022.

The remuneration paid to executive corporate officers includes a fixed portion, a variable portion and benefits in kind.

The fixed portion is determined by taking into account the complexity of the duties, the skills and experience required to perform these duties, as well as the country in which they are performed. The Remuneration and Appointments Committee and the Board of Directors regularly examine changes in the fixed remuneration of the executive officers on the basis of the scope and performance of each of them.

The calculation method of the variable part of the remuneration was reviewed in September 2020 by the Board of Directors, on the recommendation of the Remuneration and Appointments Committee, in order to partly index the variable portion on the variation in Operating Cash *Flow Before Tax of the* Group and/or the activities managed and partly on the achievement of individual objectives for each executive officer.

The variable portion linked to changes in Operating Cash *Flow Before Tax varies depending* on the result achieved, within a range of between 0% and 150% of the financial amount at stake for each executive.

The individual portion of the variable remuneration varies depending on the achievement, as assessed, of the objectives, within a range of between 0% and 130% of the financial amount at stake for each executive. For the Chief Executive Officer, the range is between 0% and 250%.

The weighting for each executive between the variable portion linked to changes in Operating Cash Flow Before Tax and that related to the achievement of individual objectives varies according to his responsibilities within the Group; two weightings are used:

- 50% Operating Cash Flow Before Tax/50% individual financial and non-financial objectives for two executives in charge of an activity and for the Chief Executive Officer;
- 30% Operating Cash Flow Before Tax/70% individual financial and non-financial objectives for an Executive of the Group holding company.

Individual objectives include a CSR objective.

The target variable remuneration for Yves BELEGAUD is €220,000, which may vary between €0 and €440,000.

The target variable remuneration for Marc BALLU is €85,800, which may vary between €0 and €120,120; for Cyril BALLU, it is €40,250, which may vary between €0 and €56,350; for Daniel TRAGUS, it is €78,000, which may vary between €0 and €106,080.

The application of the remuneration policy may be waived if the waiver is temporary, subject to the occurrence of exceptional circumstances, in line with the corporate interest and necessary to guarantee the Group's sustainability.

It should be noted that the Company does not grant its executive corporate officers:

- stock subscription or purchase options;
- performance shares;
- severance payment;
- supplementary pensions.

In view of the fact that executive corporate officers do not have an employment contract, they benefit from health insurance and provident insurance, in the same way as Group employees.

Eligible Deputy Chief Executive Officers benefit from a social security regime for company managers called the *Garantie Sociale des Chefs d'Entreprise (GSC)*. They also benefit from the provision of a company car.

2.6.1.4 Appointment of a new executive officer or departure of an officer

In the event of the appointment of a new Chief Executive Officer or Deputy Chief Executive Officer, the Board of Directors, on the recommendation of the Remuneration and Appointments Committee, will determine the fixed and variable components and the criteria for variable remuneration in accordance with the individual's situation. If necessary, any changes to the remuneration policy will be submitted to the next Annual General Meeting for approval.

In the event of the departure of the Chief Executive Officer or a Deputy Chief Executive Officer, the fixed portion of the remuneration will be paid on a *pro rata* basis; the annual variable portion will also be paid on a *pro rata* basis and based on the achievement of the objectives set by the remuneration policy.

2.6.2 Remuneration of corporate officers paid or allocated during the 2021-2022 fiscal year (*ex-post* vote)

In accordance with Article L.22-10-34-III of the French Commercial Code, the following components of the remuneration paid or awarded to corporate officers in respect of the 2021-2022 fiscal year are submitted to the vote of the Shareholders. It is specified that the payment of the variable remuneration of Executive Corporate Officers is subject to its approval by the Shareholders at the Annual General Meeting of February 7, 2023.

2.6.2.1 Remuneration of members of the Board of Directors

The table below shows the remuneration awarded and paid to directors by EXEL Industries SA and by any Group company in application of the remuneration policy voted in February 2022.

The amounts awarded correspond to the amounts paid because there is no gap between the allocation and payment of directors' remuneration.

Members of the Board of Directors	Amounts paid during the 2021-2022 fiscal year	Amounts paid during the 2020-2021 fiscal year
Patrick BALLU – Chairman of the Board of Directors		
Remuneration of the office	€16,000	€16,000
Fixed remuneration	€66,000	€66,000
Benefits in kind	€2,661	€2,661
EXEL SAS, represented by Marie-Pierre DU CRAY-SIRIEIX		
Remuneration of the office	€0	€16,000
EXEL SAS represented by Ella ÉTIENNE-DENOY		
Remuneration of the office	€17,000	€0
Pascale AUGER		
Remuneration of the office	€28,000	€28,000
SONIA TROCMÉ-LE PAGE (appointed at the Annual General Meeting of February 8, 2022 and Chairwoman of the CSR Committee since May 25, 2022)		
Remuneration of the office	€18,000	€0
Jump'Time SAS represented by Claude LOPEZ		
Remuneration of the office	€29,000	€28,000
Marc BALLU		
Remuneration of the office	€16,000	€16,000
Cyril BALLU		
Remuneration of the office	€16,000	€16,000
TOTAL	**€208,661**	**€188,661**

2.6.2.2 Remuneration of the Executive Management

The amounts "paid" during the 2021-2022 fiscal year correspond to the amounts actually received by each member of the Executive Management. The amounts "awarded" in respect of the 2021-2022 fiscal year correspond to the remuneration awarded for duties performed during the 2021-2022 fiscal year, regardless of the date of payment. These amounts include all remuneration paid by Group companies during the fiscal year.

YVES BELEGAUD

	2021-2022		2020-2021	
Yves BELEGAUD – Group Chief Executive Officer	**Amounts awarded**	**Amounts paid**	**Amounts awarded**	**Amounts paid**
Fixed remuneration	367,500	367,500	360,000	360,000
Annual variable remuneration	72,000	135,000	135,000	40,000
Multi-year variable remuneration				
Exceptional remuneration				
Pension payment and special remuneration				
Director remuneration				
Services rendered				
Benefits in kind	6,983	6,983	4,474	4,474
TOTAL	**446,483**	**509,483**	**499,474**	**404,474**

Yves BELEGAUD benefits from health insurance and employee welfare arrangements.

MARC BALLU

	2021-2022		2020-2021	
Marc BALLU – Deputy Chief Executive Officer	**Amounts awarded**	**Amounts paid**	**Amounts awarded**	**Amounts paid**
Fixed remuneration	246,252	246,252	246,082	246,082
Annual variable remuneration	0	75,840	75,840	67,214
Multi-year variable remuneration				
Exceptional remuneration				
Pension payment and special remuneration				
Director remuneration	16,000	16,000	16,000	16,000
Services rendered				
Benefits in kind	61,676	61,676	95,102	95,102
TOTAL	**323,928**	**399,768**	**433,024**	**424,398**

Marc BALLU benefits from health insurance, employee welfare arrangements and the social security regime for company managers (GSC).

CYRIL BALLU

	2021-2022		2020-2021	
Cyril BALLU – Deputy Chief Executive Officer	**Amounts awarded**	**Amounts paid**	**Amounts awarded**	**Amounts paid**
Fixed remuneration	168,000	168,000	149,532	149,532
Annual variable remuneration	27,650	27,600	27,600	22,130
Multi-year variable remuneration				
Exceptional remuneration				
Pension payment and special remuneration				
Director remuneration	16,000	16,000	16,000	16,000
Services rendered				
Benefits in kind	9,266	9,266	9,157	9,157
TOTAL	**220,916**	**220,866**	**202,289**	**196,819**

Cyril BALLU benefits from health insurance, employee welfare arrangements and the social security regime for company managers (GSC).

DANIEL TRAGUS

Daniel TRAGUS – Deputy Chief Executive Officer	2021-2022 Amounts awarded	2021-2022 Amounts paid	2020-2021 Amounts awarded	2020-2021 Amounts paid
Fixed remuneration	267,172	267,172	263,232	263,232
Annual variable remuneration	48,425	77,025	77,025	59,900
Multi-year variable remuneration				
Exceptional remuneration				
Pension payment and special remuneration				
Director remuneration				
Services rendered				
Benefits in kind	22,430	22,430	20,818	20,818
TOTAL	**338,027**	**366,627**	**361,075**	**343,950**

Daniel TRAGUS benefits from health insurance, employee welfare arrangements and the social security regime for company managers.

2.7 SALARY GAP RATIO

		2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
PATRICK BALLU						
Holding company ratio	Mean	0.9	0.9	1.0	1.1	1.2
	Median	1.2	1.2	1.2	1.3	1.4
EI France ratio	Mean	2.1	2.2	2.2	2.3	
	Median	2.5	2.6	2.7	2.7	
YVES BELEGAUD						
Holding company ratio	Mean	5.5	4.5	4.4		
	Median	7.5	5.9	5.2		
EI France ratio	Mean	12.6	10.4	9.5		
	Median	14.9	12.3	11.3		
MARC BALLU						
Holding company ratio	Mean	4.4	4.7	5.2	5.3	5.6
	Median	5.9	6.2	6.2	6.4	6.8
EI France ratio	Mean	9.9	10.9	11.3	11.3	
	Median	11.7	13.0	13.4	13.4	
CYRIL BALLU						
Holding company ratio	Mean	2.4	2.2	2.4	2.2	2.2
	Median	3.3	2.9	2.9	2.6	2.6
EI France ratio	Mean	5.5	5.0	5.3	4.6	
	Median	6.4	6.0	6.3	5.4	
DANIEL TRAGUS						
Holding company ratio	Mean	4.0	3.8	3.8		
	Median	5.4	5.0	4.6		
EI France ratio	Mean	9.1	8.8	8.4		
	Median	10.7	10.5	10.0		

Chapter 3

Risk factors

3.1 RISK FACTORS

EXEL Industries regularly examines its own risk factors and those of its consolidated subsidiaries.

The risk factors presented here are those considered to be specific to the EXEL Industries group and whose realization would be likely to have a significant net impact on the Group's business, financial position or outlook at the date of this Universal Registration Document.

Other risks, of which EXEL Industries is not aware at the date of this Universal Registration Document, may exist or arise.

The situation is contrasted with regard to the Group's exposure to the Russian and Ukrainian markets. The Russian market represents 4% of the Group's revenue, through the agricultural and industrial spraying brands. In this context, the Group has been very vigilant to (i) comply with European and international sanctions programs and (ii) ensure that payments are made before delivery.

In Ukraine, the Group has two agro-equipment marketing subsidiaries. In this uncertain climate, the Group expects business to recover only slowly in the short term. The Group has also monitored that its Ukrainian employees are safe; they have been welcomed with their families in the Group's various companies in France and Europe.

Risk factors are divided into three categories: risks related to the business sector, operational risks and financial risks.

Risks are classified in their respective categories in decreasing order of importance, determined by taking into account their probability of occurrence and the estimated magnitude of their impact, after taking into account mitigation measures.

The table below presents a summary of these risks, based on their net impact. The ranking criteria, rated from 1 to 5, apply within the same risk category - 1 being the most significant risk, 5 the least significant.

Risk category	Risk factors	Prioritization	Assessment	Evolution
Risks related to the business sector	Restrictions on using phytosanitary products	1	medium	→
	Risks related to changes in the sugar market	2	medium	→
	Risks related to the distribution network	3	medium	→
Operational risks	Risks related to the supply chains	1	high	↗
	Cybersecurity and risk of failure of the information systems	2	medium	→
	Occupational health and safety	3	medium	→
	Farm equipment financing needs by farmers	4	medium	→
Financial risks	Risks related to inflation	1	medium	↗
	Risks related to the used machinery market	2	medium	→
	Foreign exchange risk	3	medium	→
	Interest rate risk	4	medium	↗
	Risks related to transactions that do not comply with the Group's ethics	5	low	→

3.1.1 Risks related to the business sector

3.1.1.1 Restrictions on using phytosanitary products

Description of the risk

The products applied by EXEL Industries agricultural sprayers are natural or synthetic phytosanitary products. They notably include herbicides, insecticides, fungicides and liquid fertilizers. In France and in certain other Western European countries, these products are increasingly controversial for their effects on health and biodiversity (synthetic products) and for their greenhouse gas emissions (for nitrogen fertilizers in particular), as well as for their effect on biodiversity. They are subject to increasingly strict regulations in line with the sustainable development objectives of the European Green Deal.

Risk management

The Agricultural Spraying activity represents 45% of consolidated revenue of EXEL Industries group, and Western Europe accounts for 42% of that business's revenue this year. The challenge facing agriculture is to feed the planet's increasing population (10 billion by 2050) whilst respecting the environment. In order to help achieve this dual target, EXEL Industries' research and innovations are increasingly directed towards more precision sprayers to enable doses of chemical or natural origin products to be reduced by 30-80% whilst increasing yields. Research and innovation combined with visual recognition, drone and GPS mapping technologies and the use of data are the ways forward for a productive and environmentally-friendly agriculture.

EXEL Industries has been engaged for years in the research and development of smart technical solutions aimed at drastically reducing the quantities of phytosanitary products used in treating crops.

To accelerate support for the agroecological transition and position itself as a major player in the agriculture of tomorrow, EXEL Industries has grouped its research centers into centers of excellence dedicated to certain products. The pooling and specialization of research makes it possible to be more efficient and faster in the development of new technologies.

In November 2019, EXEL Industries created EXXACT Robotics, a company specializing in precision agricultural technologies using artificial intelligence, robotics, electronics and agronomy.

After only three years of research, EXXACT Robotics has just begun marketing its 3S Spot Spray Sensor technology, which is able to meet the challenge of minimizing the use of plant protection products, while preserving agricultural yield.

The TRAXX high-clearance tractor, dedicated to narrow vines, is also in the commercial launch phase. TRAXX can be used to work the soil instead of spraying herbicides. TRAXX enables confined spraying applications, generating product savings of up to 40% compared to conventional spraying. TRAXX also addresses safety issues on steep slopes and labor issues, with workers increasingly difficult to find on farms.

EXEL Industries therefore means to be fully involved in the challenge of healthily feeding a growing global population, while ensuring competitive, productive farming that respects the environment. The only development likely to jeopardize our activity would be a ban on agricultural spraying, which does not seem possible at this time.

3.1.1.2 Risk related to changes in the sugar beet market

Description of the risk

In its Sugar Beet Harvesting business, EXEL Industries is very dependent on the sugar market. This market can go through periods of crisis that might affect the demand for sugar beet harvesters. Indeed, sugar production is dependent on agricultural land and yields, and beet sugar accounts for only 20% of global production, the rest coming from sugar cane. Global sugar consumption continues to grow as a result of demographic change, but global production can vary significantly due to variations in surface area, weather patterns, diseases and the use of sugarcane or sugar beet (sugar/alcohol mix), dependent on demand and market prices. The resilience of beet growers is linked on the one hand to the price paid by sugar producers and on the other hand to agricultural yields subject to strong variations due to weather conditions and the ability to treat the plant's environmental stressors.

Risk management

HOLMER's international presence and its diversification into large and medium-capacity carrier devices allow it to partially limit its exposure to that risk. After the sudden increase in European areas under sugar beet in 2017 (end of the sugar quota regime), HOLMER reduced its breakeven point and continued its diversification, in particular for the development of sales of vehicles for transporting and spreading by-products from livestock breeding and methanization.

In addition to the better current trends in the sugar market and the ethanol market, EXEL Industries is continuing its work by seeking the best match between its equipment and productivity and quality requirements.

3.1.1.3 Distribution

Description of the risk

In Agricultural Spraying, EXEL Industries sells its products mainly to dealerships that are often affiliated with generalist full liner manufacturers that offer the full range of agricultural machinery by brand: tractors, combine harvesters, sprayers, seeders, soil tillage tools, hay making, etc. The weight of these manufacturers in the network, who carry out retroactive discounting, and impose binding contracts, could gradually close EXEL Industries' access to this distribution network.

In the Garden business, a significant share of sales are made through mass distribution where EXEL Industries is confronted with a strong concentration of customers who make European calls for tender. However, online sales are growing rapidly and constitute a new marketing channel in addition to physical sales in stores.

Risk management

EXEL Industries strives to reinforce its direct link with the end customer notably through the use of digital technology, an increased presence of its brands on social networks and "open field" customer demonstrations. The EXEL Industries group has developed other sales models such as direct sales (AGRIFAC) or sales through its own distribution subsidiaries (*e.g.* ET Works). The sale of spare parts online (with or without commission to dealers), already developed in the United States, will be extended to Europe.

For its Garden activity, EXEL Industries strives to work with several brands, even if it means developing a range of products differentiated by customer groups. The recent acquisition of G.F. in Italy diversifies the geography of sales and strengthens the Group's offering.

3.1.2 Operational risks

3.1.2.1 Cybersecurity and risk of failure of the information systems

Description of the risk

Risks can take several forms:

- cybercrime: attacks that may provide access to sensitive data (strategic, specific or innovative products, personal data);
- incidents involving infrastructure and information systems that could affect business continuity.

Risk management

Since the health crisis, the Group has accentuated and reinforced the convergence of all its activities towards common IT security rules, with the aim of guaranteeing the same level of security across its entire scope. The newly acquired companies (Nautical industry, G.F.) are consolidated with the same vision of alignment. Throughout the fiscal year, the deployment of new protection and intrusion detection solutions has been extended to all activities. At the same time, new specific protection solutions have been acquired to contribute to the Group's security and further limit risks.

Access control has been further strengthened while the replacement of equipment has almost been completed. Lastly, an awareness-raising and training program is underway and will be gradually rolled out to all employees.

3.1.2.2 Occupational health and safety

Description of the risk

In an industrial group such as EXEL Industries, occupational health and safety issues are important. Safety in particular is a priority objective for the Executive Management of Group companies. In addition to safety requirements, the well-being of employees is a precious asset and a factor of stability and success for the Group's companies.

Risk management

Each Group company implements safety action plans. The halving of the Frequency Rate 1 (workplace accidents with lost time) over the medium-term is one of the CSR criteria for the bond financing issued by EXEL Industries in November 2021. If a significant accident occurs in one of the Group's companies, all other companies are informed *via* the sharing of an "accident flash" in order to take the necessary initiatives to ensure that reported accidents do not recur.

For the well-being of everyone, collaborative and convivial spaces have been created.

This risk is described in detail in section 4.3 of the Statement of non-financial performance.

3.1.2.3 Farm equipment financing needs by farmers

Description of the risk

EXEL Industries customers in the agricultural sector for sprayers, sugar beet harvesters, beet diggers and open-field logistics machines are gradually changing the way they finance their investments. The traditional bank loan is gradually giving way to other means of financing, such as leasing, long-term leasing, short-term leasing, leasing based on hectares worked, etc.

Risk management

To meet these needs, EXEL Industries offers financing solutions ranging from lease financing to all-inclusive leases per hectare, by relying on financial partners for which this is the business. In some cases, machine inventories at dealers may be financed *via ad hoc* financing offered by specialized financial partners.

3.1.2.4 Risks related to the supply chain

Description of the risk

Tensions on the supply chains arose during the 2020-2021 fiscal year and intensified significantly at the end of the fiscal year and throughout the 2021-2022 fiscal year. Little or no improvement is expected before the second half of 2023. These tensions are reflected in the lengthening of delivery times and shortages in the supply of certain components, particularly electronics.

As a result, production chains are disrupted and delivery times are longer for Group companies, particularly for agricultural equipment, which is also benefiting from strong market momentum.

Risk management

To reduce the risk associated with disrupted supply chains, EXEL Industries companies seek to diversify their purchases whenever possible. In addition, permanent contact with suppliers enables us to communicate our exact needs in terms of raw materials and components as closely as possible.

Critical suppliers have been identified and are closely monitored with weekly or bimonthly updates.

3.1.3 Financial risks

3.1.3.1 Inflation risk

Description of the risk

Depending on their activities, the Group's companies use a certain number of raw materials, including metals, plastics and electronic components. The prices of these raw materials are subject to fluctuations caused by changes in demand, and therefore in the ability of the Group's suppliers to meet these needs. Energy-related expenses, mainly electricity, represent less than 1.5% of the Group's consumed purchases.

On the other hand, logistics is a component of these purchase prices and can have a significant impact on the delivery times and costs of raw materials and components. As it is not systematically able to pass on all the increase in the prices of raw materials and components in the selling price of its products, the Group could see its results adversely affected.

Lastly, any requests for salary increases, given the current sharp rise in prices, could contribute to the deterioration of the Group's results and create a more tense social climate.

Risk management

The Group's companies make their best efforts to offset price increases by optimizing their supply management and renegotiating, where possible, their contracts with suppliers. Depending on the circumstances, they may pass on increases in the prices of raw materials and components in a reasonable manner in order to preserve margins as much as possible. In addition, the Group obtains its supplies from recognized suppliers in order to secure its supply.

3.1.3.2 Risk related to the used machinery market

Description of the risk

In the Agricultural Equipment Division, several companies such as HOLMER, AGRIFAC and ET Works have incorporated direct sales to customers in their business model, without going through a dealer. In this case, the Company is often responsible for the recovery of the customer's second-hand equipment, generating a stock of used machines.

A financial risk may arise when the inventory value of these machines is greater than their market value. This risk results in a financial loss when a machine is sold for less than its inventory value. The expenses for repairing the machine before it is put on the market should also be taken into account.

Risk management

In order to limit this risk, the companies of EXEL Industries are implementing the following actions:

- establishment of a price benchmark for used machines, based on actual sales. This price benchmark is used in the event of a trade-in of a second-hand machine when a new machine is sold. Various parameters are taken into account to establish the trade-in price, in particular the age of the machine, the number of hours of use, the general condition of the machine and the work to be done to put it back on the market;
- in the area of sugar beet harvesters, the Group has implemented an action plan to reduce the number of used machines taken back;
- campaigns to promote used machines are conducted in order to resell them quickly, if possible in the same fiscal year as the trade-in;
- at the reporting date, an individual review of the value of each machine is carried out. This review takes into account the actual sale value of comparable machines during the fiscal year. In the event of overvaluation, a corresponding provision is recorded in the accounts.

During the 2021-2022 fiscal year, an increase in demand for used machines was noted, increasing their turnover rate and leading to a decrease in the inventory level. The risk is thus limited.

3.1.3.3 Foreign exchange risk

Description of the risk

The EXEL Industries group, due to its international presence, is exposed to fluctuations in foreign currencies. This results in an operational foreign exchange risk and a foreign exchange risk related to conversions into the functional currency of each entity.

Operational foreign exchange risk

Operational foreign exchange risk is related to sales or purchase transactions in currencies other than the functional currencies of the entities carrying out these transactions.

This risk is mainly present in transactions with distribution subsidiaries. Entities present in the euro zone sell and invoice their foreign subsidiaries in euros. Exceptionally, subsidiaries in the United States and Great Britain are mainly invoiced in their local currency.

Sales outside the Group have a limited foreign exchange risk, as the majority of external sales are made in the functional currency of the selling entity. Non-Group revenue denominated in a currency other than the functional currency of the selling entity is €70.7 million including €26 million of revenue from our Danish subsidiary (DKK) in euros. The fluctuation of the EUR/DKK exchange rate is very low, generating a negligible foreign exchange risk.

Foreign exchange risk related to conversions into the functional currency of each entity

In addition, the Group is exposed to a foreign exchange risk related to the change in value of debts and receivables denominated in a currency other than the functional currency of the entity. All monetary assets and liabilities denominated in a foreign currency are revalued in euros at the closing rate. These are mainly intra-group debts and receivables for the financing needs of distribution subsidiaries abroad.

As of September 30, 2022, the following are receivables, cash and cash equivalents and liabilities denominated in a currency other than the entity's functional currency:

(in € thousands)	Receivables and cash	Debts	Balance sheet exposure at 09/30/2022	Balance sheet exposure at 09/30/2021
EUR	37,460	(86,889)	(49,429)	(44,240)
USD	32,411	(4,377)	28,034	22,379
GBP	42,550	(19,774)	22,775	8,333
AUD	8,510	(2,338)	6,172	12,798
Others	2,108	(1,977)	131	1,277
TOTAL	**123,038**	**(115,355)**	**7,683**	**547**

The line denominated in euros corresponds to the euro balance sheet exposure of Group entities whose functional currency is not the euro. This exposure is linked to the invoicing in Euro to a certain number of distribution subsidiaries outside the euro zone and to the financing of these subsidiaries in euros.

The Group's balance sheet exposure increased compared to last year due to the increase in intra-group financial receivables and liabilities.

The financing needs of foreign subsidiaries outside the euro zone through intra-group loans/borrowings may sometimes expose certain Group entities to a financial foreign exchange risk.

In the event of a significant change in certain currencies, the Group's results could be adversely affected.

Risk management

The Group hedges its operational purchases and sales, mainly in USD, on a case-by-case basis.

In order to reduce the foreign exchange risk on financial receivables and debt, currency positions are matched to assets and liabilities. Currency swaps are also set up to hedge long-term intra-group financing in GBP.

3.1.3.4 Interest rate risk

Description of the risk

The EXEL Industries group uses bank financing. Half of this financing is at variable rates.

Risk management

Anticipating this increase in interest rates, the EXEL Industries group increased the proportion of its financing at fixed rates. In addition, part of the variable-rate financing was hedged. Lastly, the Group has set up a cash pooling system which optimizes the necessary bank drawdowns.

3.1.3.5 Risk related to transactions that do not comply with the Group's ethics

Description of the risk

Due to its international activity, the EXEL Industries group is subject to complex and varied regulations in terms of compliance and is present in countries that are sometimes notoriously exposed to corruption. Also due to sustained growth *via* successive acquisitions, the companies comprising the Group do not necessarily have the same standards in terms of compliance.

In the event of a breach of the principles and rules of integrity, the Group's employees, managers or companies could be held liable. The occurrence of such breaches could give rise to sanctions, particularly financial sanctions, and affect the reputation and image of the EXEL Industries group and thus have an adverse effect on the Group's business, financial position or outlook.

Risk management

EXEL Industries asks the companies that make up the Group to comply with the regulations of the countries in which they operate.

The Group is in the process of deploying its compliance program: in December 2021, the Group's Ethics Charter and the International Sanctions Compliance Policy were adopted by the Executive Management; in November 2017, the Group adopted a code of conduct on the prevention of corruption and influence peddling and launched an extensive employee training program.

3.1.4 Legal and arbitration proceedings

In the normal course of its business, the Group is involved in legal proceedings and is subject to tax, customs and administrative controls.

The Group believes that there are no exceptional events or litigation involving significant probable risks likely to affect the Group's assets, net income or financial position, which have not been the subject of provisions deemed necessary to the end of the fiscal year.

3.1.5 Insurance

In 2022-2023, the Group continued its policy of centralizing insurance programs, while taking into account the specific nature of the Group's activities in order to ensure:

- a consistent transfer of risks;
- harmonization of the conditions for cover and deductibles;
- better costs;
- optimization through economies of scale;
- an extension of insurance programs to the entire Group.

The Group will continue its policy in France and abroad in 2021-2022 by:

- guaranteeing better risk coverage by integrating all Group companies into existing insurance programs, in particular the new companies that joined the Group in 2022;
- increasing guarantees where required;
- reducing costs, notably through self-insurance, when the Group deems it appropriate;
- setting up new insurance programs covering risks not covered until now.

The main accidental or operational risks are transferred to the insurance market, when this market exists and this transfer is economically justifiable.

Our insurance policy takes into account changing risk models, risk assessment, market conditions and the available insurance capacity.

The table below summarizes all areas currently covered by Group Insurance:

Insurance	Main cover
Property damage/Business interruption (International Program)	All Risks with the exception of named exclusions
Civil liability (International Program)	All Risks with the exception of named exclusions Including the following coverage: • civil liability for operations; • post-delivery or post-work civil liability.
Corporate officers civil liability (International Program)	Coverage for claims of liability against Executive and corporate officers
Automobile fleet	Liability/Theft/Fire/All Accident Damage
Employee missions	Cover for employees using their personal vehicle for business trips
Individual accident and assistance (International Program)	Individual accident and assistance insurance for employees on business trips (in France and the international market)
Professional multi-risk (Traffic risk)	Coverage for agricultural equipment loaned or made available. Coverage for testing new agricultural equipment.
Transport insurance (International Program)	Comprehensive coverage of merchandise, products and equipment in transport by any mode throughout the world (except excluded countries).
Credit insurance (International Program)	Credit risk coverage on the receivables of the Group's companies resulting from the delivery of merchandise and the provision of services or work.

3.1.6 Regulatory environment

Each of the Group's companies operates within a regulatory framework that is specific to its business lines and geographies and whose development could be unfavorable, in particular restrictions on the use of plant protection products.

These activities are described in Chapter 1, Presentation of the Group, of this Universal Registration Document.

To date, the Group is not aware of any measures or factors of an administrative, economic, budgetary, monetary or political nature that have materially affected or could materially affect, directly or indirectly, its activities, other than the risks described above in section 3.1 "Risk factors".

3.2 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

At the start of 2021, EXEL Industries launched a program to exhaustively list the risks to which its activities are faced, in order to update its risk management policy. This policy defines the resources, behaviors, procedures and actions that enable management of:

- the efficiency and effectiveness of the operations;
- the reliability of financial information;
- compliance with laws and regulations;
- the application of instructions and guidelines set by the Executive Management.

This approach, carried out with each of the Group's entities, involved around one hundred managers covering all operational functions and the holding company:

- self-assessment stage;
- creation of a library of risks classified by category;
- criticality assessment, product of the probability of occurrence and the potential for nuisance;
- construction of a program to control the most critical risks.

An internal control process was redesigned based on a four-stage continuous improvement approach:

- the analysis of the main risks likely to prevent the Group from achieving its strategic and operational objectives;
- the implementation of prevention and detection controls proportional to the type of risk that are documented in an internal control manual;
- the communication of the procedures and training for internal control stakeholders;
- lastly, a periodical review of the system's effectiveness in order to provide changes.

Governance of the internal control implemented is based on the following persons:

- the Board of Directors entrusts the Audit Committee with the task of overseeing the operation of internal control;
- the operational departments ensure that the necessary controls exist and that they are carried out;
- the Audit Committee defines the audit plan, taking into account the major malfunctions identified and fraud in order to initiate corrective actions. It attentively monitors the results of the annual risk mapping exercise;
- the Group's Executive Management checks that the procedures and instructions are correctly applied, that the controls are effective and that the declarations of compliance signed by the operational departments reflect reality;
- the Statutory Auditors;
- the Chief Operating Officers;
- the internal control ambassadors.

Chapter 4

Statement of Non-Financial Performance

Paris, 12/14/2022

Due to its size, the EXEL Industries group is subject to the publication of a Statement of Non-Financial Performance (DPEF), in accordance with Articles L.225-102-1, R.10-29 and R.22-10-36 of the French Commercial Code.

Thus, after the introduction, this chapter presents the Group's business model (4.1 and 1.3), the European sustainable taxonomy (4.2), its main non-financial risks and opportunities (4.3), the policies implemented (4.4) and the results of these policies with performance indicators (4.5), in accordance with Articles L.225-102-1 and R.225-105, L.22-10-36 of the French Commercial Code.

A new CSR vision

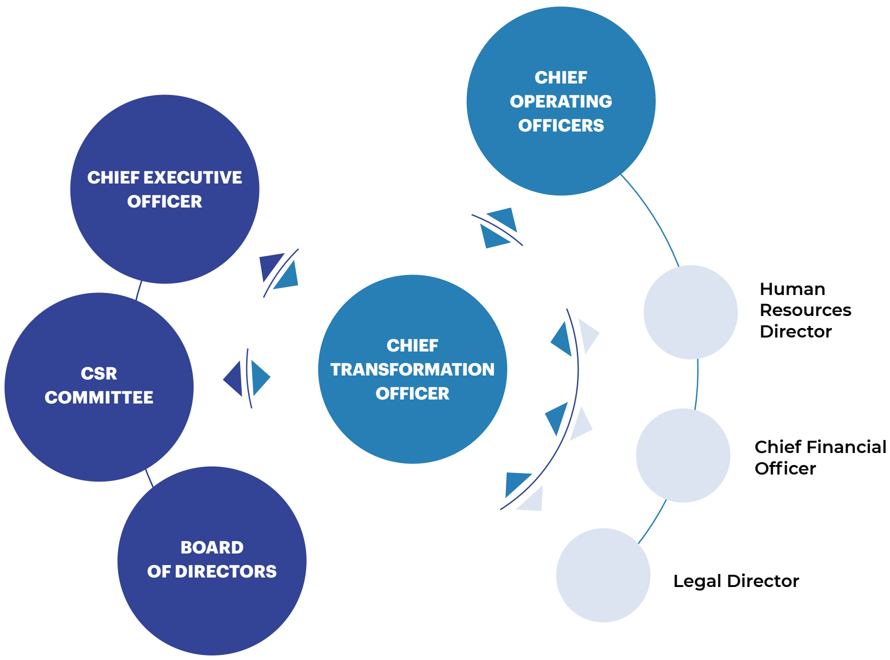
Under the aegis of the Board of Directors and Executive Management, EXEL Industries is pursuing the objective of developing an ambitious CSR strategy in the societal, environment and governance areas.

In line with our commitment to sharply reduce our direct and indirect carbon emissions, we have initiated a strong new momentum involving all of the Company's players, which will intensify as from the 2022-2023 fiscal year.

This proactive strategy is based on structuring elements: the arrival of new female directors with a strong ESG touch, implementation of the guidelines in each company and consolidation at Group level, expansion from scope 1 and 2 towards scope 3 in the upstream and downstream dimensions of our internal organizations.

We have also aligned our financing strategy with our CSR ambitions by raising a EuroPP and RCF lines in November 2021 which include targets for reducing workplace accidents and doses of plant protection products sprayed with a progress trajectory by 2026-2027. The share of financing indexed to ESG criteria represented approximately 50% of the total at September 30, 2022. Lastly, since the 2021-2022 fiscal year, a portion of the variable remuneration of top managers is based on their CSR actions.

The Group's CSR governance is as follows: the CSR Committee, set up on May 25, 2022, assesses the progress of the roadmap and reports to the Board of Directors. The Chief Transformation Officer proposes the orientations of the Group's CSR strategy to the Chief Executive Officer and validates the progress of each of the entities and departments. To facilitate the deployment and coordination of the sustainability policy within the sites, a CSR commission composed of reference contacts for each activity has been set up. The business model, its non-financial risks and all plans for implementing and monitoring them are defined and driven by the CEO and submitted to the Board of Directors for approval.



4.1 BUSINESS MODEL

Our business model (our activities, main markets by geography and customer type, competitive positioning, positioning in the sector, products and services, production resources) is described in chapter 1 of this Registration Document.

A family group, EXEL Industries has attached particular importance to human values since its creation.

Human capital is treated with the utmost care. The Group's various activities have considerable autonomy to manage processes across the entire value chain. Each activity/company is managed by a Chief Executive Officer and has a Management Committee. The Human Resources function is also managed within each company with the aim of combining social vision and skills development.

The Group's three areas of development focus mentioned in the previous paragraph are aligned with its eight values, which are:

- Customer Care;
- Love of product, Innovation;
- Excellence, Professionalism;
- Trust, Initiative;
- Openness, Transparency;
- Team spirit;
- Pride in belonging;
- Acting responsibly.

The centralized management tools developed and proven over many years in the training of all Group managers, in tracking skills and in internal communications through the circulation and sharing of successes by individuals in our companies are important pillars for the Group.

