



EXEL INDUSTRIES IS AN INTERNATIONAL GROUP DRIVEN BY A STRATEGY OF **INNOVATION**. FOR MORE THAN 60 YEARS, EXEL INDUSTRIES HAS BEEN COMING UP WITH INNOVATIVE IDEAS IN ORDER TO OFFER CUSTOMERS UNIQUE, EFFECTIVE AND COMPETITIVE PRODUCTS THAT ARE SIMPLE TO USE. **ADAPTATION**. EXEL INDUSTRIES IS AN INTERNATIONAL GROUP DRIVEN BY A STRATEGY OF INNOVATION. FOR MORE THAN 60 YEARS, EXEL INDUSTRIES HAS BEEN COMING UP WITH INNOVATIVE IDEAS IN ORDER TO OFFER CUSTOMERS UNIQUE, EFFECTIVE AND COMPETITIVE PRODUCTS THAT ARE SIMPLE TO USE. **TRANSFORMATION**

EXEL INDUSTRIES GROUP

2020 UNIVERSAL REGISTRATION DOCUMENT

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

Fiscal year from October 1, 2019 to September 30, 2020

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UNIVERSAL REGISTRATION DOCUMENT **2020**

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

Fiscal year from October 1, 2019 to September 30, 2020



This Universal Registration Document was filed on January 18, 2021, with the 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 28 of European Regulation No. 809/2004 of April 29, 2004, for selected information the reader is referred to the previous Registration Documents:

- the consolidated financial statements, separate annual financial statements and corresponding Statutory Auditors' reports for the fiscal year ended September 30, 2019 contained in the Registration Document filed with the AMF on January 16, 2020;
- the consolidated financial statements, separate annual financial statements and corresponding Statutory Auditors' reports for the fiscal year ended September 30, 2018 contained in the Registration Document filed with the AMF on January 17, 2019.

Message from the Chairman of the Board of Directors and the Chief Executive Officer

Patrick BALLU, you appointed a new Chief Executive Officer from outside the family a year ago. What is your assessment of the new situation?

Having a CEO who is not from my family is a profound change, but it avoids mixing professional and family relationships.

Yves BELEGAUD brings us his fresh and experienced perspective, both in industry and in the agricultural sector, with which he has proven affinity. I like his way of managing: he's a decision-maker, but at the same time friendly and consensual; he also knows how to listen and how to make our teams work in a network.

In this period of pandemic and significant transformation of our Agricultural Spraying activity, he is showing courage and is proving himself capable of quickly embracing major issues. It's impressive: he's been so quick to adopt our DNA and embrace our family business values that you could be forgiven for thinking he's been with us for many years.

Finally, while remaining the Group's decision-maker, he knows how to keep me regularly informed of the direction he wishes to take, and does not hesitate to ask me for advice, taking advantage of my experience and knowledge of our business.

Yves BELEGAUD, what has impressed you the most since your arrival at EXEL Industries?

I knew Patrick BALLU's reputation as a captain of industry from afar. On closer inspection, this

family business has achieved an extraordinary track record of sustained growth since the 1980s, entirely self-financed.

Arriving at the head of a Group with such a record is both reassuring and makes for a lot of pressure. It's no secret that I'm a believer in rigorous management for operating and capital expenses. I also like the leanness of the holding company focused on the big picture, with a small headcount. I was also impressed by the agility in decision-making, an asset for the Group's growth, and the teams' ability to adapt to the Covid-19 crisis.

Patrick BALLU, EXEL Industries is a family-owned group, but nevertheless publicly traded. Why continue with a free float of just 16%?

In 1997, we went public to be able to raise capital quickly to finance further growth. Indeed, since 1980, through acquisitions and organic growth, we have doubled our sales every 6 years – 6 times in a row! Thanks to the confidence of our bankers, we were able to take on a lot of debt to acquire companies that were sometimes loss-making, but the rapid recovery in their profitability and the sharp drop in their working capital requirements has consistently allowed our cash position to become positive again. All things considered, this know-how meant that we never needed to increase our capital over that period.

So why stay public with just 16%? It's true that the disclosure requirements imposed on our business and earnings may have prompted

Patrick BALLU,
Chairman of the Board of Directors

“We have contact with almost half of French farmers. We must make the best use of this potential and improve the service to make them want to buy equipment from the EXEL Industries group.”

a desire among some new competitors to enter our highly specialized and in principle profitable businesses. That's one of the drawbacks of being public. At the same time, the stock market requires greater rigor: precision, compliance with schedules and procedures, risk management and internal control, and more. On top of that, at the time of the IPO, I was personally able to give shares in the Group to all our employees so that they could feel like the owners of the public group. The synergy and belonging effect has been tremendous.

Lastly, to improve our governance, we have brought two independent directors into the Board of Directors: one chairs the Audit Committee and the other chairs the Remuneration Committee. They enrich the board with their approaches, ideas and personal experiences.

Yves BELEGAUD, how can you extract synergies within a group that is a federation of autonomous companies?

First of all, you should bear in mind that EXEL Industries is a holding company. Each activity is managed by a responsible CEO. The holding company provides advice, manages some cross-cutting functions such as legal, consolidation, financing and financial communication. The holding company also manages industrial property, which is one of the Group's important levers. It helps the activities to grow and promotes the Group's development.

My role is to initiate or carry out certain projects such as the transformation of the Agricultural Spraying activity, which is entering its final phase in 2021. We are taking advantage of this to optimize the support and purchasing functions. But I have to take into account the specific nature of our organization, because on top of having quite different business lines, we are highly international.

Finally, we are setting up a Group policy on security and internal control. A little time and accomplishment can make for significant synergies.

Patrick BALLU, public opinion is highly critical of agricultural spraying. What are your arguments to defend it?

The issue goes beyond agricultural spraying, what's really at stake is crop protection.

Our sprayers make it possible to apply products available to farmers to protect and care for plants (against pests, fungi, weeds) and to feed them (nitrogen, regulators, etc.). Let's call them "medicaplants", because they treat plants, not pesticides (which is an Anglicism). Like medicines for humans, "medicaplants" are essential to make crops healthy and productive.

We know exactly how to apply the right dose, in the right place and at the right time, whether chemical or biological. Our new technologies, with vision and Artificial Intelligence, will soon make it possible to

Yves BELEGAUD,
Chief Executive Officer

reduce quantities to very small doses by targeting only the strictly necessary areas.

I don't believe that all-organic farming can feed the world. Nor do I believe in a brutal ban on all products currently in use. Let's apply the long-term approach of farming to testing. We will always need time to anticipate new techniques ahead of the trends. Our sprayers will be more precise, more technological, more powerful and always ready to react as soon as a health risk appears. They will therefore be more sophisticated, adding more value.

Yves BELEGAUD, you are transforming the Agricultural Spraying sector. How far have you come?

EXEL Industries has been the leader for many years, with a multi-brand policy that has paid off. Faced with competition, full liners and long liners, we needed to pool our offer by creating skills centers that improve our industrial productivity. We are renewing our approach to direct marketing. We have contact with almost half of French farmers. We must make the best use of this potential and improve the service to make them want to buy equipment from the EXEL Industries group. And we have specific ideas for improving our overall offering, whether it be financing or services.

Creating skills centers enables us to strengthen our capacity for product innovation while maintaining each brand's specificity. Our recognition extends far beyond France. As a spray liner with BERTHOUD, EVRARD, TECNOMA and MATROT, and with acquisitions such as HARDI, AGRIFAC and ET Works, we deploy our machines worldwide. We also occupy a strong position in

viticulture/arboriculture, especially in France, and are currently revisiting our offer.

The French sprayer fleet has an average age of 10 years, and a lot of it needs to be replaced. Technological solutions are changing, as are regulations, so I am confident about the level of future demand.

Patrick BALLU, you have mentioned on several occasions the development of the Group through external growth. Could you tell us why you are looking into a fifth activity?

We specialize in 3 complementary sectors, which have different annual and business cycles. For example, Agriculture was doing well when Industry was struggling. Now it's the other way around: Industry and Garden are doing nicely, while things are tougher in Agriculture. Having at least three feet on our stool makes us stable, having one more will make us even more so.

That is why we are seeking to strengthen each of our business lines, for example with the recent acquisition of INTEC, complementary to SAMES KREMLIN, or the probable addition of other Garden products. On top of that, we are looking into a possible fifth business line with different cycles and markets, but nevertheless matching our skills and our international objective.

Patrick BALLU,
Chairman of the Board of Directors

Yves BELEGAUD,
Chief Executive Officer

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1.1 Person responsible for the Universal Registration Document

Mr. Yves BELEGAUD
Chief Executive Officer

1.2 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;

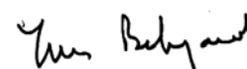
And that the Annual Report for the fiscal year faithfully presents business trends, the results and financial position of the Company and all consolidated operations and the description of the main risks and uncertainties.

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 83-86 for the fiscal year ended September 30, 2020 and on page 1, which is included for reference purposes, for the fiscal year ended September 30, 2019.

January 17, 2021

Yves BELEGAUD
Chief Executive Officer



1.3 Auditors

Statutory Auditors

The financial statements for the 2019/2020 fiscal year were approved by:

■ SA DELOITTE & Associés

Start of term: 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 2020.

■ SA MAZARS

Start of term: 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 2020.

Alternate Auditors

■ SAS BEAS

Start of term: 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 2020.

■ Mr. Alain Chavance

Start of term: 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 2020.

1.4 Person responsible for the information

Mr. Yves BELEGAUD
SA EXEL Industries
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RCS PARIS 095 550 356
Tel.: + 33 (0)1 71 70 49 50

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Presentation of the Group

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2.1 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

Vincent BALLU founds the family company TECNOMA, to sell the high-clearance tractors.

1953

TECNOMA becomes a local dealer for VERMOREL spraying equipment.

1960

TECNOMA takes over manufacturing of its new synthetic resin sprayers.

1966

Acquisition of former market leader VERMOREL, Ulysse Fabre and Lachazette.

1967

First export award.

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 sales.

1986

The family company acquires agricultural spraying companies CARUELLE, near Orléans, and NICOLAS, in Agen.

1987

Acquisition of BERTHOUD, the leading manufacturer of farm and garden sprayers in France, with its subsidiaries SEGUIP, THOMAS and PERRAS.
The family company is renamed EXEL and becomes a multi-brand group in agricultural and consumer spraying.

1989

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

1990

Acquisition of PRECICULTURE, the French leader in agricultural self-propelled sprayers and high-clearance tractors.

1993

The Group's legal structure is simplified and it is renamed EXEL Industries, owning the trademarks and patents.

1996

After having established positions in the agriculture and consumer segments, the EXEL Industries group diversifies into the industrial market with the acquisition of KREMLIN, the international paint spraying company.

1997

EXEL Industries lists on the Paris stock exchange with sales of €150 million at the time, of which 75% earned in France and 25% abroad.

2000

Acquisition of FISCHER and REXSON.

2001

Acquisition of SAMES, 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.
Acquisition of HERRIAU (sugar beet harvesters).

2006

Acquisition of CMC (Constructions Mécaniques Champenoises), a specialist in high-clearance tractors for wine growers.

2007

Acquisition of the Danish group HARDI, a worldwide manufacturer of agricultural sprayers.
Acquisition of MOREAU, the French leader in sugar beet harvesters.

2011

In April, Patrick BALLU passes the baton to his son, Gueric BALLU, who takes over as CEO of the EXEL Industries group with sales of €430 million over the current fiscal year, of which 60% abroad.

2012

Acquisition of AGRIFAC, a Dutch company specializing in agricultural spraying and sugar beet harvesters.

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

2013

Acquisition of the German group HOLMER, the historical leader on the sugar beet harvester market, with a global presence. EXEL Industries becomes the world leader on the sugar beet harvester market. EXEL Industries now has four businesses: Agricultural Spraying, Sugar Beet Harvesters, Garden Watering and Spraying and Industrial Spraying.
Merger of all sugar beet harvester brands under the HOLMER brand.

2016

Acquisition of the ET Works group, a US company specialized in self-propelled agricultural sprayers.
Sale of the HERRIAU seeders.
Merger of KREMLIN REXSON and SAMES Technologies which become SAMES KREMLIN.

2017

Sale of RAM Environnement.
Merger of MATROT Équipements and HARDI EVRARD to form Groupe HARDI France. EXEL Industries sees sales of €874 million, of which 20% in France and 80% abroad.

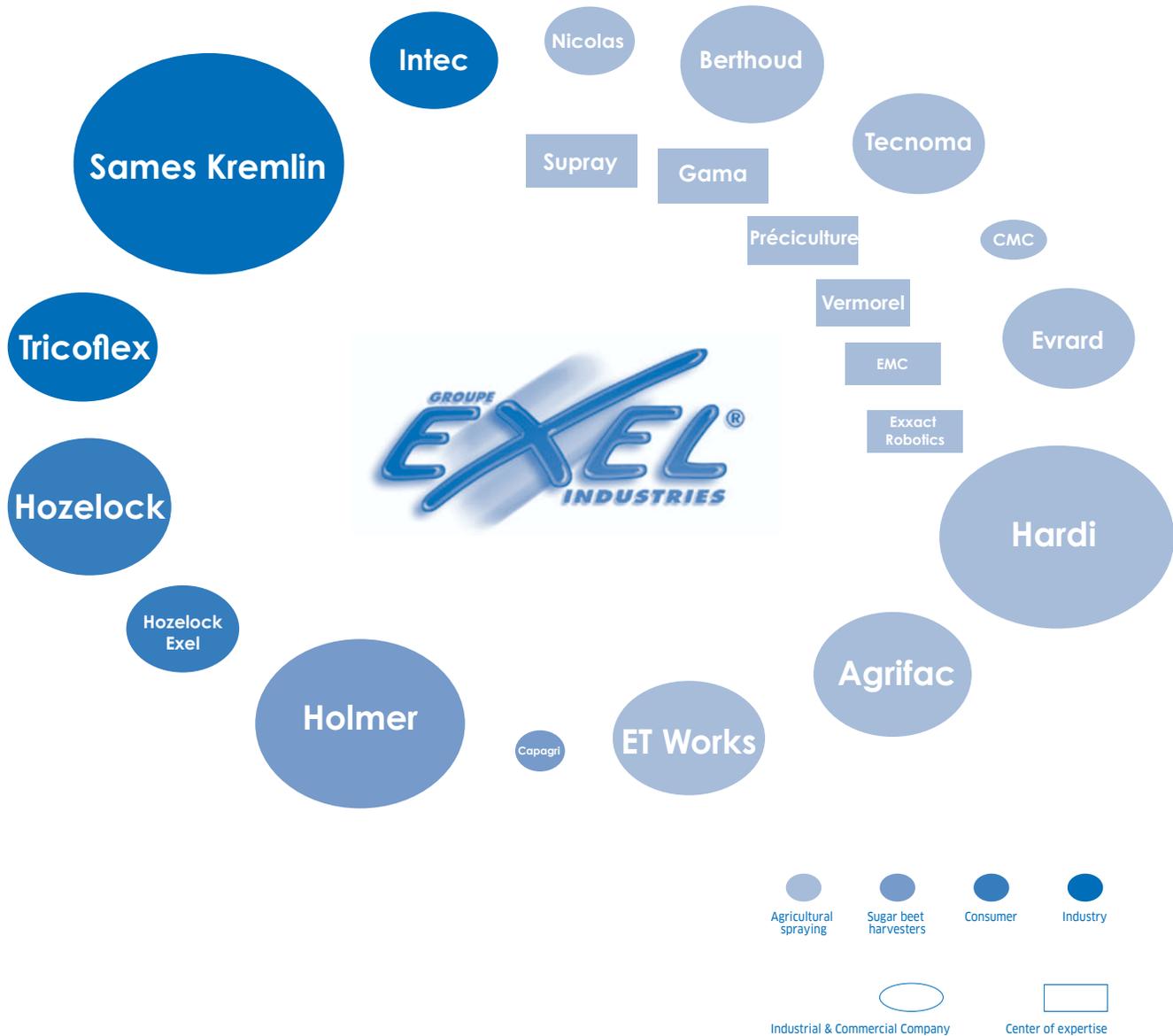
2019

EXXACT Robotics established.
Gueric BALLU replaced by Yves BELEGAUD, the first Chief Executive Officer from outside the BALLU family.

2020

Acquisition of Eisenmann iNTEC, which becomes iNTEC SAMES KREMLIN

2.2 Simplified organization chart of the EXEL Industries group at September 30, 2020



The full organizational structure is presented in note 2 to the consolidated financial statements "Basis of consolidation".

2.3 Business overview of the EXEL Industries group

The Group has four businesses:



2.3.1 Group businesses and products

Group profile

EXEL Industries designs, manufactures and sells agricultural and industrial sprayers. Efficient spraying consists of protecting and improving performance and optimizing the products being sprayed. The Group also competes in the garden watering products and sugar beet harvester markets.

In 2020, the Group had sales of €754.4 million and devoted almost 4% of its sales to Research and Development. EXEL Industries employs 3,392 permanent employees spread over 27 countries and 20 production sites.

Group strategy

EXEL Industries, created in 1946 by Vincent BALLU, is a family group listed on Euronext Paris and diversified into three business sectors.

Bringing together several highly autonomous SMEs, the holding company is a governance body that provides them with the means to finance their development, allowing them to rely on a portfolio of brands and patents, and a common set of values.

Its B2B activities aim to help its customers achieve their economic and environmental performance targets. Its B2C activity provides consumers with gardening products that allow them to be in harmony with nature.

As a Group with a human focus, EXEL provides its employees with the means to express their talents, with a short and agile decision-making circuit, close to customers and products.

With a geographic and sector growth strategy based on great capacity for innovation, recognized expertise and an ability to integrate its acquisitions, EXEL has always created value for its shareholders and financial partners.

2.3.1.1 Agricultural spraying

Sales: €332.1 million, or 44.0% of total Group sales

Number of employees: 1,665 (permanent contracts)

Production sites: 11

Description

Agricultural Spraying involves protecting and enabling crop yields to be improved by accurately delivering the right amount of plant

protection products (plant health 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 €2,000 and €400,000 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, etc.).

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

- **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 operating safety certification for high-clearance tractors, self-propelled vehicles and trailed sprayers, both in France and 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 (LabelPulvé);

- 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.

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 often less than 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 7.6 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, APACHE and BRUIN. 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, PRECICULTURE, ET Works).

TECNOMA SAS, a company based in Epernay, in the Marne department, markets all field crop and viticulture sprayers, as well as the TECNOMA brand high-clearance tractor.

NICOLAS Sprayers SAS, 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 in the Marne department, joined the EXEL Industries group in July 2006. It markets a complete range of high-clearance tractors for use in vineyards.

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

The **HARDI** group, 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 and **MATROT** located in Beaurainville (France) design, produce and market 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, with its registered office in Steenwijk in the Netherlands, was acquired in July 2012. It designs, manufactures and markets high-end self-propelled sprayers.

ET Works, whose registered office is located in Mooresville in the state of Indiana in the USA, was acquired in January 2016. It manufactures and markets self-propelled sprayers for the Apache brand. The Group has four commercial subsidiaries in the USA 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.

PRECICULTURE, a company based in Fère-Champenoise in the Marne department, designs and manufactures self-propelled spraying machines 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.

Main competitors

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

- John Deere (United States) tractor manufacturer which is aiming to build a full line of products;
- CASE (United States), a tractor manufacturer that is aiming to build a full-line;
- Jacto (Brazil) for Large-Scale Crops, Vineyards and Orchards;
- Amazone (Germany) for Large-Scale Crops;
- Horsch (Germany) for Large-Scale Crops;
- Kuhn, subsidiary of the Bucher Group (Switzerland) that is seeking to develop 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.

2.3.1.2 Sugar beet harvesting

Sales: €114.2 million, or 15.1% of total Group sales

Number of employees: 342 (permanent contracts)

Production sites: 2

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

Sugar Beet Harvesters

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: a decomposed, 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 m³ 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 increasingly 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 m³. 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. The Group has one manufacturing site in Germany and six sales subsidiaries in France, Poland, the Czech Republic, Ukraine, the USA and Turkey. It also has a representative office in Beijing, China.

CAPAGRI, a company located in Noyelles-sur-Escault in the Nord department, manufactures and markets equipment parts, mainly for sugar beet and potato harvesters.

AGRIFAC, located in Stenwijk in the Netherlands, manufactures and sells sugar beet harvesters described as "small tanker harvesters", simpler 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.

2.3.1.3 Garden spraying and watering

Sales: €121.1 million, or 16.1% of total Group sales

Number of employees: 379 (permanent contracts)

Production sites: 2

Through its HOZELOCK, BERTHOUD, LASER INDUSTRIE and COOPER PEGLER brands, the EXEL Industries group, a global leader in the consumer 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 has a comprehensive and diverse line-up of products in each 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, where HOZELOCK 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.

HOZELOCK is the market leader in the UK and Scandinavia, and also operates all over Europe and Australia.

Garden sprayers

Garden sprayers make it possible to treat plants with fertilizer and protect them against weeds and other pests. In the garden business, EXEL Industries 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. The EXEL Industries group 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.

The EXEL Industries group 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 group is based in Birmingham, UK. It assembles and markets gardening equipment, with a product range in 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.

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 (various countries);
- and related to plant protection:
- Matabi (Spain);
 - Gloria, Mesto, Solo (Germany);
 - Dealer brands (various countries).

2.3.1.4 Industrial spraying

Sales: €187.0 million, or 24.8% of total Group sales

Number of employees: 992

Production sites: 6

The EXEL Industries group's Industrial Spraying business comprises the following subsidiaries: SAMES KREMLIN, INTEC and TRICOFLEX.

Industrial Spraying covers a number of areas: bonding, protection, and finishes.

The products developed by these companies 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.

Industrial Spraying

With two manufacturing sites in France, in Stains (Seine-Saint-Denis department) and Meylan (Isère department), and a production site in Erfstadt, in Germany, SAMES KREMLIN and its 16 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 KREMLIN puts its emphasis on innovation, matching each client's needs on an optimal basis and an efficient supply chain.

Based on differentiating technologies, SAMES KREMLIN 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 KREMLIN

A pioneer of electrostatic spraying techniques (1925), electrostatic power coating (1960) and Airmix® spraying (1975), SAMES KREMLIN is behind a large number of patents; 6.8% of its headcount is involved in R&D.

It has six product ranges involving specific techniques:

- **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;
- **ELECTROSTATISTIQUE**: pneumatic or rotating bell spraying (centrifugal atomization over a fine rim) of droplets of electrically charged product, which enables an excellent quality finish with a high-performance coating, and also a wraparound effect that allows all faces of parts to be painted simultaneously;
- **POWDER**: spraying in a controlled flow of air or by rotating bell (centrifugal distribution over a fine rim) of particles of electrically

charged product, which enables an excellent quality finish with a high performance coating, and also a wraparound effect which allows all faces of parts to be painted simultaneously;

- **High viscosity**: high-viscosity products are pumped, potentially heated, then extruded or sprayed under high pressure so as to form a web of various shapes and sizes, or a uniform coating of material on a substrate. The legacy Rexson range dedicated to automotive and general industry paint shops is now supplemented by INTEC SAMES KREMLIN products dedicated to automotive body assembly workshops, following the acquisition of INTEC EISENMANN.

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

The pumps are double or quadruple bearings, diaphragm pumps or vane 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 KREMLIN equipment allows users to achieve higher levels of performance, productivity and quality in their industrial processes while significantly improving productivity (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 KREMLIN designs, manufactures and distributes standard solutions by means of a worldwide network of qualified integrators. These solutions, from the simplest to the most complex of technologies are manual, automatic or robotic and allow the application of liquids, powders and viscous products.

In order to meet its clients' everyday needs, SAMES KREMLIN develops and markets a service offering through its trained and qualified dealers, which allows them to become and subsequently remain their users' preferred supplier.

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

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

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.

Manufacture of 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.

2.3.2 Customers – suppliers

2.3.2.1 The agricultural market for sprayers

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 part of this trend, 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.

2.3.2.2 The agricultural market base for sugar beet harvesters

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.

Sales are mainly made directly in countries where HOLMER and AGRIFAC are established with their own subsidiary, or through dealers

in other countries. Selling nearly always 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 4 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.

2.3.2.3 The consumer market

Products marketed by 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). 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. The health situation related to Covid-19 has prompted people to stay at home and garden. The result is an increase in the number of gardeners, which should structurally strengthen the garden business.