Thanks to its respect for cultures and teams, EXEL Industries has a very strong ability to quickly integrate the acquired companies into the Group and make them profitable.

Intellectual capital

Paragraph 1.7 of the Universal Registration Document spells out the importance of intellectual capital.

EXEL Industries has made innovation its trademark. Filing of patents, investments in R&D, collaborations with universities and engineering schools, development of partnerships with start-ups, individual entrepreneurs and incubators are the main methods of this policy.

4.2 EUROPEAN SUSTAINABLE TAXONOMY

The European Sustainable Taxonomy Regulation is a key element of the European Commission's action plan on sustainable finance, which aims to redirect capital flows towards a more sustainable economy. The taxonomy is a classification system for environmentally "sustainable" economic activities. As a Group subject to the obligation to publish non-financial information in accordance with Article 29a of Directive 2013/34/EU, the EXEL Industries group falls within the scope of Article 8 of the EU Taxonomy Regulation and must thus communicate on the extent to which its activities are related to economic activities classified as sustainable.

The six environmental targets defined in the EU Taxonomy Regulation are:

- climate change mitigation;
- adaptation to climate change;
- the sustainable use and production of water and marine resources;
- the transition to a circular economy;
- pollution prevention and reduction;
- the protection and restoration of biodiversity and ecosystems.

Up to now, technical selection criteria have been established by the European Commission for the first two climate-related objectives.

For the 2021-2022 reporting period, Article 8 of the delegated act provides for the reporting of limited information (the "KPIs"), *i.e.* the proportion of economic activities eligible and not eligible for taxonomy in total revenue, capital expenditure (CAPEX) and certain operating expenses (OPEX).

Main activities

In light of Regulation (EU) 2020/852 of June 18, 2020, as well as Delegated Regulation (EU) 2021/2139 of June 4, 2021, we examined all the economic activities potentially eligible for the taxonomy for the two targets of mitigation and adaptation to climate change. This review concludes that the activities of the EXEL Industries group are not eligible in view of the list published to date by the European Commission, which prioritizes the activities with the highest emissions. As a result, the revenue eligibility rate of the EXEL Industries group is 0%.

CAPEX and OPEX

We have identified that some of our CAPEX and OPEX are potentially eligible for the taxonomy.

We estimate with a reasonable degree of confidence that our eligible CAPEX represent 34% (€11.5 million) of total CAPEX (€33.9 million).

With regard to OPEX, the Group's decentralized organization did not make it possible to precisely track this information in our information systems for the fiscal year ended September 30, 2022. We do not have a reasonable assurance that the information that we could report would accurately reflect the share of eligible OPEX and have therefore chosen not to publish this information.

During the next fiscal year, we will continue to work on the taxonomy in order to integrate the portion of the regulations that will come into force in 2023, as well as on the means of more precisely tracing the amounts of eligible OPEX and CAPEX.

4.3 MAIN NON-FINANCIAL RISKS AND OPPORTUNITIES

EXEL Industries reviewed the risks that could potentially have a material adverse effect on its business, financial position or results (or its ability to meet its targets).

Every year, EXEL Industries companies undertake an in-house analysis of threats and opportunities at the time of their budget presentations to the EXEL Industries Executive Management.

2020-2021 was marked by in-depth work aimed at reviewing all the financial and non-financial risks likely to affect the Group. This action was carried out on a large scale with top managers of the Group and more than a hundred employees. Structured around each participant's analysis and the collective sharing of conclusions in an iterative mode, it resulted in the creation of a mapping of all the Group's risks, and, in particular, highlighted the main non-financial risks.

This mapping was established in conjunction with a risk matrix that measures the severity and probability of occurrences. It also took into account the analyzes from the various entities of EXEL Industries group, carried out as part of the ORM.

This risk analysis is presented to the Audit Committee.

The risk mapping includes the non-financial risks summarized in the table below and that will be discussed below.

RISKS

1 SOCIAL AND SOCIETAL	2 ANTI-CORRUPTION	3 RESPECT FOR HUMAN RIGHTS	4 FIGHT AGAINST TAX EVASION	5 ENVIRONMENTAL
▸ Risks related to employee health and safety at work ▸ Risk related to attractiveness (apprenticeship, disability, gender balance) ▸ Risk related to the maintenance and development of skills (training, mobility)	▸ Risk related to corruption and influence peddling	▸ Non-respect of fundamental human rights (child labor, discrimination)	▸ Risk of non-compliance with the tax laws and regulations of the countries in which the Group operates: • due to its international presence • due to rapid/ unfavorable changes in taxation	▸ Ground and air pollution ▸ Biodiversity risk ▸ Risk of soil compaction ▸ Climate risk: reducing carbon footprint

During the 2021-2022 fiscal year, the EXEL Industries group conducted materiality analyzes on the agricultural and industrial spraying activities in order to integrate its stakeholders' expectations in terms of CSR. The deployment for the rest of the activities will be carried out in 2023. All the results will be available in 2023 and will complete the risk mapping for the next fiscal year.

Since November 2021, EXEL Industries group has placed a private bond issue (EUROPP) with institutional investors, the coupon of which may vary depending on achievement of the following CSR criteria: the rate of workplace accidents (FR1) and the reduction of plant protection products sprayed thanks to innovations carried out by the Group. This momentum has been continued in collaboration with our banking partners, with whom we have contracted loans incorporating CSR criteria on the same principle as that of the EUROPP. At September 30, 2022, nearly 50% of our debt included CSR criteria.

In December 2021, EXEL Industries group adopted an Ethics Charter which embodies the values of employees and shareholders and constitutes the reference framework for the activities of the companies comprising the Group. This Ethics Charter applies to all employees and managers of EXEL Industries group, in France and abroad.

The main topics covered by this Charter are as follows: business ethics and compliance with laws and regulations, respect for assets and data, respect for working conditions, respect for health and safety at work and the Group's environmental policy.

4.3.1 Employment and society

The risks identified in this area involve several elements:

In an environment of scarcity of human resources and hyper-competition between work organizations, Human Capital is a key resource for EXEL Industries. This is why the Group is committed to attracting the talents of tomorrow to support its development. It offers its employees a work environment conducive to efficiency, deploys training initiatives and acts, in respect of all diversity, so that everyone feels good and is considered.

In particular, the main risks identified are:

Risks related to employee health and safety at work

Well-being at work, management of absenteeism and workplace accidents are major challenges for our Group. In particular, the safety of our employees at work is held to the highest level by the Group's Executive Management. Monitoring of new hires and temporary workers is considered important.

EXEL Industries has many industrial sites that present multiple risks: working at height, use of machine tools, handling of rolling stock, working together, etc. are all examples of risky situations. EXEL Industries is committed to making workplace safety an absolute priority. The implementation of positive impact financing, one of the major objectives of which is to reduce the Frequency Rate from one to five years, is a material feature.

Risk related to attractiveness

Our companies are all in the industrial sector. They are medium-sized and aim to attract candidates and make them want to join the Group.

Most of the occupations that our companies need for their development are under pressure. This is the case for worker trades where skills in mechanics, hydraulics and electronics are in demand. This is also the case for research and development, engineering and industrial organization, which encompass mechanics, electronics, robotics and new information technologies such as digital, data and artificial intelligence. These specialized profiles are in great demand today.

The size of our companies, the quality of social dialogue in the field, the culture of local initiative, the HR tools implemented, the policy of developing apprenticeships and retaining our young people are all necessary responses to face this challenge of attractiveness.

Risk related to the maintenance and development of skills

Multiple, varied efforts must be made to support employees once they join our companies. In-house and outsourced career-long training are areas that the Group considers carefully and on which it is working in particular.

4.3.2 Anti-corruption

The risk related to corruption and influence peddling is a risk identified within the Group given the diversity of the countries in which it operates and the third parties with which it interacts. These third parties may be public servants, customers, suppliers, commercial agents, dealers, consultants or public or private partners.

Corruption distorts competition and the normal functioning of the market.

This risk could lead to legal action against the Group and have major consequences for the smooth running of the Group's business, its reputation and its attractiveness.

The Executive Management of EXEL Industries has made the prevention and detection of corruption a priority, and is committed to a policy of zero tolerance.

4.3.3 Human Rights

Failure to respect fundamental human rights such as child labor, discrimination against certain categories of the population or work carried out in unacceptable conditions is at odds with the values we hold and could, moreover, lead to legal actions against the Group with major consequences in terms of reputation and attractiveness.

4.3.4 Tax evasion

As an international group operating in many countries, EXEL Industries is aware of its possible exposure to this issue and takes into account all possible measures mentioned in paragraph 3 of the Universal Registration Document.

4.3.5 The environment

As our industrial sites are mainly concerned with the assembly of purchased components, the environmental risks described here are mainly those that concern the users of the equipment sold by the Group.

Ground and air pollution

By 2050, the world population will reach almost 10 billion inhabitants. In order to feed this larger population, agricultural production will have to increase significantly. EXEL Industries is a company committed to helping farmers combats the three major scourges in agriculture: plant diseases (viruses and fungi), attacking insects and invasive weeds.

Since its businesses involve spraying, EXEL Industries has for many years dealt with the risks related to restrictions on using phytosanitary products.

The products applied by our agricultural sprayers are phytosanitary products with a synthetic or natural origin. They notably include herbicides, insecticides and fungicides intended to combat such diseases.

These products are subject to strict regulations and, in some cases, are destined to disappear (glyphosate in particular), but will have to be replaced by alternative products.

The challenge of agriculture is to feed the planet's increasing population while respecting the environment. To help achieve this dual target, EXEL Industries' research and innovations are focused on improving spraying precision to reduce the doses of chemical or natural products by 30 to 80%, while promoting increased yields. Research and innovation combined with visual recognition, drone and GPS mapping technologies and the use of data are the ways forward for a productive and environmentally-friendly agriculture.

The Spraying part of the garden business is also affected by issues of this type.

Industrial spraying is constantly striving for greater effectiveness in its innovations and for improved transfer efficiency (the fraction of paint actually applied to the target).

Biodiversity risk

Because of its activity, the sprayers manufactured by EXEL Industries' companies use plant protection products that partially affect the soil to preserve plants. In this context, biodiversity may be affected. The innovations implemented within EXEL Industries and described in Section 3.5.1 take this risk into account.

Risk of soil compaction

The use of heavy machinery for work in the fields and in particular for harvesting in wet soil can affect the soil by causing significant compaction due to the machine wheels. This settlement is detrimental to the soil's proper respiration and to biodiversity. The innovations mentioned in chapter 3.5.1 provided by HOLMER reduce this impact.

Climate risk: reducing carbon footprint

The carbon footprint is an issue for all industries. Due to its main assembly activity, EXEL Industries is not very concerned with low carbon emissions compared to revenue. Our direct emissions come mainly from the electrical energy consumed in our processes. However, we are gradually taking into account indirect emissions from purchased materials and components.

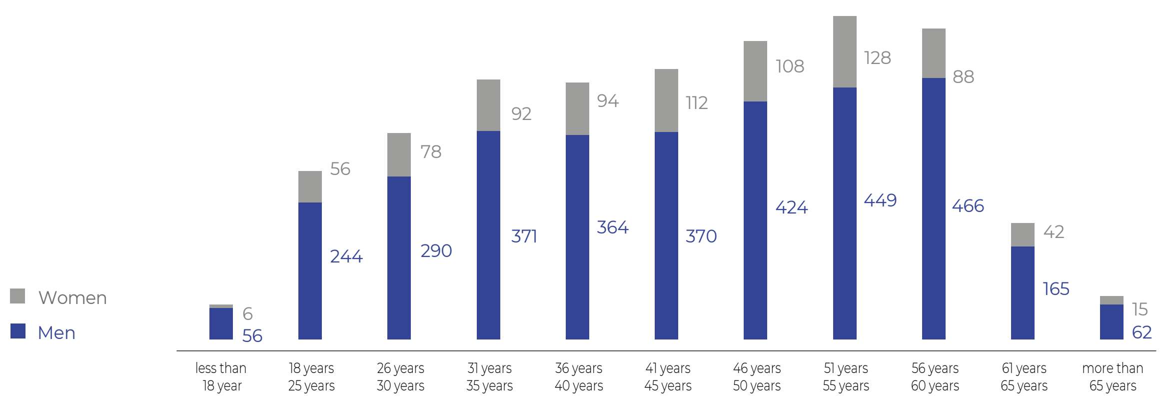
4.4 ACTIONS UNDERTAKEN

4.4.1 Employment and society

Foreword: Statement of Headcount – Primary Data

As of September 30, 2022, the Group's total headcount was 4,080 employees (permanent and fixed term contracts), including 20% women and 80% men, a stabilization in the proportion of women since last year. The headcount averaged 4,015 employees during the fiscal year.

The age pyramid looked as follows:



The Group's average age has increased from 43 years and 3 months to 43 years and 8 months. 52% of the employees are in the first part of their career (under 45 years old).

Young people under the age of 25 continue to be well represented (nearly 9% of the headcount as of September 30, 2022). The proportion of seniors (over the age of 55) was stable at 20%.

Over the reporting period, 1,035 people left the Group, including 115 layoffs, and there were 1,083 new hires.

BREAKDOWN OF THE INTERNATIONAL HEADCOUNT

	Year 2019-2020	Year 2020-2021	Year 2021-2022
France	42.4%	42.9%	42.0%
Northern Europe	9.7%	10.5%	10.0%
Southern Europe	2.9%	1.4%	0.9%
Eastern Europe	2.3%	2.7%	2.1%
Western Europe	24.4%	24.9%	27.1%
Central Europe	4.6%	4.3%	4.6%
North America	7.0%	6.6%	6.7%
Asia	2.6%	2.3%	2.2%
Pacific	2.8%	3.2%	3.2%
South America	1.0%	1.0%	1.0%
Africa and Near & Middle East	0.3%	0.3%	0.3%

The countries corresponding to the areas concerned for which our employees are present are:
- Northern Europe: Denmark, Norway, Sweden;
- Southern Europe: Spain, Italy, Portugal;
- Eastern Europe: Russia, Ukraine;
- Western Europe: Germany, England, Belgium, the Netherlands, Switzerland, excluding France;
- Central Europe: Austria, Czech Republic, Hungary, Poland, Romania;
- North America: Canada, United States;
- Asia: China, India, Indonesia, Japan, Malaysia, Thailand, Vietnam;
- Pacific: Australia, New Zealand;
- Central and South America: Argentina, Brazil, Mexico;
- Africa and Near & Middle East: Turkey.

In terms of geographical distribution, the Group has 58% of its headcount outside France and more employees residing in Europe outside France than in France.

Note on the headcount:

The headcount is given as of September 30, 2022: these are all the employees on fixed term contracts (including apprentices) and permanent contracts in the Group on September 30, 2022, regardless of their working time. This is the figure used in the breakdown by age, gender and geographical area.

Concerning the average headcount: this is the average number of employees present on the last day of each month over a 12-month period, disregarding any part-time work, and including temporary employees (including apprentices) and permanent employees.

4.4.1.1 Guaranteeing Workplace Health, Safety and Well-being

a - Act preventatively to ensure the safety of employees

The health and integrity of our employees is essential. We integrate these issues into our day-to-day management. The improvement in safety outcomes is the result of a long process. It is based both on a high level of compliance with rules, storage, cleanliness, the wearing of personal protective equipment and employee training (first aid, fire, safety) along with the exemplary attitude of managers.

It is also the result of putting safety first, and constant concern, thanks to the attention paid to risky situations in companies.

Workplace safety is an absolute priority at the center of our attention.

All Group top managers are encouraged to take all necessary measures to minimize workplace risks and aim for zero accidents. Each Executive Management meeting begins with the issue of safety. Every visit gives rise to a "factory tour" with the aim of detecting and avoiding potential risks of accident thanks to an external view.

We have set up a health & safety commission with one representative per company.

Similarly, pro-active approaches are deployed within each company. They are based on the involvement of the entire company hierarchy and, more broadly, all employees. They include regular "safety walks" or "safety days" that involve the entire working community. With a view to pooling risk situations, they also provide for the sharing of prevention reports, accident reports and action plans to improve industrial organizations in "5S"-type approaches.

Work-related accidents, even minor ones, are analyzed in our companies. In general, medical check-ups are organized. Having healthy employees is one of the essential elements of prevention in our work community.

The very great majority of sites have set up welfare protection for employees, notably health and welfare arrangements.

The Group also has a global coverage program for accident risk conditions as part of professional assignments, which it has rolled out to all countries, including outside Europe.

On sites with a production activity, a person is responsible for the safety aspects, who often combines this role with responsibility for environmental questions. We also encourage learning in this area.

Communication continues to be a lever for raising awareness at most sites, with the use of green crosses, totems and posters as part of the "five minute points".

Nursing and social worker services exist in several structures.

The highest level of attention is also paid to psychosocial risks. In the companies, senior management, along with the medical/social staff of Human Resources Departments, work closely with managers, employee representatives and employees to prevent and create alerts for such risks.

b - Measure and reduce occupational accidents

Despite the multiplication of prevention actions undertaken, we have not yet reached zero accidents. And while the results for the frequency rate are improving, efforts must be continued.

This is why our impact financing plan (EURO PP) has made it one of its three CSR indicators.

Last year, a new Frequency Rate indicator, FR2, corresponding to reported workplace accidents with and without lost time was implemented. As with FR1, it is monitored on a monthly basis.

Each Group company will henceforth be challenged and given assistance in the event of deviation or failure to control such risks.

- **The frequency rate (FR1) is:**

$$\frac{\text{Number of occupational accidents with time lost x 1,000,000}}{\text{Number of hours worked by all Group employees (excluding temporary workers)}}$$

This refers to the number of accidents involving at least one day of lost time per million hours worked.

- **The frequency rate (FR2) is:**

$$\frac{\text{Number of occupational accidents declared with time lost x 1,000,000}}{\text{Number of hours worked by all Group employees (excluding temporary workers)}}$$

- **The severity rate is:**

$$\frac{\text{Number of days with time lost following occupational accidents x 1,000}}{\text{Number of hours worked by all Group employees (excluding temporary workers)}}$$

This refers to the average number of days of lost time per thousand hours worked.

The Frequency Rate 1 posted a slight decrease this year: 13.0 compared to 14.7 last year, but efforts must be continued to achieve the stated objectives.

	Year 2018-2019	Year 2019-2020	Year 2020-2021	Year 2021-2022
Frequency rate (FR1)	18.6	14.9	14.7	13.0
Severity rate	0.5	0.3	0.5	0.6

Note on the severity rate: exclusion of the number of days of sick leave and hours worked for the AGRIFAC MACHINERY B.V. site.

We are also building strong partnerships with the temporary employment agencies working on our sites by setting up joint questionnaires with temporary workers, and involving them in our safety *days*.

No fatal workplace accidents affected the Group's employees or temporary workers during 2021-2022.

c - Absenteeism

The year 2021-2022 saw an increase in our absenteeism rate compared to last year. The indicator therefore deteriorated by 0.68 points, going from 2.96% in 2020-2021 to 3.64% in 2021-2022.

To improve wellbeing at work and to reduce the costs of absenteeism, concrete actions have been implemented in the Group's companies:

- return to work interviews are held for employees who were absent for over a week;
- improving communication (in the department, at the Management level, at the social partners level and with employees on specific health themes, remaining in contact with the sick employee);
- free vaccination measures at HOLMER, decisions to implement special vaccination operations at HOZELOCK EXEL and HOZELOCK Ltd.

d - Good health, life hygiene and wellbeing

Beyond the basic health and safety requirements, the Group strives to create an environment conducive to helping workers feel happy and fulfilled in their work.

Collaborative spaces have been built, with open spaces, interactive discussion spaces and break rooms that give employees a chance to vary the rhythm of and take breaks from their workday.

Morning exercises before starting work (as at HOZELOCK Ltd or HOZELOCK EXEL) or spaces that employees appropriate in order to embellish their work environment have emerged.

SAMES KREMLIN at certain sites has also established wellbeing programs aimed at mental, psychological and physical comfort.

AGRIFAC provides regular psychological counseling for employees who may be experiencing psychological difficulty.

4.4.1.2 Increasing our attractiveness

Developing apprenticeships, close relationships with schools, ties to associations and seeking out people with different, varied and unusual backgrounds are responses to that risk.

a - Apprenticeships, work-study programs and attracting new types of work relationships

The apprenticeship policy is one of our long-standing Corporate Social Responsibility focuses.

The increase in the number of apprentices has been constant and the increase is real. In 2020, EXEL Industries exceeded the target for the first time.

We have a relative stability in terms of apprentices with 121 for this fiscal year compared to 122 last year, or 2.7%.

Our companies work with schools of all levels to offer internships and apprenticeship contracts.

Work-study engineering and tertiary positions have become a common practice in our organizations. We see a real attraction for this method of training, recruitment and societal involvement.

The employees are involved in tutoring and follow up the training. They sit on recruitment panels and end-of-study presentation panels and are present on forums.

HOLMER dedicates a full-time employee and equipment and machinery to the management of a stable group of around thirty apprentices.

In France, the apprenticeship tax is primarily distributed to local educational establishments.

Work-study programs of all kinds are being promoted in more and more countries, including in some which are not used to using this type of system.

Moreover, we are coming across more and more young entrepreneurs who are not interested in old-fashioned work relationships but occasionally come offering their (often highly specialized) skills for very specific projects. This is especially true in the area of partnerships with single-person start-ups.

b - Employing the disabled

Our welcoming, humanistic companies care a great deal about diversity.

In practice, the Group employs disabled people either directly or through work-based support centers (ESATs in France).

At SAMES and EVRARD, an initiative involving executive management, partners, managers and employees has been carried out for several years to change the way people view disability.

Workstation modifications, as at EVRARD, have been implemented in collaboration with the disability assistance services.

There are 95.5 units of disabled employees.

More broadly, foreign companies are involved in this process aimed at taking differences into account.

c - Gender balance and diversity

EXEL Industries group welcomes differences and believes that diversity and gender balance only add to the success of a business. The people of EXEL Industries have a wealth of varied, complementary backgrounds. EXEL Industries is a family-scale, people-focused group with international ambitions, and so welcomes people of every origin. The Group cares very much that its foreign subsidiaries be managed by executive officers from the countries where they are located.

Gender balance: complementarity and an indispensable source of benefits

The percentage of women in the Group is stable in 2022. Women represent 20% of our headcount.

The Group's Board of Directors has three women, four men and one Director representing employees, thus demonstrating gender diversity in the Group's highest governance body.

The French companies have all worked on agreements to promote gender equality. In countries where there is no such legal requirement, charters are adopted in compliance with local legislation in terms of gender equality.

The Group's policy is to favor competence and motivation beyond any consideration of sex in hiring and wage raises.

In practice, all the aforementioned topics are closely monitored by the Human Resources Departments of our companies.

- **Headcount Men-Women:** special attention is focused on the gender balance in certain departments, certain occupational categories or certain managerial levels: monitoring indicators have been set up. Local communication actions have been organized to promote certain more technical trades to girls.
- **Access to training:** future training plans have also been drawn up taking into account gender equality issues.
- **Special measures for family-life arrangements:** gender balance related issues have been taken into account:
  - interviews when returning to work after maternity leave/parental leave/long-term absences;
  - focus on the work-life balance, especially connected with children (working times adapted to constraints such as school times, sick child leave, flexibility at the end of school holidays, part-time working). For companies where flexible working already exists, the maximum amount of information is obtained upstream to permit good personal organization, and access to childcare is provided close to work on certain sites, with the Company contributing to its cost.
- **Assistance in promoting gender balance on the shop floor:**
  - anticipation on the fabrication lines of certain heavier products so as to adapt the workstation.

The Gender Diversity Index is monitored in all our companies and updated annually.

Ethnic diversity, acting locally

The organization of the Group comprises a union of enterprises which, along with respect for local cultures, has historically favored locating our sites in rural areas and integrating them into local industrial life and society. Our companies are a major source of employment in these rural areas (direct or indirect, permanent or temporary jobs), and are connected to local job centers. Increasingly richer partnerships with these players (in particular in the practical tests of employees and the measurement of knowledge and skills) make it possible to diversify the welcome provided for our young employees.

Other companies in more difficult regions have long been open to the youth of our neighborhoods and help them along, working with local networks, associations and partnering employers.

d - Meaningful employer-employee discussions

Mature, peaceful employer-employee relationships lead to constructive dialog whose purpose is to improve the Company and the people who make it up.

In addition to the compulsory meetings and negotiations in the countries concerned, regular meetings are held with personnel representatives, managers or even with the teams directly where a complete range of subjects are discussed: working conditions, remuneration, presentation of the Company's strategy and results, etc.

Fifty-four agreements are in force in the various Group companies.

The period related to Covid-19 expanded opportunities for discussion and agreement between management and social partners in our companies. For many months, continuous and consensual exchanges were conducted at our sites around the world in order to protect and preserve the health and safety of our employees. Numerous agreements or commitments were made on individual protection measures, telework, travel conditions, continued employment and solidarity between employees who are required to work or are unable to work when they are deemed "vulnerable".

Value No. 7: "Pride in belonging" is experienced through festive events such as long-service awards, open days bringing together families and sometimes retirees.

The Group Works Committee brings together the representatives of the biggest companies worldwide. In addition, the Chief Executive Officer of the Group also invites members of the Works Committee to the Annual General Meeting.

The Group's Board of Directors includes a Director representing employees, elected by the members of the Group Works Council. The Group Works Council meets twice a year.

e - Self-set schedules – New Group and individual arrangements

Throughout the Group, part-time work that is actively sought and not imposed has become increasingly important. Only overtime due to seasonality can be turned down as not compatible with our very strong seasonal surges. However, this method of organization is tending to develop.

Overall, across the Group, there were 159 part-time employees at September 30, 2022, up 44 employees compared to last year.

New work-time arrangements are being discussed in our companies with the implementation of teleworking based on experience in this area during the pandemic. This has enabled our companies to form an extremely precise opinion on teleworking thanks to a measurement of the resulting impacts, both positive and negative, with balanced charters or working agreements, while taking into account the fact that our Group has many positions that cannot be remotely worked.

4.4.1.3 Maintain and develop skills

a - Customized training: aiming at the improved effectiveness of the Company

Training requirements are identified in individual interviews between the manager and the employee, and the entity's strategy. The training plans are annual and specific to each entity, and may involve the Human Resource Departments where these exist. The courses are approved by the Executive Management teams, in line with the Company strategy.

The themes mainly concern:

- **safety:** this is the prime topic covered in each company. Educating all personnel on this topic from the moment they join the Company is of top importance. This training involves new hires but also individuals working for set periods of time, such as seasonal and temporary workers. A new indicator was introduced in 2020 to determine the severity and frequency rates of workplace accidents with lost time among temporary workers. The Frequency rate with lost time of 38.7 temporary workers and the severity rate of 0.73 give meaning to the commitment made by companies to steadily improve the training, welcome and monitoring of temporary workers. The Group has established framework agreements in which action plan objectives for on-boarding temporary workers, training and other actions are posted;
- **management:** in addition to current initiatives in this area, the Covid-19 outbreak has also encouraged companies to support managers remotely through the video-conferencing tool to manage their teams;
- due to the Group's internationalization, languages are also a major training topic. English is the Group-wide language for communication, and any meeting where one of the participants does not understand French is conducted in English. But the Group also ensures that French is taught in the foreign companies. The foreign companies run many courses;
- technical skills are also the subject of numerous courses on products and know-how;
- IT is also covered for integrated management software packages (ERP), business software, and office automation. Awareness-raising sessions are also organized on security and the proper use of IT resources. They take place during distance learning sessions or interactive meetings such as seminars *via* the internet (webinars);
- the tools for implementing new methods of production management require broad skills and knowledge. Several Group entities have adopted these tools, which require a major training program as well as the appointment of internal contacts responsible for adapting them.

b - Qualifying training and re-training: indispensable for making and keeping workers employable, and keeping them abreast of technological advances

A lifelong course of training is becoming more and more of a necessity. Several major measures were taken in technical fields to raise the skill levels of our employees. In particular, HOZELOCK EXEL provided training leading to a qualification as a Line Conductor and Operator. TRICOFLEX has initiated long-term actions for the joint qualification certificate of metallurgy (CQPM) for assemblers. AGRIFAC has developed continuous improvement tools.

The Group's companies offered over 34,000 hours of training, for a trained headcount of nearly 1,300 people. This data is reported for the 2021 calendar year.

This excludes work time dedicated to customized in-house training on work stations and assistance to young people in training for their apprenticeships, internships, etc.

It should be noted that many seminars and training courses of less than 7 hours were also carried out, although this has not been measured. They will be a significant element in the recognition of training hours from 2023.

c - Internal mobility: a way to develop skills and discover the Group

The EXEL Industries group pays close attention to the development of its employees at its various subsidiaries. Interviews held at least yearly are arranged with management. These make it possible to focus on and take stock of employees' plans and ambitions.

The daily discussions between the Human Resources Departments of the various companies, coupled with the oversight by the Group HR Department, an HR Committee for France and an International HR Committee, encourage HR professionals to work together. The aim is to define the skills required, establish the positions to be filled and promote employee mobility and career development. The recently rebuilt EXEL Industries website has a "talents" page which is enriched by job offers within the Group.

The *Exechos* magazine, produced at Group level in eight languages, is sent to all employees at their homes. The Group's press releases are distributed within the companies. An eco-responsible feature can be found in each issue. This magazine introduces and explains the Group's cultural resources to all employees beyond their own entity.

4.4.1.4 Measures taken to safeguard consumer health and safety

Created in November 2019, EXXACT Robotics coordinates breakthrough research and innovation activities for our Agricultural Equipment Division in particular. A true pooled research center, this company responds to the new challenges of agricultural and wine-growing spraying and offers EXEL Industries' agricultural spraying companies solutions for major agricultural transitions. Various technologies are developed and integrated into the Group's product ranges to respond to the problems of automation and traceability in day-to-day agricultural work.

It is also developing robotics and autonomous vehicle applications that address issues of arduousness and safety in vineyards. The challenge is to provide sustainable solutions to the major transitions that viticulture is undergoing.

The solutions developed for our customers comply with safety and environmental directives and standards (Machine directive, ATEX directive, Reach, RoHS, certain ISO standards, etc.).

The actions described in the section focused on biodiversity protection also protect consumer health by reducing the use of plant protection products.

4.4.2 Business ethics

EXEL Industries has drawn up a plan to prevent corruption, in accordance with Article 17 of the law of December 9, 2016 on transparency, the fight against corruption and the modernization of the economy (known as the Sapin II law), that applies to companies with more than 500 employees and revenue of €100 million.

4.4.2.1 Code of Conduct

In November 2017, a policy to combat corruption and influence peddling was implemented within the EXEL Industries group, at the initiative of its Chief Executive Officer. This code, translated into 19 languages and distributed throughout the Group, is signed by all employees and is part of the Internal Regulations of each Group company. A process for monitoring the deployment of the code is being implemented and will be effective next fiscal year.

The code's rollout was accompanied by risk analysis by activity.

Training and awareness-raising initiatives were conducted for Executive Officers, managers, human resources and sales managers, who themselves promoted these training courses within their respective companies.

4.4.2.2 Whistleblowing system

To limit the risks to which one of the entities of the EXEL Industries group, one of its employees or any external person working with the Group may be confronted, a whistleblowing system has been implemented to report serious breaches.

For external and occasional employees of the Group, the whistleblowing system is described in the Group's Ethics Charter, which can be consulted on the EXEL Industries website, under our commitments.

All employees are strongly encouraged to openly report their questions or concerns to their line manager, the Human Resources Department or the Executive Management.

To date, no acts of corruption have been reported.

4.4.2.3 Compliance with international sanctions

The EXEL Industries group has established its policy on international sanctions. EXEL Industries ensures that the companies that make up the Group do not carry out any activity prohibited by the regulations on sanctions and embargoes, nor do they enter into relations with sanctioned natural persons or legal entities. Diligence is carried out whenever necessary.

4.4.2.4 Internal vigilance procedures

The EXEL Industries group has implemented procedures to regulate relations with suppliers and customers.

For example, a dual signature is required for purchases above a certain amount; certain Group companies, such as HOZELOCK EXEL or BERTHOUD, regularly reshuffle the portfolio of suppliers among their purchasers.

Tender procedures have been launched for a large number of Group contracts: insurance, IT, lawyers, financial or organizational consultants, etc.

In a context marked by an increase in the overall level of risk, the EXEL Industries group has sought to strengthen its internal control system.

At the start of 2021, EXEL Industries launched a program to exhaustively list the risks to which its activities are faced, in order to update its risk management policy. This policy defines the resources, behaviors, procedures and actions that enable management of:

- the efficiency and effectiveness of the operations;
- the reliability of financial information;
- compliance with laws, regulations and internal rules.

An internal control process was redesigned based on a four-stage continuous improvement approach:

- the analysis of the main risks likely to prevent the Group from achieving its strategic and operational objectives;
- the implementation of prevention and detection controls proportional to the type of risk that are documented in an internal control manual;
- the communication of the procedures and training for internal control stakeholders;
- lastly, a periodical review of the system's effectiveness in order to provide changes.

Governance of the internal control implemented is based on the following persons:

- the Board of Directors, which entrusts the Audit Committee with the responsibility of overseeing the operation of internal control;
- the Audit Committee, which defines the audit plan and takes note of the internal audit reports, in particular major malfunctions and fraud, in order to initiate corrective actions. It attentively monitors the results of the annual risk mapping exercise;
- the Group's Executive Management, which gives an internal mandate to check that the procedures and instructions are correctly applied, that the controls are effective and that the declarations of compliance signed by the operational departments reflect reality;
- the Chief Operating Officers, who ensure that the internal control manual is applied in all the companies they manage, that the necessary controls exist and that they are carried out;
- the internal control ambassadors, who are responsible for rolling out the Group internal control manual and thus ensuring that it is adapted to the specific context of each activity (ERP, organization, tools, etc.);
- the Statutory Auditors, who report any deficiencies in internal control to the Audit Committee and the Board of Directors.

The results and action plans to be implemented are described in more detail in Sections 1.4 and 1.7 of the Universal Registration Document, Internal control and risk management procedures.

4.4.2.5 GDPR

The EXEL Industries group takes privacy and the protection of personal data very seriously. The Group is committed to taking adequate measures to ensure the protection, confidentiality and security of personal data and to process and use such data in compliance with the provisions of European Regulation 2016/679 of April 27, 2016 (the General Data Protection Regulation, or "GDPR") and any applicable local laws.

A personal data protection policy is available on the EXEL Industries website: this policy sets out the measures taken with regard to the processing of personal data by EXEL Industries in respect of categories of people whose data are collected and processed (website visitors, suppliers, service providers, shareholders in particular).

Lastly, a Group IT Charter was drafted and distributed to all Group companies in October 2020. Each employee must read it and sign a certificate to that effect.

At the same time, to round out this approach, EXEL Industries is reviewing all of its insurance contracts.

4.4.3 Human Rights

The EXEL Industries group is committed to promoting diversity within its own organization, and considers it an essential asset due to its international footprint.

It ensures equal opportunity and treatment for each employee with regard to hiring, access to training, remuneration and professional development. Candidates' skills and experience are the only factors taken into account.

It also strives to offer a work environment that respects everyone. Any physical or moral harassment is strictly prohibited and punishable.

It ensures health and safety at work for its employees. Finally, for all of its activities, it demands that these values be respected within them and with their suppliers, subcontractors and partners.