2.3.2.4 The industrial market

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, Bénéteau, Caterpillar, Dacia, Dassault, EDF, Fagor, Ford, GM, IKEA, Lafarge, Lamborghini, Louis Vuitton, Mahindra, Mercedes, Philips, PSA Peugeot Citroën, Renault-Nissan, Rolls-Royce, Safran, Schneider Electric, Tata, Tefal, Tesla, Veolia, Porsche, BMW, Bosch, Volkswagen, Chrysler.

Given our very diversified markets and customers, consolidated sales are 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.

2.3.3 Plant and machinery

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 cowlings 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).

2.3.2.5 Suppliers

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).

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.

Moreover, the Group applies Lean Management practices in its manufacturing plants. Lean management is a process that seeks to optimize the organization and operating efficiencies of our companies.

Companies	Country	City	Postal code	Address	Surface area overall (m ²)	Of which usable building area (m ²)
AGRIFAC Australia Pty Ltd (Australia)	Australia	Briba Lake		1/45 Howson Way	-	503
AGRIFAC Machinery BV	Netherlands	Steenwijk	8332 JA	Eesveesenweg 15-17	40,510	23,368
AGRIFAC UK Ltd (UK)	United Kingdom	Cambridgeshire	PE15 OAY	1 Martin Avenue, March	3,966	625
AGRIFAC UK Ltd (UK)	United Kingdom	Cambridgeshire	PE15 OAZ	4 Thorby Avenue, March	4,200	1,444
SCM API	France	Chaumont	52000	29, av. Asthon Under Lyne	69,086	3,500
EMC LLC	Russia	Volgograd	400075	5, SERUNY PROEZD	4,935	4,935
ET Works Inc.	United States	Mooreville	IN 46158	2201 Hancel Parkway	31,124	10,600
FISCHER Nouvelle SARL	Switzerland	Collombey	1868	ZI en Bovéry 14	2,825	1,825
GAMA Technologies	France	Belleville-en-Beaujolais	69220	1, Rue de l'Industrie	60,715	16,372
Groupe HARDI France	France	Beaurainville	62990	Rue du 21 Mai 1940	63,543	14,272
HARDI Australia Pty Ltd	Australia	Cavan	SA 5094	534 Cross Keys Road	12,500	6,000
HARDI AUSTRALIA PTY LTD	Australia	Cavan	SA 5094	536 Cross Keys Road	12,380	3,000
HARDI Australia Pty Ltd	Australia	Cavan	SA 5094	538 Cross Keys Road	34,000	7,700
HARDI INTERNATIONAL A/S	Denmark	Norre-Alslev	4840	Herthadalvej 10	155,176	47,500
HARDI North America Inc.	United States	Davenport	52806	1500 W 76th Street	78,145	11,490
HOLMER Maschinenbau GmbH	Germany	Oschersleben	9387	Lange Straße 48 - 3	9,297	1,801
HOLMER Maschinenbau GmbH	Germany	Rogging / Pfakofen	93101	Zaitzkofener Straße 5	10,824	1,920
HOLMER Maschinenbau GmbH	Germany	Schierling / Eggmühl	84069	Regensburger Straße 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
ILEMO-HARDI SA	Spain	Lleida	25191	Josep Segura Farré, num, 712-713	13,182	6,007
iNTEC SAMES KREMLIN GmbH	Germany	Erfstadt	50374	Otto Hahn Allee 9	13,139	4,513
PRECICULTURE	France	Fère-Champenoise	51230	165, Rue des Verriers	89,818	11,409
SAMES KREMLIN	France	Meylan	38240	13, Chemin de Malacher	28,245	13,266
SAMES KREMLIN	France	Stains	93240	150, av. de Stalingrad	37,140	13,081
SAMES KREMLIN CO., Ltd	China	Shanghai	201611	Building No. 9, No. 3802 Shengang Road, Songjiang District	3,125	3,125
SAMES KREMLIN Inc.	United States	Plymouth	MI 48170	45001 Five Mile Road	20,234	4,830
SUPRAY Technologies	France	Épernay	51200	54, rue Marcel Paul	34,068	18,296
TRICOFLEX	France	Vitry-le-François	51300	17, avenue Jean Juif	69,074	24,940

2.3.4 Investments

2.3.4.1 Summary of capital investments over recent fiscal years

<i>(in € millions)</i>	2015	2016	2017	2018	2019	2020
Capital expenditures for property, plant and equipment and intangible assets	13.0	28.5	20.9	19.0	10.4	10.9
Non-current financial assets	-	-	-	0.3	-	-

2.3.4.2 Main capital expenditures

In the last fiscal year, Group capital expenditures amounted to €10.9 million. The main capital expenditures included:

- acquisition of patents related to the acquisition of INTEC;
- purchases of tooling and industrial facilities, for all of our subsidiaries.

3

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Amounts are expressed in millions of euros or thousands of euros and the values presented are rounded to the nearest whole figure. There may therefore be a non-material difference between the sum of these rounded-up values and the total amounts presented in this section.

The following section devoted to the Statement of Non-Financial Performance (DPEF) is an integral part of the management report.

3.1 Annual highlights

The 2019/2020 fiscal year, which closed at the end of September 2020, resulted in EXEL Industries group sales of €754.4 million, down €22.3 million (-2.9%) compared with the end of September 2019. At constant foreign exchange rates and scope, revenue came to €729.3 million, down €47.4 million (-6.1%).

- At €332.1 million, the Agricultural Spraying business recorded a decline in sales in a global market affected in 2020 by the health crisis and the price of agricultural commodities, which remained at low levels. In France, where the Group generates less than half of its sales, the agricultural equipment market was down 5%.
- The Sugar Beet Harvesting business recorded a slight increase of €114.2 million in sales in 2019. The market seems to have stabilized over the past two years, at the level to which we have adapted our industrial plant in a depressed climate for the sugar industry that has seen the level of activity fall by 35% compared with the peak of 2017.
- The Garden Watering and Spraying business, whose market is growing by an average of 4% per year, benefited from the enthusiasm of households in lockdown and exceptional weather from late spring. This allowed us to record sales of €121.1 million (the highest level of the last five years).
- The Industrial Spraying business was affected by the slowdowns in the automotive and aerospace industries, reflected in lesser demand for wearing parts and the deferral of painting booth installation projects. The TRICOFLEX "flexible technical hoses" product family was for its part much less penalized. In total, we ended the year with sales of €187 million (including €27.9 million from INTEC).

At €45.4 million (6% of sales), reported EBITDA was up €3.3 million compared with 2018/2019. Despite the particularly hectic period we

have been through, our teams worked hard to adapt our organization to meet our customers' demands. That enabled us to maintain our direct margin. At the same time, we have adjusted our fixed cost structure, ensuring tighter control of our operating cash flow.

Operating profit increased by €2.5 million to €35.3 million.

The net loss of €10.7 million is a reflection of the following main accounting items:

- an exceptional loss of €29.9 million. The very uncertain macro economic context, notably as a result of the health crisis, led us to increase the overall level of general risk taken into account in our asset impairment testing. This resulted in impairment of Agricultural Spraying goodwill in the amount of €26 million, supplemented by a non-recurring expense of €3.9 million;
- net financial expense of €11.1 million, mainly consisting of the mechanical effect of the closing exchange rates on our balance sheet items in the amount of €7.9 million. Last year, we recorded a foreign exchange gain of €2.7 million;
- lastly, the amount of tax recorded was €5.4 million.

Net financial debt at September 30, 2020 was €87 million, compared with €61.1 million in 2019. It includes €67.8 million related to the acquisition of INTEC and the application of IFRS 16, *i.e.* cash generation of €41.9 million during the fiscal year.

Financial leverage for the year 2019/2020 (NFD/EBITDA) remains at a controlled level of 1.9. Excluding INTEC and IFRS 16 it was 0.5, compared with 1.5 the previous year.

In addition, the EXEL Industries group has financing lines that enable it to meet its operating needs and, where applicable, external growth, without lasting damage to its balance sheet structure.

3.2 Events after the reporting period and outlook

Events after the reporting period

At the beginning of the fiscal year, SAMES KREMLIN announced the development of PRiNTEC™, a range of products and services based on patented printhead technology for the application of paint. It opens up unlimited possibilities for customization thanks to the high-speed printing of horizontal or vertical stripes, patterns or checkerboards, on 2D or 3D surfaces. It is also applicable to adhesives and sealants. PRiNTEC™ targets the automotive, rail, aerospace, furniture and ceramics markets. This technology will enable its customers to make productivity gains while making a significant contribution to preserving the environment with no loss of paint.

Profit forecasts or estimates

AGRICULTURAL SPRAYING. The somewhat sluggish agricultural equipment market could be boosted by better short-term prospects for agricultural prices (wheat, corn, etc.) and government support plans (France, Australia, USA, etc.). We also plan to finalize our transformation plan in France, which is expected to produce its first effects on our fixed costs and strengthen our commercial momentum.

SUGAR BEET HARVESTERS. The current price of sugar and diseases could weigh heavily on the areas allocated to beet growing and therefore on equipment orders. However, sugar beet prices received firm support from sugar producers in the 2020/2021 season. We also

plan to intensify our diversification with the development of TERRA VARIANT in France.

GARDEN WATERING AND SPRAYING. 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. The health situation related to Covid-19 has prompted people to stay at home and garden.

The result is an increase in the number of gardeners, which should structurally strengthen the garden business.

INDUSTRIAL SPRAYING. The recovery of the automotive sector is set to be slow, but we continue to implement synergies between SAMES KREMLIN and INTEC. In addition, new products and the strengthening of our commercial organization should make it possible to boost TRICOFLEX.

3.3 Research and development

3.3.1 A culture of innovation

Since its creation, the EXEL Industries group has been a pioneer in developing technologies in its core business of spraying.

In an increasingly competitive environment, research and development (R&D) enables the EXEL Industries group and its subsidiaries to:

- improve their production efficiency, through innovations in processes;
- set their offering apart and create more value for customers;
- boost revenue and related income, through product innovation;
- make use of the Group's distinctive know-how and stand out from competitors.

As of September 2014, EXEL Industries' industrial property policy first introduced in 1994 is being applied to all its subsidiaries, in keeping with its role as the Group's holding company.

Our Company therefore registers any new industrial property right (Patent, Trademark, or Design) in its own name and for each of its subsidiaries in France and abroad.

We filed around 30 new patent applications over the 2019/2020 period.

The patent applications filed during the previous period were on average extended to six designations (Europe counting as one designation).

For the EXEL Industries group and its subsidiaries, R&D implies a significant investment in terms of time, workforce and cost.

At least 7.6% of our employees are permanently employed on R&D projects.

R&D also implies the development of partnerships with companies, universities and innovative SMEs, and patent acquisitions, competitive intelligence and the search for profitable niches.

Research and development expenditures are recognized as ordinary annual operating expenses and therefore not capitalized as assets, except on an exceptional basis.

Furthermore, to optimize the management of research and development expenditures, the Group uses the system for research tax credits available in France.

3.3.1.1 Agricultural spraying

Products for "large-scale crops" and "vineyards"

In order to consistently respond in the best possible way to new market expectations, EXEL Industries' research and development is based on:

- greater precision in applying and targeting the drops on the target;
- greater safety for the operator;
- greater comfort in operation, usage and adjustment through the development of assistance systems;
- greater environmental protection primarily due to an optimized volume of product sprayed;
- greater longevity and reliability of equipment.