4.4.3.1 Outsourcing and suppliers

The EXEL Industries group has initiated a global approach to its purchases, taking into account the social and environmental challenges facing subcontractors and suppliers.

The Group's companies strive to maintain a local network of subcontractors and suppliers, including training organizations, maintenance and cleaning companies, temporary employment agencies and maintenance companies.

Most of the Group's companies have adopted charters emphasizing the social responsibility of our partners.

For example, GAMA Technologies requires its subcontractors to comply with the REACH regulation and has set up prevention and safety plans.

HARDI asks its subcontractors to sign a Supply Code of Conduct. It emphasizes compliance with the laws and regulations in force on employment, non-discrimination, the working environment and the fight against corruption. HARDI systematically audits its new subcontractors. HOZELOCK has included greenhouse gas emission criteria and the implementation of a CSR policy in the assessment grid for the main suppliers.

SAMES has introduced corporate social responsibility obligations into its general conditions of sale and its general conditions of purchase.

4.4.3.2 Anti-discrimination policy

The Group's general policy is supported by a strong ethics of the Board of Directors. This is supplemented by a Director representing employees. To manage its employees by focusing on their skills without any consideration of sex, age, disability, membership of an ethnic group, religion, sexual orientation, political opinion, state of health or family circumstances is a fundamental value and included in its value No. 8 "Acting responsibly".

Promotion and observance of the core conventions of the International Labour Organization:

- freedom of association and the effective recognition of the right to collective bargaining;
- the elimination of discrimination in respect of employment and occupation;
- the elimination of all forms of forced or compulsory labor;
- the effective abolition of child labor.

To comply with each country's laws, but most importantly out of ethical conviction, the Group respects the rights and principles contained in the eight fundamental conventions of the International Labour Organization (ILO). The Group mainly operates in Europe (over 80% of its headcount), in countries which have ratified the ILO's fundamental conventions.

SAMES KREMLIN has drawn up a human rights charter.

4.4.3.3 Other actions concerning human rights

Our respect for human rights is reflected in our values:

- Trust, Initiative;
- Openness, Transparency;
- Team Spirit;
- Acting Responsibly.

4.4.4 Tax evasion

Our Group has always had a reasonable tax policy with the aim of guaranteeing the interests of the shareholders while preserving relationships of trust with the countries where it is located. The financial staff of EXEL Industries, both centrally and locally and with the support of tax advisors, is committed to respecting its national and international tax obligations. Through transfer pricing, the Group takes special care so that the profit of companies is located where the added value was generated, without regard to tax optimization.

Technical departures, however, may show up during audits, which may lead to tax disputes, particularly due to uncertainties in the interpretation of tax laws or in the way we fulfill our tax obligations. When and if necessary, after analyzing the materiality of the risk, provisions are recognized on the financial statements in order to reflect the financial consequences of such departures.

4.4.5 The environment

Foreword

EXEL Industries offers its customers solutions for reducing their environmental impact:

- accurate systems for treating crops that reduce the amounts of phytosanitary products sprayed;
- sugar beet harvesters and beet cleaners that leave as much soil as possible in the field;
- high transfer rate painting systems that reduce the amounts of paint and solvent used;
- powdered paint atomizers with recycling systems;
- hydrosoluble (solvent-free) paint sprayers;
- alternative products to the application of chemical weedkillers in the garden activity.

Compared to so-called heavy industries, the Group's production sites consist mainly of assembly plants that have only a slight environmental impact, with moderate water, energy and raw materials consumption and moderate pollution. With regard to internal actions, we find for each Group company:

- a monitoring of local regulations: such legislation is a benchmark in all countries;
- in addition to legislation, voluntary actions are also set up;
- managers responsible for environmental matters in the majority of our companies;
- all companies endeavor to sort waste, preferably calling on local channels, and often solidarity structures or players in the circular economy;
- all companies implement recycling procedures (water, raw materials);
- employee training and awareness-raising initiatives on environmental protection mainly concern the proper management of chemicals and waste management procedures.

More specifically:

The industrial investments made in the Group's companies always take environmental concerns into account.

That was the case with the Group's latest major construction projects.

It is also the case for future construction projects, which take into account environmental aspects in the CAPEX.

4.4.5.1 Soil and air pollution, respect for biodiversity and reduction in soil compaction

Protecting people (customers, employees) from contact with hazards is accomplished through training, education/awareness, documentation and user manuals. Our innovations result from our Company executives' incorporation of everyday concerns into their business activities.

On certain sites, in particular those requiring ICPE authorization (TRICOFLEX) or registration (HOZELOCK EXEL), specific environmental procedures have been established.

Examples of achievements in these areas are cited below:

In industrial spraying

- Our paint sprayers allow the application of non-polluting aqueous products, with the best transfer efficiency on the market. Our 3D printing technology will also contribute in the coming years to considerably reducing pollution by reducing the amount of paint used, eliminating masking materials and reducing the volume of volatile organic compounds.
- A QHSE manager was hired in 2022 at the SAMES Meylan site and two ISO standards are currently being rolled out (ISO 14001 and ISO 45001).
- At TRICOFLEX, elimination of all phthalate supplies.

In Agricultural Spraying

In the agricultural sector, our companies play a key role in the sector. As partners with their customers (dealers, contractors, end-user farms, etc.), they listen to them and meet their needs through innovations. In this way they participate actively in the transformation of the sector, creating long-term farm productivity and improved crop quality.

Our agricultural developments are in line with the guidelines set out in the Green Deal.

Recently, HARDI's GEOSELECT technology and EXXACT Robotics' 3S technology have drastically reduced the quantities of products applied. These technologies, proposed for sale in 2023, will also contribute to biodiversity preservation.

All our brands in the field of agricultural spraying develop innovative solutions that respect the environment and people.

In the Sugar Beet Harvesting business

Farming that respects the environment will preserve the soil, *i.e.*, it will respect biodiversity and limitations on soil compaction. HOLMER offers machines that limit soil compaction by incorporating latest-generation low-pressure tires and staggered axle techniques to avoid rolling twice in the same place and to better distribute the load. The highly productive machines that harvest 12 rows simultaneously (*vs.* six for standard equipment) significantly reduce the footprint.

Design offices are working on using wider tires with lower pressures to reduce soil compaction. In Spreading, GPS systems guide the machines and so help preserve the soil. The new manure spreader protects the soil by being much lighter.

After the sale of the first Terra Variant 585 in France in 2018, the lighter Terra Variant 435 is an eco-friendly solution for soil. This lighter manure spreader protects the soil by preventing excessive compaction by heavy machines. The Terra Variant has a driver assistance system to protect the soil and maintain directional stability in row crops.

In the Garden business

For the mass retail market, HOZELOCK EXEL has developed products that consume less active material. Our electric weeder, which destroys weeds by creating a thermal shock, avoids the use of chemical weed killers (Green Power).

HOZELOCK markets a rotating garden composter that recycles waste and allows fertilization with natural products.

In 2022, the HOZELOCK EXEL site obtained the "Silver" score from the Ecovadis international assessment system.

4.4.5.2 Take climate action by reducing air emissions and controlling energy usage

To deal with the challenge of climate change, the Group has undertaken a number of measures to minimize its carbon footprint at its industrial sites. It intends to continue its strategy of reducing greenhouse gas emissions.

In September 2022, we completed our carbon footprint assessment process by carrying out a cost estimate on the SAMES INTEC and AGRIFAC sites. These new assessments add to those already carried out at TRICOFLEX, SAMES Meylan and Stains. It should be noted that these carbon assessments relate to scopes 1, 2 and 3. These results will feed into the EXEL Industries group's decarbonization roadmap thanks to the identification of the main emission sources. In the long term, the EXEL Industries group has set itself the goal of covering all of its activities.

But more than that, EXEL Industries sells and employs products that enable its customers to minimize their carbon footprint.

The guidelines for the garden watering business aim to limit the quantities of water supplied by designing programmers.

In agriculture, the Company is developing the efficiency of spray application with the help of artificial intelligence, which makes it possible to substantially reduce doses while maintaining high levels of yield. These technologies will also provide traceability tools, which are essential for farmers and agricultural contractors.

Robotics and artificial intelligence technologies are tools that we integrate into agronomic thinking, making them powerful assets for the support of farmers and winegrowers.

We are testing an investment pay back calculation that includes the CO_2 emission aspect in order to favor those that best reconcile economic profitability and the decarbonization of our activity.

a - Climate action

By our activity

In the work-related transport field: we encourage our employees to use public transport (train rather than car). To limit travel, the Group has set up videoconferencing systems and uses shared digital tools (teams, etc.). Vehicle fleets are managed in a way that limits CO_2/km. Several companies in the Group now offer mileage allowances to employees who travel to work by bike. Car-pooling is also encouraged.

Covid-19 accelerated this movement in all our companies. The much greater use of digital tools significantly reduces the Group's environmental impact.

Companies are starting to offer electric or hybrid company cars. At the HARDI Denmark site, 12 charging stations for electric vehicles have been installed. At SAMES, the "bike bonus" has been extended to users of electric vehicles and the company has installed the first electric charging station on the Meylan site, which makes it the first such model company in its economic area. The same applies to iNTEC. SAMES is also increasingly moving its products to America and China by sea rather than by plane.

On sites with painting facilities, VOC emissions are monitored and limited by the air extraction and filtering equipment installed in paint booths and welding stations.

Energy audits were carried out on the French industrial sites of our Agricultural Spraying business. These have enabled us to prepare action plans to reduce energy consumption for greater sobriety.

We encourage the installation of radiant heating systems: they are more energy efficient than oil heating systems, which have been replaced on certain sites.

Due to our customers using our equipment

To reduce the greenhouse gas emissions of the farm machinery we market, our Research and Development Departments are working on lighter and lighter machines. The standards that we comply with are an essential benchmark for these machines. Our companies have upgraded their engines to phase 5, in accordance with the European NRMM regulation (non-road mobile machinery emissions) – Technical name EU 2016 (1628).

ET Works and the US market, the largest agricultural equipment market in the world, are affected by these developments. This is why the design offices are involved in moving to the stage 5 emissions standard for diesel engines.

Likewise, in Sugar Beet Harvesting and Agricultural Spraying, the specific plans for renovating and exchanging machines help to limit our environmental footprint.

Another issue on which our agricultural businesses are working is the quality of their customer service.

The quality of this service as established in Premium programs includes "full-service" packages that get the customer up and running with training in the use of the technologies included in the device and regular visits to the customer by technicians in order to guarantee the upkeep, maintenance and use of the sprayer under optimal conditions. The aim is to guarantee the quality of spraying and thereby optimize the volumes of plant protection products used for the treatment of plots.

Industrial painting equipment (pumps and applicators) consumes electricity and compressed air.

This consumption represents a cost for our customers which goes beyond ecological concerns. Our engineers are trying to make our equipment consume the minimum necessary.

Adapt to climate change

Our machines already adapt to different climates, desert climates in Australia, wide expanses in Russia, with humid weather in the fall for beet crops, agriculture on small plots in France, etc.

HOZELOCK is adapting its product lines to allow more widespread development of micro-irrigation, which uses less water.

b - To consume more efficiently

We are constantly committed to reducing our water and energy use.

- The AGRIFAC plant is one of the most energy-efficient buildings in the Netherlands with BREEAM certification.
- The use of LED lighting continues to increase significantly in all Group companies.
- Water testing of agricultural machinery is carried out in a closed circuit in most cases.
- Roof repairs and better insulated buildings also allow energy savings.
- Rainwater recycling systems are installed in some of our plants.

4.4.5.3 Waste management

For many years, the EXEL Industries companies have managed waste by sorting it by materials and their destinations, sometimes with solidarity economy players.

Of the numerous examples of waste management projects undertaken, a few may be cited:

- By commissioning a new recycling line that doubles its capacity, TRICOFLEX recycles flexible PVC waste from other European companies. For this commitment to the circular economy, TRICOFLEX was awarded the MORE label by EuPC and the *Fédération Française de la Plasturgie et des Composites*;
- AGRIFAC is committed to a circular economy approach;
- ET Works takes delivery in bulk of the petroleum products used in the manufacturing processes. A system of pipes delivers the oils and fuels from the storage locations to the production locations. This eliminates the use of disposable products for these products;
- SAMES is continuing its policy of redesigning its product and shipping packaging and packing in order to reduce cardboard consumption;
- In Sugar Beet Harvesting, the business model for this activity provides for the purchase of used machines. HOLMER intends to further develop and promote these circular economy operations.

4.4.6 Food waste, food scarcity, animal welfare and responsible, fair and sustainable food policy

Food waste is not very relevant to EXEL Industries. Only the canteens are concerned and these are not managed by the Group.

Given its business activities, food scarcity, animal welfare and responsible, fair and sustainable food policy are not very relevant to the EXEL Industries group. Nevertheless, we can highlight the approach put in place by HARDI to reduce its food waste from its company restaurants.

4.5 RESULTS OF POLICIES IMPLEMENTED AND PERFORMANCE INDICATORS

4.5.1 Employment and society

In employment and society, we have adopted the following as monitoring indicators:

- Frequency Rate 1 of workplace accidents;
- severity rate of workplace accidents;
- apprenticeship rate.

These indicators are supplied monthly by each company through the financial reporting system.

At the time of monthly management reviews, the CEOs report to Group Executive Management concerning the action plans instituted and explain any variances and departures from the objectives.

For the 2021-2022 fiscal year

The objectives set last year for 2021-2022 and the results were as follows:

	Year 2018-2019	Year 2019-2020	Year 2020-2021	Year 2021-2022
Frequency Rate 1	18.6	14.9	14.7	13.0
Severity rate	0.5	0.3	0.5	0.6
Apprenticeship share	2.9%	3.2%	3.2%	2.7%

Note on the severity rate: exclusion of the number of days of stoppage for the AGRIFAC MACHINERY B.V. site.

Explanation of changes over time

On the Frequency Rate 1

This rate has been falling continuously for years. It is now 13.

As this is an absolute priority decreed by the Group's Executive Management, EXEL Industries will deploy the necessary actions to achieve it.

Efforts must also focus significantly on the most vulnerable groups, especially seasonal workers. Numerous action plans have also been implemented in this regard.

Our Frequency Rate 2 is also monitored monthly at the highest level of the Group and action plans adapted to the context of each plant are defined.

Concerning apprenticeship

The slight reduction in our indicators on work-study programs and in particular apprenticeships is mainly due to the increase in total headcount following the integration of GF and nautical industry in the scope of this fiscal year. Of course, the German system, which has always been very supportive of apprenticeships, produces a significant number of apprentices. However, the widespread expansion of apprenticeships in our companies in France has enabled significant progress for the last few years. A comprehensive approach to the topic, which starts in March and April to prepare for the following school year, enables us to identify the skills we wish to bring into our companies. Naturally, we also try to hire the best young people whenever job opportunities arise.

4.5.2 Governance

The fight against corruption is one of the major risks highlighted by our risk mapping. This is why a monitoring indicator for the distribution of codes of conduct to all new employees has been created.

The objective is for 100% of the codes of conduct to be provided and signed.

4.5.3 The environment

Calculation of CO_2 emissions

	Year 2018-2019	Year 2019-2020	Year 2020-2021	Year 2021-2022
CALCULATION OF CO_2 EMISSIONS*	**33,736,173**	**31,496,801**	**31,502,715**	**20,976,119**

* *In kilograms of CO_2.*

Note on these emissions: the decrease observed between 2020-2021 and 2021-2022 is mainly due to a change in the conversion factor for electricity production, which was previously reported as a European average. From this year, the conversion factors are associated respectively with those of the country of production in which the sites are located. At ISO methodology, CO_2 emissions for 2021-2022 would have been 30,296,302 kgCO_2.

GREENHOUSE GASES

The new electricity conversion factors are shown in the table below.

Energy sources	Conversion factor	Source
Electricity – Germany	0.461 kg CO_2/KWh	Ademe database
Electricity – Argentina	0.367 kg CO_2/KWh	Ademe database
Electricity – Australia	0.841 kg CO_2/KWh	Ademe database
Electricity – Brazil	0.0868 kg CO_2/KWh	Ademe database
Electricity – Canada	0.186 kg CO_2/KWh	Ademe database
Electricity – China	0.766 kg CO_2/KWh	Ademe database
Electricity – Spain	0.238 kg CO_2/KWh	Ademe database
Electricity – United States	0.522 kg CO_2/KWh	Ademe database
Electricity – France	0.0569 kg CO_2/KWh	Ademe database
Electricity – India	0.912 kg CO_2/KWh	Ademe database
Electricity – Italy	0.406 kg CO_2/KWh	Ademe database
Electricity – Japan	0.416 kg CO_2/KWh	Ademe database
Electricity – Mexico	0.455 kg CO_2/KWh	Ademe database
Electricity – Netherlands	0.415 kg CO_2/KWh	Ademe database
Electricity – Poland	0.781 kg CO_2/KWh	Ademe database
Electricity – Portugal	0.255 kg CO_2/KWh	Ademe database
Electricity – Czech Republic	0.589 kg CO_2/KWh	Ademe database
Electricity – Romania	0.413 kg CO_2/KWh	Ademe database
Electricity – United Kingdom	0.457 kg CO_2/KWh	Ademe database
Electricity – Russia	0.384 kg CO_2/KWh	Ademe database
Electricity – Sweden	0.0296 kg CO_2/KWh	Ademe database
Electricity – Switzerland	0.0273 kg CO_2/KWh	Ademe database
Electricity – Turkey	0.46 kg CO_2/KWh	Ademe database
Electricity – Ukraine	0.392 kg CO_2/KWh	Ademe database
Natural gas – Europe	0.214 kg CO_2/KWh Higher heating value (PCS)	Ademe database
Propane, including maritime – Europe	0.269 kg CO_2/KWh Lower heating value (PCI)	Ademe database
Petrol at the pump – Metropolitan France	2.7 kg CO_2/L	Ademe database

Monitoring water and energy consumption

	Year 2018-2019	Year 2019-2020	Year 2020-2021	Year 2021-2022
Water usage *(in m^3)*	89,673	100,863	87,011	78,960
Use of electricity *(in kWh)*	44,483,998	42,878,330	44,303,718	42,511,461
Use of gas *(in kWh HHV)*	32,674,769	29,855,648	30,306,435	29,074,091
Use of propane *(in kWh HHV)*	8,695,278	7,892,232	5,808,796	5,549,301
Use of fuel oil *(in liters)*	2,050,704	1,783,435	1,737,280	1,694,437

Note on this consumption: exclusion of the fuel consumption for Berthoud SAS and GAMA Technologies; corrections made for the year 2020-2021 for energy consumption (+0.03%) and gas consumption (+0.09%).

4.6 STATEMENT OF NON-FINANCIAL PERFORMANCE (DPEF) PREPARATION PROCESS

This document was produced by a working group operating in project mode.

The guidelines adopted by the Group's companies provide data reliability and repeatability over time.

These reporting guidelines are sent to all EXEL Industries group companies through their Chief Executive Officers. It is up to each company to consolidate the data of its own subsidiaries.

The data are subject to a consistency check, an overall consolidation at Group level, and an audit by the ITO.

General trends in terms of qualitative data were identified last year and during prior years. We work on differentials by requesting the Group companies to report on new CSR initiatives during the fiscal year.

Reporting scope

In accordance with Article L.225-102-1 of the French Commercial Code, the indicators concern all Group companies, which in turn consolidate the data of their subsidiaries. There is no geographical restriction.

As part of its continued diversification, on September 30, 2021, EXEL Industries acquired the WAUQUIEZ, RHÉA MARINE and TOFINOU shipyards as well as the ETTORE YACHTING technical base. On February 15, 2022, the Group acquired G.F. The data from these companies have been included in the consolidated data of EXEL Industries, in line with the financial scope of consolidation.

4.7 REPORT OF THE INDEPENDENT THIRD PARTY ON THE CONSOLIDATED STATEMENT OF NON-FINANCIAL PERFORMANCE INCLUDED IN THE MANAGEMENT REPORT

Fiscal year ended September 30, 2022

To the Shareholders,

In our capacity as an independent third party organization, member of the Mazars network, Statutory Auditors of EXEL Industries, accredited by COFRAC Inspection under number 3-1058 (scope of accreditation available on www.cofrac.fr), we carried out work aimed at formulating a reasoned opinion expressing a conclusion of moderate assurance on the historical information (recorded or extrapolated) of the consolidated statement of non-financial performance, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the fiscal year ended September 30, 2022 (hereinafter the "Information" and the "Statement" respectively), presented in the Group's management report, pursuant to the provisions of Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures that we implemented, as described in the section "Nature and extent of the audit", our review, and the elements that we collected, we did not identify any material misstatement that would suggest that the statement of non-financial performance is not in accordance with the pertinent regulations or that the Information, taken as whole, is not presented fairly and in keeping with the Guidelines.

Comment

Without calling into question the conclusion expressed above and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following comments:

- The scope of publication is not uniform depending on the key performance indicators, due to the exclusion of certain site data, notably impacting the comparability of the data. The scope of publication of key social and environmental performance indicators covers between 95% and 100% of the Group's total average headcount at September 30, 2022. Differences in scope are specified on an indicator-by-indicator basis in the Statement.
- EXEL Industries publishes the GHG emissions related to energy consumption. This year, the Group also carried out two carbon footprint assessments covering the three scopes for the SAMES INTEC and AGRIFAC sites. However, the climate policy has not yet been formalized and the medium- and long-term greenhouse gas emission reduction targets have not yet been set.
- Faced with the non-financial risks of ground and air pollution, on biodiversity and on soil compaction, the company is implementing actions to prevent and mitigate these risks, but has not formalized a Group policy and does not currently have a key performance indicator.
- Faced with the risk of non-compliance with fundamental human rights, EXEL Industries drew up a Group Ethics Charter in 2021, but does not currently have a key performance indicator.
- The data control process could be strengthened at site level.

Preparation of the Statement of Non-Financial Performance

The absence of a generally accepted and commonly used reference framework or established practices on which to evaluate and measure the Information allows the use of different but acceptable measurement techniques that may affect comparability between entities and over time.

Consequently, the Information must be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement.

Limitations inherent in the preparation of information

As indicated in the Statement, the Information may be subject to inherent uncertainty in the state of scientific or economic knowledge and the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates used to prepare it and presented in the Statement.

Company's responsibility

The Board of Directors is responsible for:

- selecting or establishing appropriate criteria for preparing the Information;
- preparing a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators and the information required by Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- as well as implementing the internal controls that it deems necessary to prepare Information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared in accordance with the entity's Guidelines as mentioned above.

Liability of the Independent Third Party Organization

It is our responsibility, based on our audit, to provide a reasoned opinion expressing a conclusion of moderate assurance concerning:

- the Statement's compliance with Article R.225-105 of the French Commercial Code;
- the accuracy of the historical information (noted or extrapolated) provided pursuant to (3) of I and II of Article R.225-105 of the French Commercial Code, namely the outcomes of the policies, including key performance indicators, and the actions taken in light of the principal risks;
- As we are responsible for making an independent conclusion on the Information as prepared by management, we are not authorized to be involved in the preparation of such Information as this could compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions (in particular in terms of information provided for by Article 8 of Regulation (EU) 2020/852 (Green Taxonomy), and the fight against corruption and tax evasion);
- the accuracy of the information provided for in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- the compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional doctrine

Our work described below was carried out in accordance with the provisions of Articles A. 225 1 *et seq.* of the French Commercial Code, the professional doctrine of the *Compagnie Nationale des Commissaires aux Comptes* relating to this intervention in lieu of an audit program and the international standard ISAE 3000 (revised).

Independence and quality control

Our independence is defined by the criteria laid out in Article L.822-11 of the French Commercial Code and the Code of Ethics for French auditors. Moreover, we have set up a quality control system which includes documented procedures and policies aimed at ensuring compliance with applicable legal and regulatory texts, our rules of ethics and the professional standards of the *Compagnie Nationale des Commissaires aux Comptes*.

Means and resources

Our work involved the skills of five people and took place between October 2022 and December 2022 over a total period of five weeks.

We conducted three interviews with the persons responsible for preparing the Statement, representing in particular the Executive Management, risk management, human resources and environment.

Nature and extent of the audit

We have planned and carried out our work taking into account the risk of material misstatement of the Information.

We believe that the procedures we have conducted by, exercising our professional judgment, enable us to formulate a conclusion of moderate assurance:

- We took note of the activity of all the entities included in the scope of consolidation and the presentation of the main risks;
- We appraised the appropriateness of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into consideration, where relevant, good industry practices;
- We verified that the Statement covers every category of information provided for in section III of Article L.225-102-1 regarding social and environmental issues as well as respect for human rights and the fight against corruption and tax evasion;
- We verified that the Statement includes the information provided for in II of Article R.225-105 when it is relevant with regard to the main risks, and that it includes, where applicable, an explanation of the reasons justifying the absence of the information required by the second paragraph of III of Article L.225-102-1;
- We verified that the Statement presents the business model and a description of the principal risks associated with the operations of all of the entities included in the scope of consolidation, including, where it seems helpful and in proportion, the risks created by its business relationships, products and services as well as the policies, actions and outcomes, including key performance indicators related to the main risks;
- We consulted documentary sources and conducted interviews to:
  - assess the process for selecting and validating the main risks and the consistency of the outcomes, including the key performance indicators used, with regard to the main risks and policies presented, and
  - corroborate the qualitative information (actions and results) that we considered the most important presented in Appendix 1. For all risks, work was carried out at the level of the consolidating entity and in a selection of entities;
- We verified that the Statement covers the scope of consolidation, *i.e.* all of the companies included in the scope of consolidation in accordance with Article L.233-16, within the limits given in the Statement;
- We took note of the internal control and risk management procedures implemented by the entity and assessed the collection process implemented by the entity aimed at ensuring the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered the most important presented in Appendix 1, we undertook:
  - analytical reviews verifying that the data collected was consolidated correctly and that its changes over time were internally consistent;
  - detailed spot checks to test that the definitions and guidelines were applied correctly and to compare the data with the underlying documents. This work was carried out at a selection of contributing entities and covered between 19% and 85% of the consolidated data chosen for these tests;
- We assessed the overall consistency of the Statement in relation to our knowledge of all the entities included in the scope of consolidation.

The procedures implemented as part of a moderate assurance engagement are less extensive than those required for a reasonable assurance engagement performed according to the professional doctrine of the *Compagnie Nationale des Commissaires aux Comptes*; a higher level of assurance would have required more extensive verification work.

The procedures implemented as part of a moderate assurance engagement are less extensive than those required for a reasonable assurance engagement performed according to the professional doctrine of the *Compagnie Nationale des Commissaires aux Comptes*; a higher level of assurance would have required more extensive verification work.

The independent third-party organization,

Mazars SAS

Paris La Défense, December 19, 2022

Edwige REY

CSR & Sustainable Development Partner

APPENDIX 1: INFORMATION CONSIDERED TO BE THE MOST IMPORTANT

Qualitative information (actions and results relating to the main risks)

- Occupational health and safety
- Training and attractiveness
- Ethics Charter
- Code of conduct on the prevention of corruption
- Actions to prevent pollution and protect biodiversity
- Carbon footprint

Quantitative indicators including key performance indicators

- Headcount
- Number of apprentices
- Number of fixed-term contracts
- Turnover
- Number of new employees
- Number of departures
- Number of hours worked
- Number of workplace accidents with lost time
- Number of days lost due to workplace accidents
- Frequency rate
- Severity rate
- Temporary employees: Number of workplace accidents with lost time
- Number of training hours
- Use of electricity (in kWh)
- Natural gas consumption (in kWh HHV)
- Use of propane (in kWh HHV)
- Fuel consumption in liters
- Greenhouse gas emissions
- Percentage of codes of conduct signed by employees hired in 2021/22

Chapter 5

Consolidated financial statements at September 30, 2022

5.1 CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2022

Consolidated assets

(in € thousands)	Notes	09/30/2022	09/30/2021
NON-CURRENT ASSETS			
Goodwill	3	70,701	64,146
Other intangible assets	4	28,110	31,889
Tangible assets	5.1	157,113	132,608
Rights of use	5.2	18,017	14,017
Investments in associates and joint ventures	6	3,760	3,522
Financial assets	7	3,352	2,393
Deferred tax assets	22	21,131	23,007
TOTAL NON-CURRENT ASSETS		**302,183**	**271,583**
CURRENT ASSETS			
Inventories and work-in-progress	8	304,364	246,945
Trade receivables	9	167,197	140,554
Customer contract assets		13,506	17,297
Current tax receivables		13,032	5,352
Other current receivables	10	27,532	16,304
Cash and cash equivalents	11	65,520	83,320
TOTAL CURRENT ASSETS		**591,151**	**509,773**
TOTAL ASSETS		**893,334**	**781,356**

Consolidated equity and liabilities

(in € thousands)	Notes	09/30/2022	09/30/2021
EQUITY			
Capital	12	16,970	16,970
Other reserves		374,288	329,645
Treasury shares		(191)	(146)
Net income for the period		28,578	43,482
Shareholders' equity		**419,645**	**389,951**
Attributable to non-controlling interests:			
Share of equity		12	12
Share of net income		3	3
Total attributable to non-controlling interests		**15**	**15**
TOTAL EQUITY		**419,660**	**389,967**
NON-CURRENT LIABILITIES			
Provisions for pensions and other similar benefits	13.2	12,267	21,172
Other long-term provisions	13.1	6,140	6,511
Long-term financial debt	14 & 15	97,402	43,445
Deferred tax liabilities	22	9,063	9,427
TOTAL NON-CURRENT LIABILITIES		**124,872**	**80,556**
CURRENT LIABILITIES			
Current provisions	13.1	18,948	19,653
Short-term borrowings and financial debt	14 & 15	128,684	82,439
Trade payables		71,014	70,469
Contract liabilities and deferred income		28,944	35,489
Current tax liabilities		11,960	18,700
Other current liabilities	16	89,252	84,083
TOTAL CURRENT LIABILITIES		**348,802**	**310,834**
TOTAL EQUITY AND LIABILITIES		**893,334**	**781,356**

5.2 CONSOLIDATED INCOME STATEMENT, FISCAL YEAR ENDED SEPTEMBER 30, 2022

(in € thousands)	Notes	09/30/2022 Fiscal year	09/30/2021 Fiscal year
Revenue	17	977,035	876,770
Raw materials and consumables		(528,314)	(463,855)
Staff expenses	18	(243,580)	(217,366)
External expenses		(129,103)	(111,731)
Taxes and duties (other than income tax)		(6,522)	(5,915)
Net allowances for depreciation and amortization		(26,265)	(22,848)
Net allowances for provisions & impairment of assets	19	(726)	(2,945)
Change in inventories work-in-progress and finished goods		(1,461)	6,226
Other operating income and expenses		(3,830)	(3,644)
CURRENT OPERATING RESULTS		**37,234**	**54,691**
Non-recurring operating items	20	(1,658)	5,257
OPERATING RESULTS		**35,576**	**59,948**
Cost of net debt		(4,005)	(2,572)
Other financial income/expenses		5,022	499
Total finance income/(expenses)	**21**	**1,017**	**(2,073)**
PROFIT (LOSS) BEFORE TAX		**36,593**	**57,876**
Corporate income tax	22	(8,573)	(14,889)
Share in net income of associates	6	562	499
NET INCOME FOR THE PERIOD		**28,582**	**43,485**
Net income attributable to owners of the parent		28,578	43,482
Net income from non-controlling interests		3	3
Earnings per share – Group share (in €)		*4.2*	*6.4*
Diluted earnings per share – Group share (in €)		*4.2*	*6.4*

The presentation of the income statement takes into account the French Accounting Standards Authority's recommendation No. 2020-01 of March 6, 2020. This application mainly resulted in:

- grouping changes in inventories of raw materials and consumables under “Raw materials and consumables”;
- isolating the changes in inventories of work in progress and finished products, previously presented in the line “Stored production”.

Statement of net income and gains and losses recognized directly in equity

(in € thousands)	09/30/2022 Fiscal year	09/30/2021 Fiscal year
NET INCOME	**28,582**	**43,485**
Revaluation of the liability (asset) for defined benefit plans	5,447	1,294
Deferred taxes on actuarial gains/losses	(1,449)	(318)
Items that cannot be recycled to profit or loss	**3,998**	**976**
Changes in currency translation and hyperinflation	5,709	3,965
Items recyclable to profit or loss	**5,709**	**3,965**
TOTAL GAINS AND LOSSES RECOGNIZED IN EQUITY	**38,289**	**48,426**
Attributable to owners of the parent	*38,286*	*48,423*
Non-controlling equity interests	*3*	*3*

5.3 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Shareholders' equity							
(in € thousands)	Capital	Share premiums	Retained earnings and reserves	Currency translation	Treasury shares	Total attributable to owners of the parent	Non-controlling equity interests	Total consolidated equity
EQUITY AT 09/30/2020	**16,970**	**2,528**	**328,991**	**(6,866)**	**(91)**	**341,532**	**15**	**341,547**
Total gains and losses recognized in equity	-	-	44,458	3,965	-	48,423	3	48,426
Dividends distributed	-	-	-	-	-	-	-	-
Treasury shares	-	-	59	-	-	59	-	59
Other changes	-	-	58	(66)	(55)	(63)	(3)	(65)
EQUITY AT 09/30/2021	**16,970**	**2,528**	**373,566**	**(2,967)**	**(146)**	**389,951**	**15**	**389,967**
Restatement IFRIC IAS 19 – Attribution of rights to periods of service (see note 1.1.1)	-	-	1,178	-	-	1,178	-	1,178
Restatement hyperinflation in Turkey IAS 29 (see note 1.1.2)	-	-	1,216	-	-	1,216	-	1,216
RESTATED EQUITY AT 10/01/2021	**16,970**	**2,528**	**375,960**	**(2,967)**	**(146)**	**392,345**	**15**	**392,361**
Total gains and losses recognized in equity	-	-	35,278	3,008	-	38,286	3	38,289
Dividends distributed	-	-	(10,857)	-	-	(10,857)	-	(10,857)
Treasury shares	-	-	(85)	-	-	(85)	-	(85)
Other changes	-	-	293	(292)	(45)	(44)	(3)	(47)
BALANCE AT 09/30/2022	**16,970**	**2,528**	**400,589**	**(251)**	**(191)**	**419,645**	**15**	**419,660**

5.4 CONSOLIDATED STATEMENT OF CASH FLOW

Consolidated *(in € thousands)*	Notes	09/30/2022	09/30/2021
A. OPERATING ACTIVITIES			
Net income attributable to owners of the parent		28,578	43,482
Attributable to non-controlling interests		3	3
- Share in net income of associates	6	(238)	(172)
+ Allowances for depreciation of non-current assets		26,272	22,848
+ Net allowances for provisions and impairment[1]		(6,228)	(12,016)
+ Deferred taxes	22.1	1,810	2,141
+ Goodwill impairment		-	-
- Net gains on disposals of non-current assets		(142)	(201)
Operating cash flows		**50,056**	**56,086**
Net working capital (+ use, - source)	**23**	**(91,935)**	**6,866**
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES[3]		**(41,879)**	**62,952**
B. INVESTMENT ACTIVITIES			
Purchases of fixed assets[2]		(26,960)	(16,017)
Proceeds from the sale of fixed assets		1,782	5,248
Impact of changes in Group structure		(29,905)	(3,602)
NET CASH FLOW USED IN INVESTING ACTIVITIES		**(55,083)**	**(14,371)**
C. FINANCING ACTIVITIES			
Increase in share capital and premium		-	-
Net dividends paid in the fiscal year		(10,860)	-
Increase in borrowings		133,187	31,856
Repayment of borrowings		(30,236)	(52,151)
Repayment of lease liabilities		(6,486)	(5,944)
Change in treasury shares		(160)	15
NET CASH FLOW USED IN FINANCING ACTIVITIES		**85,445**	**(26,224)**
D. IMPACT OF CHANGES IN EXCHANGE RATES		**4,281**	**2,499**
NET CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C + D)		**(7,236)**	**24,856**
Net cash and cash equivalents at beginning of the fiscal year		70,125	45,269
NET CASH POSITION AT END OF PERIOD		**62,889**	**70,125**
Marketable securities	11	3	3
Cash and Cash equivalent	11	65,517	83,318
Current bank facilities and overdrafts	14	(2,631)	(13,196)
(1) Excluding current asset provisions.			
(2) Purchases are net of changes in payables on non-current assets.			
(3) Of which interest paid		*4,308*	*3,027*
and of which corporate income tax paid (or refunded)		*22,157*	*2,416*

5.5 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Introduction

EXEL Industries is a French public limited company *(Société Anonyme*) with a Board of Directors listed on Euronext Paris, Compartment B. Its registered office is located at 54, rue Marcel Paul, 51200 Épernay, France.