Some noteworthy examples of innovations include:

- self-propelling booth mounted on hydraulic rails with access from the ground (LASER FC);
- four-component electro-pneumatic carried jet system (OPTI SPRAY);
- new variable-width chassis (225 to 320 cm) for use with all crops (WideTrackPlus);
- new chassis with clearance ranging from 125 to 200 cm for tall crops (ClearancePlus);
- exclusive system fully automating the process of opening and closing spraying booms (Press'n'Go). Innovation Award at the Innovagri 2010 trade fair;
- application system for use in arboriculture and wine growing using air-assisted technology for precision spraying (IRIS). FIMA 2010 Innovation Award;
- automatic driving of the self-propelled sprayer to allow the operator to concentrate solely on the operating settings. This "automatic pilot" operates when receiving a DGPS or RTK signal and may be disconnected at any time by the operator;
- automatic management of the ramp height through ultrasound sensors (AutoHeight);
- lift and chain system providing a wide range of spray heights from 0.5 m to 3.15 m (Twin Lift);

- bi-turbine centrifugal pumps that are easier to clean and more economic in fuel consumption (Omega);
- an interlined air jet system for spraying in vineyard rows making it possible to significantly reduce doses of plant care products (Précijet) and, more recently, the use of recovery/confinement panels;
- air-assisted spraying that will enable drift from the sprayed products to be very significantly reduced (Twin);
- "automotive" drive that allows self-propelled sprayers to be controlled by both hand and foot;
- filling management system which prevents tank overflow and helps the operator to adjust the sprayer (Novaflow);
- filling the sprayer's main tank *via* an intermediate tank to avoid any risk of contamination (O'Clear);
- system that recycles the air in the sprayer's cabin and prevents any air entering from outside during spraying work for better operator protection (Clinair);
- guiding systems, section management and dose modulation coupled with GPS mapping of the field (OPTISPRAY, OSS+);
- automatic sequential rinsing system for the whole spraying cycle (Autonet);
- automatic follow-up system for the ramp and system for keeping the chassis of the self-propelled sprayer horizontal (Stabilis);
- STILA towed sprayer, awarded machine of the year at SIMA 2015;
- Condor Endurance self-propelled sprayer with a tank capacity of 8,000 liters;
- DynamicDosePlus: with this concept, a drone flies over and scans the plot to map the land to be treated. Point by point, the map indicates the dosage to apply, from 0 to 100% of the maximum dose. In this innovative system, the plants only receive the right dose for their growth stage. Input costs are reduced – by up to 95% for some herbicides – while yields are increased.

This culture of innovation also contributes to regular launches of new product lines. In the past three years, launches by the Group included:

- Rubicon 9000, the self-propelled sprayer for the Australian market should deliver a boost in productivity, covering 150 ha at 60 liters/ha or 50% more in terms of sprayed hectares;
- APACHE HS 1100 and HS 700 are the outcome of French-American technical cooperation between ET Works, BERTHOUD and PRECICULTURE. These four-wheel drive units have variable ground clearance of up to 1.8 meters;
- Précijet: with a view to making its application still more precise, TECNOMA now offers continuous circulation and a very precise wine-growing pack. In addition, for environmental reasons TECNOMA now offers with its EVO range the first high-clearance tractors that meet the latest Final Tier 4 anti-pollution standards;
- Air Drive: in-line mounted jet spraying equipment. Used with air injection nozzles, these new-generation downspouts not only limit drift but also reduce material used due to improved processing.
- Meteor R-Activ boasts a futuristic look and revised chassis to ensure robustness and visibility for the user. The spraying circuit is closer to the boom, which limits the residual volume. The operator thus gains in safety when working at the filling station. R-Activ refers to the pneumatic valve system for greater responsiveness.

With this track record, the Group's products are regularly singled out for their performance, exemplified by EVRARD's world record (136.82 ha sprayed in one hour) with a standard model Meteor 5400 and its 44 meter ramp, or the many awards received by the Group's products at trade shows.

3.3.1.2 Sugar beet harvesting

Sugar Beet Harvester products

HOLMER has a line of extremely sophisticated machines which are continually improved:

- SmartTurn: the HOLMER Terras Dos T4 sugar beet harvester turns automatically at the end of the field and realigns with the next rows;
- EasyLift: a system to lift the sugar beet using measures of the position of the top of the beet relative to soil depth and type;
- EasyHelp provides immediate diagnostics on operation, and optimizes spare parts supplies;
- DynaFill: a laser detection system automates truck fill by the Terra Felis 2 cleaner/loader;
- flail-rotor for stripped beets makes it possible to harvest beets without any leaves, for better yield, less wear and lower fuel consumption.

HOLMER, thanks to its T4-30 12-row beet harvester, set the world record for harvesting beetroot by harvesting no fewer than 85.6 hectares of sugar beet in 24 hours.

3.3.1.3 Garden spraying and watering

The "consumer" market

Innovations by the EXEL Industries group are based on creating and launching original product ranges in the watering and plant protection sectors that stand out from the competition, increase market share and grow profit margins.

Among the original products developed by the Group are the first plastic hose connectors, electric thermal shock weeders, multifunction drainage pumps, automatic hose reels, pressurized pond filters and connected sprinkling programmers.

Selected innovations

- Electric weeder that destroys weeds by creating a thermal shock (Green Power);
- A "cane" shaped consumer market sprayer for one-off weeding, providing unrivaled user comfort for removing weeds without stooping. (Herbastop and Wonderweed).
- Electric sprayers with rechargeable batteries for the consumer market (Libertis) and with a lithium-ion battery for professionals (VERMOREL electric 3000);
- The first electronic watering programming system, controlled online: Cloud Controller;

- The first automatic watering programming system with light sensor and a flexible universal irrigation system, offering a simple and effective solution for customers;
- The narrowest and simplest line of micro-irrigation products on the market: EasyDrip;
- DIY, with devices that support home ecology such as the Bokashi (small kitchen composter that makes it possible to make your own fertilizer from organic waste) or the BioMix (composter for terraces and gardens).

3.3.1.4 Industrial spraying

To be able to meet all our customers' needs, there are four key research priorities:

- improved customer productivity (reducing time for changing colors, increase in spray flows, etc.);
- increased "transfer efficiency" (proportion of paint applied to the target);
- environmental protection through responsible energy use and controlling VOC (Volatile Organic Compound) emissions;
- introduction of new products (paints, varnishes, dyes, glues, fillers, etc.).

Global paint spraying specialist, SAMES KREMLIN has developed a range of paint application solutions, from pumps to applicators:

- an extremely diverse range of spraying technologies to match all industrial needs. Depending on their configuration, solutions recommended for customers include **Airspray**, **Airless®**, **Airmix®** and **electrostatic** spraying technologies;
- the range also includes an extensive range of pumps, each with its technical features;
- products for paint guns allowing problem-free use of latest-generation paints developed for industrial markets worldwide:
 - **REXSON Dispense**: developed for extrusion of viscous products, the pump units of this product range are extremely versatile and suitable for a wide range of functions, from materials used in construction equipment and solar power to yachting,

3.3.2 Trademarks and patents

Since September 2014, our Company has filed all new patents and trademark applications, together with all new designs or models, in its own name and for each of its subsidiaries, both in France and internationally.

EXEL Industries guides and finances the research efforts of its subsidiaries. The Group registers, maintains and protects its industrial property rights.

However for historical reasons, some "flagship" trademarks remain the property of the subsidiaries concerned.

- **2K range**: simple and quick to use (Plug & Spray), the pump has electronic regulation for continuous and precise control of applications and monitoring of actual product consumption and emissions of VOCs.

A global expert in precision spraying, innovation is at the heart of its corporate strategy, with:

The FPRO Airspray guns

This spray gun carries two patents specifically for atomizing paint. A "Restrictor" which will attenuate the flow of paint and a "Vortex" which will turn it so as to homogenize the matter inside the paint. These two patents make the SAMES KREMLIN FPRO the new standard in pneumatic applications.

The new Airless® 72C160 and 52C225 pumps, which will be marketed under the AZURTM brand

Four patents are held on these pumps, plus a design patent application. The first patent covers the automatic re-closing of hydraulic chevron seals. The second innovation covers a new compressed-air exhaust system. A third patent covers access to the pump's lower valve and the ball. A fourth patent is based on the suction rod. Patent filings protect us against copying, while design patent applications, protecting the hood designed by the SAMES KREMLIN teams, are aimed at making the pump more visually distinctive.

These pumps will be available wall-mounted or cart-mounted.

TRICOFLEX paint hoses

TRICOFLEX has developed hoses specifically for paint applications for air and the fluids produced, to go on the manual SAMES KREMLIN devices.

They provide a degree of flexibility unheard of on the products now on the market.

The combination of the existing SAMES KREMLIN product lines with these TRICOFLEX hoses has created a high value-added product mix that is quite innovative from the user's viewpoint.

The Ujet hose is a hydrocuring hose. It allows TRICOFLEX to enter the high-pressure market while bringing innovation.

Today, our EXEL Industries group holds nearly 3,500 Industrial Property titles (patents, trademarks and designs), with more than 326 patent families (including 1,780 patents worldwide) and 866 trademark families with at least one member in force, bearing in mind that these filings are spread widely around the world.

To stay abreast of the Group's needs, we regularly question the various companies in order to decide whether certain industrial property rights should be kept or not. The Group does not recognize trademarks or models under assets, apart from those acquired individually or as part of the assets originating from the acquisition of the company in question.

As our industrial property policy is extended to our international subsidiaries, the Group's licensing policy is being applied to all our subsidiaries, with a single 1.5% royalty rate for patents and 1% for trademarks and models.

These licensing contracts were introduced as of September 2014 and, where necessary, replace the previous contracts dating from 1994.

The EXEL Industries group has no license granted by a third party and therefore does not pay royalty fees.

3.4 Company operations, consolidated and parent company financial statements

EXEL Industries has continued its two activities:

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

3.4.1 Consolidated financial statements – Main consolidated data

<i>(in € millions)</i>	09/30/2020	09/30/2019
Equity attributable to owners of the parent before appropriation of income	341.5	358.9
Goodwill	63.0	65.2
Net assets (excluding goodwill)	182.6	154.4
Cash and cash equivalents	99.3	89.0
Financial debt (current and non-current)	186.9	150.8
Provisions for contingencies and expenses (current and non-current)	56.9	63.6
SALES (EXCLUDING VAT)	754.4	776.7
Current operating income (EBIT)	35.3	32.8
Non-recurring income/(expenses)	(29.9)	(22.1)
Of which impairment of goodwill	(26.3)	-
Operating profit	5.4	10.7
Financial income/(expenses)	(11.1)	(1.1)
Net income from consolidated operations	(10.7)	4.1
Net income attributable to the equity holders of the parent before appropriation	(10.7)	4.1
Operating cash flows <i>(in euros)</i>	33.4	30.4
Consolidated net income per share	(1.6)	0.6
Cash flow per share	4.9	4.5

3.4.1.1 Income statement

- Consolidated sales are 2.9% lower than for the period ended September 30, 2019, down from €776.7 million to €754.4 million.
- Sales from exports fell 1.7% from €607.3 million to €596.9 million. International sales accounted for 79.1% of total sales, compared with 78.2% in the previous fiscal year.
- Sales were negatively impacted by a translation loss of €2.8 million due to the appreciation of certain currencies, notably the US dollar.
- Current operating income (EBIT) rose from €32.8 million to €35.3 million after net depreciation allowances and provisions of €22.3 million, compared with €15.3 million in the prior period.
- The amount of net non-recurring income and expenses is negative at -€29.9 million. It mainly reflects the impairment of our goodwill, and the finalization of the restructuring plans we have under way in the Agricultural Spraying and Sugar Beet Harvesters businesses (see note 20 to Chapter 5).
- Net financial expenses were -€11.1 million. This includes net borrowing costs of -€3.0 million plus net foreign exchange gains of €7.9 million.
- Profit before tax went from €9.6 million to -€5.6 million.
- The tax expense decreased from €5.8 million in the previous fiscal year to €5.4 million.
- Net income attributable to the Group was -€10.7 million, compared with €4.1 million last year, *i.e.* -1.4% of sales.

3.4.1.2 Balance sheet

Equity attributable to owners of the parent decreased from €358.9 million to €341.5 million, down €17.3 million, breaking down as follows:

Total recognized income and expenses	€17.3 M
Dividend distribution	€0.0 M

Shareholders' equity represented 44.7% of the balance sheet total, compared with 50.5% at the end of the previous fiscal year.

Provisions for contingencies and expenses (current and non-current) of €56.9 million were set aside or maintained to cover risks identified by the Company.

Working capital decreased by €48.2 million, from €239.3 million to €191.1 million, as a result of the following:

+ Change in shareholders' equity:	€(17.3) M
+ Change in short-term provisions	€(5.6) M
+ Change in non-current financial debt	€(3.3) M
- Change in non-current assets	€(22) M

The working capital requirement, established on the basis of net asset values, amounted to €224.8 million as of September 30, 2020.