EXEL Industries is a French family-owned group that designs, manufactures and markets capital goods and associated services in the areas of agricultural equipment, industry and leisure.

The annual consolidated financial statements ended on September 30, 2022 were approved by the Board of Directors on December 15, 2022 and will be submitted to the vote of the Annual General Meeting on February 7, 2023.

Situation in Ukraine and Russia

The Group reviewed its exposures, in particular the receivables of its Ukrainian and Russian customers, and did not identify any non-payment situations in connection with the conflict. The activity was maintained as far as possible in compliance with the international rules in force. Orders to these countries were canceled without generating any impairment on inventories. One of the two sites of the HOLMER Ukraine subsidiary was in a war zone: the deterioration of the buildings generated a loss of €1.1 million, recognized in Non-recurring operating items. To date, we have not identified any additional risks.

Note 1 Accounting and consolidation rules and policies

1.1 Accounting standards

The consolidated financial statements of the EXEL Industries group are prepared in accordance with IFRS international accounting standards (International Financial Reporting Standards) as adopted by the European Union as of September 30, 2022 and available online on the European Commission's website.

The Group has not anticipated the implementation of any standards and interpretations for which the application is not compulsory from the fiscal year beginning October 1, 2021.

1.1.1 First-time application of standards and interpretations as of October 1, 2021

IFRIC Decision: "Attribution of Rights to Periods of Service" (IAS 19)

The interpretation was validated by the IAS Board in early June 2021 and concerns the breakdown of the cost of services associated with certain defined benefit plans. Depending on the position adopted, retirement benefits are now provisioned, not over the entire career of employees, but over the last years of their career corresponding to the ceiling of the compensation scale.

This interpretation concerns, in particular, the national collective agreements of metallurgy, plastics and tractors, which cover a large number of the Group's French companies.

This decision could not be applied in the financial statements closed on September 30, 2021 due to the lack of reliable data. The calculation was made during the 2021-2022 fiscal year. The impact on opening equity is an increase of €1.2 million, net of deferred tax. The impact at October 1, 2020 is similar to that of October 1, 2021 and is therefore not presented.

Application from October 1, 2021 of the provisions of IAS 29 – Financial reporting in hyperinflationary economies to the financial statements of the Turkish entity

Since April 2022, the cumulative inflation rate over three years in Turkey has exceeded 100%, which has resulted in Turkey being considered as a country in hyperinflation. As a result, IAS 29 applies and requires the restatement of the financial statements of an entity whose functional currency is that of a hyperinflationary economy from the beginning of the fiscal year during which the hyperinflation is observed. Thus, we have applied IAS 29 for the Turkish entity in our scope from October 1, 2021.

The application of IAS 29 results in the correction of all non-monetary assets and liabilities of the Turkish entity by applying a general price index in order to express them in the unit of measurement in force at the reporting date.

The impact of the application of IAS 29 on the Group's financial statements is:

- +€1.2 million in equity as of October 1, 2021 resulting from revaluations to take account of inflation since the date of entry in the balance sheet of the assets and liabilities concerned;
- +€0.5 million classified as "Other financial income/expenses" which correspond to revaluations to take account of inflation for the period (see note 21).

1.1.2 Change in accounting policy

Inventory valuation

As of this fiscal year, the Group has changed the method of measuring inventories for the Garden Watering and Spraying business from the first-in, first-out method to the weighted average unit cost method. This change was motivated by the search for better financial information and its comparability. The vast majority of companies in the same business sector value their inventories at weighted average unit cost. In addition, this activity produces mass-produced items with a high inventory rotation, while the Group's other activities produce small series.

The valuation impact of "Inventories" was less than €200 thousand net of corporate tax at September 30, 2021. The low materiality did not lead the Group to modify the comparative statements or to recognize this difference in the opening reserves.

1.2 Consolidation principles and scope (see note 2)

Companies over which EXEL Industries exercises exclusive control are fully consolidated. The Group controls an entity if it holds cumulatively:

- power over the entity;
- exposure or rights to variable returns due to its involvement with the entity;
- the ability to exercise its power over the entity in such a way as to affect the amount of returns it obtains.

Companies in which EXEL Industries exercises a material influence are accounted for using the equity method. Significant influence is an ability to participate in the financial and operating policy decisions of an enterprise though without exercising control over its policies. It is presumed to exist when the Group directly or indirectly holds between 20% and 50% of the voting rights.

Receivables, payables and reciprocal assets and liabilities are fully eliminated between fully consolidated companies as well as intra-Group profits and losses (dividends, capital gains, margins on inventory).

1.3 Business combinations

Business combinations are recognized on the basis of the acquisition method of accounting, according to the principles of IFRS 3 – Business Combinations.

The acquisition cost is measured at the fair value of the consideration transferred.

On the acquisition date, goodwill corresponds to the difference between the consideration transferred and the fair value of the identifiable assets acquired and the liabilities assumed. The fair value of the identifiable assets acquired and the liabilities assumed may be adjusted within a period of 12 months from the acquisition date. These goodwill adjustments are retrospective.

In the event of a negative difference, it is immediately recognized in the income statement under "Other non-recurring operating items".

The goodwill is not amortized and is tested for impairment whenever an indication of impairment is identified and at least once a year at the end of the fiscal year (see below).

1.4 Goodwill (see note 3)

For fully consolidated companies, the difference between the fair value of the counterparty transferred and the share attributable to the Group of the net fair value of the acquired assets and liabilities existing at the date of the takeover, constitutes an excess value recognized as a non-current asset in the consolidated balance sheet under the heading "goodwill". On the takeover date, the Group has the option for each transaction of recognizing the business combination according to the partial goodwill method or the full goodwill method. In the case of full goodwill, non-controlling interests are measured at fair value and the Group recognizes goodwill on the total of identifiable assets and liabilities.

Expenses directly related to the takeover are recognized as "non-recurring operating items".

The net value of residual goodwill on the balance sheet amounted to €70,701 thousand at September 30, 2022.

1.5 Other intangible assets (see note 4)

Other intangible assets are recorded on the balance sheet at their acquisition cost or at their contribution value and are mainly composed of:

- software amortized over its useful life;
- brands acquired with an indefinite useful life or amortized on a straight-line basis over their useful life;
- patents amortized according to the duration of use or protection;
- contractual relationships amortized on a straight-line basis over their useful life.

1.5.1 Development expenses

In accordance with IAS 38, development expenses are not capitalized by the Group, for several reasons:

- when these expenditures are incurred, the technical feasibility of completing the intangible asset so that it will be available for use or sale is not certain;
- the Group is not able to demonstrate how the intangible asset will generate probable future economic benefits. In particular, it is difficult to demonstrate the existence of a market (or evaluate the duration) for production resulting from these development expenditures. The Group is constantly developing new innovations in its market and the potential of these developments is still unknown or even non-existent at that particular time.

These costs consist mainly of staff expenses and are recognized as soon as they are incurred.

1.6 Tangible assets (see note 5)

Assets are recognized in the balance sheet at acquisition cost or their contribution value.

These assets are depreciated according to the straight-line method applied on the basis of their corresponding estimated useful lives.

The rates applied are as follows:

- 20 to 30 years for buildings;
- 5 to 10 years for building improvements;
- 5 to 10 years for industrial equipment and machinery;
- 3 to 5 years for other non-current assets (office equipment, vehicles, etc.).

1.7 Impairment test on non-current assets

1.7.1 Non-current assets with finite useful lives

In accordance with the provisions of IAS 36 – Impairment of assets, the Group carries out a review of the tangible and intangible assets at each reporting date in order to identify any indications of impairment when events or circumstances suggest that their carrying amount could be higher than their recoverable value.

Recoverable value is defined as the higher of fair value net of costs of disposal and value in use on the basis of future cash flows discounted to their present value (discounted cash flows – DCF) derived from use of the assets of the cash-generating unit (CGU). After recognizing this provision, the asset is maintained in the balance sheet at its net carrying amount after impairment. In the case of depreciable assets, the depreciation expense is calculated on the basis of the new net carrying amount and its remaining estimated useful life.

This test is performed on the cash-generating unit (CGU) constituted by the assets or the smallest group of assets including the asset to be tested and generating cash inflows that are largely independent of those generated by other assets or groups of assets.

1.7.2 Goodwill and non-current assets with an indefinite useful life

The Group performs impairment tests at least once a year, during the fourth quarter of each fiscal year and whenever there is an indication of loss of value. This impairment test is performed on each CGU to which the goodwill or the tested non-current assets are attached.

A CGU is defined as a legal entity or group of subsidiaries belonging to the same business sector which generate cash flows which are clearly independent of the cash flows generated by other CGUs. The goodwill were allocated to each CGU as defined:

Agricultural Spraying, Sugar Beet Harvesting, Garden Watering and Spraying and Industrial Spraying (note 3).

When the recoverable value of the CGU is below its net carrying amount, an impairment charge is recognized on the line "Non-recurring items". The recoverable value of a CGU represents the higher of its fair value net of costs of disposal and value in use. Value in use is determined on the basis of the present value of future operating cash flows expected over a five-year period and a terminal value based on a perpetuity growth rate for cash flow.

The application of IFRS 16 has not led the Group to identify assets related to leases that would need to be tested independently of a CGU.

The practical methods for performing impairment tests are in line with the ESMA decision published on May 17, 2022, which confirmed the inclusion of IFRS 16 restatements in the carrying amount of the CGU and future cash flows.

1.8 Non-current financial assets (see note 7)

Non-current financial assets include equity interests and other long-term investments.

"Equity interests" refers to the Group's investment in the capital stock of unconsolidated companies. When the purpose of these holdings is to recover the cash flows from disposals, these securities are recognized at fair value through profit or loss or at their acquisition cost, which the Group believes to represent their fair value, in the absence of an active market (IFRS 9).

In the case of a permanent loss in value, the corresponding impairment charge is recognized in the income statement of the fiscal year. The permanent nature of impairment is determined by comparing it with the estimated value based on the share of net equity, the market price or earnings growth prospects, after adjusting for the effects of these holdings on the Group in terms of strategy, synergies or existing businesses. Recognition of this impairment loss in the income statement is not reversible if the estimated value is considered to develop positively in the future (in which case the unrealized profit is recognized under the separate heading of equity mentioned above).

Other long-term investments are recognized at amortized cost. A provision for impairment may be recorded when there exists an objective indication that they have been impaired.

Securities held for trading are recognized at fair value and unrealized gains and losses on re-measurement are recognized in the income statement under "profit or loss from cash and cash equivalents".

1.9 Inventories and work-in-progress (see note 8)

In accordance with IAS 2 – Inventories, inventories and work-in-progress are measured at the lower of cost and their net realizable value. Cost is measured according to the FIFO method. Net realizable value is defined as the expected selling price in the ordinary course of business minus costs necessary for completion and disposal.

The Group may recognize an impairment on inventories based on their prospect of disposal in its sales network and its use in the production cycle or when the net realizable value is lower than the carrying amount.

Inventories of raw materials and goods are valued at the purchase price plus incidental expenses, mainly using the first-in, first-out method. Except for the Garden Watering and Spraying business, which uses the weighted average unit cost method (see note 1.1.2 "Inventory valuation").

Inventory in progress and finished products are recognized at production cost that includes the cost of raw materials, direct labor costs and direct and indirect factory overheads.

Margins on transactions between consolidated companies are neutralized.

1.10 Trade receivables and related accounts (see note 9)

Trade receivables and related accounts are valued at their nominal value. Provisions for impairment are recorded according to the age of the receivable and the expected losses based on the lifetime of the receivable. Impairment is recognized as an expense when it is probable that a doubtful debt will not be recovered.

1.11 Cash and cash equivalents (see note 11)

Cash includes bank balances and highly liquid investments and cash equivalents with maturities of less than three months from their date of acquisition. It is subject to a negligible risk of change in value.

Bank overdrafts, being treated as financing, are recognized as current liabilities on the balance sheet.

1.12 Corporate income tax (see note 22)

1.12.1 Deferred taxes

In accordance with IAS 12 – Income taxes, provisions for deferred tax are recorded using the balance sheet liability method and temporary differences arising between the tax bases of assets and liabilities (including tax losses) and their carrying amounts in the financial statements. Deferred taxes are calculated at the prevailing tax rate in force.

The effects of changes in tax rates are recognized in equity or in profit or loss for the period in which the change in tax rate is decided, depending on the original accounting for the restatement in earnings or reserves.

Deferred tax assets are recorded only if it is probable that they will be recovered from taxable profit. In particular, no deferred tax asset has been recognized for losses of certain subsidiaries where recovery is not currently considered likely, for total deferred taxes of around €27 million.

Deferred tax assets and liabilities are not discounted.

The Group offsets deferred tax assets and liabilities if the entity has the legal right to offset current income tax assets and liabilities and they relate to types of taxes levied by the same tax authority.

1.12.2 French tax group provisions

Under a tax sharing agreement, with EXEL Industries as head of the tax group, the Group's French subsidiaries pay advances to EXEL Industries for taxes owed by them and EXEL Industries will settle the Group tax at the end of the fiscal year after any restatements provided for under this system.

1.12.3 Tax credits

Research Tax Credit (CIR): Given the purely fiscal nature of this provision, and possibilities that they will be subject to changes in line with changes in tax regulations mainly in France, research tax credits are recognized as a deduction from the income tax expense.

1.13 Foreign currency translation

The financial statements of foreign companies are converted using the closing rate method: assets and liabilities on the balance sheet are translated at the exchange rate at the year end and income statements at the average exchange rate. Currency translation is recognized in "Other comprehensive income" and then transferred to equity under "Currency translation".

Transactions by Group entities in a currency other than their functional currency are translated at the exchange rate prevailing on the transaction date. Assets and liabilities denominated in a currency other than the functional currency of the entity are translated at the closing exchange rate in force at the end of the fiscal year. Currency gains and losses are recognized directly under financial income and expense.

The Group applies IAS 29 – Financial reporting in hyperinflationary economies for the financial statements of entities whose functional currency is that of a hyperinflationary country.

1.14 Leases

Under IFRS 16, a lessee recognizes a right-of-use asset and a financial debt in the form of a lease liability. The right-of-use asset is depreciated over the lease term. The lease obligation, initially measured at the present value of the fixed lease payments over the lease term, is accreted at the rate implicit in the lease if it can be easily determined or at the Group's incremental borrowing rate and taking into account the duration of the contract and the currency area in which the contract is subscribed.

The reasonably certain duration of leases includes the non-cancellable period, renewal options and early exit options if the lessee is reasonably certain not to exercise them. The duration is determined by the department that signed the contract and is reviewed at each accounting closing date.

In the income statement, a depreciation expense for the right to use the asset is recorded in operating margin and a financial expense relating to interest on the lease liability is presented in net financial income/(expense).

The Group has chosen to adopt the exemptions provided for by IFRS 16, which allow it to continue to record rents for leases with a term of 12 months or less and leases relating to low-value assets on a straight-line basis in the income statement over the lease term.

1.15 Provisions, contingent Assets and contingent Liabilities

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized based on case-by-case assessments of the corresponding contingencies and expenses. A provision is recorded whenever Group corporate governance bodies are made aware of a legal or constructive obligation resulting from a past event when it is probable that it will result in an outflow of resources with no inflow of resources representing an equivalent amount expected in return.

Provisions are broken down between current and non-current liabilities according to the expected term to maturity of the risk. The provisions with a term to maturity of more than one year are discounted when their impact is material.

A provision for contractual customer warranties is made to cover the estimated cost of guaranteeing machines and spare parts at the time of their sale to the networks or end customers. It covers the contractual warranty, as well as its possible extension after study on a case-by-case basis. The provision is established on the basis of historical statistical data projections.

In cases where it is not probable that an obligation will result in the outflow of resources to be settled or because its amount cannot be measured with sufficient reliability, it is recognized by the Group off-balance sheet as a contingent liability.

Contingent liabilities are reported in the notes unless the probability of an outflow of resources is very low. Contingent assets are reported in the notes where an inflow of economic benefits is probable.

1.16 Pensions and similar liabilities (see note 13.2)

In accordance with the laws and practices of each country, and certain professional and/or company agreements, the Group offers its employees various retirement plans, end-of-career benefits and post-employment plans. The valuation and recognition methods followed by the Group are those laid down by IAS 19 – Employee Benefits.

Provisions are recorded in the balance sheet for liabilities arising from defined benefit plans. These liabilities are calculated using the projected unit credit method based on actuarial valuations performed at the end of the fiscal year. Actuarial assumptions used to calculate these liabilities vary according to the economic conditions of the country in which the plan applies. Each plan is accounted for separately.

The Group makes use of the services of an outside entity to partially cover its benefit liabilities. The provision recorded in the consolidated financial statements corresponds solely to the uncovered portion as well as social charges for the full amount of these benefit liabilities.

For defined benefit plans financed through outside fund managers (pension funds or insurance policies), any positive or negative difference in the fair value of plan assets and the present value of obligations is recognized in the balance sheet as an asset or liability. However, such differences are only recognized as assets when they embody a future economic benefit for the Group.

Past service costs represent the benefits granted when the Company either adopts a new defined benefit plan or modifies the level of benefits of the existing plan. When new rights to benefits are vested as of the adoption of the new plan or the change of the existing plan, past service costs are immediately recognized in the income statement. Conversely, when the adoption of a new plan or a change in the existing plan results in the vesting of rights subsequent to the date the plan is established, past service costs are expensed on a straight-line basis over the average remaining period for the corresponding rights to be fully vested.

Actuarial gains and losses result from changes in actuarial assumptions and adjustments related to experience (differences between actuarial assumptions and assumptions based on actual experience). Actuarial gains and losses are recognized in “Other comprehensive income” and therefore have no impact on profit or loss.

For defined benefit plans, the expenses recognized in operating income include service costs during the fiscal year, the amortization of past service costs, the discounting costs as well as the effects of any plan curtailment or settlement.

1.17 Use of estimates

To prepare consolidated financial statements in compliance with the rules provided for under IFRS, Group Management makes a certain number of estimates and adopts certain assumptions that may have an impact on the amounts disclosed under assets and liabilities. These include amounts for depreciation, amortization and provisions, information on contingent assets and liabilities on the reporting date of consolidated financial statements and amounts recognized under income and expenses for the fiscal year. These estimates are based on the assumption of going concern and include assumptions that Management considers relevant and feasible in the Group’s operating environment and based on feedback available.

Estimates and assumptions are reviewed on a regular basis and at a minimum at the end of each fiscal year. They may vary if the circumstances on which they were based change or new information becomes available. Actual results may differ from these estimates.

The main estimates made by the Group when preparing the consolidated financial statements concern notably assumptions adopted for calculating deferred taxes, the valuation of intangible assets, the impairment of current assets and current and non-current provisions.

1.18 Segment information

The main business activity of EXEL Industries group is precision spraying, for agriculture and industry. The Group is also present in the garden watering and nautical industry markets (grouped together in the segment information under a “Leisure” segment) and sugar beet harvesters.

1.19 Financial instruments

1.19.1 Treasury shares

In accordance with IAS 32 – Financial instruments, treasury shares (own equity instruments) held by the Group through the share repurchase program in connection with the liquidity agreement are recorded at acquisition cost and deducted from equity. Proceeds from the disposal of treasury shares are recognized under equity, net of income tax, and are not included under income in the fiscal year.

1.19.2 Derivative financial instruments

In the fiscal year, the Group has on occasion made use of interest rate or foreign exchange hedges to reduce its exposures.

The Group did not hold any derivative financial instruments at the close of the fiscal year.

1.19.3 Financial debt

Non-current loans and financial debt are valued at their historical nominal value considered close to their amortized cost.

1.20 Income from ordinary activities

Revenue from ordinary activities results from the manufacturing and sales of goods, purchases and resales of goods and sales of product services as part of the Group's main activities.

Income from operating activities is recognized in accordance with IFRS 15. Income is recognized as soon as the Group has discharged its obligations, which is on the date of delivery of the goods or when the customer receives the benefits of a service, at which date the Group has a definite right to receive a payment. Any trade discounts or rebates granted to customers, or returns of goods are recognized as a deduction from income.

Income from the sale of products is recognized when delivery has been completed, the amount of revenue can be reliably measured and the economic benefits of the transaction will flow to the Group.

The majority of the Group's contracts do not exceed one year and the transfer of control takes place on a given date. However, the Group sometimes carries out specific projects that extend over longer periods of time and which may involve several phases, including design, construction and installation. These services give rise to a gradual recognition of revenue according to the stage of completion of the project. The percentage of completion is determined using the cost-related completion method.

1.21 Definition of certain indicators

1.21.1 Current operating results and operating results

Current operating results includes all items relating to the Group's activities, whether recurring or non-recurring, principal or ancillary transactions, with the exception of:

- items whose nature, frequency and amount cannot be considered as part of the Group's day-to-day activities and which affect the comparability of fiscal years. These include, in particular, impairment losses arising from impairment tests, provisions for restructuring and litigation, costs or income related to the acquisition of equity investments, past service costs following a modification to long-term employee benefits, capital gains or losses on the sale of assets other than those relating to activities sold or in the process of being sold;
- operating profit from activities that were sold during the fiscal year or from a transaction confirmed and validated by the Board of Directors. Where applicable, the corresponding operating income is reclassified to the item "Net income from activities sold or being sold" with the other items of income relating to these activities.

1.21.2 Recurring EBITDA (Earnings before interest, taxes, depreciation and amortization)

This indicator represents the recurring profitability generated by the activity, independently of the financing conditions, tax deductions and depreciation of the operating tool. It corresponds to current operating income restated for depreciation of non-current assets and for changes in provisions (excluding provisions on current assets) to which is added the income of equity-method associates.

1.21.3 Net Financial Debt

This indicator, used in particular in the calculation of certain ratios, is calculated as follows: non-current financial debt (including lease liabilities arising from the application of IFRS 16 and excluding employee profit sharing) + current financial debt (including lease liabilities arising from the application of IFRS 16) - cash and cash equivalents.

The cost of net financial debt consists of the income and expenses generated by the components of net financial debt during the fiscal year, including the results of interest rate hedges.

1.22 Earnings per share

Net earnings per share are calculated based on the number of shares outstanding during the fiscal year after deduction of treasury shares (see note 12).

Note 2 Scope of consolidation

Name	Percentage controlled		Percentage held		Method of consolidation
	09/2022	09/2021	09/2022	09/2021	
EXEL Industries SA	100.00%	100.00%	100.00%	100.00%	Parent company
SUPRAY Technologies SAS	100.00%	100.00%	100.00%	100.00%	FC
TECNOMA SASU	100.00%	100.00%	100.00%	100.00%	FC
PRECICULTURE SAS	100.00%	100.00%	100.00%	100.00%	FC
CMC SAS	100.00%	100.00%	100.00%	100.00%	FC
NICOLAS SPRAYERS SAS	100.00%	100.00%	100.00%	100.00%	FC
EXXACT ROBOTICS SASU	100.00%	100.00%	100.00%	100.00%	FC
GAMA Technologies SAS	100.00%	100.00%	100.00%	100.00%	FC
BERTHOUD SASU	100.00%	100.00%	100.00%	100.00%	FC
FISCHER Nouvelle SARL (Switzerland)	100.00%	100.00%	100.00%	100.00%	FC
BERTHOUD Sprayers Ltd (UK)	100.00%	100.00%	100.00%	100.00%	FC
BERTHOUD Sprayers (Ukraine)	100.00%	100.00%	100.00%	100.00%	FC
MATROT UK Ltd (UK)	100.00%	100.00%	100.00%	100.00%	FC
SCI CATHAN	100.00%	100.00%	100.00%	100.00%	FC
CAPAGRI	100.00%	100.00%	100.00%	100.00%	FC
SCI MAIZY	100.00%	100.00%	100.00%	100.00%	FC
VERMOREL (Romania)	100.00%	100.00%	100.00%	100.00%	FC
INGELIA (Romania)	90.00%	90.00%	90.00%	90.00%	FC
HOZELOCK EXEL	100.00%	100.00%	100.00%	100.00%	FC
EVRARD (formerly HARDI GROUP France SA)	100.00%	100.00%	100.00%	100.00%	FC
POMMIER S.C.E.P.	47.32%	47.32%	47.32%	47.32%	EM
EXEL Real Estate (USA)	100.00%	100.00%	100.00%	100.00%	FC
EXEL Real Estate Australia (Australia)	100.00%	100.00%	100.00%	100.00%	FC
EXEL Real Estate Germany (Germany)	100.00%	100.00%	100.00%	100.00%	FC
EXEL Real Estate Netherlands BV (Netherlands)	100.00%	100.00%	100.00%	100.00%	FC
EXEL Real Estate Denmark (Denmark)	100.00%	100.00%	100.00%	100.00%	FC
EMC LLC (Russia)	100.00%	100.00%	100.00%	100.00%	FC
SAMES SAS	100.00%	100.00%	100.00%	100.00%	FC
French subsidiaries					
API SCM SAS	100.00%	100.00%	100.00%	100.00%	FC
Foreign subsidiaries					
SAMES KREMLIN Germany	100.00%	100.00%	100.00%	100.00%	FC
SAMES GmbH (Germany) (formerly iNTEC SAMES KREMLIN)	100.00%	100.00%	100.00%	100.00%	FC
SAMES KREMLIN Spain	99.90%	99.90%	99.90%	99.90%	FC
SAMES KREMLIN Italy	100.00%	100.00%	100.00%	100.00%	FC
SAMES KREMLIN USA	100.00%	100.00%	100.00%	100.00%	FC
SAMES KREMLIN Portugal	100.00%	100.00%	100.00%	100.00%	FC
SAMES KREMLIN Argentina	100.00%	100.00%	100.00%	100.00%	FC
SAMES KREMLIN Poland	100.00%	100.00%	100.00%	100.00%	FC
SAMES KREMLIN Brazil	100.00%	100.00%	100.00%	100.00%	FC
SAMES KREMLIN India	100.00%	100.00%	100.00%	100.00%	FC
SAMES KREMLIN China	100.00%	100.00%	100.00%	100.00%	FC
SAMES KREMLIN Russia	100.00%	100.00%	100.00%	100.00%	FC
SAMES KREMLIN Japan	100.00%	100.00%	100.00%	100.00%	FC
SAMES KREMLIN Mexico	100.00%	100.00%	100.00%	100.00%	FC

Name	Percentage controlled 09/2022	Percentage controlled 09/2021	Percentage held 09/2022	Percentage held 09/2021	Method of consolidation
HARDI INTERNATIONAL AS (DENMARK)	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**FC**
Foreign subsidiaries					
HARDI North America Inc. (USA)	100.00%	100.00%	100.00%	100.00%	FC
HARDI Australia PTY (Australia)	100.00%	100.00%	100.00%	100.00%	FC
ILEMO-HARDI S.A. (Spain)	100.00%	100.00%	100.00%	100.00%	FC
HARDI Gmbh (Germany)	100.00%	100.00%	100.00%	100.00%	FC
HARDI Norge A/S (Norway)	100.00%	100.00%	100.00%	100.00%	FC
HARDI Agricultural Equipment (China)	100.00%	100.00%	100.00%	100.00%	FC
French subsidiaries					
HARDI Service	100.00%	100.00%	100.00%	100.00%	FC
AGRIFAC MACHINERY B.V. (NETHERLANDS)	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**FC**
Foreign subsidiaries					
Agrifac UK Ltd (UK)	100.00%	100.00%	100.00%	100.00%	FC
Agrifac Australia PTY LTD (Australia)	100.00%	100.00%	100.00%	100.00%	FC
RASINDECK LTD (UK)	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**FC**
Hozelock Ltd (UK)	100.00%	100.00%	100.00%	100.00%	FC
Hozelock Holland BV (Netherlands)	100.00%	100.00%	100.00%	100.00%	FC
Hozelock Sweden AB (Sweden)	100.00%	100.00%	100.00%	100.00%	FC
Hozelock Australia Pty (Australia)	100.00%	100.00%	100.00%	100.00%	FC
TRICOFLEX	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**FC**
HOLMER MASCHINENBAU GMBH (GERMANY)	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**FC**
Foreign subsidiaries					
HOLMER Poland	100.00%	100.00%	100.00%	100.00%	FC
HOLMER Ukraine	100.00%	100.00%	100.00%	100.00%	FC
HOLMER Czech Republic	100.00%	100.00%	100.00%	100.00%	FC
HOLMER USA	100.00%	100.00%	100.00%	100.00%	FC
HOLMER Turkey	100.00%	100.00%	100.00%	100.00%	FC
HOLMER Egypt	100.00%	-	100.00%	-	FC
French subsidiaries					
HOLMER EXXACT	100.00%	100.00%	100.00%	100.00%	FC
MINWORTH PROPERTY (UK)	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**FC**
ET WORKS INC (USA)	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**FC**
ET Ag Center (LLC)	100.00%	100.00%	100.00%	100.00%	FC
ET Works Retail (LLC)	100.00%	100.00%	100.00%	100.00%	FC
ET Works Canada, Ltd	100.00%	100.00%	100.00%	100.00%	FC
EXEL YACHTING (formerly Rhéa Marine)	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**FC**
ETTORE YACHTING	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**FC**
SCI DES VOILIERS	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**FC**
GF s.r.l. (Italy)	**100.00%**	**-**	**100.00%**	**-**	**FC**

FC: Full consolidation – EM: Equity method – NC: not consolidated, now outside scope – NA: not applicable.

2.1 Changes in scope

On February 15, 2022, the Group acquired 100% of the company GF s.r.l. sold by the Italian group FISPA s.r.l. GF s.r.l. produces items for watering, irrigation, garden maintenance and outdoor living.

As a reminder, on September 30, 2021, the Group acquired 100% of EXEL Yachting (formerly Rhéa Marine) and Ettore Yachting, sold by the Experton Revollier Group. This is an acquisition of several shipyards that produce the Wauquiez, Rhéa Marine and Tofinou brands. The shipyards located in La Rochelle are owned by SCI des Voiliers, which was consolidated on the same date.

The impact of changes in the scope of consolidation on the financial statements at September 30, 2022, compared to September 30, 2021, corresponds:

- for balance sheet and cash items, to the acquisition of GF s.r.l;
- for the Income statement, to the 12 months of activity of EXEL Yachting and ETTORE Yachting as well as the seven and a half months of activity of GF s.r.l.

In addition, the HOLMER group opened a distribution subsidiary in Egypt in the last quarter of the fiscal year.

2.2 Internal changes within the scope

On October 1, 2021, the shares of HARDI Group France SA held by HARDI International AS were transferred to EXEL Industries SA. This transaction had no impact on the Group's consolidated financial statements. In addition, HARDI Group France SA changed its name to become EVRARD.

At the end of September 2022, SAMES KREMLIN SAS became SAMES SAS and INTEC SAMES KREMLIN was renamed SAMES GmbH. The name changes will continue during the 2022-2023 fiscal year for the other subsidiaries of the SAMES group.

Note 3 Goodwill

3.1 Movements during the period

(in € thousands)	09/30/2022	09/30/2021
OPENING NET VALUES	**64,146**	**63,015**
Changes in scope:		
Increases	7,061	-
Decreases	-	-
Impairment	-	-
Other net changes (foreign exchange effect)	(507)	1,131
CLOSING NET VALUES	**70,701**	**64,146**

Goodwill determined on the basis of a fair value valuation of GF s.r.l. was recognized for €7.1 million. In accordance with IFRS 3, the Group will continue to fully assess the assets acquired and liabilities assumed within 12 months from the acquisition date, *i.e.* February 15, 2022.

The purchase price allocation for EXEL Yachting, Ettore Yachting and SCI des Voiliers is now definitive.

Foreign exchange differences are mainly due to the change in the pound sterling.

3.1.1 Parameters used in impairment tests

All the CGU tests were carried out using the following principal assumptions:

- the perpetual growth rate used to calculate the terminal value is 1.6% (1.5% in 2021);
- the discount rate stands at 9.6%, up compared to 2021 (9.0%).

The discount rate used for the impairment tests corresponds to the weighted average cost of capital (WACC) estimated on a date close to the reporting date. The WACC is calculated on the basis of target indebtedness of 25% of equity and a risk-free interest rate of 1.03% (average ten-year French government bond rate).

The growth rate is assessed in accordance with the IMF's inflation forecasts weighted for each geographical area.

The cash flows used are established according to past performance and anticipated changes, at the date these projections are prepared.

Goodwill related to foreign companies is recognized in the functional currency of the acquired entity and converted at the reporting date exchange rate.

The Group has considered the physical and transition climate risks that could impact cash flow and has not identified any significant risk in the next five years.

On September 30, 2022, the Group performed a sensitivity analysis on the perpetual growth assumptions and the discount rate by applying an increase of 100 bps to the discount rate or a reduction of 50 bps to the termination margin rate used. This analysis does not show a risk of additional loss in value for fiscal year 2022.

A stress test was used to determine the discount rate or termination margin rate parameter that would result in the value in use being equal to the carrying amount:

	Industrial Spraying	Garden Watering and Spraying
Increase in the discount rate of	+1,765 bps	+151 bps
Or decrease in the perpetual growth rate of	-1,298 bps	-202 bps

3.2 Analysis of goodwill per Cash Generating Unit (CGU)

(in € thousands)	09/30/2022 Net values	09/30/2021 Net values
Agricultural Spraying CGU	-	-
Sugar Beet Harvesters CGU	-	-
Garden Watering and Spraying CGU	40,835	34,281
Industrial Spraying CGU	29,865	29,865
TOTAL	**70,701**	**64,146**

The goodwill resulting from the acquisition of GF s.r.l. is included in the line of the "Garden Watering and Spraying" CGU.

Note 4 Other intangible assets

	09/30/2022				09/30/2021
(in € thousands)	Gross	Depreciation	Impairment	Net	Net
Patents, trademarks, licenses and software	40,453	(23,692)	-	16,761	18,131
Other intangible assets	18,681	(7,332)		11,349	13,758
TOTAL	**59,134**	**(31,024)**	**-**	**28,110**	**31,889**

Other intangible assets mainly consist of the valuation of the customer portfolio for €11.1 million obtained in 2020 following the acquisition of SAMES GmbH (formerly Intec SAMES KREMLIN GmbH).