This fall of €20.4 million is explained by:

+ Change in current assets (excluding cash and cash equivalents)	€2.3 M
- Change in current liabilities (excluding provisions and current financial debt)	€(19.0) M
Impact Currencies/Changes in consolidated Group structure	€3.8 M

At September 30, 2020, current financial debt amounted to €133.0 million, and cash and cash equivalents at €99.3 million, resulting in a negative balance of €33.7 million.

3.4.2 Separate financial statements

Parent company financial highlights:

<i>(in € millions)</i>	2020	2019
Revenue	20.1	20.8
Operating results	9.4	10.8
Net financial income/(expense)	19.8	34.2
Net income	21.0	14.2

Financial income includes primarily dividends paid by subsidiaries and interest income from cash and cash equivalents.

3.4.3 Analysis of trade payables and trade receivables

(in € thousands)	Art. D.441-4.I.1 of the French Commercial Code: Invoices received but not paid and overdue as of the reporting date					Art. D.441-4.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 more)	0 days (for information)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Late payment tranche												
Number of invoices concerned		-	-	-	-	16	-	-	-	-	-	57
Total amount of invoices concerned exclusive of VAT		5.5	-	0.6	8.6	14.7	-	21.5	14.3	46.6	223.0	305.4
Percentage of total purchases for the fiscal year exclusive of VAT		0.08%	-	0.01%	0.12%	0.20%	-	-	-	-	-	-
Percentage of sales for the fiscal year exclusive of VAT		-	-	-	-	-	-	0.11%	0.07%	0.23%	1.11%	1.52%

3.5 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.

This section is not intended to present all of the Group's risk factors. Other risks, of which the Company is not aware at the date of this Universal Registration Document, may exist or arise.

With regard to the impact of Covid-19, the EXEL Industries group has shown great resilience in an extremely disturbed general environment. The Group's teams worked to adapt to the new environment, both in terms of compliance with precautionary

health measures and disrupted work organizations, and through their agility in adjusting costs. The slowdown in the automotive and aerospace sectors had a negative impact on the Group's business, but conversely, the enthusiasm of households in lockdown and the exceptional weather since late spring was favorable.

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

Risk category	Risk factors	Assessment
Risks connected to the sector of activity	Restrictions on using phytosanitary products	average
	Risk related to changes in the sugar beet market	average
	Risk related to the distribution network	average
Operational risks	Risks inherent in financial and IT processes	average
	Occupational health and safety	average
Financial risks	Farm equipment financing needs by farmers	average
	Foreign exchange risk	low
Other risks	Brexit	low

3.5.1 Risks related to the business sector

3.5.1.1 Restrictions on using phytosanitary (plant health) 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 some other Western European countries, these increasingly controversial products are subject to strict regulations and in some cases are doomed to disappear (e.g. glyphosate, neonicotinoids) and to be replaced by alternative products.

Risk management

Agricultural Spraying represents 44% of consolidated sales, and Western Europe accounts for 40% of that business's revenue. 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.

Likewise, production units in Europe and the United States have specialized by product type, and can now produce for different brands based on a platform policy that will be phased in during the coming years. This streamlining makes it possible to make productivity gains and consolidate purchases more effectively.

In November 2019, EXEL Industries created EXXACT Robotics, a company specializing in precision agricultural technologies using artificial intelligence, robotics, electronics and agronomy. After a year of existence, EXXACT Robotics continues to ramp up and will offer its first products in the next 18 months.

This new company and these reorganizations are spurring innovation, the development of new product lines and the mastery of new technologies such as precision farming, electronics, robotization, confined spraying and artificial intelligence to detect the plants to be treated, and more.

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.

3.5.1.2 Risk related to changes in the sugar beet market

Description of the risk

In its Sugar Beet Harvesters 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 boom 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.

3.5.1.3 Distribution

Description of the risk

In Agricultural Spraying, EXEL Industries mainly sells its products to dealers that are often affiliated with full-liner manufacturers that offer the full range of agricultural machinery by brand: tractors, combine harvesters, sprayers, seed drills, tillage tools, haymaking, etc. The weight of these tractors brands, which practice back-end rebates and impose constraining contracts, could gradually close EXEL Industries' access to this distribution network.

A significant share of Garden Watering and Spraying 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).

For garden spraying and watering, EXEL Industries strives to work with several brands, even if it means developing a range of products differentiated by customer groups. However Garden Watering and Spraying only accounts for 16% of total consolidated sales.

3.5.2 Operational risks

3.5.2.1 Risks inherent in financial and IT processes

Description of the risk

The health situation made it necessary to adapt the working conditions of the Group's employees, at a time when attempts at fraud and intrusion on the networks were increasing.

Risk management

Faced with this, the Group decided to strengthen its IT policy by taking various measures to protect the IT environment and secure transactions recorded by the financial teams. A new, complex password policy has been implemented. In addition, two-factor authentication is now in effect for almost all workstations with access to sensitive information.

3.5.2.2 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.

3.5.3 Financial risks

3.5.3.1 Foreign exchange risk

The EXEL Industries group's exposure to foreign exchange risk is mainly connected to its operating activities and its banking debts in USD and GBP.

Sales through foreign retail subsidiaries outside the euro zone are invoiced in local currencies. Given the large number of billings in US and Australian dollar markets, the Group has exposure to the fluctuating exchange rates of these currencies. Receivables still held in US dollars or in other currencies by Group companies were translated at the closing rate for the fiscal year.

The majority of sales by the Group's French subsidiaries to non-Group foreign buyers are in euros. Invoices issued in foreign currencies by French subsidiaries of the Group are converted into euros at the exchange rate in force on the date of delivery. Sales and invoices of

Risk management

Each Group company implements safety action plans and the Group is now monitoring a new indicator, namely TF2; in addition, as soon as a significant accident occurs in one of the Group's companies, all other companies are informed so that they can take the necessary initiatives to ensure that the 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 Declaration of non-financial performance.

3.5.2.3 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, etc.

Risk management

To meet these needs, EXEL Industries has launched a project to finance agricultural equipment that will be available for use by the brands in the second half of the 2020/2021 fiscal year. The project initially concerns Europe, together with Russia and Ukraine, and aims to work with financial partners offering this type of financial product.

French subsidiaries of EXEL Industries to their foreign subsidiaries are in euros. As an exception to this practice, subsidiaries in the US and the UK are invoiced in their respective local currencies and subsidiaries in China are invoiced in US dollars.

Risk management

The Group's general policy is to hedge significant engineering contracts denominated in a currency other than the euro, mainly in USD. In the last fiscal year, there has been no significant contract of this type denominated in a currency other than in euros.

The Group uses cash flow hedges for a portion of cash flows in US dollars on a case-by-case basis.

At 9/30/2020, the Group's trade receivables, cash and cash equivalents, and payables denominated in the main currencies were as follows:

In US dollars

■ Receivables and cash in USD	\$26,506 K*
■ Payables in USD	\$(28,475) K
■ Net receivables in USD	\$(1,970) K
	I.E. €(1,682) K

* Assets in US dollars are not covered by an exchange rate hedge at the end of the fiscal year.

In Danish crowns

■ Receivables and cash in DKK	DKK 89,094 K
■ Payables in DKK	DKK (165,283) K
■ Net receivables in DKK	DKK (76,189) K
	I.E. €(10,232) K**

** Historically, the Danish Krone has fluctuated within a narrow range of margins relative to the euro, of below 0.20%.

In pounds sterling

■ Receivables and cash in GBP	£40,177 K
■ Payables in GBP	£(28,676) K
■ Net receivables in GBP	£11,501 K
	I.E. €12,606 K

In Australian dollars

■ Receivables and cash in AUD	AUD 9,742 K
■ Payables in AUD	AUD (8,865) K
■ Net receivables in AUD	AUD 878 K
	I.E. €(534) K

In Chinese yuan

■ Receivables and cash in CNY	CNY 59,029 K
■ Payables in CNY	CNY (22,910) K
■ Net receivables in CNY	CNY 36,120 K
	I.E. €4,531 K
TOTAL NET RECEIVABLES IN OTHER CURRENCIES	€9,051 K

Consolidated foreign exchange losses in the year ended September 30, 2020 totaled €6,530 thousand. Most of this amount originated from US dollars, pounds sterling and Australian dollars, breaking down as follows:

- losses on payments: €4,082 thousand;
- loss on revaluation of receivables and payables: €3,913 thousand;
- gains on sales of currencies and fluctuations on currencies in bank: €1,465 thousand.

3.5.4 Other risks

Brexit

Description of the risk

There is some uncertainty as to how the United Kingdom might withdraw from the European Union. The Group is exposed, as since the beginning of the process, to increased volatility in the foreign exchange rate between the euro and the pound sterling, which could have an impact on its consolidated financial statements from the conversion into euros of transactions in the United Kingdom. The introduction of administrative constraints in customs is now a tangible risk. The Group generates 11.2% of its sales in the United Kingdom.

Risk management

Within the EXEL Industries group, the Garden Watering and Spraying activity is particularly exposed to the risks resulting from Brexit, since most of its products are manufactured in the United Kingdom. In order to better anticipate the consequences of Brexit, the HOZELOCK group has invested in GM-Global and GM-UK software to automate the management of potential administrative constraints in customs from January 1, 2021. The aim is to reduce the impact of customs duties.

3.6 Insurance

In 2020, the Group continued its policy of centralizing insurance programs, while nevertheless 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 by:

- guaranteeing better coverage of risks, by integrating all Group subsidiaries into existing insurance programs, in particular the new subsidiaries that have joined the Group;

- increasing guarantees where required;
- reducing costs, notably through car insurance, when the Group considers this to be expedient;
- setting up new insurance programs to cover risks which have not been covered up until now and which it is expedient to cover.

We will ensure that the main accidental or operating risks are transferred to the insurance market whenever possible, and that the risk transfer is justified economically.

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 and business interruption (International Program)	All risks subject to named exclusions
Civil Liability (International Program)	All risks subject to named exclusions Including the following coverage: <ul style="list-style-type: none"> ■ 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	Coverage for vehicles under 3,5 metric t (period < 5 years). Vehicles < 5 years old are insured for liability/theft/fire/all accident damage. Coverage for vehicles over 3,5 metric t (period > 7 years) and excluding farm tractors. Vehicles > 7 years are insured for civil liability/theft/fire.
Employee vehicle coverage	Cover for employees using their personal vehicle for business trips.
Individual accident and assistance insurance (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.

3.7 Exceptional items and litigation

To the best of the Company's knowledge, no exceptional items or litigation exist for which provisions have not been recorded that could have a material adverse effect on its business, financial position or assets and liabilities.

There are no other legal, judicial or arbitration proceedings (including any that are pending or threatened of which the Company is aware), which may have or have had during the last 12 months, a material effect on the financial position or profitability of the Company and/or Group.

3.8 Current agreements entered into on an arm's length basis and related-party agreements

Most of the agreements entered into by EXEL Industries are current intra-group agreements and are entered into on an arm's length basis with its subsidiaries.

For agreements that could be classified as related-party agreements, Article L22-10-12 of the French Commercial Code, formerly Article L225-39, 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 L22-10-12 of the French Commercial Code, formerly Article L225-39, are applicable.

Under good governance, these agreements are presented to the Board of Directors, as provided for in the Agreements Qualification Charter adopted by the Board of Directors on December 16, 2020 (section 7.1.9 of this Universal Registration Document).

3.9 Change in accounting method

Changes in accounting policies are reported at the Group level in Chapter 5, note 1.

3.10 Statement of fees for Statutory Auditors and auditing services

The information concerning the fees of Statutory Auditors and other services are given in section 5.5, note 29 of the Universal Registration Document.

3.11 Parent company results and five-year financial summary

Fiscal year closing date (12-month period) (in €)	09/30/2020	09/30/2019	09/30/2018	09/30/2017	08/31/2016
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					
Sales excluding VAT	20,145,783	20,820,379	24,116,022	24,249,366	22,197,427
Profit before income tax, employee profit-sharing, depreciation, amortization and provisions	43,140,050	35,251,883	47,476,660	61,778,788	51,809,780
Income tax	(3,390,257)	(5,488,475)	2,437,203	2,795,112	7,733,113
Employee profit-sharing					
Depreciation, amortization and provisions	25,557,039	26,590,396	708,952	468,112	5,876,118
Net income	20,973,268	14,149,962	44,330,505	58,515,564	38,200,549
Distributed profit	-	-	7,738,206	10,724,882	7,263,053
Earnings per share					
Income after tax, profit-sharing, before depreciation and provisions	6.84	6.00	6.64	8.69	6.49
Income after tax, profit-sharing, depreciation, amortization and provisions	3.09	2.08	6.53	8.62	5.63
Dividend per share	-	-	1.14	1.58	1.07
Personnel					
Average number of employees	15	14	15	14	12
Payroll	1,660,443	1,435,987	1,576,389	1,534,607	1,228,752
Amounts paid in employee benefits (social security, social work, etc.)	750,918	672,956	717,523	653,879	545,242

4

Statement of Non-Financial Performance

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4.1 Methodology

The Group is a federation of SMEs. Each one is independently responsible for their own HR practices, and environmental and societal projects. Nevertheless, a general CSR theme is clearly

discernible, a reflection of one of the Group's core values: "Acting responsibly". Areas for improvement are identified by the Board of Directors and monitored at Group level for all companies.

4.1.1 CSR governance and reporting tools

The CSR provision amended by Ordinance No. 2017-1180 of July 19, 2017 and its associated decree No. 2017-1265, transposed the European Parliament's and Council's directive 2014/95/EU of October 22, 2014 into French law. This ordinance defines the new system of mandatory non-financial reporting and verification for French companies, depending on their size and legal form. They lay out the scope of the new statement of non-financial performance, which has henceforth replaced the CSR report.

To ensure the Group's CSR governance, the EXEL Industries group CEO has entrusted CSR oversight to the Director of Human Resources, along with the CFO and the Chief Legal Officer for the areas that concern them. 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.

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 CEOs. It is up to each company to consolidate the data of its own subsidiaries.

The set timeframe was respected and the staffs were very involved.

The data are tested for consistency, before being globally consolidated at the Group level and audited by the Statutory Auditors.

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.

The legislative changes this year were taken into account.

4.1.2 Scope of data reporting

The indicators cover all Group companies, each of which consolidates its own subsidiaries' data. There is no geographical restriction.

This year was marked by significant changes in several of our activities.

For the "Agricultural spraying" business: major reorganizations were undertaken last year, resulting in the consolidation of activities on the sites of Épernay (Marne department) and Beaurainville (Pas-de-Calais), and the planned closure of the HARDI FRANCE site in Noyers Saint Martin (Oise), the CARUELLE-NICOLAS site in Saint Denis de l'Hotel (Loiret) and the HARDI llemo site in Lleida (Spain).

In addition, EXXACT Robotics, which coordinates research activities for precision agriculture for the various Group companies, was created in November 2019. Its role is to meet the new challenges of agricultural and viticultural spraying. 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.

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.

For the "Industrial Spraying" business: acquisition of Eisenmann INTEC in January 2020, now renamed iNTEC, a company based in Germany.

These changes in scope have been taken into account in this report.

4.2 Our 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 2 of this Registration Document.

4.2.1 Strategic thrusts of our development

The Group's areas of strategic development focus have been set by the senior management team.

■ CUSTOMER EXPERIENCE

The customer feels at home with us. We work together, on the same team. We understand their needs and deploy all our skills in order to meet them.

All interactions with our customers are flexible, uncomplicated and focused on their needs. Familiarity with the customer and understanding what is on his mind are what inspire our innovation, our product/market pairs, our logistics and our services. Our employees are engaged and value this customer relationship. We want our customers to use our products with pride and to work with us.

■ USEFUL INNOVATION

Offering product and service innovations that give our clients and users true added value.

From our Company's very beginning, we have been innovation leaders in spraying and pioneers in the use of new technologies. Aware of its environmental and regulatory issues, EXEL Industries is more than ever committed to the research and development of "smart" technical solutions to increase spraying accuracy. These real-world solutions must continue to be easy to use and affordable for all of our customers. Our innovations are unique and meet both

the needs of our customers, and environmental and economic challenges.

■ INTERNATIONAL GROWTH

Continuing our expansion, by organic growth and by acquisitions, in the countries where there is growth potential for our businesses.

EXEL Industries has had an international focus for several years now. Our sales outside of France account for nearly 80% of our revenue. With the acquisition of ET Works in 2016, the Group strengthened its presence in the United States, which is now of equal weight with France. At the same time, each of our businesses has identified opportunities for geographic growth, such as Asia and the Pacific for agricultural businesses, or Europe (excluding the UK) for Garden Watering and Spraying. The ambitions of EXEL Industries are global.

■ PUTTING PEOPLE FIRST

People are the focus of our customer relationships and of our Company. We emphasize close contact, communication and simplicity.

EXEL Industries is a family Group for whom human values have always been very important. Those values call for respect, transparency, openness, initiative and team spirit. Our organizations are simple and responsive. They allow everyone to fit in and develop talented and passionate people and entrepreneurship.

4.2.2 Non-financial resources of the Group

EXEL Industries' origin as a family Group firmly ties it to human values.

Human capital is treated with the utmost care. Each business operates as an SME with a CEO who runs each business, with its own Management Committee and its own Human Resources staff, who provide company operations with a vision of employee relations and human resources 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.

Because of its respect for cultures and individuals, EXEL Industries is very able to consolidate its acquisitions and make them profitable.

Intellectual capital

Paragraph 3.3 of the Universal Registration Document spells out the importance of intellectual capital.

Through its policies as to patents, its R&D expenditure, its collaboration with universities and engineering schools, and through its partnerships with start-ups, individual entrepreneurs and incubators, EXEL Industries has prized its image as an innovative group. The creation this year of EXXACT Robotics, a true internal start-up, will also increase the number of initiatives in that area.

4.3 Our non-financial risks

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.

A Group-level project team overseen by the EXEL Industries CEO has been formed. Its members include the strategic leaders of the Group's four businesses along with other members of the senior management team and the directors of EXEL Industries staff departments.

The team works by means of individual assessments by each participant that are shared iteratively among the Group. This work resulted in a map of all the risks faced by the Group. The map has been prepared by taking account of a risk matrix measuring severity and likelihood as well as the assessments carried out by every EXEL Industries group entity in their threats and opportunities exercise.

This risk analysis is presented to EXEL Industries group's Audit Committee.

The risk map includes the non-financial risks discussed below.

4.3.1 Employment and society

The risks identified in this area involve several elements:

In an environment where human resources are becoming scarce and there is hyper-competition among workplaces and some of the Group's business activities are being questioned by politicians and the media, Human Capital represents a key resource for EXEL Industries group. Accordingly, the Group strives to attract tomorrow's talents to assist in its development, to allow its current employees to have a work environment well suited to the effectiveness of its organizations and teams through training programs, to feel at home and respected in that environment, and to give jobs to as many as possible, never losing sight of diversity in all its aspects.

In particular, the main risks identified are:

- **workplace health and safety:** wellbeing at work, and control of absenteeism and workplace accidents constitute major challenges

for our Group and its companies. 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;

- **attractiveness:** our companies, all in the manufacturing sector and of intermediate size, face the major challenge of making candidates want to come and work for us.
Developing apprenticeships, close relationships with schools, ties to associations, and seeking out people with different, varied and unusual backgrounds are responses to that risk;
- **maintenance and development of skills:** multiple, varied efforts must be made to help employees after they have joined our companies. In-house and outsourced training, throughout one's career, is one of the Group's considered responses.

4.3.2 The environment

The main environmental areas where our activities run risks are identified as:

- **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 combat 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 increasingly controversial 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 increasingly directed towards greater precision in sprayers to enable doses of chemical or natural origin products to be reduced by 30-50% 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.

Our Consumer business, in its spraying aspect, 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).

■ respect for biodiversity and limiting soil compaction

Farming that respects the environment will preserve the soil; *i.e.*, it will respect biodiversity and limitations on soil compaction. EXEL Industries, through its subsidiary 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.

■ climate change and the sustainable use of resources

To deal with the challenge of climate change, the Group has undertaken a number of measures to minimize its carbon footprint and will continue its strategy of reducing its greenhouse gas emissions.

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.

4.3.3 Anti-corruption

The risk related to corruption or influence peddling is a risk identified within the EXEL Industries group given the diversity of the countries in which it operates.

To guard against that risk, EXEL Industries has adopted a code of conduct and implemented training for all Group companies, described in section 4.4.3 below.

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.

Any corruption in the conduct of the EXEL Industries group's business is strictly prohibited.

4.3.4 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.

The EXEL Industries group 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.

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

The EXEL Industries group ensures health and safety at work for its employees. For all of its activities, the EXEL Industries group demands that these values be respected within them and with their suppliers, subcontractors and partners.

4.3.5 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.

An analysis of profits broken down by country is presented to the Audit Committee.

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.

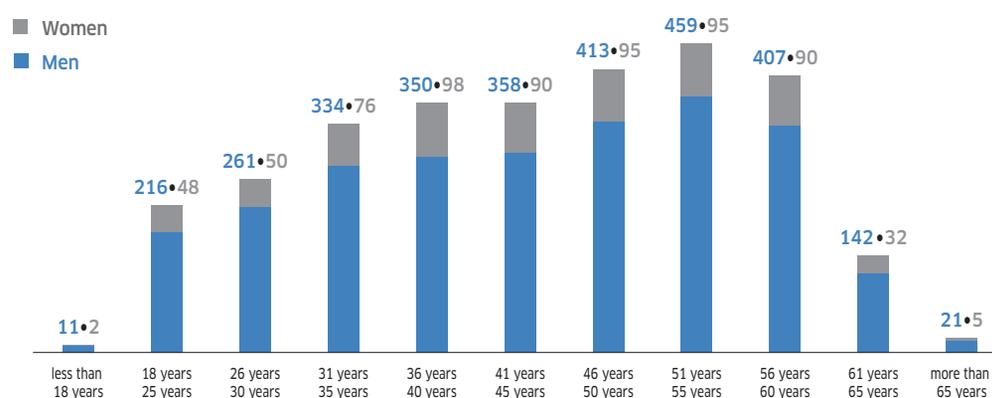
4.4 Actions undertaken

4.4.1 Employment and society

Foreword: Statement of Headcount – Primary data

As of September 30, 2020, the Group's total headcount was 3,653 employees (permanent and fixed term contracts), 19% women and 81% men, a slightly higher proportion of women since last year. The headcount averaged 3,669 employees during the fiscal year.

The age pyramid looked as follows:



The Group's average age has fallen from 44 years and 4 months to 43 years and 9 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 8% of the headcount as of September 30, 2020). The fraction of senior employees (over 55) edged up slightly to 19% (vs. 18.6% last year.)

Over the reporting period, 558 people left the Group, including 119 layoffs, and there were 555 new hires.

Breakdown of the international headcount

	2020	2019	2018
France	42.4%	44.3%	42.4%
Northern Europe*	9.7%	8.8%	10.1%
Southern Europe*	2.9%	3.3%	3.0%
Eastern Europe*	2.3%	2.4%	2.4%
Western Europe*	24.4%	21.8%	22.3%
Central Europe*	4.6%	5.1%	5.0%
North America	7.0%	7.8%	7.9%
Asia	2.6%	2.4%	2.2%
Pacific*	2.8%	2.6%	3.2%
Central and South America*	1.0%	1.0%	0.9%
Africa and Near & Middle East*	0.3%	0.5%	0.6%

* 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, Netherlands, Switzerland;
- 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 operates internationally, with nearly 58% of its headcount outside France. The acquisition of Eisenmann INTEC at the beginning of the fiscal year supported this trend, which has been a reality for several years. There are now as many employees in Europe excluding France as there are in France. Other changes by geography are relatively immaterial.

Note on the number of employees:

The headcount is given as of September 30, 2020: these are all the employees on fixed term contracts (including apprentices) and permanent contracts in the Group on September 30, 2020, regardless of their working time. This is the figure used in the breakdown by age, gender, and geographical area.

Concerning the average number of employees: 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 Increasing our attractiveness

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

The apprenticeship policy is part of the four historical areas of focus in terms of corporate social responsibility.

A target announced by Group senior management of 3% of the headcount was put into effect a few years ago. The trend in the number of apprentices was constant, with real growth, and for the first year ever, EXEL Industries exceeded the target. We actually had 117 apprentices, meaning that 3.2% of our employees were in training.

The goal of exceeding 3% of our headcount in work-study programs for the 2019/2020 fiscal year was therefore achieved, and efforts will continue in the coming year.