4.1 Movements during the period

	09/30/2022			09/30/2021
(in € thousands)	Gross	Depreciation	Net	Net
INTANGIBLE ASSETS AT BEGINNING OF PERIOD	**56,364**	**(24,475)**	**31,889**	**31,182**
Acquisitions/allowances	1,078	(4,979)	(3,901)	(6)
Change in Group structure	1,785	(1,713)	72	-
Disposals or assets scrapped	(136)	133	(3)	-
Impact of foreign exchange and misc.	43	10	53	713
INTANGIBLE ASSETS AT END OF PERIOD	**59,134**	**(31,024)**	**28,110**	**31,889**

Note 5 Tangible assets and right-of-use assets

	09/30/2022				09/30/2021
(in € thousands)	Gross	Depreciation	Impairment	Net	Net
Land and developments	55,084	(6,157)	-	48,927	43,662
Buildings	162,868	(88,210)	-	74,658	62,679
Plant and equipment	222,721	(188,596)	-	34,125	26,496
Other tangible assets(1)	42,400	(32,959)	-	9,441	8,005
Tangible assets under construction	7,710	(124)	-	7,587	5,474
Advances and prepayments	392	-	-	392	307
TOTAL	**491,175**	**(316,046)**	**-**	**175,130**	**146,625**
Tangible assets	460,102	(302,990)	-	157,113	132,608
Rights of use	31,073	(13,056)	-	18,017	14,017

(1) Other tangible assets consists mainly of vehicles, furniture and computer equipment.

Changes in tangibles assets between September 30, 2021 and September 30, 2022 are detailed in notes 5.1 and 5.2.

5.1 Movements during the fiscal year concerning tangible assets

	09/30/2022			09/30/2021
(in € thousands)	Gross	Depreciation	Net	Net
TANGIBLE ASSETS AT BEGINNING OF PERIOD	**402,309**	**(269,702)**	**132,608**	**132,829**
Acquisitions/allowances	25,195	(14,246)	10,949	(1,689)
Change in Group structure	34,740	(21,979)	12,761	5,264
Disposals or assets scrapped	(5,040)	4,635	(405)	(5,040)
Impact of foreign exchange and misc.	2,898	(1,698)	1,200	1,244
TANGIBLE ASSETS AT END OF PERIOD	**460,102**	**(302,990)**	**157,113**	**132,608**

5.2 Movements during the fiscal year concerning rights of use

	09/30/2022			09/30/2021
(in € thousands)	Gross	Depreciation	Net	Net
RIGHTS OF USE AT THE BEGINNING OF THE PERIOD	**22,904**	**(8,887)**	**14,017**	**13,222**
New leases, renewal, modification/allowance	7,634	(7,047)	587	(618)
Change in Group structure	2,985	-	2,985	1,295
End of lease	(3,325)	3,325	-	(3)
Impact of foreign exchange and misc.	875	(447)	428	121
RIGHTS OF USE AT END OF PERIOD	**31,073**	**(13,056)**	**18,017**	**14,017**

Note 6 Investments in associates

(in € thousands)	09/30/2022	09/30/2021
OPENING NET VALUES	**3,522**	**3,351**
Acquisition	-	-
Change in Group structure	-	-
Share in earnings of equity-accounted associates	562	499
Dividend distribution	(324)	(327)
Disposals/deconsolidation	-	-
Other net changes (incl. foreign exchange)	-	-
CLOSING NET VALUES	**3,760**	**3,522**

The stake concerns POMMIER, which is owned at 47% by the Group. The consolidated financial statements include non-material transactions between the Group and POMMIER.

Note 7 Non-current financial assets

	09/30/2022			09/30/2021
(in € thousands)	Gross	Depreciation	Net	Net
Equity interests	721	-	721	583
Other securities	1,433	(1)	1,432	611
Loans	35	-	35	40
Other non-current long-term investments	1,350	(187)	1,163	1,158
TOTAL	**3,540**	**(188)**	**3,352**	**2,393**

Equity interests include shares in a fund over which the Group does not have any control or significant influence.

Other non-current long-term investments mainly include security deposits.

Note 8 Inventories and work-in-progress

	09/30/2022			09/30/2021
(in € thousands)	Gross	Depreciation	Net	Net
Raw materials	188,582	(33,608)	154,974	103,349
Work-in-progress (goods and services)	35,748	(2,177)	33,571	25,735
Semi-finished and finished goods	65,720	(5,415)	60,305	54,185
Trade goods and used machines	70,745	(15,231)	55,514	63,676
TOTAL	**360,795**	**(56,431)**	**304,364**	**246,945**

Net inventories and work-in-progress amounted to €304.4 million, an increase of €57.4 million compared to September 30, 2021. The acquisition of GF s.r.l. contributed to the increase for €11.6 million.

Note 9 Trade receivables

	09/30/2022			09/30/2021
(in € thousands)	Gross	Impairment	Net	Net
Trade receivables	173,504	(6,306)	167,197	140,554
TOTAL	**173,504**	**(6,306)**	**167,197**	**140,554**

Gross trade receivables amounted to €173.5 million, an increase of €26.3 million compared to September 30, 2021. The acquisition of GF s.r.l. resulted in an increase of €8.6 million in gross trade receivables.

Impairment is estimated on an individual basis, following the recognition of a known risk of default of the customer in question, and on the expected losses based on the lifetime of the receivable.

Changes in allowances for impairment of trade receivables break down accordingly:

(in € thousands)	09/30/2022	09/30/2021
ALLOWANCES FOR IMPAIRMENT OF TRADE RECEIVABLES AT THE BEGINNING OF THE FISCAL YEAR	**(6,644)**	**(7,104)**
Net reversal (or impairment)	436	439
Change in Group structure	(250)	(110)
Other changes	151	131
ALLOWANCES FOR IMPAIRMENT OF TRADE RECEIVABLES AT THE END OF THE FISCAL YEAR	**(6,306)**	**(6,644)**

The payment schedule of gross receivables and impairments is as follows:

		Overdue receivables				
(in € thousands)	Receivables not due	< 90 days	91 to 180 days	181 to 360 days	> 360 days	Total
Gross trade receivables	134,102	26,898	5,129	1,670	5,704	173,504
Impairment of trade receivables	(541)	(357)	(814)	(946)	(3,648)	(6,306)
TOTAL NET RECEIVABLES	**133,561**	**26,542**	**4,314**	**724**	**2,056**	**167,197**

The risk of non-payment is covered by bank guarantees and an international credit insurance program.

Note 10 Other current receivables

(in € thousands)	09/30/2022 Net values	09/30/2021 Net values
Tax receivables excluding corporate income tax (mainly VAT)	11,364	7,944
Amounts receivable from payroll tax agencies	206	348
Advances and prepayments paid	2,925	1,100
Sundry debtors	7,075	2,383
Prepaid expenses	5,962	4,529
TOTAL	**27,532**	**16,304**

Note 11 Cash and cash equivalents

(in € thousands)	09/30/2022	09/30/2021
Marketable securities	3	3
Cash and Cash equivalent	65,517	83,318
TOTAL	**65,520**	**83,320**

The Company does not have any investment portfolios of equity securities.

Note 12 Share capital

At September 30, 2022, the parent company's share capital consisted of 6,787,900 ordinary shares with a par value of €2.50 per share, the same as at September 30, 2021. The Company has no dilutive instruments, such as stock option subscription or purchase plans.

There were no corporate actions in the fiscal year under review.

At September 30, 2022, there were 5,463 treasury shares (1,823 treasury shares at September 30, 2021). These treasury shares are presented as a deduction from equity at their acquisition cost.

Policy for managing equity

Equity management involves mainly determining the level of current and future share capital and the policy with respect to the distribution of dividends.

The Group's management policy is based on ensuring a sufficient level of equity to ensure that the Group's financial structure remains sound. This level is monitored using the ratio of Net Financial Debt (notes 1.21 and 14) to Equity.

The Group has also set up a liquidity contract to facilitate trading of its shares on the market. This liquidity agreement does not permit the use of significant amounts of capital and allows for only marginal intervention in the trading of the Company's shares on the market.

Note 13 Provisions and pension liabilities

13.1 Provisions

13.1.1 By nature

(in € thousands)	09/30/2022	09/30/2021
Contractual customer warranties	16,345	15,055
Revenue-related litigation and expenses for work in progress	3,671	3,048
Other miscellaneous employee-related commitments (excluding redundancy plans)	3,448	1,892
Tax risk excluding income tax	691	523
Provisions for restructuring	562	2,650
Sundry	371	2,996
TOTAL	**25,088**	**26,164**
Portion over one year	6,140	6,511
Portion less than one year	18,948	19,653

13.1.2 Details of changes

(in € thousands)	Contractual customer warranties	Revenue-related litigation and expenses for work-in-progress	Provisions for restructuring	Other provisions	Total
PROVISIONS AT 09/30/2021	**15,055**	**3,048**	**2,650**	**5,411**	**26,164**
Allowance	7,546	1,865	327	1,025	10,763
Reversal (used provisions)	(7,140)	(1,675)	(2,040)	(771)	(11,626)
Reversal (unused provisions)	(581)	(733)	(399)	(590)	(2,303)
Reclassifications & others	-	188	-	(188)	-
Changes in scope & foreign exchange	1,465	978	24	(377)	2,090
PROVISIONS AT 09/30/2022	**16,345**	**3,671**	**562**	**4,510**	**25,088**
Portion over one year	3,368	1,579	-	1,193	6,140

The "Other provisions" column includes provisions for "miscellaneous employee benefit obligations (excluding employee benefit plans)", provisions for "tax risks excluding income tax" and "sundry" provisions.

Provisions for contingencies and expenses totaled €25.1 million, down by €1.1 million. This change is mainly due to the use of the provision for restructuring and reorganization for €2.0 million offset by the fair value adjustment of liabilities assumed in the context of acquisitions for €1.1 million. As a reminder, the fair value of the identifiable assets acquired and the liabilities assumed may be adjusted within a period of 12 months from the acquisition date.

13.2 Pension liabilities

Depending on the country, Group employees are eligible for defined contribution and defined benefit retirement plans.

13.2.1 Defined contribution plans

Under this type of retirement plan, the Company only pays contributions to a body (private or public) that is independent from the Company and which is then responsible for paying out retirement benefits to the Company's retirees.

Staff expenses and contributions payable are recognized by the Group when they are incurred.

13.2.2 Defined benefit plans

This concerns:

- the Group's French employees, who receive a lump sum severance payment on retirement;
- employees of the British company HOZELOCK Ltd., which has set up a pension scheme whose assets are managed by an Independent Trustee. HOZELOCK Ltd.'s pension scheme was closed to new members on April 6, 1997 and the rights of existing members were frozen on April 6, 2001.

For defined benefit plans, the Group recognizes a provision for pension liabilities corresponding to the amount of liabilities calculated by independent actuaries, deducting plan assets managed by external funds (insurance companies or pension funds).

Main assumptions used to estimate retirement commitments at September 30, 2022:

For French companies

- Growth of wages (including inflation): 3.8% for managers and 3.7% for non-managers (2% in 2021).
- Discount rate used (including inflation): 3.67% (*vs.* 0.55% in 2021).
- Retirement age: 62 years.
- Life expectancy: INSEE Mortality table 2016-2018.
- Employee turnover rate: based on the demographic data specific to each Group entity and actual experience.
- Social charges rate of 45% applied to total liabilities.
- Average weighted duration of the plans: 13 years.

With regard to the English company HOZELOCK Ltd.

- Growth rate of pension payments: 2.30%-5.0%.
- Discount rate used: 5.35% (*vs.* 2.1% in 2021).
- Rate of inflation: 3.55% (3.0% in 2021).
- Retirement age: 63 years.
- Life expectancy: 107% of the S3PA Mortality Table.
- Average weighted duration of the plans: 14 years.

The cost for the fiscal year consists of:

- expenses in connection with retirement liabilities recognized under "Current operating results";
- interest recognized under "net financial income/(expense)";
- impacts related to plan amendments recognized under "Non-recurring operating items".

(in € thousands)	Gross	Social charges	Total 09/30/2022	Total 09/30/2021
Service costs in the fiscal year	597	269	866	672
Discount costs	46	21	66	23
Interest cost	1,877	-	1,877	1,536
Plan reduction	(187)	(84)	(271)	-
Plan modification[1]	301	119	420	(5,274)
CURRENT SERVICE COST	**2,634**	**324**	**2,957**	**(3,043)**

(1) The line "Plan modification" is explained in note 20.

Notes to the consolidated financial statements Changes in pension and similar liabilities break down as follows:

(in € thousands)	Gross	Social charges	Total 09/30/2022	Total 09/30/2021
DEFINED BENEFIT OBLIGATION AT THE BEGINNING OF THE FISCAL YEAR	**98,676**	**4,052**	**102,728**	**105,529**
Restatement IFRIC IAS 19 – Attribution of rights to periods of service	(1,128)	(508)	(1,636)	-
Current service cost	2,635	324	2,959	(3,043)
Actuarial gains and losses (recognized in other items of comprehensive income)	(30,815)	(660)	(31,475)	(2,053)
Retirement benefits paid	(4,251)	(344)	(4,595)	(3,559)
Change in exchange rates	(1,034)	-	(1,034)	5,484
Change in Group structure	484	218	701	370
DEFINED BENEFIT OBLIGATION AT THE END OF THE FISCAL YEAR	**64,566**	**3,083**	**67,648**	**102,728**

Change in plan assets:

(in € thousands)	Gross	Social charges	Total 09/30/2022	Total 09/30/2021
FAIR VALUE OF ASSETS AT THE BEGINNING OF THE FISCAL YEAR	**81,555**	**-**	**81,555**	**77,153**
Expected return on plan assets	1,725	-	1,725	1,352
Actuarial gains and losses (recognized in other items of comprehensive income)	(26,028)	-	(26,028)	(759)
Employer contribution	2,671	-	2,671	2,321
Retirement benefits paid	(3,488)	-	(3,488)	(3,136)
Change in exchange rates	(1,055)	-	(1,055)	4,624
Change in Group structure	-	-	-	-
FAIR VALUE OF THE ASSETS AT THE END OF THE FISCAL YEAR	**55,381**	**-**	**55,381**	**81,555**

Breakdown of asset class:

(in € thousands)	Total 09/30/2022		Total 09/30/2021	
Shares	262	0.5%	276	0.3%
Bonds	9,423	17.0%	15,154	18.6%
Other assets	45,696	82.5%	66,126	81.1%
FAIR VALUE OF THE ASSETS AT THE END OF THE FISCAL YEAR	**55,381**	**100%**	**81,555**	**100%**

Reconciliation between pension liabilities and provisions for liabilities recognized in the balance sheet at September 30, 2022:

(in € thousands)	Gross	Social charges	09/30/2022	09/30/2021
TOTAL OBLIGATIONS AT THE END OF THE FISCAL YEAR	**64,566**	**3,083**	**67,648**	**102,728**
Fair value of plan assets	(55,381)	-	(55,381)	(81,555)
PROVISIONS AT THE END OF THE FISCAL YEAR	**9,185**	**3,083**	**12,267**	**21,173**

Provisions for retirement varied as follows for the fiscal year:

(in € thousands)	Gross	Social charges	Total 09/30/2022	Total 09/30/2021
PROVISIONS AT THE BEGINNING OF THE FISCAL YEAR	**17,120**	**4,052**	**21,172**	**28,376**
Restatement IFRIC IAS 19 – Attribution of rights to periods of service	(1,128)	(508)	(1,636)	-
Current service cost	2,635	324	2,959	(3,043)
Actuarial gains and losses (recognized in other items of comprehensive income)	(4,787)	(660)	(5,447)	(1,294)
Retirement benefits paid	(763)	(344)	(1,107)	(423)
Expected return on plan assets	(1,725)	-	(1,725)	(1,352)
Employer contribution	(2,671)	-	(2,671)	(2,321)
Change in exchange rates	20	-	20	860
Change in Group structure	484	218	701	370
PROVISIONS AT THE END OF THE FISCAL YEAR	**9,185**	**3,083**	**12,267**	**21,172**

The sensitivity of the discount rate commitment is shown in the table below:

(in € thousands)	Total 09/30/2022	with a decrease of 0.5% in the discount rate	with an increase of 0.5% in the discount rate
Defined benefit obligation at the end of the fiscal year	67,648	71,510	64,159
Including Hozelock Ltd	*57,716*	*61,179*	*54,599*

Note 14 Breakdown of financial debt by type

(in € thousands)	09/30/2022	09/30/2021
Bank overdraft – France and other countries[1]	2,631	13,196
Lease liabilities[2]	18,545	13,975
Bank borrowings – France and other countries[3]	175,662	81,169
Shareholder current account	23,806	16,986
Payables on employee profit sharing	86	116
Other borrowings	5,356	441
Regulated government subsidies	-	-
TOTAL FINANCIAL DEBT	**226,086**	**125,884**
According to the maturities below:		
Non-current portion (> 1 year)	97,402	43,445
Current portion (< 1 year)	128,684	82,439
TOTAL FINANCIAL DEBT	**226,086**	**125,884**

The average rate of interest for the fiscal year was 1.6%, stable compared to the previous fiscal year.

1. Short-term bank overdrafts decreased after the implementation of automated cash centralization at Group level.
2. Lease liabilities include finance leases and operating leases that have been recognized as non-current assets and financial debt.
3. Loans from credit institutions can be broken down as follows:

(in € thousands)	09/30/2022	09/30/2021
France	174,645	80,271
Foreign	1,017	898
TOTAL	**175,662**	**81,169**
Of which fixed rate debt	87,579	40,756
Of which variable rate debt	88,083	40,413

Borrowings from credit institutions increased by €94.5 million. They include the subscription of debt at rates indexed to ESG criteria for €81.3 million.

Borrowings from credit institutions consisted of €19.6 million in debt denominated in foreign currencies, of which €19.2 million in pound sterling.

14.1 Net Financial Debt

(in € thousands) – Debts (+)/Liquidities (-)	Net cash	Bank borrowings	Shareholder current account	Lease liabilities	Other borrowings and advances	Total
NET FINANCIAL DEBT AT 09/30/2021	**(70,125)**	**81,169**	**16,986**	**13,975**	**442**	**42,447**
Cash flow	6,302	94,475	6,820	(6,485)	1,655	102,767
Change in Group structure	934	-	-	2,984	3,406	7,324
Currency effects & other non-cash changes	-	18	-	8,071	(147)	7,942
NET FINANCIAL DEBT AT 09/30/2022	**(62,889)**	**175,662**	**23,806**	**18,545**	**5,356**	**160,480**

Reconciliation of net financial debt with the cash flow statement:

Net financial debt at 09/30/2021	**42,447**
Change in net cash position	**7,236**
Increase in borrowings	133,187
Repayment of borrowings	(30,236)
Repayment of lease liabilities	(6,486)
Issuance/repayment of financial debt	**96,465**
Change in non-cash scope	**6,389**
Other non-cash changes	**7,942**
NET FINANCIAL DEBT AT 09/30/2022	**160,480**

Note 15 Maturity of financial debt at September 30, 2022

(in € thousands)	Less than 1 year	From 1 year to 5 years	More than 5 years	Total
Bank overdrafts – France and other countries	2,631	-	-	2,631
Bank borrowings – France and other countries	96,770	43,892	35,000	175,662
Employee profit sharing payables and miscellaneous payables	1,887	3,544	11	5,442
Contingent debt	-	-	-	-
SUBTOTAL	**101,287**	**47,436**	**35,011**	**183,735**
Shareholder current account	23,806	-	-	23,806
Lease liabilities	3,590	13,508	1,447	18,545
TOTAL FINANCIAL DEBT	**128,684**	**60,944**	**36,458**	**226,086**

Note 16 Breakdown of other current liabilities

(in € thousands)	09/30/2022	09/30/2021
Advances and prepayments received	35,516	33,687
Payables for tax (excluding corporate income tax) and payroll tax agencies	40,619	42,044
Other payables	13,116	8,353
TOTAL	**89,252**	**84,083**

Note 17 Net Revenue

Revenue by market and geographical area breaks down as follows:

(in € millions)	09/30/2022 Fiscal year	%	09/30/2021 Fiscal year	%
ACTIVITIES				
Agricultural Spraying	442.3	45.3%	380.9	43.4%
Sugar Beet Harvesting	146.3	15.0%	135.5	15.5%
Leisure	138.9	14.2%	132.4	15.1%
Industry	249.5	25.5%	227.9	26.0%
	977.0		**876.8**	
GEOGRAPHICAL AREA				
France	174.4	17.9%	170.5	19.4%
International	802.6	82.1%	706.3	80.6%
	977.0		**876.8**	

International revenue breaks down by geographical area as follows:

	09/30/2022		09/30/2021	
(in € millions)	12 months	%	12 months	%
Europe	448.8	56%	426.4	60%
USA/Canada/Latin America	198.9	25%	165.4	23%
Asia	70.8	9%	49.3	7%
Africa & Oceania	84.1	10%	65.2	9%
TOTAL EXPORT	**802.6**		**706.3**	

Amounts invoiced for export revenue broken down as follows (translated into euros):

- **total invoiced in euros:** €387.1 million
- **total invoiced in foreign currency:** €415.5 million
  - in US dollars: €170.3 million, *i.e.* US$184.6 million
  - in pounds sterling: €74.8 million, *i.e.* GBP 63.4 million
  - in Australian dollars: €63.6 million, *i.e.* AUD$96.7 million
  - in Chinese yuan: €42.4 million, *i.e.* CNY301.0 million
  - in other currencies: €64.4 million

Note 18 Staff expenses and headcount

Employee profit sharing and profit-sharing agreements, specific to certain companies of the Group amounted to €1,192 thousand at September 30, 2022, compared with €2,103 thousand the previous fiscal year. These costs are expensed under staff expenses for the fiscal year.

At the end of the fiscal year under review, the headcount broke down as follows:

Permanent headcount	09/30/2022	09/30/2021
Executive officers and management	765	733
Technical and supervisory staff	1,280	1,219
Plant workers	1,725	1,594
TOTAL	**3,770**	**3,546**

The headcount increased by 224 people compared to last year. This change is mainly due to the acquisition of G.F. s.r.l. on February 15, 2022 with 145 people.

Permanent headcount by activity	09/30/2022	09/30/2021
HEADQUARTERS		
Headcount in France	23	19
	23	**19**
AGRICULTURAL SPRAYING		
Headcount in France	696	681
Headcount in other countries	1,009	973
	1,705	**1,654**
SUGAR BEET HARVESTING		
Headcount in France	21	23
Headcount in other countries	330	328
	351	**351**
LEISURE		
Headcount in France	230	237
Headcount in other countries	407	247
	637	**484**
INDUSTRY		
Headcount in France	634	628
Headcount in other countries	420	410
	1,054	**1,038**
TOGETHER		
Headcount in France	1,604	1,588
Headcount in other countries	2,166	1,958
TOTAL	**3,770**	**3,546**

Note 19 Net allowances for operating provisions and impairment

(in € thousands)	09/30/2022 Fiscal year	09/30/2021 Fiscal year
Allowances for operating provisions and impairment		
Provisions for contingencies and expenses	(11,118)	(9,988)
Provisions for current assets	(19,139)	(8,687)
Reversals of operating provisions and impairment		
Provisions for contingencies and expenses	15,248	10,247
Provisions for current assets	14,282	5,483
TOTAL	**(726)**	**(2,945)**

Note 20 Non-recurring operating items

This item includes non-recurring transactions, which correspond to unusual, abnormal or infrequent events by their nature and amount (see note 1.21).

The Group's non-recurring operating items for the fiscal year amounted to -€1.7 million. They include:

1. scrapping and losses on assets located in conflict zones in Ukraine for -€1.1 million;
2. acquisition costs of equity interests for -€0.5 million;
3. the revaluation of employee pension obligations following a plan amendment recognized as a cost for the period for -€0.4 million;
4. +€0.3 million in capital gains on disposals of various non-current assets.

For the previous fiscal year, the Group's non-recurring items amounted to +€5.3 million mainly due to a favorable arbitration by the "Trustees" in charge of the pension fund modifying the end of career indemnity scheme for our subsidiary in the United Kingdom.

Note 21 Financial income and (expenses)

(in € thousands)	09/30/2022 Fiscal year	09/30/2021 Fiscal year
Income from cash and cash equivalents	614	586
Cost of financial debt, gross	(4,308)	(3,027)
Financial interest on the lease liability	(311)	(131)
NET FINANCE INCOME AND EXPENSES	**(4,005)**	**(2,572)**
(Losses)/gains on foreign exchange & other financial (income)/expenses	5,022	499
TOTAL FINANCE INCOME AND EXPENSES	**1,017**	**(2,073)**

The net financial income/(expense) improved by €3.1 million compared to last year. This change is mainly due to the favorable fluctuations of the euro against the US dollar despite the increase in financial debt (see note 14).

Note 22 Corporate income tax

Corporate income tax expense breaks down as follows:

(in € thousands)	09/30/2022 Fiscal year	09/30/2021 Fiscal year
Current tax income/(expense)	(6,763)	(12,748)
Deferred tax income/(expense)	(1,810)	(2,141)
TOTAL	**(8,573)**	**(14,889)**

22.1 Change in deferred tax

(in € thousands)	09/30/2022 Fiscal year	09/30/2021 Fiscal year
NET DEFERRED TAX ASSETS/(LIABILITIES) AT THE BEGINNING OF THE FISCAL YEAR	**13,580**	**15,623**
Deferred taxes recognized in equity	(1,386)	(327)
Deferred tax income/(expense)	(1,810)	(2,141)
Change in Group structure	50	205
Translation gains	1,635	220
NET DEFERRED TAXES AT THE END OF THE FISCAL YEAR	**12,068**	**13,580**
Of which deferred tax assets	21,131	23,007
Of which deferred tax liabilities	(9,063)	(9,427)

22.2 Breakdown of deferred taxes by type

(in € thousands)	09/30/2022	09/30/2021
(assets if +; liabilities if -)		
Deferred taxes from temporary timing differences		
Employee benefits (provisions for pension liabilities, profit sharing, accrued vacation payments)	4,295	6,705
Other timing differences between the tax result and book result	1,739	45
Tax losses to be carried forward	7,967	6,476
Deferred taxes arising from consolidation adjustments		
Capitalization of finance leases	8	8
Cancellation of tax-driven provisions (accelerated tax depreciation)	(2,819)	(2,512)
Elimination of internal inventory margins	5,807	4,621
Revaluation surplus	(6,744)	(6,563)
Adjustments of income from customer contracts	699	834
Other misc. items	1,116	3,965
NET DEFERRED TAXES AT THE END OF THE FISCAL YEAR	**12,068**	**13,580**
Of which deferred tax assets	21,131	23,007
Of which deferred tax liabilities	(9,063)	(9,427)

22.3 Reconciliation of the effective tax expense and theoretical tax expense

(Calculated at the tax rate applicable in France)

(in € thousands)	09/30/2022 Fiscal year	09/30/2021 Fiscal year
Profit (loss) before tax	36,593	57,876
Goodwill impairment	0	0
THEORETICAL TAXABLE INCOME	**36,593**	**57,876**
Current tax rate in France	28.41%	28.92%
THEORETICAL TAX INCOME/(EXPENSE) AT THE CURRENT TAX RATE	**(10,396)**	**(16,738)**
Impact of:		
Permanent tax differences	(1,346)	(2,592)
Tax loss not used	(2,793)	(2,436)
Differential tax rate	3,582	4,795
Tax credits[1]	4,695	974
Taxes on dividend distribution	(939)	(508)
Miscellaneous (including impact of the French tax consolidation)	(1,376)	1,617
NET TAX INCOME/(EXPENSE) RECOGNIZED	**(8,573)**	**(14,889)**
Effective Group tax rate (in %)	*23.4%*	*25.7%*

(1) Tax credits correspond mainly to research tax credits (CIR).

Note 23 Change in working capital requirements (WCR)

(in € thousands)	09/30/2022	09/30/2021
Net inventories	32,113	20,462
Advances and prepayments paid	1,393	214
Net trade receivables	13,430	6,900
Current income tax receivables	8,371	(6,327)
Other receivables and accruals	7,453	(1,830)
	62,760	**19,420**
Advances and prepayments received	(105)	7,199
Trade payables	(7,343)	8,840
Payables for fixed assets	524	(47)
Payables for tax (excluding corporate income tax) and payroll tax agencies	(2,427)	7,970
Current income tax payables	(7,023)	4,005
Other payables and accruals	(4,843)	1,025
	(21,217)	**28,992**
NET WORKING CAPITAL (+ USE, - SOURCE)	**83,977**	**(9,572)**
- Payables on non-current assets reclassified under Investments	(524)	47
- Impact of company closures/change in WCR	-	30
- Impact of foreign exchange on WCR	(7,433)	(2,784)
OPERATING WORKING CAPITAL (+ USE, - SOURCE) (EXCLUDING FOREIGN EXCHANGE AND SCOPE IMPACT)	**91,935**	**(6,866)**

Note 24 Transactions with related parties

24.1 Remuneration and benefits paid in the fiscal year to corporate officers of the Group

Remuneration and benefits are detailed in the Management Report.

24.2 Transactions with other related parties

Under the existing cash management agreement between EXEL SAS and EXEL Industries, the Group made payments or withdrawals from the financial current account; the amount of the current account amounted to €23.8 million at September 30, 2022 and is included in financial debts (see note 14). EXEL Industries recorded a net interest expense of €324 thousand corresponding to an interest rate of Euribor one month +1.5% in respect of this cash management agreement.

The service agreement signed between EXEL SAS and EXEL Industries for the provision of tax, legal and financial administrative services was maintained during the 2021-2022 fiscal year.

Note 25 Off-balance sheet commitments

25.1 Guarantees given on financial debt

Certain medium-term loans are guaranteed by pledges on equipment acquired. At September 30, 2022, the amount of these pledges was not material and represented less than 1% of the gross value of total tangible assets of the Group.

The stock in the Minworth Property UK real estate company was pledged as depreciable collateral for a bank loan, the outstanding principal of which was GBP 4.4 million at September 30, 2022.

25.2 Opening of medium-term credit lines

In connection with possible acquisitions, EXEL Industries group's banks granted it a medium-term credit line.

25.3 Guarantees given

None.

25.4 Other commitments

To the best of the Group's knowledge, it has not omitted to disclose any material off-balance sheet commitments in accordance with applicable accounting standards.

Note 26 Contingent liabilities

In the normal course of its business, the Group is involved in legal proceedings and is subject to tax, customs and administrative controls.

The Group believes that there are no exceptional events or litigation involving significant probable risks likely to affect the Group's assets, net income or financial position, which have not been the subject of provisions deemed necessary to the end of the fiscal year.

Note 27 Liquidity risk

No loans obtained by EXEL Industries group from banks provide for prepayment provisions based on financial ratios (covenants).

After performing a specific review of its liquidity risk, the Company considers that it has the resources to honor its future payment obligations.

Note 28 Events after the closing of the fiscal year

On the date the Board of Directors closed the consolidated financial statements on December 15, 2022, there were no events after the reporting date that could have a significant impact on the Group's financial position and assets.

Note 29 Statement of fees for Statutory Auditors and auditing services

	Grant Thornton				Mazars				Other Statutory Auditors			
(in € thousands)	Amount on 09/30/2022	%	Total on 09/30/2021	%	Amount on 09/30/2022	%	Total on 09/30/2021	%	Amount on 09/30/2022	%	Total on 09/30/2021	%
AUDITING SERVICES												
Statutory Auditors, certification and examination of separate and consolidated financial statements												
Issuer	92	15%	80	16%	131	14%	120	15%				
Fully consolidated subsidiaries	494	81%	404	82%	650	71%	560	73%	136	36%	182	47%
SUBTOTAL	**585**	**96%**	**484**	**98%**	**781**	**86%**	**680**	**88%**	**136**	**36%**	**182**	**47%**
OTHER SERVICES												
Other related assignments and other audit missions					24	3%	20	3%				
Legal, tax, employee-related assignments	26	4%	8	2%	106	12%	70	9%	244	64%	209	53%
Information technology												
Others												
SUBTOTAL	**26**	**4%**	**8**	**2%**	**130**	**14%**	**90**	**12%**	**244**	**64%**	**209**	**53%**
TOTAL	**612**	**100%**	**492**	**100%**	**911**	**100%**	**770**	**100%**	**380**	**100%**	**392**	**100%**

The other services connected to certification assignments included fees for auditing the Corporate Social Responsibility report (€24 thousand) and fees for tax auditing services. These tax services are mainly provided outside France.

5.6 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Fiscal year ended September 30, 2022

To the Annual General Meeting of EXEL Industries,

Opinion

We audited the consolidated financial statements of EXEL Industries for the fiscal year ended on September 30, 2022 as appended to this report, in performance of the assignment entrusted to us by your Annual General Meeting.

We certify that the consolidated financial statements for the year give a true and fair view, according to IFRS as adopted in the European Union, of the assets, financial position and results of the Group formed by the persons and entities included within the scope of consolidation.

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

Justification for the opinion

Framework for our audit

We performed our audit in accordance with the professional standards which apply in France. We believe that the audit evidence we have obtained provides a sufficient and appropriate basis for our audit opinion.

Our liability with respect to these standards is stated in the "Liabilities of the Statutory Auditors for the audit of the consolidated financial statements" section of this report.

Independence

We performed our audit in compliance with the independence rules applicable from October 1, 2021 to the date of our report and we provided no services which are prohibited under Article 5 paragraph 1 of the Regulation (EU) No. 537/2014 or by the French Commercial Code and the Code of Ethics of the Statutory Auditors' profession.

Observation

Without calling into question the opinion expressed above, we would like to draw your attention to the paragraph "Change in accounting method" of note "1.1 Accounting standards" to the consolidated financial statements, which sets out the change in valuation method for inventories for the Garden Watering and Spraying activity.

Basis of our assessments – Key points of the audit

In application of the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risk of material misstatement that, in our professional judgment, were the most significant for the audit of the consolidated financial statements for the fiscal year, as well as the responses we have provided to these risks.

These assessments were made within the context of the audit of the consolidated financial statements overall and the formation of our opinion expressed above. We have no opinion to make on the components of these consolidated financial statements taken individually.

Goodwill impairment tests

(Notes 1.7 and 3 to the consolidated financial statements)

Risk identified

On September 30, 2022, the Group's net goodwill totaled €70.7 million, or around 8% of the Group's total assets. This goodwill was recognized following the different external growth operations carried out by the Group and allocated to the cash generating units (CGU) defined by the Group.

As stated in note 1.7 of the notes to the consolidated financial statements, the Group carries out an impairment test on goodwill at least once a year and every time the Management identifies an indicator of impairment. This test involves determining the recoverable value of each Cash Generating Unit (CGU) to which the goodwill is allocated, and checking that the CGU's net carrying amount is not higher than their respective recoverable values. This is the value in use that is determined on the basis of the present value of future operating cash flows expected by Management over a five-year period and a terminal value. The net values are presented in note 3 to the consolidated financial statements.

Any unfavorable change in the business plans for the activities to which the goodwill has been allocated and/or the assumptions of discount rates and growth rates could materially affect the recoverable value of these CGUs and potentially lead to the recognition of an impairment.

We considered that the determination of the recoverable value of goodwill is a key audit matter because of its relative weight in the Group's consolidated financial statements and because the determination of the recoverable amount of the various CGUs to which it is attached involves significant use of judgment by management.

Our response

We examined the procedures used to establish the impairment tests, examined their methods of implementation in line with the applicable accounting standards and, with the help of our valuation experts, assessed whether the principal estimations made by Management were of a reasonable nature. We verified:

- the reasonable nature of the cash flow projections presented to the Board of Directors compared to the economic and financial context in which the different CGUs are operating, as well as the consistency of these forecasts with the Group's historical performance;
- the main parameters used with regard to our own benchmarks, namely:
  - the consistency of the perpetual growth rates used by Management,
  - the methods of calculating the discount rate applied to projected cash flows.

In addition, we conducted our own sensitivity analysis and verified the arithmetic accuracy of the impairment tests.

Specific verifications

In accordance with the professional standards applicable in France, we also performed the specific legal and regulatory verifications that are required regarding the information about the Group that is provided in the Board of Directors' Management Report.

We have no matters to report with respect to the fair presentation of this information and its consistency with the consolidated financial statements.

We certify that the consolidated statement of non-financial performance called for in Article L.225-102-1 of the French Commercial Code does appear in the information about the Group given in the management report. It is further specified that, in accordance with Article L.823-10 of that Code, the information contained in this statement has not been verified by us for its accuracy or consistency with the consolidated financial statements and must be the object of a report by an independent third-party organization.

In accordance with the law, we inform you that the consolidated statement of non-financial performance, filed on December 29, 2022, does not include the eligible part of the key performance indicator "operating expenses" (OpEx), required by paragraph 2 of Article 8 of Regulation (EU) 2020/852.

Other verifications or disclosures provided by the legal and regulatory texts

Format of the consolidated financial statements intended to be included in the Annual Financial Report

In accordance with professional standards on the Statutory Auditors' procedures relating to the annual and consolidated financial statements presented using the single European electronic information format, we have also verified compliance with this format defined by the European delegated regulation No. 2019/815 of December 17, 2018 in the presentation of the consolidated financial statements intended to be included in the Annual Financial Report mentioned in I of Article L.451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer. With regard to consolidated financial statements, our procedures include verifying that the markup of these financial statements complies with the format defined by the aforementioned regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements intended to be included in the Annual Financial Report respects, in all material respects, the single European electronic information format.

It is not our responsibility to verify that the consolidated financial statements that will be included by your Company in the Annual Financial Report filed with the French Financial Markets Authority (AMF) correspond to those on which we performed our work.

Appointment of the Statutory Auditors

We were appointed as EXEL Industries' Statutory Auditors by the Annual General Meeting of January 21, 2015 for Mazars and that of February 9, 2021 for Grant Thornton.

As at September 30, 2022, Mazars was in the eighth uninterrupted year of its mission and Grant Thornton in its second uninterrupted year.

The responsibilities of the Management and Corporate Governance personnel for the consolidated financial statements

In accordance with the IFRS benchmark adopted by the European Union, the Management is responsible for preparing consolidated financial statements which reflect a true picture and for setting up the internal controls it considers necessary for preparing consolidated financial statements which are free of material misstatements, and for preventing fraud or errors.

When preparing the consolidated financial statements, the Management is responsible for assessing the Company's capacity to continue its operations and for presenting information in these financial statements on the Company as a going concern and for applying the going concern accounting convention, unless it is planned to wind the Company up or for it to stop operating.

The Audit Committee must monitor the procedures for preparing and processing the accounting and financial information and the effectiveness of the internal control and risk management systems, and if appropriate, the internal audit.

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

The Statutory Auditors' liability for the audit of the consolidated financial statements

The purpose and approach of the audit

We are responsible for preparing a report on the consolidated financial statements. Our aim is to obtain the reasonable assurance that overall, the consolidated financial statements do not contain any material misstatements. Reasonable assurance corresponds to a high level of assurance without however guaranteeing that an audit which is performed to professional auditing standards systematically detects all material misstatements. Misstatements can come from fraud or result from errors and are considered to be significant when it is to be reasonably expected that when taken individually or together, they may affect the economic decisions which are taken by the users of the financial statements based on them.

As Article L.823-10-1 of the French Commercial Code states, our mission to certify the financial statements does not involve guaranteeing your Company's viability, or the quality of its management.

When a Statutory Auditor is performing an audit which is carried out in accordance with the professional standards applicable in France, he or she applies their professional judgment throughout the whole of the audit. In addition:

- the Statutory Auditor identifies and assesses the risks of material misstatement in the consolidated financial statements, whether from fraud or mistakes and determines and implements auditing procedures to cover these risks and collects the information he or she considers to be sufficient and appropriate to form an opinion. The risk of not detecting a fraudulent material misstatement is higher than not detecting a significant material misstatement from a mistake because fraud may involve collusion, forgery, intentional omissions, false declarations or the circumvention of internal controls;
- the Statutory Auditor examines the internal control procedures which are relevant for the audit in order to decide the appropriate audit procedures in this context, and not in order to express an opinion on the effectiveness of the internal control;
- the Statutory Auditor assesses the appropriate nature of the accounting methods used and the reasonable nature of the accounting estimations made by the Management as well as the information on them supplied in the consolidated financial statements;
- the Statutory Auditor assesses the appropriate nature of the Management's application of the going concern accounting convention and, based on the information collected, whether or not there is significant uncertainty connected to events or circumstances which are liable to affect the Company's capacity to continue operating. This assessment is based on the information which is collected up until the date of the Statutory Auditor's report, with the proviso however, that subsequent circumstances or events could create doubts over the Company's future as a going concern. If the Statutory Auditor concludes that a significant uncertainty exists, he or she will draw the reader's attention in the report to the information supplied in the consolidated financial statements relating to this uncertainty, or if this information is not supplied, or is not relevant, the Statutory Auditor will issue a certificate with reserves or refuse to certify;
- the Statutory Auditor assesses the presentation of the consolidated financial statements as a whole and whether they reflect the underlying events and operations in order to give a true picture;
- the Statutory Auditor collects the financial information from the people or entities within the scope of consolidation which he or she considers is sufficient and appropriate for expressing an opinion on the consolidated financial statements. The Statutory Auditor is responsible to the Management for supervising and performing the audit of the consolidated financial statements and for expressing an opinion on these financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee describing the extent of the auditing services, the work program implemented and our conclusions. If necessary we also inform it of any significant weaknesses in the internal control we have identified for preparing and processing the accounting and financial information.

The report to the Audit Committee highlights what we consider posed the highest risks for material misstatements for the audit of the consolidated financial statements for the fiscal year, and which are therefore the key points of the audit which it is our responsibility to describe in this opinion.

We also supply the Audit Committee with the declaration stipulated in Article 6 of the Regulation (EU) No. 537-2014 confirming our independence under the rules applicable in France which are stipulated by Articles L.822-10 to L.822-14 of the French Commercial Code and the Code of Ethics of the Statutory Auditors' profession. As necessary, we discuss with the Audit Committee the risks weighing on our independence and the protective measures implemented.

Paris-La Défense and Reims, January 13, 2023

The Statutory Auditors

Mazars	Grant Thornton
	French Member of Grant Thornton International
Jean-Maurice EL NOUCHI	Mallory DESMETTRE
Partner	Partner

Chapter

6 Statutory accounts

6.1 BALANCE SHEET AS OF SEPTEMBER 30, 2022

Assets

	09/30/2022			09/30/2021
(in € thousands)	Gross	Amort. Deprec.	Net	Net
Intangible assets	34,143	(10,606)	23,536	25,401
Tangible assets	2,848	(2,468)	380	203
Financial assets	401,672	(64,554)	337,118	301,795
FIXED ASSETS	**438,663**	**(77,628)**	**361,035**	**327,399**
Trade receivables	6,827		6,827	3,231
Other receivables	235,366		235,366	128,654
Cash and Cash equivalent	32,807		32,807	31,739
Accruals & currency translation	2,007		2,007	1,665
CURRENT ASSETS	**277,007**	**0**	**277,007**	**165,289**
TOTAL ASSETS	**715,670**	**(77,628)**	**638,042**	**492,688**

Liabilities

(in € thousands)	09/30/2022	09/30/2021
Capital	16,970	16,970
Share premiums	2,528	2,528
Statutory reserve	1,697	1,697
Other reserves	2,404	2,404
Retained earnings	343,183	325,519
Net income	34,353	28,489
Tax-driven provisions	2,283	2,029
EQUITY	**403,418**	**379,635**
PROVISIONS FOR CONTINGENCIES AND EXPENSES	**1,706**	**1,578**
FINANCIAL DEBT	**198,462**	**92,628**
Trade payables and related accounts	7,656	3,323
Tax and payroll payables	1,282	3,668
Other payables	21,568	11,148
Accruals & currency translation	3,950	708
TRADE AND OTHER PAYABLES	**34,456**	**18,846**
TOTAL EQUITY AND LIABILITIES	**638,042**	**492,688**

6.2 INCOME STATEMENT AS OF SEPTEMBER 30, 2022

(in € thousands)	09/30/2022	09/30/2021
Revenue	31,577	24,898
Other operating income	2,024	1,374
Operating income	**33,601**	**26,272**
Raw materials and consumables		
Other purchases and external charges	(14,821)	(8,696)
Taxes and duties (other than income tax)	(423)	(397)
Staff expenses	(3,925)	(3,567)
Net allowances for depreciation, amortization and provisions	(2,014)	(2,187)
Other expenses	(247)	(445)
Operating expenses	**(21,429)**	**(15,292)**
OPERATING RESULTS	**12,172**	**10,980**
NET FINANCIAL INCOME/(EXPENSE)	**19,019**	**28,214**
CURRENT OPERATING INCOME	**31,191**	**39,194**
NET EXTRAORDINARY INCOME/(LOSS)	**(32)**	**(14,235)**
PROFIT (LOSS) BEFORE TAX	**31,159**	**24,959**
Corporate income tax	3,194	3,530
NET INCOME	**34,353**	**28,489**

6.3 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note 1 Accounting principles, rules and methods

(Articles L.123-13 to L.123-21 of the French Commercial Code; ANC Regulation No. 2016-07)

1.1 Highlight of the fiscal year: acquisition of G.F.

On February 15, 2022, EXEL Industries acquired the Italian company G.F., which is a long-standing manufacturer of garden equipment in Italy that notably produces items for watering, irrigation, garden maintenance and outdoor living.

1.2 Change in accounting policy for pension provision

In accordance with the change in accounting regulations resulting from the amendment of ANC Recommendation No. 2013-02 on November 5, 2021, the Company took into account the IFRIC decision of April 2021 in the measurement of its pension commitments. This involves taking into account the levels of vesting of rights and their ceilings in the rate of recognition of commitments.

The impact of this change in policy at September 30, 2022 is a decrease in the pension provision at the beginning of the fiscal year, in the amount of €33 thousand, the counterparty of which is recognized in Retained earnings in the Company's equity.

1.3 Application of accounting policies

The financial statements of our Company for the fiscal year ended on September 30, 2022 were prepared in accordance with the accounting standards, principles and policies applicable in France of ANC Regulation No. 2016-07 amended by subsequent regulations.

The general accounting policies are applied in accordance with the principle of prudence, in accordance with the following basic assumptions:

- going concern;
- independence of financial years;
- consistency of accounting methods from one fiscal year to another, with the exception of the change in method mentioned above;

and in accordance with the general rules for the preparation and presentation of annual financial statements.

The basic method used to measure items recorded in the accounts is the historical cost method.

The financial statements for the fiscal year were prepared taking into account the current economic context and on the basis of financial parameters for the market available at the end of the fiscal year. This economic and financial environment is taken into account notably when valuing assets such as marketable securities and valuing long-term assets such as equity securities and receivables on interests.

The value of these assets is reassessed at the end of the fiscal year based on the long-term economic outlook and the Company management's best assessment of future cash flows.

1.4 Use of estimates

To prepare annual financial statements in compliance with the generally accepted accounting principles (French GAAP), the Company makes a certain number of estimates and adopts certain assumptions that may have an impact on the amounts disclosed under assets and liabilities. These include amounts recorded under assets and liabilities, information on contingent assets and liabilities on the closing date of the financial statements and amounts recognized under income and expenses for the fiscal year.

These estimates are based on the assumption of going concern and include assumptions Management considers relevant and feasible in the Company's operating environment and based on feedback available.

Estimates and assumptions are reviewed on a regular basis and at a minimum at the end of each fiscal year. They may vary if the circumstances on which they were based change or new information becomes available. Actual results may differ from these estimates.

The main estimates made by the Company when preparing the financial statements concern notably assumptions adopted for calculations used for the valuation of equity interests and provisions.

Note 2 Notes on the balance sheet and income statement

2.1 Intangible assets

Intangible assets are recognized at their acquisition cost, including acquisition expenses. They are amortized or depreciated in accordance with the following durations:

- patents: straight-line 1 to 10 years;
- trademarks: non-depreciable unless impairment indicated;
- computer software: straight-line 1 to 5 years.

2.2 Tangible assets

Tangible assets are booked at their acquisition cost, including acquisition expenses, or at their production cost. Economic depreciation is calculated over the following estimated useful life of the assets:

- buildings: straight-line between 10 and 20 years;
- equipment & tools: accelerated method between 3 and 5 years;
- fixtures and fittings: straight-line between 1 and 10 years;
- office equipment and furniture: straight-line and accelerated method between 3 and 10 years.

2.2.1 Statement of fixed assets

(in € thousands)	Opening gross value	Increases	Decreases	Transfer item to item	Gross value at closing
Intangible assets:					
Patents	17,258				17,258
Brands	15,820				15,820
Software and others	1,065				1,065
Tangible assets	2,728	214	(94)		2,848
Financial assets					
Investments	237,531	60,689			298,220
Receivables on investments	107,801	5,966	(13,575)		100,192
Other securities	1,352	933			2,285
Other non current financial assets	952	50	(27)		975
TOTAL	**384,507**	**67,853**	**(13,696)**	**0**	**438,663**

2.2.2 Statement of amortization, depreciation and impairment of fixed assets

(in € thousands)	Opening balance	Allowance	Reversals	Closing balance
Amortization of intangible fixed assets	(8,741)	(1,865)		(10,606)
Depreciation of tangible fixed assets	(2,525)	(37)	94	(2,468)
Impairment of investments	(20,140)	(24,587)	5,900	(38,827)
Impairment of receivables on investments	(25,700)			(25,700)
Impairment of other long-term investments	(1)	(26)		(27)
TOTAL DEPRECIATION AND IMPAIRMENT	**(57,107)**	**(26,514)**	**5,994**	**(77,628)**

2.2.3 Changes affecting provisions for accelerated tax depreciations

(in € thousands)	Depreciation at opening	Allowance	Reversals	Depreciation at closing
For intangible and tangible fixed assets	0	0		1
For acquisition expenditures on investments	2,028	254		2,282
TOTAL ACCELERATED TAX DEPRECIATION	**2,029**	**254**	**0**	**2,283**

2.3 Long-term investments

The gross value of equity investments and receivables related to investments corresponds to the acquisition cost, including acquisition expenses, or their contribution value. The net book value of the equity investments is compared to the share of equity of the companies held. When there is inadequate equity, the value in use is determined on the basis of the discounted cash flow (DCF) forecasts. Impairment is recognized on equity interests and/or related receivables if the calculated value in use is lower than the net carrying amount.

All the tests were carried out using the following principal assumptions for fiscal year 2022:

- the perpetual growth rate used from the sixth year is 1.6% (1.5% in 2021);
- the discount rate is 9.6% (9.0% in 2021).

The valuation is made in the functional currency of the entity and converted at the year-end closing exchange rate.

On September 30, 2022 the Group performed a sensitivity analysis on the perpetual growth assumptions and the discount rate by applying an increase of 100 bps to the discount rate or a reduction of 50 bps to the perpetual growth rate. This analysis shows a risk of additional impairment of no more than €12 million.

Expenses related to the purchase of equity interests are capitalized and amortized over five years as accelerated tax depreciation.

2.3.1 Table of subsidiaries and equity investments of EXEL Industries

Subsidiaries and equity investments *(in € thousands)*	SIREN	Currency	Capital	Equity other than capital	Share of capital held *(in %)*
FRENCH SUBSIDIARIES					
GAMA TECHNOLOGIES SAS	515,720,829	€K	1,200	5,201	100
BERTHOUD SAS	852,943,158	€K	2,559	(1,434)	100
CAPAGRI SAS	379,502,016	€K	80	169	100
NICOLAS SPRAYERS	339,046,054	€K	1,625	(589)	100
EVRARD	322,814,955	€K	4,000	(3,241)	100
SCI CATHAN		€K	0	220	99
CMC SAS	379,364,847	€K	405	248	100
ETTORE YACHTING	395,304,801	€K	235	(213)	100
EXXACT Robotics	878,255,512	€K	8,800	(4,527)	100
HOZELOCK EXEL SAS	779,658,772	€K	2,600	6,156	100
PRECICULTURE SAS	097,150,353	€K	420	5,647	100
EXEL YACHTING	404,875,452	€K	9,348	(8,829)	100
SAMES KREMLIN	572,051,688	€K	12,720	32,690	100
SCI des Voiliers		€K	5	130	100
SUPRAY Technologies	350,484,309	€K	5,700	(5,301)	100
TECNOMA SAS	853,321,420	€K	2,055	971	100
TRICOFLEX SAS	380,333,427	€K	1,909	6,933	100
FOREIGN SUBSIDIARIES					
AGRIFAC MACHINERY BV (NL)		€K	68	22,928	100
LLC EMC (Russia)		RUB K	7,604	35,700	100
LLC EMC (Russia)		€K			
EXEL REAL ESTATE (USA)		USD K	1,675	326	100
EXEL REAL ESTATE (USA)		€K			
EXEL REAL ESTATE AUSTRALIA		AUD K	4,325	10,947	100
EXEL REAL ESTATE AUSTRALIA		€K			
EXEL REAL ESTATE NETHERLANDS		€K	0	1,125	100
EXEL REAL ESTATE GERMANY		€K	25	486	100
ETW Inc (USA)		USD K	33,469	(33,393)	100
ETW Inc (USA)		€K			
HARDI INTERNATIONAL A/S (DK)		DKK K	100,000	14,348	100
HARDI INTERNATIONAL A/S (DK)		€K			
ERED		DKK K	400	1,246	100
ERED		€K			
HOLMER Maschinenbau GmbH		€K	5,000	(5,403)	100
G.F. s.r.l. (Italy)		€K	500	15,192	100
MATROT UK		GBP K		2	100
MATROT UK		€K			
MINWORTH Property UK		GBP K	8,400	3,341	100
MINWORTH Property UK		€K			
RASINDECK Ltd (UK)		GBP K	15,122	36,886	100
RASINDECK Ltd (UK)		€K			
VERMOREL (RO)		RON K	974	(1,099)	100
VERMOREL (RO)		€K			
INGELIA (RO)		RON K	0	46	90
INGELIA (RO)		€K			
OTHER SECURITIES		**€K**			

Gross value of investments	Net value of investments	Loans and advances granted by the Company *(net amount)*	Pledges and guarantees given by the Company	2022 revenue	Net income after tax for the last fiscal year 2022	Dividends received by the Company during the fiscal year
3,012	3,012	8,684		35,531	(1,892)	891
4,945	4,945	0		44,932	(2,398)	0
524	524	0		1,087	7	0
11,422	3,022	0		4,377	380	0
4,300	4,300	16,257		39,714	(2,462)	0
4,597	4,597	0		0	292	281
844	653	0		1,392	123	0
0	0	561		1,848	(394)	0
12,100	4,300	0		0	(4,468)	0
5,120	5,120	7,627		39,847	939	2,800
1,584	1,584	12,672		38,112	1,321	2,635
8,000	520	0		9,482	(8,404)	
15,815	15,815	22,565		103,343	19,925	17,093
10	10	2,996		0	29	0
10,712	396	8,942		21,314	(5,721)	0
7,761	7,761	0		41,323	805	206
22,022	22,022	8,161		50,610	(1,475)	955
11,591	11,591	13,788		102,295	5,353	4,801
184	184			11,916	246	16
1,116	1,116				47	60
2,679	2,679	1,148			479	
0	0	10,255			69	
25	25	15,486			293	
27,740	27,740	23,840		48,303	(2,745)	
39,852	39,852	29,224		71,755	(20,760)	1,000
54	54	11,004			162	161
46,627	42,727	51,474		123,919	(7,311)	
22,679	22,679	12,250		19,860	(1,784)	
42	2				0	
11,891	11,891	5,083			670	
16,619	16,619			0	15,281	
4,350	3,650	2,238		7,497	(254)	
2	2			0	0	
2,285	**2,284**					
300,506	**261,678**	**264,254**				**30,899**

2.4 Inventories and work-in-progress

Not applicable.

2.5 Trade receivables

Receivables are recorded at face value.

Impairment is recognized in the event of difficulties to recover them.

2.6 Marketable securities

This line item includes treasury shares held in connection with a market-making agreement.

At the fiscal year-end, there were 5,463 treasury shares valued at €35.00 per share for a total of €191 thousand.

During the fiscal year, the Company purchased 21,147 shares at an average price of €59.81 per share and sold 17,507 shares at an average price of €62.34 per share.

2.7 Foreign exchange risk

At September 30, 2022, the Company held in its cash and cash equivalents:

- USD 2,097 thousand; these foreign exchange holdings were not covered by a currency hedge; they are measured at the closing rate of USD 0.9748/€; this balance represented €2,152 thousand;
- GBP 6,571 thousand; these foreign exchange holdings were not covered by a currency hedge; they are measured at the closing rate of GBP 0.883/€; this balance represented €7,442 thousand;
- AUD 205 thousand; these foreign exchange holdings were not covered by a currency hedge; they are measured at the closing rate of AUD 1.5076/€; this balance represented €136 thousand.

As part of its international development activity, our Company grants loans or current accounts in foreign currencies to some of its foreign subsidiaries. The asset and liability foreign currency translation adjustments are the result of foreign currency fluctuations at the closing date compared to the historical conversion rate.

During the fiscal year the Company continued its foreign exchange risk policy by using short-term and medium-term lines of credit in foreign currencies to hedge its receivables due from foreign subsidiaries.

These measures reduced the Company’s exposure to exchange rate impacts.

2.8 Share capital

The share capital is comprised of 6,787,900 fully paid-up shares of €2.50 each.

2.9 Change in equity

(in € thousands)	
Equity at September 30, 2021	379,635
Dividends	(10,858)
Net income for the fiscal year	34,353
Change in tax driven provisions	254
Change in method allocated to Retained Earnings	33
EQUITY AT SEPTEMBER 30, 2022	**403,418**

2.10 Provisions for contingencies and expenses

Provisions are recorded for contingencies and expenses whose purpose is clearly defined and whose timing or amount cannot be precisely determined, when the Company has an obligation towards a third party and it is certain or likely that this obligation will cause an outflow of resources without at least equivalent compensation.

2.10.1 Changes in the fiscal year

(in € thousands)	09/30/2021	Allowance	Reversals (used)	Reversals (not used)	09/30/2022
Provisions for disputes	752	357	(422)	(22)	665
Provisions for subsidiary losses	0				0
Provisions for restructuring	0				0
Provisions for retirement benefits	106	47		(33)	120
Provisions for fraud	88				88
Provisions for foreign exchange losses	632	832	(632)		832
TOTAL	**1,578**	**1,236**	**(1,054)**	**(55)**	**1,706**

2.10.2 Provisions for retirement severance benefits

Retirement severance payments under collective agreements (on the basis of a retirement age of 65) are calculated according to rights acquired at the end of the fiscal year in accordance with the collective agreement for the metallurgy industry, according to a mortality table, an employee turnover rate, a discount rate and taking into account regular wage increases.

EXEL Industries applies the "Corridor" method under the French Accounting Standards Authority's (ANC) recommendation No. 2013-02 of November 7, 2013 amended on November 5, 2021, on the rules for valuing and recognizing pension liabilities and similar benefits. This involves spreading the portion of actuarial gain and loss commitments exceeding 10% of the highest value between the discounted value of the obligation before deduction of plan assets and the value of the plan assets, over the forecasted residual duration of the commitments.

The reversal of the pension provision of -€33 thousand corresponds to the impact of the change in accounting policy at the beginning of the fiscal year, the counterparty of which was recognized in "Retained earnings" in equity.

At the end of the fiscal year, the provision for retirement benefits amounted to €120 thousand, broken down as follows:

- Liabilities/pension obligations – excluding social charges: €76 thousand
- + Social charges (45% of liabilities): €34 thousand
- - Unrecognized actuarial gains and losses: €10 thousand
- **= Total provision (including social charges): €120 thousand**

2.10.3 Other provisions for contingencies and expenses

Provisions for disputes mainly relate to ongoing tax audits within the Group.

2.11 Advances to executive officers

No advances or loans were granted to executive officers for the period under review.

2.12 Related-party transactions

The Company carries out transactions with related parties that are not significant, or are concluded on normal terms, or excluded from the scope of application of the French accounting standards authority (ANC) Regulation Nos. 2010-02 and 2010-03.

2.13 Trade receivables and payables

2.13.1 Statement of receivables

(in € thousands)	Gross amount	Within 1 year	More than 1 year
Receivables from equity investments	100,192	12,432	87,759
Other non current financial assets	975	925	50
Trade receivables	6,827	6,827	
Tax and employee-related receivables	9,005	9,005	
Group and associates	223,083	223,083	
Other receivables and accruals	3,500	3,500	
TOTAL	**343,582**	**255,773**	**87,809**
Loans granted in the fiscal year	5,966		
Repayments received in the fiscal year	13,575		

2.13.2 Detail of accrued income

- Trade receivables – Invoices to be issued €27 thousand
- Other accrued income €290 thousand
- **Total accrued income €317 thousand**

2.13.3 Statement of payables

(in € thousands)	Gross amount	Within 1 year	More than 1 year and less than 5 years	More than 5 years
Other bonds	50,524	15,524	0	35,000
Financial debt (including shareholder current accounts)	147,938	104,379	43,559	0
Trade payables	7,656	7,656		
Tax and payroll payables	1,282	1,282		
Group and associates	21,179	21,179		
Payables for fixed assets	300	300		
Other payables and accruals	181	181		
TOTAL	**229,060**	**150,502**	**43,559**	**35,000**
Loans taken out in the fiscal year	131,998			
Loans repaid in the fiscal year	26,400			

Financial debt includes the subscription of debt at rates indexed to ESG criteria during the fiscal year for €81.3 million.

2.13.4 Breakdown of accrued expenses

- Accrued interest/financial debt €608 thousand
- Trade payables €1,311 thousand
- Tax and social security liabilities €898 thousand
- Other liabilities €89 thousand
- **Total accrued expenses** **€2,906 thousand**

2.14 Revenue

The Company's revenue consists of trademark and patent royalties and management fees, which are invoiced to the Group's subsidiaries.

(in € thousands)	09/30/2022	09/30/2021
France Services	14,501	10,518
Export Services	17,076	14,380
REVENUE	**31,577**	**24,898**

2.15 Net Financial income/(expense)

(in € thousands)	09/30/2022	09/30/2021
Financial income from equity investments	30,900	14,687
Other interest and similar income	8,943	7,687
Reversals of impairment and provisions	6,532	13,832
Foreign exchange gains	2,334	1,452
Net income on sales of short-term securities	7	71
TOTAL INCOME	**48,715**	**37,729**
Allowances for provisions and impairment	(25,445)	(6,514)
Interest	(2,715)	(1,679)
Foreign exchange losses	(1,536)	(1,322)
Net expense on sales of short-term securities	0	0
TOTAL EXPENSES	**(29,695)**	**(9,515)**
NET FINANCIAL INCOME/(EXPENSE)	**19,019**	**28,214**

Cash flows with affiliates resulted in:

(in € thousands)	09/30/2022	09/30/2021
Financial income	39,842	22,374
Financial expenses	353	248

2.16 Net extraordinary income/(loss)

Extraordinary income and expenses take into account not only items that are not related to the Company's normal activity but also those that are exceptional in view of their amount.

(in € thousands)	09/30/2022	09/30/2021
Application of a "better fortunes" (financial recovery) clause	71	168
Proceeds from sale of fixed assets	0	95
Reversal of provisions/sale of fixed assets	0	0
Reversal of provisions for contingencies and expenses	444	13
Reversals of tax driven provisions (accelerated tax depreciation)	0	1
TOTAL INCOME	**515**	**277**
Debt waivers granted to subsidiaries	0	(14,200)
Net book value of fixed assets disposals	0	(5)
Provisions for contingencies and expenses	(292)	0
Allowances for assets depreciation and amortization/restructuring	0	0
Allowances for tax-driven provisions (accelerated tax depreciation)	(254)	(125)
Other misc. items	(1)	(181)
TOTAL EXPENSES	**(547)**	**(14,512)**
NET EXTRAORDINARY INCOME/(LOSS)	**(32)**	**(14,235)**

The exceptional flows of provisions for contingencies and expenses for the fiscal year mainly concern tax audits within the Group.

2.17 Income tax

Corporate income tax as presented in the income statement breaks down as follows:

- tax on the Company's own taxable income (identical to the tax that would have been borne in the absence of tax consolidation) €6,660 thousand
- tax consolidation expense/(income) (mainly from subsidiaries' losses charged to group income) -€9,396 thousand
- tax audits and tax reliefs, prior year tax adjustments €419 thousand
- Company's tax credits (mainly research tax credits) -€877 thousand
- **Total income tax expenses for the fiscal year (or net income) -€3,194 thousand**

2.17.1 French tax consolidation

EXEL Industries has been the head of a tax group since September 1, 1993, in accordance with the tax consolidation agreement of August 30, 1994 with effect from September 1, 1993.

The agreements between the parent Company and consolidated subsidiaries were drawn up on the basis of fiscal neutrality. The tax due is accounted for by subsidiaries as if they were taxed separately; the parent Company records its own tax and the saving or charge resulting from application of the tax consolidation scheme.

2.17.2 Carry back recognized in 2022

Income from tax consolidation includes carry back income of €229 thousand, from the carry back of the Group's tax loss for fiscal year 2022. This carry back receivable may be used for the payment of corporate tax due for the next five fiscal years, and will be repaid in the future for the balance that could not be allocated.

2.17.3 Tax audit

A tax audit took place from September to December 2021. It concerns the 2018, 2019 and 2020 fiscal years.

A tax reassessment proposal was notified by the tax authorities at the end of December 2021.

Certain points of this reassessment proposal were accepted and provisioned in the liabilities of the balance sheet, in the provision for contingencies and expenses account, for €0.6 million.

However, the Company disputes the following adjustment point: the tax authority refuses the tax deductibility of an impairment of an intragroup loan to a loss-making subsidiary in the amount of €25.7 million, *i.e.* a corporate tax adjustment notified for €9.1 million including late payment interest. The Company has initiated proceedings with the Administration to dispute this point. In the current state of the proceedings, and in view of the facts and rules in force, we consider – in agreement with our tax advisor – our dispute to be well-founded and defensible. For this reason, this adjustment point has not been provisioned in the Company's Statutory accounts at September 30, 2022.

Breakdown of income tax

(in € thousands)	Profit (loss) before tax	Income tax	Net income after tax
Current operating income	31,191	(5,851)	25,341
Net extraordinary income/(loss)	(32)	(351)	(384)
Impact of tax consolidation		9,396	9,396
ACCOUNTING INCOME	**31,159**	**3,194**	**34,353**

Deferred taxes

(in € thousands)	Amount
Taxes payable on:	
Regulated provisions (accelerated tax depreciation)	2,283
TOTAL DEFERRED TAX INCREASE	**2,283**
Prepaid taxes on:	
Temporarily non-deductible expenses and timing differences (to be deducted the following year)	3,682
Expenses to be subsequently deducted (non-deductible provisions)	175
TOTAL DEFERRED TAX DECREASE	**3,858**
NET DEFERRED TAXES	**(1,575)**

Note 3 Other information

3.1 Financial commitments and contingent liabilities

Commitments given *(in € thousands)*	09/30/2022
Pledge of investment in an English subsidiary, granted as security for a bank loan	4,955
	4,955

Commitments received *(in € thousands)*	09/30/2022
"Better fortunes" (financial recovery) clauses (received from subsidiaries)	12,990
	12,990

3.2 Average number of employees

	09/30/2022	09/30/2021
Executive officers and management	20	16
Office staff and workers	0	1
TOTAL	**20**	**17**

3.3 Executive compensation

The total remuneration paid during the fiscal year to senior executives (excluding social security charges) amounted to €1,133 thousand.

3.4 Events after the closing of the fiscal year

As of the date of closing of the financial statements by the Board of Directors on December 15, 2022, there were no events after the closing date that could have a significant impact on the Company's financial position and assets.

6.4 RESULTS OF THE LAST FIVE FISCAL YEARS

Fiscal year closing date (12-month period) *(in €)*	**09/30/2022**	**09/30/2021**	**09/30/2020**	**09/30/2019**	**09/30/2018**
CAPITAL AT YEAR END					
Share capital	16,969,750	16,969,750	16,969,750	16,969,750	16,969,750
Number of shares					
• ordinary shares	6,787,900	6,787,900	6,787,900	6,787,900	6,787,900
• preferred shares					
Maximum number of potential shares					
• by conversion of bonds					
• by exercise of subscription rights					
OPERATING HIGHLIGHTS AND RESULTS					
Revenue excluding VAT	31,577,356	24,897,737	20,145,783	20,820,379	24,116,022
Profit (loss) before tax, employee profit-sharing, depreciation, amortization and provisions	52,187,759	19,938,741	43,140,051	35,251,883	47,476,660
Corporate income tax	(3,194,143)	(3,529,821)	(3,390,257)	(5,488,475)	2,437,203
Employee profit-sharing					
Depreciation, amortization and provisions	21,028,735	(5,020,416)	25,557,039	26,590,396	708,952
Net income	34,353,167	28,488,978	20,973,268	14,149,962	44,330,505
Distributed profit	7,127,295*	10,857,990	-	-	7,735,872
EARNINGS PER SHARE					
Income after tax, profit-sharing, before depreciation and provisions	8.16	3.46	6.84	6.00	6.64
Income after tax, profit-sharing, depreciation, amortization and provisions	5.06	4.20	3.09	2.08	6.53
Dividend per share	1.05*	1.60	-	-	1.14
PERSONNEL					
Average number of employees	20	17	15	14	15
Payroll	2,767,104	2,490,126	1,660,443	1,435,987	1,576,389
Amounts paid in employee benefits (social security, social work, etc.)	1,157,583	1,076,906	750,918	672,956	717,523

* *Dividend proposed to the Annual General Meeting of February 7, 2023.*

6.5 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Fiscal year ended September 30, 2022

To the Annual General Meeting of EXEL Industries,

Opinion

We audited the annual financial statements of EXEL Industries for the fiscal year ended on September 30, 2022 as appended to this report, in performance of the assignment entrusted to us by your Annual General Meeting.

In our opinion, the annual financial statements give a true and fair view of the financial position and the assets and liabilities of the Company for the past fiscal year, and the results of its operations for the fiscal year then ended in accordance with accounting principles generally accepted in France.