Most of the companies have working relations with schools at all levels to offer internships and apprenticeship contracts. Some of the companies donate demonstration equipment to schools.

Work-study engineering and tertiary positions are becoming a common practice in our work communities, and a real attraction for this type of training, recruitment and societal undertaking. 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.

In particular, HOLMER dedicates a full-time employee and equipment and machinery to the management of a stable group of around 30 apprentices.

Also, a council representing young workers has been in place for several years at HOLMER.

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

Work-study of all kinds is being promoted in more and more countries, including in some which did not have a culture of using people's skill in this way.

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 KREMLIN, an initiative with a firm has been in place for three years. The aim is to change the popular view of disability by forging strong links between executive management, social partners, line managers and employees.

Workstation modifications, such as within the HARDI France Group, have been implemented in collaboration with disability assistance services.

The positive trend in the number of people with disabilities within the Group continues. There are now 83 "units" reported, compared with 78 last year.

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 Group's percentage of women increased slightly to 19% in 2020; also, nearly 18% of managers are women, which is an increase on last year.

The Group's Board of Directors includes two women, four men and one director representing employees.

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 been studied with a view to equality of access to training.
- **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.

Last year, SAMES KREMLIN, the Group's first company concerned, created and reported its **Gender Parity Index, using extremely rigorous methodology**. It came in at 85/100, well above the accepted threshold of 75 points. The reading of 85/100 was confirmed in 2020. This approach has now been extended to EXEL Industries' other French companies. Also, all of our companies meet the minimum requirements for compliance with legal commitments on gender issues. For other countries, our companies obviously respect legal commitments applicable on the issue.

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.

Certain agreements are signed on a voluntary basis at the level of each entity, without being extended to Group level, in keeping with our SME federation policy. Fifty-six agreements are in force in the various Group companies.

But above all, the current environment stemming from **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".

Important agreements have also been signed concerning welfare guarantees and supplemental insurance, new agreements on flex-time, renewals of agreements on profit-sharing, and the right to disconnect outside work.

Value No. 7: "Pride in belonging" is experienced through festive events such as long-service awards, open days bringing together families and sometimes retirees. **Covid-19** naturally put a damper on this type of operation from January on, but links were nevertheless maintained during the period, between employees on the one hand and between managers and their teams on the other hand, sometimes through the creation of virtual events.

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.

For the past three years, the Group's Board of Directors has included a director representing employees, elected by the members of the Group Works Council.

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 applicable, to meet our strong seasonal surges, but such arrangements are increasing.

Overall, for the Group as a whole, the number of part-time employees was 116 as of September 30, 2020, a significant increase year on year.

New work-time arrangements are being discussed in our companies, with formal conversations about self-set schedules and home offices; experiments are being conducted at certain sites. Of course, Covid-19 made it possible to form an extremely clear opinion on telework by measuring all the positive impacts, but also sometimes the negative ones. This period has seen us "grow" on the subject, and everyone is now measuring good telework practices, bearing in mind that our industrial companies, which have many positions for which telework is not an option, must ensure a fair balance of such practices within our companies.

4.4.1.2 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. On the spot or delayed evaluation systems are being set up in certain entities.

The main topics covered are:

- **safety** 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 last year to determine the severity and frequency rates of workplace accidents with lost time among temporary workers. The frequency rate with lost time of 36 among temporary workers and the severity rate of 0.59 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 and the need to develop synergies, 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, in particular concerning products and know-how;
- IT is also covered, for the ERP, business software and office automation. Awareness-raising through distance training or interactive seminar-type meetings held *via* the internet (webinars) are also organized around security and the proper use of IT resources;
- the tools for implementing new methods of production management require broad skills and knowledge. Several Group entities have adopted these methods, which require intensive training as well as the production of internal manuals for these in-house training classes.

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 skill levels. In particular, HOZELOCK EXEL provided qualifying training for Line Operators and Operators, TRICOFLEX provided long-term initiatives for the joint qualification certificate for metallurgy (CQPM) as assembler, and AGRIFAC for continuous improvement tools.

The Group's companies offered nearly 36,000 hours of training, for a trained headcount of over 1,300 people and an investment of nearly €1.1 million. This slight decrease on last year is attributable to the impact of **Covid-19**, with numerous postponements of initiatives due to lockdown measures and the closure of many training institutions.

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.

That, it must be emphasized, and even though this has not been measured, it because distance training and seminars really took off during this period and will be a significant component of training in the years to come.

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 and oversight by the Group HR Department of a HR Committee for France and an HR Committee for International bring the HR professionals together to define the skills needed and the positions that need filling, so as to foster employees' mobility and career growth.

The Exechos magazine, produced at Group level in 8 languages, is sent to all employees at their homes. The Group's press releases are distributed within the companies. An eco-responsible feature is featured in all issues. This magazine introduces and explains the Group's cultural resources to all its employees beyond the confines of their own entity.

4.4.1.3 Ensure workplace health, safety and wellbeing

a - Absenteeism

The absenteeism rate is an indicator followed very closely by the EXEL Industries group and a strong marker of the climate within the company.

For several years, the objective has been to be under 3%. This is a very ambitious objective given the long-term social trend in France and internationally towards higher rates of absenteeism.

Of course, 2019/2020 was marked by the global health crisis stemming from **Covid-19**. All our companies experienced a higher level of absenteeism than usual. Indeed, and even though few people in our companies have been affected by Covid-19, the necessary precautions including self-isolation and presumed contamination resulted in more shutdowns than usual. This year, we recorded an absenteeism rate of 3.4%. And while that may be above the target, it is nevertheless thought to be so in very acceptable proportions.

We are maintaining our ambitious target of 3%, even though the crisis is far from over.

Note on absenteeism:

Absenteeism is calculated on the basis of short absences (up to 3 months).

The absenteeism rate is calculated as the actual work days of absence in relation to the number of days theoretically worked. We exclude industrial accidents or occupational illnesses, maternity, paternity and parental leave, unpaid leave, family-related leave, long-term illness, etc.

This method provides an insight into the employee climate in the Group.

This issue continues to be one of the four areas of focus selected by the Group. 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.

b - Act preventatively to ensure the safety of employees

Workplace health and safety conditions are taken into account in all of the Group's companies.

The existing prevention plans contain numerous action plans, including:

- employee training: first aid, fire, lifting equipment;
- personal protective equipment is worn in all companies.

Throughout the Group, medical check-ups are arranged. Likewise, at the majority of entities, work-related accidents, even benign ones, are analyzed.

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. All Group employees worldwide are now covered.

On sites with a production activity, a person is responsible for the safety aspects, who often combines this role with responsibility for environmental questions (e.g. at TRICOFLEX or SAMES KREMLIN). Work-study positions have been created on this theme.

Communication continues to be a lever for the majority of sites: analysis of accidents with action plans and information in payslips at TRICOFLEX, awareness days at BERTHOUD or HOZELOCK Ltd, etc.

Nursing and social worker services exist in several structures.

At HARDI every worker is tested on his or her knowledge of safety risks and safety measures at his or her workstation. The risk analysis is mainly based on the feedback from employees at workstations.

At TRICOFLEX one employee deals entirely with HSE matters, and there is a working arrangement with CARSAT. Managers have received coaching on safety.

Two occupational illnesses were declared for the 2019/2020 fiscal year across the whole Group with no fatal accidents.

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, watch out for and create alerts for such risks.

This year in particular, with the announcements regarding the restructuring of Agricultural Spraying, psychological counseling was provided at some sites. All people affected by these plans were monitored with great attention; no incidents were noted.

c - Measure and reduce occupational accidents

This theme is one of the four areas where action plans are set up and monitored in the field.

The EXEL Industries group has made this a major strategic focus. The safety policy has become an essential part of the Group's commitments.

The health and physical integrity of our employees is a precious asset. We strive to integrate it into our day-to-day management. The improvement in safety outcomes is the result of a long process of demanding compliance with rules, storage, cleanliness, the wearing of personal protective equipment and the exemplary nature of managers. It is also the result of putting safety first, and constant concern, thanks to the attention paid to risky situations in companies.

A new frequency rate indicator, FR2, corresponding to reported workplace accidents with and without lost time, was implemented as of the 2020/2021 fiscal year and is monitored at operational level. It is now considered a priority.

The frequency rate with and without lost time and the severity rate are monitored by the Group 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.

Note on these two indicators:

■ The frequency rate (FR1) is:

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

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

■ The frequency rate (FR2) is:

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

■ Severity rate:

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

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

The year was marked by a further reduction in readings for the frequency rate 1 and the severity rate.

	2019/2020	2018/2019	2017/2018	2016/2017
Frequency rate (FR1)	14.9	18.6	22.4	21.9
Severity rate	0.33	0.47	0.51	0.58

In addition, a FR1 frequency and severity rate for temporary employees has been identified. A special action plan has been adopted in the companies with the highest accident rates to try to bring those rates close to those for our permanent employees. We note unsurprisingly that the frequency rate 1 (FR1 = 36) and the severity rate (SR = 0.59) of temporary employees is higher than among our permanent employees; that is why we decided to create this

indicator, and are building action plans specifically tailored to this more vulnerable category in conjunction with our partner agencies.

Finally, to strengthen the safety dialogue at Group level, each company, in the event of a serious or potentially serious accident, issues an accident report to its employees and other Group companies in order to broaden the scope of the checks of risky situations to be performed.

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.

4.4.2 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;
- new alternative products to the application of chemical weed killers in our Consumer Division.

Internally, compared to other manufacturers, 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.

As a general rule, at each of the Group's companies we put in place:

- 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 entities most directly concerned;
- painting booths are a constant concern (controlling spray, recycling paints, storing paints, training employees);
- all companies endeavor to sort waste, preferably calling on local channels, and often solidarity structures or players in the circular economy;
- 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:

- the AGRIFAC factory in Steenwijk (Netherlands), with its 70% reduction in natural gas consumption and introduction of pleasant gardens in the plant's ditches, which have become veritable havens for fauna and flora. AGRIFAC is BREEAM certified;
- the HOLMER logistics center in Germany.

It is also the case for future construction projects.

4.4.2.1 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 water-based products, with the best transfer efficiency on the market;
- at SAMES KREMLIN, replacement of the degreasing machine at the Stains site and use of modified alcohol instead of dichloromethane;
- at TRICOFLEX, elimination of all phthalate supplies.

In Agricultural Spraying:

EXEL Industries companies play a key role in agriculture as major suppliers to the sector who contribute to soil preservation. 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 ECOPHYTO governmental plan. In France, EXEL Industries ensures its leadership position in Agricultural Spraying and worked actively on the FNSEA "solution contract", which aims to implement real-world solutions for environmentally friendly farming that uses less phytosanitary products.

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

- the NICOLAS Sprayers model is equipped with a mounted jet sprayer solution;
- TECNOMA is upgrading its all-electric VOLTIS model with new batteries offering a 25% improvement in the range;
- EVRARD has launched a new model, the "Meteor R-Activ", with a new spraying circuit that reduces the dead volumes of plant protection products in the spraying circuit;
- HARDI continues to develop and improve its twin air assistance systems, which reduce drift while improving the penetration of products into the vegetation;
- BERTHOUD and AGRIFAC continue their development of spot-spraying, with the first attempts to identify weeds in vegetation;
- ET Works provides a nozzle-to-nozzle system with optimal bend compensation.

In the Beet harvesting business:

- our engineers 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 helps preserve 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 extremely light 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 Consumer business:

- for the mass retail market, HOZELOCK EXEL has developed products that consume less active material (up to 90% less for the Wonderweeder). Our electric weeder, which destroys weeds by creating a thermal shock, avoids the use of chemical weed killers (Green Power);
- the HOZELOCK group partners with the French association of beekeepers and continues its commitments to respecting biodiversity;
- at HOZELOCK Ltd, a purchasing program to acquire a hybrid automobile fleet.

4.4.2.2 Waste management

For many years now the EXEL Industries companies have managed waste by sorting it by material and destination.

Sometimes enjoyable, participative activities are organized to get the involvement of the whole headcount. In Seine Saint Denis, our partnership continues with the non-profit "JOYEUX RECYCLEURS", a social enterprise with which we share strong human and social values. For every kilogram of waste collected, 5 euro cents are contributed to the Ares Atelier, a non-profit promoting affirmative hiring.