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

Justification for the opinion

Framework for our audit

We performed our audit in accordance with the professional standards which apply in France. We believe that the audit evidence we have obtained provides a sufficient and appropriate basis for our audit opinion.

Our liability with respect to these standards is stated in the "Liabilities of the Statutory Auditors for the audit of the annual financial statements" section of this report.

Independence

We performed our audit in compliance with the independence rules provided by the French Commercial Code and the Code of Ethics of the Statutory Auditors' profession applicable from October 1, 2021 to the date of our report and we provided no services which are prohibited under Article 5 paragraph 1 of the Regulation (EU) No. 537/2014.

Observations

Without calling into question the opinion expressed above, we draw your attention to the following points set out in the notes to the annual financial statements:

- Note "1.2 – Change in accounting policy concerning the pension provision", which sets out the change in accounting policy relating to the application from October 1, 2021 of the update of ANC recommendation no. 2013-02, which took place in November 2021, relating to the rules for valuing and recognizing pension commitments.
- Section "2.17.3 – Tax audit" of note "2.17 – Income tax", which sets out the proceedings in progress in connection with the tax audit of the Company.

Basis of our assessments – Key points of the audit

In application of the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risk of material misstatement that, in our professional judgment, were the most significant for the audit of the annual financial statements for the fiscal year, as well as the responses we have provided to these risks.

These assessments were made within the context of the audit of the annual financial statements overall and the formation of our opinion expressed above. We have no opinion to make on the components of these annual financial statements taken individually.

Valuation of equity interests and related receivables

(Note 2.3 to the annual financial statements)

Risk identified

Equity interests and related receivables that appear on the assets side of the balance sheet at September 30, 2022 respectively for a net amount of €259.3 million and €74.5 million, or around 52% of total assets.

As stated in note "2.3 – Long-term investments" to the annual financial statements, the net carrying amount of equity interests is compared to the share of equity of the companies held. When there is inadequate equity, the value in use is determined on the basis of the discounted cash flow forecasts. Impairment is recognized on equity interests and/or related receivables if the calculated value in use is lower than the net carrying amount.

The estimate of the value in use of these equity interests and related receivables based on cash flow forecasts requires exercise of judgment by management. We considered the valuation of these assets to be a key point in our audit because of the amounts they represent and the importance of the management's judgments.

Our response

Our work mainly involved reviewing the valuation methods and, with the support of our valuation experts, checking the data and the assumptions used by management to determine the value in use of equity interests and related receivables:

- For valuations relying on historical elements, we have verified that the equity used are in agreement with the annual financial statements of the entities.
- For valuations relying on forecast elements, we have:
  - assessed the reasonableness of cash flow projections, as presented to the Board of Directors, in relation to the economic and financial context in which,
  - the various companies operate as well as the consistency of these forecasts with the historical performance of the entities,
  - compared the perpetual growth rates adopted for the projected flows with our own benchmarks,
  - compared the discount rate used (WACC) with our own databases.

We have audited the arithmetic accuracy of the elements used to determine the values in use.

We have verified the appropriateness of the information supplied in the notes to the annual financial statements.

Specific verifications

We have also performed the specific verifications required in law and by regulations, in accordance with French professional auditing standards.

Information given in the management report and other documents regarding the financial position and the annual financial statements provided to shareholders

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information given in the management report of the Board of Directors and in the other documents addressed to shareholders regarding the financial position and the annual financial statements.

We certify the accuracy and consistency with the annual financial statements of the information relating to payment terms mentioned in Article D.441-6 of the French Commercial Code.

Report on Corporate Governance

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

With regard to the information provided, pursuant to the terms of Article L.22-10-9 of the French Commercial Code on remuneration and benefits paid or awarded to corporate officers, and undertakings made in their favor, we verified the consistency thereof with the financial statements or data used to prepare these statements and, if applicable, the items collected by your Company from companies controlling your Company or that are controlled by it within the scope of consolidation. Based on our work, we certify the truth and fairness of this information.

With regard to the information relating to the items that your Company considered likely to have an impact in the event of a public tender offer or exchange offer, provided in accordance with the provisions of Article L.22-10-11 of the French Commercial Code, we verified their compliance with the documents from which they were taken and which were provided to us. On the basis of this work, we have no matters to report on this information.

Other disclosures

In accordance with the law, we checked the information on the acquisition of shareholdings and control and the identity of the holders of the share capital or voting rights disclosed in the Management Report.

Other verifications or disclosures resulting from other legal and regulatory obligations

Format of the annual financial statements intended to be included in the Annual Financial Report

In accordance with professional standards on the Statutory Auditors' procedures relating to the annual and consolidated financial statements presented using the single European electronic information format, we have also verified compliance with this format defined by the European delegated regulation No. 2019/815 of December 17, 2018 in the presentation of the annual financial statements intended to be included in the Annual Financial Report mentioned in I of Article L.451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer.

On the basis of our work, we conclude that the presentation of the annual financial statements intended to be included in the Annual Financial Report respects, in all material respects, the single European electronic information format.

It is not our responsibility to verify that the annual financial statements that will be included by your Company in the Annual Financial Report filed with the French Financial Markets Authority (AMF) correspond to those on which we performed our work.

Appointment of the Statutory Auditors

We were appointed as EXEL Industries' Statutory Auditors by the Annual General Meeting of January 21, 2015 for Mazars and that of February 9, 2021 for Grant Thornton.

As at September 30, 2022, Mazars was in the eighth uninterrupted year of its mission and Grant Thornton in its second uninterrupted year.

The responsibilities of the Management and Corporate Governance personnel for the annual financial statements

Management is responsible for preparing annual financial statements which, according to generally accepted accounting principles in France, reflect a true picture and for setting up the internal controls it considers necessary for preparing annual financial statements which are free of material misstatements, and for preventing fraud or errors.

When preparing the annual financial statements, Management is responsible for assessing the Company's capacity to continue its operations and for presenting information in these financial statements on the Company as a going concern and for applying the going concern accounting convention, unless it is planned to wind the Company up or for it to stop operating.

The Audit Committee must monitor the procedures for preparing and processing the accounting and financial information and the effectiveness of the internal control and risk management systems, and if appropriate, the internal audit.

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

The Statutory Auditors' liability for the audit of the annual financial statements

The purpose and approach of the audit

We are responsible for preparing a report on the annual financial statements. Our aim is to obtain the reasonable assurance that overall, the annual financial statements do not contain any material misstatements. Reasonable assurance corresponds to a high level of assurance without however guaranteeing that an audit which is performed to professional auditing standards systematically detects all material misstatements. Misstatements can come from fraud or result from errors and are considered to be significant when it is to be reasonably expected that when taken individually or together, they may affect the economic decisions which are taken by the users of the financial statements based on them.

As Article L.823-10-1 of the French Commercial Code states, our mission to certify the financial statements does not involve guaranteeing your Company's viability, or the quality of its management.

When a Statutory Auditor is performing an audit which is carried out in accordance with the professional standards applicable in France, he or she applies their professional judgment throughout the whole of the audit. In addition:

- the Statutory Auditor identifies and assesses the risks of material misstatement in the annual financial statements, whether from fraud or mistakes and determines and implements auditing procedures to cover these risks and collects the information he or she considers to be sufficient and appropriate to form an opinion. The risk of not detecting a fraudulent material misstatement is higher than not detecting a significant material misstatement from a mistake because fraud may involve collusion, forgery, intentional omissions, false declarations or the circumvention of internal controls;
- the Statutory Auditor examines the internal control procedures which are relevant for the audit in order to decide the appropriate audit procedures in this context, and not in order to express an opinion on the effectiveness of the internal control;
- the Statutory Auditor assesses the appropriate nature of the accounting methods used and the reasonable nature of the accounting estimations made by the Management as well as the information on them supplied in the annual financial statements;
- the Statutory Auditor assesses the appropriate nature of the Management's application of the going concern accounting convention and, based on the information collected, whether or not there is significant uncertainty connected to events or circumstances which are liable to affect the Company's capacity to continue operating. This assessment is based on the information which is collected up until the date of the Statutory Auditor's report, with the proviso however, that subsequent circumstances or events could create doubts over the Company's future as a going concern. If the Statutory Auditor concludes that a significant uncertainty exists, he or she will draw the reader's attention in the report to the information supplied in the annual financial statements relating to this uncertainty, or if this information is not supplied, or is not relevant, the Statutory Auditor will issue a certificate with reserves or refuse to certify;
- the Statutory Auditor assesses the presentation of the annual financial statements as a whole and whether they reflect the underlying events and operations in order to give a true picture.

Report to the Audit Committee

We submit a report to the Audit Committee describing the extent of the auditing services, the work program implemented and our conclusions. If necessary we also inform it of any significant weaknesses in the internal control we have identified for preparing and processing the accounting and financial information.

The report to the Audit Committee highlights what we consider posed the highest risks for material misstatements for the audit of the annual financial statements for the fiscal year, and which are therefore the key points of the audit which it is our responsibility to describe in this opinion.

We also supply the Audit Committee with the declaration stipulated in Article 6 of the Regulation (EU) No. 537-2014 confirming our independence under the rules applicable in France which are stipulated by Articles L.822-10 to L.822-14 of the French Commercial Code and the Code of Ethics of the Statutory Auditors' profession. As necessary, we discuss with the Audit Committee the risks weighing on our independence and the protective measures implemented.

Paris-La Défense and Reims, January 13, 2023

The Statutory Auditors

Mazars	Grant Thornton
	French Member of Grant Thornton International
Jean-Maurice EL NOUCHI	Mallory DESMETTRE
Partner	Partner

6.6 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

Annual General Meeting for the approval of the financial statements for the fiscal year ended September 30, 2022

To the Annual General Meeting of EXEL Industries,

As your Company's Statutory Auditors, we hereby present our report on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of, as well as the reasons for the Company's interest in, those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and merits or identifying such other agreements. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code, to assess the merits of concluding these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R.225-31 of the French Commercial Code relating to the implementation during the past fiscal year of agreements previously approved by the Annual General Meeting, if any.

We performed procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie nationale des Commissaires aux Comptes*) relating to this engagement.

Agreements submitted for approval to the Annual General Meeting

Agreements authorized and entered into during the last fiscal year

We inform you that we have not been given notice of any agreement authorized during the past fiscal year to be submitted to the approval of the Annual General Meeting in accordance with the provisions of Article L.225-38 of the French Commercial Code.

Agreements previously approved by the Annual General Meeting

We have been informed that there are no agreements previously approved by the Annual General Meeting which have remained in force during the fiscal year.

Paris-La Défense and Reims, January 13, 2023

The Statutory Auditors

Mazars	Grant Thornton
	French Member of Grant Thornton International
Jean-Maurice EL NOUCHI	Mallory DESMETTRE
Partner	Partner

Chapter 7

Capital and shareholders

7.1 STOCK MARKET DATA AND DIVIDEND

Identity card of the share

- NYSE-Euronext Paris, Compartment B
- Index: EnterNext© PEA-PME150 index
- ISIN/MNEMO/Reuters/Bloomberg: FR0004527638/EXE/EXEP.PA/EXE: FP
- Close of the fiscal year: September 30
- Number of shares: 6,787,900
- Nominal value: €2.50

Key figures

Share value at September 30, 2022: €35.00 (closing price)

Share performance over one year: -56.25%

Market capitalization at September 30, 2022: €237.6 million

Average daily trading volume: 812

Price changes

Price changes of the EXEL Industries share over the past 24 months, listed in compartment B of NYSE-Euronext Paris since June 20, 1997, were as follows (Source: NYSE-EURONEXT):

PERIOD FROM 12/01/2020 TO 11/30/2022

Period	Trading volume in number of shares	Capital *(in € millions)*	Price *(in €)*		
			High	Low	Last
12/2020	36,179	1.8	61	41.1	60.8
01/2021	21,076	1.34	70	59.4	66
02/2021	19,189	1.29	69.8	65.4	65.6
03/2021	12,004	0.79	68	63.8	67
04/2021	13,245	0.95	78.8	66.6	77
05/2021	9,564	0.76	81.8	74.2	81
06/2021	47,076	4.17	92	83.2	92
07/2021	60,297	5.16	92.4	81	83.2
08/2021	11,638	0.96	87.2	82	82
09/2021	10,458	0.83	82.2	77	80
10/2021	12,887	0.91	80.8	66.6	70.4
11/2021	13,395	1.03	80.8	70	70
12/2021	14,418	1.1	83	67.5	75.7
01/2022	9,698	0.75	83	71.8	74.7
02/2022	28,910	2.02	75.3	56	60.8
03/2022	38,052	2.49	77.2	58	73.8
04/2022	10,516	0.7	74.4	62.4	66.2
05/2022	15,667	0.92	66.4	54.6	55
06/2022	40,397	1.98	55	42.3	43
07/2022	7,330	0.33	46.4	43.1	45.8
08/2022	11,303	0.51	48.9	42.5	43.8
09/2022	7,703	0.31	43.8	34.8	35
10/2022	58,954	2.1	42.5	33.8	39.8
11/2022	34,924	1.5	47.6	37.1	46.7

Dividends distributed over the last three fiscal years

Dividend amount

Fiscal year	Dividend per share
2018-2019	€0.00 per share
2019-2020	€0.00 per share
2020-2021	€1.60 per share

Appropriation of profit

- It should be noted that no change in the share capital has occurred over the last five years. The share capital remains unchanged at €16,969,750.
- In view of the Group's profitable results, the Board of Directors decided to pay a dividend of €1.05 per share.
- Retained earnings of €27,225,872, bringing retained earnings to €370,409,095.

Dividend policy

It is expected that a dividend representing approximately one-quarter (25%) of consolidated net income will be paid over the next few fiscal years, except in the event of negative or excessively low consolidated net income.

7.2 RELATIONS WITH THE FINANCIAL COMMUNITY

Financial communications

EXEL Industries provides broad information to its shareholders and to the entire financial community and the general public, through:

- its Annual Report – Universal Registration Document filed with the French Financial Markets Authority (AMF);
- the publication of financial announcements and press releases;
- regular meetings with analysts and investors;
- a website with a section dedicated to financial communication and regulated information.

Access to information

The documents are available on request and can be downloaded from the Company's website:

www.exel-industries.com/investor-page/?lang=en

The Articles of Association, the Statutory Auditors' reports and the financial statements for the last five fiscal years, as well as any other document required by law, can be consulted on the EXEL Industries website or from the Financial and Legal Departments at its Principal office in PARIS (75008), 78, boulevard Malesherbes.

2021-2022 publications

October 1, 2021	Acquisition: diversification in the nautical industry
October 14, 2021	EXEL Industries expands and strengthens its Board of Directors
January 25, 2022	Q1 2021-2022 sales
February 8, 2022	Annual General Meeting
February 15, 2022	Strategic acquisition of the Italian company G.F. s.r.l.
April 26, 2022	2021-2022 half year sales
May 31, 2022	First-half 2021-2022 results
July 26, 2022	Q3 2021-2022 sales
October 27, 2022	Full-year sales 2021-2022
December 20, 2022	Full-year results 2021-2022

Schedule of 2022-2023 communications

January 25, 2023	Q1 2022-2023 sales
February 7, 2023	Annual General Meeting
April 25, 2023	2022-2023 half year sales
May 26, 2023	First-half 2022-2023 results
July 25, 2023	Q3 2022-2023 sales
October 26, 2023	Full-year sales 2022-2023
December 21, 2023	Full-year results 2022-2023

Brokerage and research firms covering EXEL Industries group

- Gilbert Dupont (Crédit du Nord).
- Midcap.
- Oddo.
- Portzamparc.
- CM-CIC.

7.3 SHAREHOLDING

7.3.1 Breakdown of capital

There have been no changes to the share capital in the last five years. The amount of share capital thus remains unchanged at €16,969,750.

The nominal value of EXEL Industries share was divided by two during the 2007-2008 fiscal year from €5 to €2.5.

OWNERSHIP OF SHARE CAPITAL AND VOTING RIGHTS – EXEL INDUSTRIES

	At 09/30/2020			At 09/30/2021			At 09/30/2022		
Shareholders	**Number of shares**	**% of capital**	**% of voting rights**	**Number of shares**	**% of capital**	**% of voting rights**	**Number of shares**	**% of capital**	**% of voting rights**
EXEL (SAS)*	4,793,722	70.62%	75.75%	4,793,722	70.62%	71.04%	4,793,722	70.62%	73.31%
Patrick BALLU and family shareholders	902,994	13.30%	14.93%	891,156	13.13%	16.33%	899,893	13.26%	16.41%
BALLU FAMILY SUB-TOTAL	**5,696,716**	**83.92%**	**90.68%**	**5,684,878**	**83.75%**	**87.37%**	**5,693,615**	**83.88%**	**89.72%**
Treasury shares	2,690	0.04%	0.00%	1,823	0.03%	0.00%	5,463	0.08%	0.00%
Financial inst., misc. investors & public	1,088,494	16.04%	9.32%	1,101,199	16.22%	12.63%	1,088,822	16.04%	10.28%
TOTAL	**6,787,900**	**100.00%**	**100.00%**	**6,787,900**	**100.00%**	**100.00%**	**6,787,900**	**100.00%**	**100.00%**

* *EXEL (SAS) is wholly owned by the family of Patrick BALLU.*

7.3.2 Legal entities or natural persons able to exercise control

EXEL (SAS)

Presentation

EXEL (SAS) is a holding company in which EXEL Industries shares are housed. The shareholders of EXEL (SAS) are members of the BALLU family, who are natural persons.

The purpose of EXEL (SAS) is:

- all transactions relating to the acquisition of direct or indirect equity interests in any French or foreign listed or unlisted companies, as well as the administration, management and development of those investments and any related activities;
- the creation of new companies through a transfer, the subscription or purchase of shares or corporate rights, mergers with other companies, or the leasing or management of any assets or rights;
- and generally all financial, commercial, civil, industrial, movable or real estate transactions that may be directly or indirectly related to the corporate purpose defined above.

EXEL Industries control structure

As of September 30, 2022, EXEL (SAS) and its affiliates are the controlling shareholders of EXEL Industries with 83.88% of the capital and 89.72% of the voting rights.

The following measures ensure that the control exercised by EXEL (SAS) over the Company is carried out in an appropriate manner:

- separation of the duties of Chairman of the Board of Directors and Chief Executive Officer;
- the Chief Executive Officer is not a member of the BALLU family and is not a partner of EXEL (SAS);
- presence of independent members on the Board of Directors, in accordance with the recommendations of the MiddleNext Code;
- Committees of the Board of Directors mainly composed of independent members and chaired by independent members.

Number of theoretical voting rights

At 09/30/2020	11,955,646
At 09/30/2021	10,855,045
At 09/30/2022	10,854,242

7.4 CROSSING THRESHOLDS

During the 2021-2022 fiscal year and at the start of the 2022-2023 fiscal year, no threshold crossings were declared.

Shareholders holding more than 2.5% of the share capital among "financial institutions, misc. investors and the public"

Lazard Frères Gestion

Kirao AM

Shareholders holding more than 5% of the share capital among "financial institutions, misc. investors and the public"

None.

Number of shareholders

At September 30, 2022: 205 registered shareholders.

No employee stock ownership plan exists.

7.5 TRANSACTIONS CARRIED OUT IN THE COMPANY'S SHARES BY CORPORATE OFFICERS

Summary of transactions on the Company's shares mentioned in Article L.621-18-2 of the French Monetary and Financial Code carried out by persons exercising managerial responsibilities during the 2021-2022 fiscal year.

Name and function	Financial instruments	Nature of the transaction	Number of securities
Marc BALLU and closely related persons, Director and Deputy Chief Executive Officer	Shares	Acquisition	8,541

7.6 SHARE REPURCHASE PROGRAM

Authorizations to purchase treasury shares

The Annual General Meeting of February 8, 2022 (17th resolution) authorized a repurchase program by the Company of its own shares within the limit of a number of shares representing 10% of the number of shares comprising the capital at the time of said repurchase, for a period of fourteen months. Under this authorization, the purchase price is €150.

The Board of Directors is thus authorized to buy back a maximum number of shares representing a maximum of 10% of the total number of shares comprising the share capital, *i.e.*, at the date of the authorization, 678,790 shares.

These shares may be acquired on one or more occasions and through any means for the following purposes:

- market-making or share liquidity services provided by an Investment Service Provider through a liquidity agreement in compliance with the Code of Ethics recognized by the French Financial Markets Authority (AMF);
- purchasing shares to be retained for future use for payment or exchange in connection with possible acquisitions;
- the cancellation of all or part of shares thus acquired;
- employee stock option plans (or other share grants to employees) or for debt securities convertible into shares.

These shares may be acquired, sold or transferred by any means, on or off market, including involving the use of any derivative financial instruments. The entire share repurchase program may be carried out through block trades.

In a scenario involving the purchase of 5% of the shares, the maximum amount paid would be €50.9 million.

Shares thus purchased may be held, sold or transferred.

In connection with the objective of assuring an orderly market for its shares, the Company made use of this authorization to repurchase shares and on September 30, 2022 held 5,463 of said shares.

On June 1, 2016, EXEL Industries had entered into a liquidity contract with Gilbert Dupont for the purpose of facilitating the market for the share. This contract ended on June 30, 2022.

As of this date, a new liquidity contract entered into with ODDO BHF came into force. At September 30, 2022, ODDO BHF sold and purchased a certain number of its own shares for the purpose of ensuring the liquidity and an orderly market for its shares:

Number of treasury shares held at 09/30/2021	1,823
Number of shares repurchased in the fiscal year ended 09/30/2022	21,147
The shares were purchased at an average price of	€59.81
Number of shares sold in the fiscal year ended 09/30/2022	17,507
The shares were sold at an average price of	€62.34
Number of treasury shares held at 09/30/2022	5,463

Description of the share repurchase program submitted for approval by the Annual General Meeting of February 7, 2023

The Annual General Meeting of February 7, 2023 is requested in resolution 18 to approve the implementation of a new share repurchase program in accordance with the provisions of Articles L22-10-62 *et seq.* of the French Commercial Code, Title IV of Book II of the French Financial Markets Authority's (AMF) General Regulations, European Regulation No. 596/2014 of the European Parliament and Commission on market abuse and Delegated Regulation 2016/1052 of the Commission of March 8, 2016 on the conditions applicable to repurchase programs and stabilization measures.

Under the program, shares may be repurchased with a view to using them for one of the following purposes:

- the promotion of the secondary market or the liquidity of the share by an Investment Services Provider under a liquidity contract entered into in accordance with market practice accepted by the French Financial Markets Authority (AMF);
- holding shares pending delivery of shares (in exchange, payment or otherwise) in the context of acquisitions, mergers, spin-offs or contributions;
- the cancellation of all or part of the shares thus bought back, pursuant to the authorization of the Annual General Meeting;
- delivery on the occasion of the exercise of rights attached to securities giving immediate or future access to the Company's share capital;
- the allocation or sale of shares in respect of the participation in the fruits of the expansion of the Company and the implementation of any Company Savings Plan implemented within the Group under the conditions and in accordance with the terms and conditions provided for by law, in particular Articles L.3332-1 *et seq.* of the French Labor Code;
- the implementation of any stock option plan in accordance with the provisions of Articles L.22-10-56 *et seq.* of the French Commercial Code or the allocation of free shares pursuant to the provisions of Articles L.22-10-59 *et seq.* of the French Commercial Code.

The authorization granted to the Board of Directors relates to a number of shares that may not exceed 10% of the total number of shares comprising the share capital at the date of the repurchase, *i.e.* 678,790 shares, at a maximum price of €150 (excluding trading expenses), which represents a maximum theoretical amount of €101,818,500.

As of September 30, 2022, the number of treasury shares held by EXEL Industries was 5,463. On that basis, the Company would be able to buy back 673,327 shares given the number of treasury shares held.

The buyback authorization would be valid for a period of fourteen months from the Annual General Meeting of February 7, 2023 and could not be implemented during a public offer period.

7.7 SUMMARY TABLE OF AUTHORIZATIONS/DELEGATIONS GRANTED BY THE ANNUAL GENERAL MEETING TO THE BOARD OF DIRECTORS

The table below summarizes the delegations/authorizations granted by the Annual General Meeting to the Board of Directors bearing on the share capital and valid as of the date of filing of this Universal Registration Document.

Type of delegation/authorization	Date of AGM	Duration and expiry	Nominal and maximum amount	Amount used at 09/30/2022
Authorization granted to the Board of Directors to trade in the Company's shares	AGM of February 8, 2022, resolution 17	14 months, until April 9, 2023	10% of the share capital, maximum price of €150 per share	€191,205

7.8 ADDITIONAL INFORMATION REGARDING THE SHARE CAPITAL

Share capital (Article 6 of the Articles of Association)

"The share capital is set at €16,969,750, divided into 6,787,900 shares with a par value of €2.50 each.

The shares are all fully subscribed, paid up and allocated among the shareholders in proportion to their rights."

Changes in capital stock during the last five years

There have been no changes to the share capital in the last five years. The amount of share capital thus remains unchanged at €16,969,750.

Other information on the capital

Identifiable bearer shares *(Titres au porteur identifiable)*

The Company is entitled, under the legal and regulatory conditions in force (L.228-2 of the French Commercial Code) to request at any time, in return for remuneration, information concerning the owners of its shares and securities immediately conferring or ultimately the right to vote at its General Meetings.

Disclosures on ownership thresholds (Article 10 of the Articles of Association)

"In addition to those thresholds provided for by applicable laws and regulations, any shareholder, a natural person or legal entity, who acquires a proportion of the share capital or voting rights equal to 2.5%, or whose holdings fall below or rise above this threshold or any multiple thereof, must notify the Company of the total number of shares of voting rights possessed within four trading days after crossing this threshold by registered letter with acknowledgment of receipt."

Failure to comply with this reporting obligation is penalized by the deprivation of voting rights attached to shares exceeding the fraction that has not been declared for any annual general meetings held until the expiry of a period of two years following the date of regularization of the notification, at the request, recorded in the minutes of the Annual General Meeting, of one or more shareholders holding, in terms of number of shares or voting rights, the minimum fraction in the Articles of Association referred to in the first paragraph above.

Other securities giving access to the share capital

None.

Information on pledges

To the best of our knowledge, none of the shares making up EXEL Industries' share capital are pledged.

Shareholders' agreement

There are no shareholders' agreements.

Limitation period

In accordance with the provisions of French law, dividends not claimed within five years are time-barred and shall be paid over to the French State.

7.9 INFORMATION THAT COULD HAVE AN IMPACT IN THE EVENT OF A TAKEOVER BID

Pursuant to Article L.22-10-11 of the French Commercial Code, to the Company's knowledge, the elements likely to have an impact in the event of a takeover bid are as follows:

- as of September 30, 2022, EXEL (SAS) and affiliates held 83.88% of the share capital and 89.72% of the theoretical voting rights of EXEL Industries;
- allocation of double voting rights to fully paid-up shares that have been registered in the name of the same shareholder for at least four years;
- crossing of statutory thresholds: crossings must be declared every 2.5% of capital and voting rights;
- the Board of Directors is authorized to buy back Company shares;
- appointment of directors: they are appointed by the Annual General Meeting in which EXEL (SAS) and its affiliates hold more than 85% of the exercisable voting rights.

7.10 GENERAL INFORMATION ON EXEL INDUSTRIES

Company name

EXEL Industries

Registered office

54, rue Marcel Paul – 51200 ÉPERNAY

Principal office

78, boulevard Malesherbes – 75008 PARIS, France

Legal form

A French public limited company (*Société Anonyme*) with a Board of Directors.

Nationality

French

Date of Incorporation

August 4, 1952

Duration

Ninety-nine (99) years effective from its date of entry in the Trade and Companies Register (*Registre du Commerce et des Sociétés*) or until August 3, 2051 barring early liquidation or extension.

Corporate purpose (Article 3 of the Articles of Association)

"The Company's corporate purpose is to, in France and in any other country, directly or indirectly, conduct research, manufacture and market equipment, materials and services used mainly for industrial or consumer agriculture, as well as any commercial, industrial, financial, securities or real estate transactions relating directly or indirectly to the purposes stated above or any similar and related activities contributing thereto and that directly or indirectly contribute to the Company's continuing operations and development".

Trade and Company Registers

For the Registered office

RCS REIMS 095 550 356

For the principal office

RCS PARIS 095 550 356

APE business identifier code (registered office): 7010Z

APE business identifier code (main place of business): 2830Z

Location where documents and information relating to the Company may be consulted

The Articles of Association, minutes of meetings and other corporate, legal or accounting documents may be consulted at the SA EXEL Industries main office: in PARIS (75008) – 78, boulevard Malesherbes (from the Legal and Finance Departments), subject to the terms and times provided for by legislation in force concerning shareholders' rights to information.

Fiscal Year (Article 24 of the Articles of Association)

The Company's fiscal year begins on October 1 of each year and ends on September 30 of the following year.

Officers of the Board (Article 16 of the Articles of Association)

"[...] 16.2. The Chairman may be appointed for his or her full term as a director, provided that the Board reserves the right to remove him or her from the chairmanship and that he or she has the right to resign before the term expires.

The Chairman is deemed to have resigned immediately following the Annual Ordinary General Meeting called to approve the financial statements for the fiscal year in which the Chairman reaches ninety years of age."

Deliberations of the Board of Directors (Article 17 of the Articles of Association)

"17.1. Board members are called to Board of Directors' meetings by all available means (including electronic messaging, remote transmission, videoconferencing, etc.) and including orally.

All directors may attend, participate and vote in Board meetings through videoconferencing and telecommunications means under conditions provided for by regulations in force at that time.

A record of attendance is maintained, which is signed by the Board members participating in the Board of Directors' meeting. (...)"

Annual General Meetings (Article 23 of the Articles of Association)

"Annual General Meetings are called and conduct proceedings according to procedures defined by statutes and applicable regulations.

They are to be held at the registered office or at any other venue indicated in the notice of meeting.

The General Meeting is chaired by the Chairman of the Board of Directors or by the director temporarily appointed for this purpose or, barring this, by a Vice Chairman. If the Chairman, the director temporarily appointed for that purpose or the Vice Chairmen are absent at the same time, the meeting is then chaired by the director designated by the Board or, barring this, a person selected by the meeting.

Proceedings of the meeting are recorded in minutes signed by the officers of the meeting.

Subject to restrictions provided for by law or resulting from its application, any shareholder may attend Annual General Meetings and proceedings in person or through a representative, regardless of the number of his or her shares, subject to providing proof of identity, and provided that no payments are due on said shares.

The right to attend the shareholders meetings is subject to registration of the shares in the name of the shareholder of record (or the intermediary of record for the account) on the second business day preceding the meeting at midnight, Paris time:

- either in the registered share accounts maintained by the Company or its agent;
- in bearer share accounts maintained by an authorized intermediary. In this latter case, the corresponding book entry must be evidenced by a certificate of attendance (*attestation de participation*) issued by the authorized intermediary that is to be attached to the voting form or the proxy or the request for an admission card (*carte d'admission*) mentioning the name of the shareholder.

However, the Board of Directors may reduce or set aside these time requirements provided that this is to the benefit of all shareholders.

Any shareholder may vote by mail using a form that may be obtained according to the conditions indicated by the meeting notice.

A shareholder may be represented only by his or her spouse or by another shareholder with proof of power of attorney.

Votes in meetings can be cast through all means (notably electronic means, teletransmission, videoconferencing, etc.), in accordance with the conditions established by regulations and set forth in the meeting notice."

Transfer and circulation of stock (Article 10 of the Articles of Association)

No provisions of the Articles of Association imposed restrictions on the transfer of shares.

Joint ownership – usufruct – bare ownership (Article 11 of the Articles of Association)

"[...] 11.2 The bare owner and the owner with usufruct are invited to meetings and may take part in them under the same conditions as shareholders with sole ownership. They may exercise the same right to communicate, under the same conditions, and receive the same information.

They may take part, if they wish, in the discussions that precede voting and their voiced opinions, if any, are recorded in the minutes, like those of shareholders.

If the ownership is divided, the voting rights of the owner of usufruct are limited to questions relating to the appropriation of profits."

Double voting right (Article 12 of the Articles of Association)

"(...) shares that are fully paid up and which have been held in registered form in the name of the same shareholder for at least four years, carry a double voting right. This four-year period commences when the shares are recorded in registered form."

The double voting right was introduced by the Extraordinary General Meeting of May 26, 1997 (Resolution twelve).

The double voting right ceases to exist for any share converted to bearer form or on transfer, excluding transfers from one registered shareholder to another pursuant to inheritance or a gift to a qualifying family member (see applicable laws and regulations).

Appropriation and allocation of profits (Article 25 of the Articles of Association)

"The income statement summarizes the income and expense items of the fiscal year. It presents, after deducting allowances for depreciation, amortization and provisions, the profit or loss of the fiscal year.

From this profit, less accumulated losses of previous fiscal years, when applicable, are deducted:

- at least 5% to be appropriated to the legal reserves. This obligation remains in force until the reserve amount equals one-tenth of the common stock and resumes when, for any reason, the reserve amount falls below this percentage;
- and all amounts appropriated to legal reserves.

The balance, plus profits brought forward, constitutes the distributable earnings for the year. This amount is available to the Annual General Meeting, pursuant to a proposal by the Board, for distribution in part or in full as dividends, allocation to all reserves, repayment of the capital or to be carried forward to retained earnings.

The Annual General Meeting, called to approve the financial statements for the fiscal year, may grant shareholders the choice of receiving a dividend in the form of cash or shares for all or part of the dividend to be distributed.

Reserves available to the Annual General Meeting may be used on its decision for the payment of dividends. Such decision expressly indicates the reserve accounts from which the amounts are drawn."

Chapter

8 Ordinary General Meeting of February 7, 2023

8.1 REPORT OF THE BOARD OF DIRECTORS ON THE RESOLUTIONS SUBMITTED TO THE ORDINARY GENERAL MEETING OF FEBRUARY 7, 2023

The purpose of this report is to present the draft resolutions submitted by the Company's Board of Directors to the Ordinary General Meeting, with the exception of those relating to the approval of the statutory accounts and the consolidated financial statements for the fiscal year ended September 30, 2022 (first and second resolutions) which are the subject of the management report and for which the Board of Directors recommends the adoption.

It aims to set out the most important points of the draft resolutions and specify the draft resolutions for which the Board of Directors supports the adoption. Consequently, it does not claim to be exhaustive. We therefore invite you to carefully read the text of the draft resolutions before exercising your voting rights.

Appropriation of net income for the fiscal year and dividend payment

The purpose of the third resolution is to appropriate the income for the fiscal year ended September 30, 2022, to set the dividend and to distribute the dividend. Shareholders are asked to approve the payment of a dividend of €1.05 per share.

The ex-dividend date will be on February 10, 2023 and the dividend will be paid on February 14, 2023.

For individuals domiciled for tax purposes in France, the dividend is subject either to a flat-rate tax on the gross dividend at the rate of 12.8% (Article 200 A of the French General Tax Code), or, optionally, to income tax according to the progressive scale after an allowance of 40% (Article 200 A, 2. and 158.3.2° of the French General Tax Code). The dividend is also subject to social security contributions at the rate of 17.2%.

Pursuant to Article 243 bis of the French General Tax Code, we hereby provide the amount of dividends paid over the previous three fiscal years:

Fiscal year	Dividend per share
2018-2019	€0
2019-2020	€0
2020-2021	€1.60

The Board of Directors proposes that you adopt this draft resolution.

Composition of the Board of Directors: renewal of the term of office of two Directors

The purpose of the fourth and fifth resolutions is to renew the term of office of two Directors, for a period of six years expiring at the end of the Ordinary General Meeting called in 2029 to approve the financial statements for the fiscal year ended on September 30, 2028: Patrick BALLU, Chairman of the Board of Directors and EXEL (SAS). The information relating to Patrick BALLU and EXEL (SAS) is included in the corporate governance chapter of the 2021-2022 Universal Registration Document, as well as in the Annual General Meeting notice.

The Board of Directors proposes that you adopt the renewal of the term of office of these two Directors and consequently these two draft resolutions.

Remuneration of directors

The sixth resolution aims to increase the total amount of compensation allocated to Directors to €156,000 (compared to €148,000 in the previous fiscal year) until a new decision by the Annual General Meeting.

It is specified that the Board of Directors may freely distribute this total annual amount among its Directors and, if it so wishes, decide to use only a portion of this amount with regard, in particular, to the work of the Board of Directors over the period in question.

The Board of Directors proposes that you adopt this draft resolution.

Vote on the remuneration of corporate officers

Ex-ante say on pay

The purpose of the seventh to tenth resolutions is to approve the compensation policy for the 2022-2023 fiscal year for the Chief Executive Officer, the Deputy Chief Executive Officers, the Chairman of the Board of Directors and the Directors. This policy is presented in the Board of Directors' corporate governance report in section 2.6.1 of the Company's 2021-2022 Universal Registration Document. Your vote is required pursuant to Article L.22-10-8, II of the French Commercial Code.

The Board of Directors proposes that you adopt these draft resolutions.

Ex-post say on pay

The purpose of the eleventh resolution is to approve the information relating to the compensation of all of the Company's corporate officers for the 2021-2022 fiscal year, as presented in the Board of Directors' corporate governance report (section 2.6.2 of the 2021-2022 Universal Registration Document), in accordance with Article L.22-10-9, I of the French Commercial Code. Your vote is required pursuant to Article L.22-10-34, I of the French Commercial Code.

The purpose of the twelfth to sixteenth resolutions is to approve the components of compensation paid during the fiscal year or awarded in respect of the 2021-2022 fiscal year (section 2.6.2 of the 2021-2022 Universal Registration Document) to:

- Patrick BALLU, Chairman of the Board of Directors;
- Yves BELEGAUD, Chief Executive Officer;
- Marc BALLU, Deputy Chief Executive Officer;
- Cyril BALLU, Deputy Chief Executive Officer;
- Daniel TRAGUS, Deputy Chief Executive Officer.

In addition to the information concerning the total compensation and benefits of any kind paid or awarded in respect of the 2021-2022 fiscal year, the information provided notably contains the ratios between the level of compensation of the executive corporate officers and the mean and median compensation of the employees of the Company and the Group's French companies. This information is provided in section 2.7 of the 2021-2022 Universal Registration Document.

Your vote is required pursuant to Article L.22-10-34, I of the French Commercial Code.

The Board of Directors proposes that you adopt these draft resolutions.

The elements of variable compensation for Yves BELEGAUD, Marc BALLU, Cyril BALLU and Daniel TRAGUS will be paid to them after your approval at the Annual General Meeting.

Regulated agreements

The purpose of the seventeenth resolution is to approve the Statutory Auditors' special report on regulated agreements. You are asked to take note of the conclusions of this special report, which does not include any new agreement entered into during the fiscal year ended September 30, 2022, falling within the scope of Articles L.225-38 and L.225-40 of the French Commercial Code.

The Board of Directors proposes that you adopt this draft resolution.

Share repurchase program

The purpose of the eighteenth resolution is to renew the authorization given to the Company to buy back its own shares under the conditions set by law. The maximum repurchase price has been set at €100 and the duration of the authorization is fourteen months. The share repurchase program may only be used for the objectives defined by law and determined in the resolution. In practice, your Company may use it to buy back shares with a view to their cancellation, to carry out external growth transactions or to facilitate the market for the Company's shares. In 2021-2022, EXEL Industries purchased 21,147 treasury shares under the liquidity agreement. In any event, the Company may not acquire more than 10% of its share capital, *i.e.*, based on the share capital at September 22, 2022, 678,790 shares. The authorization, the duration of which is fourteen months, may not be used during a public offer.

The Board of Directors proposes that you adopt this draft resolution.

Powers for formalities

The nineteenth resolution is a standard resolution that allows for advertising and legal formalities to be carried out. The Board of Directors proposes that you adopt it.

8.2 TEXT OF THE RESOLUTIONS SUBMITTED TO THE ANNUAL GENERAL MEETING OF FEBRUARY 7, 2023

Agenda of the Annual General Meeting

All resolutions fall within the remit of the Ordinary General Meeting.

1. Approval of the statutory accounts for the fiscal year ended September 30, 2022
2. Approval of the consolidated financial statements for the fiscal year ended September 30, 2022
3. Net income allocation, dividend approval and dividend payment
4. Renewal of the term of office of EXEL (SAS) as a Director
5. Renewal of the term of office of Patrick BALLU as a Director
6. Setting of the amount of directors' remuneration

7 to 10. Vote on the compensation policy for corporate officers *(ex-ante say on pay)*: approval of the compensation policy for corporate officers for the 2022-2023 fiscal year for the Chief Executive Officer (seventh resolution), the Deputy Chief Executive Officers (eighth resolution), the Chairman of the Board of Directors (ninth resolution), the Directors (tenth resolution)

11 to 16. Vote on compensation paid during or awarded in respect of the past fiscal year (*ex-post say on pay*): approval of the information referred to in Article L.22-10-9 I of the French Commercial Code relating to the compensation of corporate officers paid for the fiscal year ended September 30, 2022 or awarded for the same fiscal year (eleventh resolution), approval of the components of the compensation paid during or awarded in respect of the fiscal year ended September 30, 2022 to Patrick BALLU (twelfth resolution), Yves BELEGAUD (thirteenth resolution), Marc BALLU (fourteenth resolution), Cyril BALLU (fifteenth resolution) and Daniel TRAGUS (sixteenth resolution)

17. Approval of the Statutory Auditors' special report on regulated agreements covered by Articles L.225-38 *et seq.* of the French Commercial Code
18. Authorization granted to the Board of Directors to purchase Company shares
19. Powers to carry out formalities.

Draft resolutions

First resolution

Approval of the statutory accounts for the fiscal year ended September 30, 2022

The Annual General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, having heard:

- the management report of the Board of Directors for the 2021-2022 fiscal year,
- the Statutory Auditors' report on the statutory accounts,

approves the statutory accounts for the fiscal year beginning on October 1, 2021 and ended on September 30, 2022 as presented to it by the Board of Directors, showing **net income of €34,353,167,** as well as the transactions reflected in those financial statements or summarized in those reports.

It also notes the transfer to the "Retained earnings" account, in accordance with the decision taken by the Annual General Meeting of February 8, 2022, of the dividends allocated for the 2020-2021 fiscal year to the shares held by the Company on the date of payment, representing a total amount of €2,649.60.

Second resolution

Approval of the consolidated financial statements for the fiscal year ended September 30, 2022

The Annual General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, having heard:

- the management report of the Board of Directors for the 2021-2022 fiscal year,
- the Statutory Auditors' report on the consolidated financial statements,

approves the consolidated financial statements for the fiscal year beginning on October 1, 2021 and ended on September 30, 2022 as presented to it by the Board of Directors, showing **consolidated net income of €28,582 thousand,** as well as the transactions reflected in those financial statements or summarized in those reports.

Third resolution

Net income allocation, dividend approval and dividend payment

The Annual General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings,

1. resolves:
   - to allocate the profit for the 2021-2022 fiscal year, which amounts to €34,353,167,
   - plus retained earnings amounting to €343,183,223,
   - forming a distributable profit of €377,536,390,

   as follows:
   - to the shareholders, an amount of €7,127,295, in order to pay a **dividend of €1.05 per share,**
   - for the balance to retained earnings, the credit balance of which is thus increased from €343,183,223 to €370,409,095,
2. resolves that the ex-dividend date is set for February 10, 2023 and that **the payment date is set for February 14, 2023,**
3. resolves that the dividend that cannot be paid to treasury shares will be allocated to the Retained earnings account.

Pursuant to Article 243 bis of the French General Tax Code, we hereby provide the amount of dividends paid over the previous three fiscal years:

Fiscal year	Dividend per share
2018-2019	€0
2019-2020	€0
2020-2021	€1.60

For individuals domiciled for tax purposes in France, the dividend is subject either to a flat-rate tax on the gross dividend at the rate of 12.8% (Article 200 A of the French General Tax Code), or, optionally, to income tax according to the progressive scale after an allowance of 40% (Article 200 A, 2. and 158.3.2° of the French General Tax Code). The dividend is also subject to social security contributions at the rate of 17.2%.

Fourth resolution

Renewal of the term of office of EXEL (SAS) as a Director

The Annual General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, notes that the term of office as director of EXEL (SAS) expires at the end of this Meeting and resolves to renew this term for a period of six (6) years expiring at the close of the Ordinary General Meeting called in 2029 to approve the financial statements for the fiscal year ended on September 30, 2028.

EXEL (SAS) has previously undertaken to accept the renewal of its term of office.

Fifth resolution

Renewal of the term of office of Patrick BALLU as a Director

The Annual General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, notes that the term of office as director of Patrick BALLU expires at the end of this Meeting and resolves to renew this term for a period of six (6) years expiring at the close of the Ordinary General Meeting called in 2029 to approve the financial statements for the fiscal year ended on September 30, 2028.

Patrick BALLU has previously undertaken to accept the renewal of his term of office.

Sixth resolution

Setting of the amount of directors' remuneration

The Annual General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, sets the maximum total annual amount of compensation awarded to directors as of today at €156,000.

This decision applies until the Annual General Meeting decides otherwise.

The Board of Directors may freely distribute this total annual amount among its Directors and, if it so wishes, decide to use only a portion of this amount, in particular, with regard to the work of the Board of Directors over the period in question.

Seventh resolution

Approval of the compensation policy for the Chief Executive Officer for the 2022-2023 fiscal year (*ex-ante* say on pay)

The Annual General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance, drawn up in accordance with Article L.225-37 of the French Commercial Code, approves, pursuant to Article L.22-10-8, II of the French Commercial Code, the compensation policy applicable to the Chief Executive Officer, as presented in this report (section 2.6.1 of the 2021-2022 Universal Registration Document).

Eighth resolution

Approval of the compensation policy for the Deputy Chief Executive Officers for the 2022-2023 fiscal year (*ex-ante* say on pay)

The Annual General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance, drawn up in accordance with Article L.225-37 of the French Commercial Code, approves, pursuant to Article L.22-10-8, II of the French Commercial Code, the compensation policy applicable to the Deputy Chief Executive Officers, as presented in this report (section 2.6.1 of the 2021-2022 Universal Registration Document).

Ninth resolution

Approval of the compensation policy for the Chairman of the Board of Directors for the 2022-2023 fiscal year (*ex-ante* say on pay)

The Annual General Meeting, ruling under the conditions of quorum and majority for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance drawn up in accordance with Article L.225-37 of the French Commercial Code, approves, pursuant to Article L.22-10-8, II of the French Commercial Code, the compensation policy applicable to the Chairman of the Board of Directors, as presented in this report (section 2.6.1 of the 2021-2022 Universal Registration Document).

Tenth resolution

Approval of the compensation policy for directors for the 2022-2023 fiscal year (*ex-ante* say on pay)

The Annual General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance, drawn up in accordance with Article L.225-37 of the French Commercial Code, approves, in accordance with Article L.22-10-8, II of the French Commercial Code, the compensation policy applicable to directors, as presented in this report (section 2.6.1 of the 2021-2022 Universal Registration Document).

Eleventh resolution

Approval of the information mentioned in Article L.22-10-9 I of the French Commercial Code relating to the compensation of corporate officers paid in respect of the fiscal year ended September 30, 2022 or awarded for the same fiscal year (*ex-post* say on pay)

The Annual General Meeting, voting in accordance with the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance drawn up in accordance with Article L.225-37 of the French Commercial Code included in section 2.6.2 of the 2021-2022 Universal Registration Document, approves, in accordance with Article L.22-10-34, I of the French Commercial Code, the information mentioned in this report and provided for in Article L.22-10-9, I of the French Commercial Code relating to the compensation paid in respect of the fiscal year ended September 30, 2022 or allocated for the same fiscal year to the Company's corporate officers in respect of their office.

Twelfth resolution

Approval of the components of the compensation paid during the fiscal year ended on September 30, 2022 to Patrick BALLU in his capacity as Chairman of the Board of Directors (*ex-post* say on pay)

The Annual General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance, approves, pursuant to Article L.22-10-34, II of the French Commercial Code, the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the fiscal year ended September 30, 2022 to Patrick BALLU, in his capacity as Chairman of the Board of Directors, as presented in this report (section 2.6.2 of the 2021-2022 Universal Registration Document).

Thirteenth resolution

Approval of the components of the compensation paid during the fiscal year ended on September 30, 2022 to Yves BELEGAUD in his capacity as Chief Executive Officer (*ex-post* say on pay)

The Annual General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance, approves, pursuant to Article L.22-10-34, II of the French Commercial Code, the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the fiscal year ended September 30, 2022 to Yves BELEGAUD, in his capacity as Chief Executive Officer, as presented in this report (section 2.6.2 of the 2021-2022 Universal Registration Document).

Fourteenth resolution

Approval of the components of the compensation paid during the fiscal year ended September 30, 2022 to Marc BALLU, in his capacity as Deputy Chief Executive Officer (*ex-post* say on pay)

The Annual General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance, approves, pursuant to Article L.22-10-34, II of the French Commercial Code, the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the fiscal year ended September 30, 2022 to Marc BALLU in his capacity as Deputy Chief Executive Officer, as presented in this report (section 2.6.2 of the 2021-2022 Universal Registration Document).

Fifteenth resolution

Approval of the components of the compensation paid during the fiscal year ended September 30, 2022 to Cyril BALLU in his capacity as Deputy Chief Executive Officer (*ex-post* say on pay)

The Annual General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance, approves, pursuant to Article L.22-10-34, II of the French Commercial Code, the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the fiscal year ended September 30, 2022 to Cyril BALLU in his capacity as Deputy Chief Executive Officer, as presented in this report (section 2.6.2 of the 2021-2022 Universal Registration Document).

Sixteenth resolution

Approval of the components of the compensation paid during the fiscal year ended September 30, 2022 to Daniel TRAGUS in his capacity as Deputy Chief Executive Officer (*ex-post* say on pay)

The Annual General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance, approves, pursuant to Article L.22-10-34, II of the French Commercial Code, the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid during the fiscal year ended September 30, 2022 to Daniel TRAGUS in his capacity as Deputy Chief Executive Officer, as presented in this report (section 2.6.2 of the 2021-2022 Universal Registration Document).

Seventeenth resolution

Approval of the Statutory Auditors' special report on regulated agreements covered by Articles L.225-38 *et seq.* of the French Commercial Code

The Annual General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Statutory Auditors' special report on the agreements subject to the provisions of Articles L.225-38 and L.225-40 of the French Commercial Code, approves the said report in all its provisions and takes note of the conclusions of this special report, which does not include any new agreements entered into during the fiscal year ended September 30, 2022 that fall within the scope of Articles L.225-38 and L.225-40 indicated above.

Eighteenth resolution

Authorization granted to the Board of Directors to purchase Company shares

The Annual General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the Board of Directors' report and in accordance with the provisions of Articles L.22-10-62 *et seq.* and L.225-210 *et seq.* of the French Commercial Code, Regulation (EU) 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse, Commission Delegated Regulation (EU) 2016/1052 of March 8, 2016 concerning the conditions applicable to buyback programs and stabilization measures, the General Regulation of the French Financial Markets Authority (the "AMF"), Articles 241-1 *et seq.*, as well as any other provisions that may become applicable:

1. **authorizes** the Board of Directors, with the option of subdelegation under the conditions set by law, to have the Company buy back its own shares within limits such as:
   - the number of shares that the Company purchases during the period of the repurchase program **does not exceed 10% of the shares** comprising the Company's share capital, at any time, this percentage being applied to a share capital adjusted according to transactions affecting it subsequent to this Meeting (*i.e.*, for information purposes, 678,790 shares on the basis of the share capital as of September 30, 2022), it being specified that, in accordance with the law, (i) when the shares are bought back to promote liquidity under the conditions defined by the General Regulations of the AMF, the number of shares taken into account for the calculation of this limit of 10% corresponds to the number of shares purchased less the number of shares resold during the duration of the authorization and (ii) when the shares are purchased by the Company with a view to their holding and subsequent delivery in payment or in exchange as part of an external growth transaction, the number of shares purchased may not exceed 5% of its share capital,
   - the number of shares that the Company may hold at any time does not exceed 10% of the Company's share capital on the date in question;
2. resolves that the shares of the Company, within the limits set above, may be repurchased with a view to allocating them to one of the following **purposes:**
   - the promotion of the secondary market or the liquidity of the share by an investment services provider acting in the name and on behalf of the Company in complete independence under a liquidity contract entered into in accordance with market practice accepted by the AMF,
   - the holding of shares pending delivery of shares (in exchange, payment or otherwise) in the context of acquisitions, mergers, spin-offs or contributions,
   - the cancellation of all or part of the shares thus bought back, pursuant to the authorization of the Annual General Meeting,
   - the delivery on the occasion of the exercise of rights attached to securities giving immediate or future access to the Company's share capital,

- the allocation or sale of shares in respect of the participation in the results of the expansion of the Company and the implementation of any Company Savings Plan implemented within the Group under the conditions and in accordance with the terms and conditions provided for by law, in particular Articles L.3332-1 *et seq.* of the French Labor Code,
- the implementation of any stock option plan in accordance with the provisions of Articles L.22-10-56 *et seq.* of the French Commercial Code or the allocation of free shares pursuant to the provisions of Articles L.22-10-59 *et seq.* of the French Commercial Code.

The program is also intended to enable the Company to operate for any other purpose authorized or that may come to be authorized by the law or regulations in force or by any market practice that may come to be accepted by the AMF, in which case the Company would inform its shareholders by means of a press release.

3. resolves that the purchase, sale or transfer of shares may, subject to applicable legal and regulatory restrictions, be carried out at any time and by any means, on the regulated market of Euronext Paris or outside it, including by:
   - block transfers or over-the-counter transactions that may relate to the entire repurchase program,
   - tender, sale or exchange offers,
   - use of any financial instruments or derivatives,
   - implementation of optional instruments,
   - conversion, exchange, redemption or delivery of shares following the issue of securities giving future access to the Company's share capital, or
   - in any other way, either directly or indirectly through an Investment Services Provider;
4. sets the maximum purchase price at **€100 per share** (excluding trading expenses) (*i.e.*, for information purposes, an overall maximum amount allocated to the share repurchase program of €67,879,000 on the basis of a number of 678,790 shares – corresponding to 10% of the share capital as of September 30, 2022), and grants full powers to the Board of Directors with the option of subdelegation, in the event of transactions involving the Company's share capital, to adjust the above-mentioned purchase price in order to take into account the impact of these transactions on the value of the shares;
5. resolves that the Board of Directors **may not,** without the prior authorization of the Annual General Meeting, **make use** of this delegation **as from the announcement by a third party of a proposed public offer for the Company's shares,** until the end of the offer period;
6. grants full powers to the Board of Directors, with the option of subdelegation, without this list being exhaustive, to decide on and implement this authorization, to specify, if necessary, the terms and conditions thereof, to carry out the share repurchase program, and in particular to place any stock market order, enter into any agreement with a view to keeping share purchase and sale registers, inform shareholders under the conditions provided for by law and regulations, and carry out all declarations to the French Financial Markets Authority, complete all formalities and, in general, take the necessary steps to apply this authorization;
7. resolves that this authorization, which terminates, in the amount of the amounts unused to date, any previous authorization with the same purpose, is valid for a period of fourteen (14) **months** from the date of this Meeting.

Nineteenth resolution

Powers for formalities

The Annual General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, grants full powers to the bearer of copies or extracts of the minutes of these proceedings to make all declarations and carry out all registration, filing and other formalities.

Chapter

9 Additional information

9.1 BREAKDOWN OF TRADE PAYABLES AND TRADE RECEIVABLES

	Article D.441 I. - 1° of the French Commercial Code: Invoices received but not paid and overdue as of the reporting date						Article D.441 I. - 2° of the French Commercial Code: Invoices issued but not paid and overdue as of the reporting date					
	0 days (for information)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)	0 days (for information)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
(A) Late payment tranche												
Number of invoices concerned						55						34
Total amount of invoices concerned exclusive of VAT		€158,405.50	€2,500.00	€10,778.32	€34,644.59	€206,328.41		€1,172.03	€26,172.00	€875.89	€167,669.24	€195,889.16
Percentage of total purchases for the fiscal year exclusive of VAT		1.07%	0.02%	0.07%	0.23%	1.39%						
Percentage of revenue for the fiscal year exclusive of VAT								0.00%	0.08%	0.00%	0.53%	0.62%

9.2 TRANSACTIONS WITH RELATED PARTIES

Information concerning transactions with related parties is provided in chapter 5.5 note 24 of the Universal Registration Document.

9.3 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Mr. Yves BELEGAUD

Chief Executive Officer

9.4 RESPONSIBILITY STATEMENT

I declare, after having taken all reasonable measures in this regard that to the best of my knowledge, the information in this Universal Registration Document is accurate and there are no omissions likely to alter its import.

I declare that, to the best of my knowledge:

- The financial statements have been prepared in accordance with the applicable financial reporting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and all consolidated operations;
- And that the Annual Report for the fiscal year faithfully presents business trends, the results and financial position of the Company and all consolidated operations and the description of the main risks and uncertainties.

I have obtained a completion of work letter from the Statutory Auditors in which they indicate that they have verified the information concerning the financial position and the financial statements presented in this Universal Registration Document and have read the entire Universal Registration Document.

The historical financial information presented in this document was the subject of the reports by the Statutory Auditors that appear on pages 107-110 for the fiscal year ended September 30, 2022 and on page 1, which is included for reference purposes, for the fiscal year ended September 30, 2021.

January 16, 2023

Yves BELEGAUD

Chief Executive Officer

9.5 STATUTORY AUDITORS

Statutory Auditors

The financial statements for the 2021-2022 fiscal year were approved by:

- Grant Thornton

  Start of first appointment: February 9, 2021

  End of appointment: appointment expires on the date of the Annual Ordinary General Meeting called to approve the financial statements for the fiscal year ended in 2026.

- SA MAZARS

  Start of first appointment: January 21, 2015

  End of appointment: appointment expires on the date of the Annual Ordinary General Meeting called to approve the financial statements for the fiscal year ended in 2026.

Statutory Auditors' fees

The information concerning the fees of Statutory Auditors and other services are given in section 5.5, note 29 of the Universal Registration Document.

CROSS-REFERENCE TABLES

1.1 CROSS-REFERENCE TABLE OF THE 2021-2022 UNIVERSAL REGISTRATION DOCUMENT (URD)

The cross-reference table below makes it possible to identify the information required by Appendices 1 and 2 of Delegated Regulation (EC) No. 2019/980 of March 14, 2019 pursuant to the URD schema.

		Page no.	No. of chapters
1.	Persons responsible, information from third parties, expert reports and approval by the competent authority		
1.1	Identity of responsible persons	148 to 149	9
1.2	Declaration of persons responsible	148	9
1.3	Expert declaration	N/A	N/A
1.4	Statement relating to third-party information	N/A	N/A
1.5	Declaration regarding the filing of the document	1	-
2.	Statutory Auditors	149	9
3.	Risk factors	47 to 54	3
4.	Information about EXEL Industries	129 to 137	7
5.	Business overview	18	1
5.1	Main activities	18 to 26	1
5.1.1	Nature of operations and main activities	18 to 26	1
5.1.2	New products and services	31 to 32	1
5.2	Main markets	19 to 26	1
5.3	Significant events	28 to 30; 92; 113	1; 5; 6
5.4	Strategy and objectives	18; 33	1
5.5	Dependence on patents, licenses, industrial, commercial or financial contracts or manufacturing processes	30 to 32	1
5.6	Competitive position	21; 22; 23; 24	1
5.7	Investments		
5.7.1	Significant investments made	30	1
5.7.2	Ongoing investments or firm commitments	N/A	N/A
5.7.3	Joint ventures and significant investments	N/A	N/A
5.7.4	Environmental issues that may affect the use of tangible assets	N/A	N/A
6.	Organizational structure		
6.1	Brief description of the Group	14 to 15	1
6.2	List of significant subsidiaries	15; 20; 21; 22; 23; 24; 90 to 91	1; 5

		Page no.	No. of chapters
18.	Financial information concerning the assets and liabilities, financial position and results of the issuer		
18.1	Historical financial information	77 to 128; 130 to 131	5; 6; 7
18.2	Interim and other financial information	131	7
18.2.1	Quarterly or half-yearly financial information reported	131	7
18.3	Audit of historical annual financial information	123	6
18.4	Pro forma financial information	N/A	N/A
18.5	Dividend distribution policy	130 to 131	7
18.5.1	Description of the dividend distribution policy and any applicable restrictions	131	7
18.5.2	Dividend amount per share	130	7
18.6	Administrative, legal and arbitration proceedings	52	3
19.	Additional information		
19.1	Information on share capital	129 to 137	7
19.2	Articles of Incorporation and Articles of Association	135 to 137	7
20.	Major contracts	24 to 26	1
21.	Available documents	131	7

1.2 CROSS-REFERENCE TABLE OF THE ANNUAL FINANCIAL REPORT

This URD incorporates the elements of the Annual Financial Report referred to in Article L.451-1-2 of the French Monetary and Financial Code as well as Articles 222-3 and 222-9 of the General Regulations of the French Financial Markets Authority (AMF). The cross-reference table below makes it possible to identify the information included in the Annual Financial Report in this registration document.

		Page no.	Chapter no.
1.	Statement by the person responsible for the information contained in the Annual Financial Report	148	9
2.	Statutory accounts	111 to 123	6
3.	Consolidated financial statements	77 to 106	5
4.	Management report		
	• business development analysis	18 to 33	1
	• analysis of results	28 to 30	1
	• analysis of the financial position	28 to 30	1
	• main risks and uncertainties	48 to 53; 58 to 60	3; 4
	• key indicators relating to environmental and personnel issues	70 to 72	4
	• buybacks by the Company of its own shares	133 to 134	7
5.	Statutory Auditors' Report on the statutory accounts	124 to 128	6
6.	Statutory Auditors' Report on the consolidated financial statements	107 to 110	5

1.3 CROSS-REFERENCE TABLE OF THE MANAGEMENT REPORT

The cross-reference table below makes it possible to identify in this URD the information that constitutes the Annual Management Report in accordance with Articles L.225-100-1 *et seq.* of the French Commercial Code.

		Page no.	Chapter no.	Reference texts
1.	Information on the activity of the Company and the Group			
1.1	Statement of the business and results of the issuer, the subsidiaries and the companies it controls by *business unit*	18 to 33	1	L.232-1 and L.233-6 of the French Commercial Code
1.2	Foreseeable development of the issuer and/or the Group	33	1	L.232-1 and L.233-6 of the French Commercial Code
1.3	Post-closing events of the issuer and/or the Group	N/A	N/A	L.233-26 of the French Commercial Code
1.4	Research and development activities of the issuer and the Group	30 to 32	1	L.232-1 and L.233-26 of the French Commercial Code
1.5	Analysis of the evolution of the business, results and financial position of the issuer, with regard to the volume and complexity of the business of the issuer and the Group	28 to 30	1	L.225-100-1 and L.233-26 of the French Commercial Code
1.6	Financial and non-financial key performance indicators (including information relating to environmental and personnel issues) of the issuer and the Group	8 to 9; 28 to 30; 70 to 72; 78 to 82; 130 to 131	1; 4; 5; 7	L.225-100-1 of the French Commercial Code
1.7	Main risks and uncertainties facing the issuer	48 to 53; 58 to 60	3; 4	L.225-100-1 of the French Commercial Code
1.8	Financial risks related to the effects of climate change and presentation of measures taken to reduce them	48 to 50	3	L.225-100-1 of the French Commercial Code
1.9	Main characteristics of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information	53	3	L.225-100-1 of the French Commercial Code
1.10	Objectives and hedging policy: • Information on the use of financial instruments • Exposure to price, credit, liquidity and cash risks of the Company and the Group	50 to 53; 89; 105 to 106	3	L.225-100-1 of the French Commercial Code
2.	Legal, financial and tax information of the issuer			
2.1	Breakdown and change in shareholding	132 to 133	7	L.233-13 of the French Commercial Code
2.2	Names of controlled companies	16; 90 to 91	1; 5	L.233-13 of the French Commercial Code
2.3	Statement of employee profit sharing	N/A	N/A	L.225-102 of the French Commercial Code
2.4	Significant equity investments in companies having their registered office in France	92	5	L.233-6 of the French Commercial Code
2.5	Acquisition and disposal by the issuer of its own shares (share buyback program)	133 to 134	7	L.225-211 of the French Commercial Code
2.6	Injunctions or financial penalties for anti-competitive practices	N/A	N/A	L.464-2 of the French Commercial Code
2.7	Statement of any adjustments for securities giving access to the share capital in the event of share repurchase or financial transactions	N/A	N/A	R.228-90 of the French Commercial Code
2.8	Dividends distributed over the last three fiscal years	123; 130; 142	6; 7; 8	243 bis French General Tax Code
2.9	Supplier and customer payment terms	148	9	L.441-6-1 of the French Commercial Code; D.441-4 of the French Commercial Code; A. 441-2 of the French Commercial Code
2.10	Conditions for the exercise and retention of options by corporate officers	N/A	N/A	L.225-185 of the French Commercial Code
2.11	Conditions for holding free shares granted to executives and corporate officers	N/A	N/A	L.225-197-1 of the French Commercial Code
2.12	Company results over the last five fiscal years	123	6	R.225-102 of the French Commercial Code
2.13	Social and environmental consequences of the activity (including Seveso)	58 to 72	4	L.225-102-1 of the French Commercial Code
2.14	Vigilance plan	N/A	N/A	L.225-102-4 of the French Commercial Code

		Page no.	Chapter no.	Reference texts
3.	Issuer CSR information			
3.1	Statement of Non-Financial Performance	55 to 76	4	L.225-102-1 of the French Commercial Code R.225-104 and R.225-105 of the French Commercial Code
3.2	Declaration of the independent third-party organization on the information contained in the Statement of non-financial performance	73 to 75	4	L.225-102-1 V and R.225-105-2 of the French Commercial Code
4.	Report on Corporate Governance	35 to 46	2	Cross-Reference table

1.4 CROSS-REFERENCE TABLE FOR THE CORPORATE GOVERNANCE REPORT

The cross-reference table below makes it possible to identify in this URD the information that constitutes the report on corporate governance in accordance with Articles L.225-37-3 *et seq.* of the French Commercial Code.

		Page no.	Chapter no.	Reference texts
1.	Information on remuneration and benefits granted			
1.1	Total remuneration and benefits in kind paid by the issuer to corporate officers	43 to 46	2	Article L.22-10-9, I., 1° of the French Commercial Code
1.2	Components of fixed, variable and exceptional remuneration paid by the issuer to corporate officers	43 to 46	2	Article L.22-10-9, I., 2° of the French Commercial Code
1.3	Commitments of any kind made by the issuer for the benefit of its corporate officers	43 to 46	2	Article L.22-10-9, I., 4° of the French Commercial Code
1.4	Level of remuneration of corporate officers in light of (i) average remuneration and (ii) median remuneration on a full-time equivalent basis of employees of the issuer other than corporate officers and changes in this ratio over the course of at least the five most recent fiscal years, presented together and in a way that allows comparison	46	2	Article L.22-10-9, I., 6° and 7° of the French Commercial Code
2.	Governance information			
2.1	Offices and positions held in any company by each corporate officer during the fiscal year	38; 41; 42	2	Article L.225-37-4, 1° of the French Commercial Code
2.2	Agreements entered into between a corporate officer or a significant shareholder with a subsidiary of the issuer (excluding agreements relating to day-to-day transactions and concluded under normal conditions)	40	2	Article L.225-37-4, 2° of the French Commercial Code
2.3	Procedure implemented by the issuer pursuant to paragraph 2 of Article L.225-39 of the French Commercial Code on related-party agreements and its implementation	40	2	
2.4	Table summarizing the delegations of authority and valid authorizations in the area of capital increases showing the use made of these delegations during the fiscal year	134	7	Article L.225-37-4, 3° of the French Commercial Code
2.5	Procedures for exercising Executive Management in the event of a change	N/A	N/A	Article L.225-37-4, 4° of the French Commercial Code
2.6	Composition, conditions of preparation and organization of the work of the Supervisory Board	36 to 39	2	Article L.22-10-10, 1° of the French Commercial Code
2.7	Indication of the application of the principle of balanced representation of women and men on the Supervisory Board	38	2	Article L.22-10-10, 2° of the French Commercial Code
2.8	Any limitations that the Board of Directors places on the powers of the Chief Executive Officer	N/A	N/A	Article L.22-10-10, 3° of the French Commercial Code
2.9	Corporate Governance Code	36	2	Article L.22-10-10, 4° of the French Commercial Code
2.10	Specific procedures for the participation of shareholders in the Annual General Meeting or the provisions of the Articles of Association that provide for these procedures	137	7	Article L.22-10-10, 5° of the French Commercial Code

		Page no.	Chapter no.	Reference texts
3.	Information likely to have an impact in the event of a public tender offer or exchange offer			Article L.22-10-11 of the French Commercial Code
3.1	Capital structure of the issuer	132	7	Article L.22-10-11, 1° of the French Commercial Code
3.2	Statutory restrictions on the exercise of voting rights and share transfers	N/A		Article L.22-10-11, 2° of the French Commercial Code
3.3	Direct or indirect equity interests in the issuer's share capital	132	7	Article L.22-10-11, 3° of the French Commercial Code
3.4	List of holders of securities with special rights and description of these rights	N/A		Article L.22-10-11, 4° of the French Commercial Code
3.5	Control mechanisms provided for in any employee shareholding system, when control rights are not exercised by the latter	N/A		Article L.22-10-11, 5° of the French Commercial Code
3.6	Agreements between shareholders that may result in restrictions on the transfer of shares and the exercise of voting rights	N/A		Article L.22-10-11, 6° of the French Commercial Code
3.7	Rules applicable to the appointment and replacement of the Executive Management and to the amendment of the Articles of Association of the issuer	N/A		Article L.22-10-11, 7° of the French Commercial Code
3.8	Powers of the Executive Management, in particular with regard to the issue or buyback of shares	133, 134	7	Article L.22-10-11, 8° of the French Commercial Code
3.9	Agreements entered into by the issuer that are amended or terminated in the event of a change of control of the issuer, unless such disclosure, except in the case of a legal obligation to disclose, would seriously harm its interests	N/A		Article L.22-10-11, 9° of the French Commercial Code
3.10	Agreements providing for severance payments for corporate officers or employees, if they resign or are dismissed without real and serious cause or if their employment is terminated due to a takeover bid or exchange offer	N/A		Article L.22-10-11, 10° of the French Commercial Code

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