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

During the conversion process of our products:

- our assembly activities are low consumers of raw materials, as we mainly use components. However, some companies have processes for transforming materials and reducing and/or reusing their own waste;
- TRICOFLEX is continuing its efforts to reduce its environmental impact by reducing production waste by 0.5% per tonne produced, and has commissioned a new recycling line that doubles its capacity, allowing it to recycle 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;
- HOZELOCK Ltd sends some of its production waste (plastic extrusion material) to TRICOFLEX for recycling;
- VERMOREL optimizes its cutting plan and reuses offcuts;
- 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;
- again at ET Works, the antifreeze used in winterizing and for the end-of-cycle trials of the spraying cycle of self-propelled sprayers is recycled. Rather than throw out the antifreeze, it is reused repeatedly, trial after trial, for the end-of-cycle trials and from one year to the next for winterizing;
- SAMES KREMLIN is continuing its policy of redesigning its product and shipping packaging and packing in order to reduce cardboard consumption.

At the end of the conversion process of our products:

- processes for recycling paper, cardboard, plastic, steel and iron have been set up;
- SAMES KREMLIN has instituted a process for reusing wooden pallets/recycling suppliers' packaging as blocking padding in shipment crates. Water curtain spraybooths have been replaced by dry filtration booths to end polluted industrial water (besides the energy savings). The surplus paint is given to training schools with the dual effect of reducing the recycling of these products and providing additional means for professional training. Chemicals are inventoried and kept in storage tanks. Waste management is controlled: a waste hold is in place; the waste is regularly emptied and removed by a firm specialized in the management of chemical waste. Soiled rags are treated in the same way;
- HOZELOCK EXEL recycles hazardous waste and there are sorting bins in every department;
- HOLMER: recycling of paper, plastic, metal, used pallets, oils and metals depending on sites;
- VERMOREL: metal, oil, plastic and paper recycling;
- TECNOMA: powdered paint, steelshot and polyethylene are collected directly by suppliers for treatment and recycling in their production processes;
- NICOLAS Sprayers: scrap metal, steel shot, and paper/cardboard;
- PRECICULTURE: non-hazardous waste, metal, wood, pallets, used packaging, batteries, neon tubing, cartridges, oil and diluent recycling. The site is fitted with oil separation tanks and storage tanks.

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

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 is installing video-conferencing systems and making increasingly frequent use of shared digital applications such as Teams. Vehicle fleets are managed in a way that limits CO₂/km. Several companies in the Group now offer mileage allowances to employees who travel to work by bike. AGRIFAC encourages car-pooling. SAMES KREMLIN's Chinese site organizes a shuttle service for home-work journeys.

Covid-19 has increased the pace of this trend in all of our companies, prompting much greater use of digital tools and thereby significantly reducing the environmental impact.

Companies are starting to offer electric company cars. More than that, at SAMES KREMLIN 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.

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.

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

Within TRICOFLEX, an "energy management committee" was formed last year, consisting of members of the Executive Committee, the HSE manager and the maintenance manager. This was combined with a management system whose goal is to reduce TRICOFLEX's energy impact, in terms of kWh used per metric ton transformed. The "cooling units" installed last year enabled the removal of a water reserve of 400 m³ of water consumption that was previously renewed every year.

Finally, TRICOFLEX is reducing its energy impact by investing in a plant heating system based on the recovery of the heat emitted by its process water refrigeration system.

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 we meet are an essential reference for these machines. Our companies have upgraded their engines to phase 5, in accordance with the European NRMM regulation (non road mobile machinery Emissions), known more technically as EU 2016 (1628).

ET Works and the American market, the world's largest agricultural equipment market, are affected by the changes, and the research arms have been put to work to meet the stage 5 emissions standard for diesel motors.

Likewise, in Sugar Beet Harvesters and Agricultural Spraying (with AGRIFAC for example), 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 (e.g., "Dark" in the case of BERTHOUD) includes full-service packages that get the customer up and running with training in using the technologies included in the device and regular visits to the customer by technicians in order to guarantee the maintenance and use of the sprayer under optimal conditions. This in turn guarantees the quality of the spraying and the optimization of the phytosanitary products used in the treatment of growing areas.

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

This consumption represents a cost for our customers which go 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.

Calculation of CO₂ emissions:

	2019/2020	2018/2019*	2017/2018*	2016/2017*
Calculation of CO ₂ emissions	31,496,801	33,736,173	34,015,450	32,989,610

* Change in the propane conversion factor.

Note on emissions:

This is the conversion of consumption of:

GHG

Emission factors	Conversion factor	Source
Electricity – average mix in Europe	0.42 kg CO ₂ /kWh	Carbon-based
Natural gas – Europe	0.214 kg CO ₂ /kWh	Carbon-based
Propane, including maritime – Europe	0.269 kg CO ₂ /kWh	Carbon-based
Petrol at the pump – Metropolitan France	2.79 kg CO ₂ /L	Carbon-based

b - To consume more efficiently

	2019/2020	2018/2019	2017/2018	2016/2017
Water usage (in m ³)	100,863	89,673	91,825	84,544
Use of electricity (in kWh)	42,878,330	44,483,998	45,668,261	45,362,478
Use of gas (in kWh HHV)	29,855,648	32,674,769	31,192,986	31,849,679
Use of propane (in kWh HHV)	7,892,232	8,695,278	9,723,643	8,978,895
Use of fuel oil (in liters)	1,783,435	2,050,704	1,987,033	1,725,434

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. The 5,000 square meters of solar panels arrayed on the roofs of the plant produce more energy than they use. LED lighting was installed throughout the building. After an evaluation in nine different categories, AGRIFAC earned Breeam certification for sustainable development.

- The use of LED lighting continues to increase significantly in all Group companies.
- Water tests on agricultural machines are usually done in a closed circuit (e.g. EMC in Russia, HARDI in Australia, BERTHOUD).
- Roof repairs and better insulated buildings also allow energy savings.
- Some of our plants, such as AGRIFAC or HOZELOCK Ltd, are equipped with rainwater recycling systems.

4.4.3 Anti-corruption

4.4.3.1 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.

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.

4.4.3.2 Whistleblowing system

To limit the risks to which one of the entities of the EXEL Industries group and/or one of its employees may be confronted due to a breach of these rules, employees wishing to do so may use the

professional whistleblowing system in order to report any serious breaches of which they become aware.

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.

4.4.3.3 Precautionary 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 group has sought to strengthen its internal control system.

The project, which began in 2020, aims to carry out an overhaul of mapping of the risks to which it is exposed. The nature of these risks, as well as their probability of occurrence, will be combined with a potential financial impact in order to deduce priorities.

The most at-risk processes will thus be the subject of action plans to update and increase the level of control and strengthen control points.

An internal control manual will be drawn up and rolled out to all Group companies in the first part of 2021.

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

4.4.4 Human rights

4.4.4.1 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. It 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.

4.4.4.2 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 that highlights the importance of compliance with the laws and regulations in force in terms of employment, non-discrimination, the working environment and the fight against corruption; HARDI systematically audits its new subcontractors.

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

4.4.4.3 Anti-discrimination policy

The Group's general policy is supported by robust ethics within the Board of Directors, which since last year has included 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 Labor 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 employees), in countries which have ratified the ILO's fundamental conventions.

4.4.4.4 Measures taken to safeguard consumer health and safety

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 health (phytosanitary) products.

4.4.4.5 Other actions concerning human rights

Our respect for human rights is reflected in our values:

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

4.4.5 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.

4.5 Outcomes and performance indicators, tracked monthly

Four CSR indicators are tracked and have been for several years:

- absenteeism;
- safety;
- apprenticeship;
- gender balance.

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 Senior Management concerning the action plans instituted and explain any variances and departures from the objectives.

For the 2019/2020 fiscal year

The objectives set and the results for 2019/2020 were as follows:

	Objective	2018	2019	2020
Rate of absenteeism	3%	2.8%	2.9%	3.4%
FR1	25	22.4	18.6	14.9
Severity rate	0.6	0.51	0.47	0.33
Apprenticeship share	3%	2.8%	2.9%	3.2%

Explanation of changes over time:

With regards to absenteeism

The absenteeism rate was very slightly worse. It rose from 2.9% to 3.4%. **The target was 3%.**

That was an ambitious target, but the year was marked by the Covid-19 crisis.

All companies have absenteeism action plans.

With regards to severity and frequency rates

The two occupational accident rates, now tracked for years, continue to fall.

Efforts must now be as focused on more vulnerable groups, especially seasonal and temporary workers. The inferior rates there, even if they fall within the norms of our industry, have persuaded us to implement a suitably targeted action plan.

The FR2 monitoring plan is monitored monthly at the highest level of the Group, and action plans are adapted to the context of each plant.

Concerning apprenticeship

The improvement in our indicators in the work-study area and especially apprenticeship came about largely through the work

of our French companies. Of course, the German system, which has always been very supportive of apprenticeships, produces a significant number of apprentices. But it is the widespread expansion in our companies in France that has enabled this 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 best young people whenever job opportunities arise.

For 2020/2021 and beyond

The four indicators monitored will continue to be measured.

The absenteeism target rate remains at **3%**.

The target accident severity rate has been lowered to **0.3**.

The frequency rate 1 target has been lowered to **10**, but above all a the **frequency rate 2** target is now set at **20**.

The apprenticeship rate target has been increased to **3.5%** for the 2021/2022 fiscal year (compared with 3%) so as to continue our commitments as a socially responsible company.

4.6 Report of one of the Statutory Auditors appointed as independent third party on the consolidated statement of non-financial performance

Fiscal year ended September 30, 2020

To the Shareholders' Annual General Meeting,

In our capacity as Statutory Auditors of EXEL Industries appointed as an independent third party, certified by COFRAC under number 3-1048 (scope of accreditation available on www.cofrac.fr), we hereby present our report on the consolidated statement of non-financial performance relating to the fiscal year ended September 30, 2020, presented in the management report (hereinafter the "Statement"), pursuant to the laws and regulations of Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code.

Company's responsibility

It is the duty of the Board of Directors to draw up a Statement in accordance with the laws and regulations, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies applied as regards those risks and the results of those policies, including key performance indicators. The Statement was prepared pursuant to the Company's procedures (hereinafter the "Guidelines"), the major points of which are presented in the Statement and available on its website or upon request at the Company's main office.

Independence and quality control

Our independence is defined by the criteria laid out in Article L.822-11-3 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 our rules of ethics, professional standards and applicable legal and regulatory texts.

Responsibility of Statutory Auditors appointed as an independent third party

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 information provided pursuant to sections I(3) 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, hereinafter "the Information".

However, it is not our responsibility to express an opinion on the entity's compliance with other applicable legal and regulatory provisions, particularly in terms of the duty of care, anti-corruption and taxation, or on the regulatory compliance of products and services.

Nature and extent of the audit

Our work described below was carried out in accordance with the provisions of Articles A. 225-1 *et seq.* of the French Commercial Code determining the terms in which the independent third party conducts its engagement and in accordance with the professional doctrine of the Compagnie Nationale des Commissaires aux Comptes relating to this engagement as well as international standard ISAE 3000 (assurance engagements other than audits or reviews of historical financial information).

We conducted work to assess the compliance of the Statement with the regulatory provisions and the accuracy of the information, as follows:

- We took note of the activity of all the companies 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 contemplated in section III of Article L.225-102-1 regarding social and environmental issues as well as human rights, anti-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.

- 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 (initiatives and outcomes) that we considered the most important ⁽¹⁾ – for certain risks, our work was carried out at the level of the consolidating entity, for the others, 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.
- With regard to key performance indicators and other quantitative outcomes ⁽²⁾ that we considered the most important, 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 ⁽³⁾ and covered between 21% and 55% of the consolidated data for the key performance indicators and outcomes chosen for these tests.
- We assessed the consistency of the entire Statement in light of our knowledge of the Company.

It is our view that the work we performed based on our professional judgment enables us to express a conclusion of moderate assurance. A higher level of assurance would have required a more extensive review.

Means and resources

Our work involved the efforts and abilities of five individuals between October 2020 and December 2020.

To help us in our work, we called on our experts in corporate social responsibility. We conducted some ten interviews with the persons responsible for preparing the Statement.

Conclusion

Based on our review, 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 comment: the scopes covered by the policies could be clarified in order to explain their deployment within the Group.

Paris-La Défense, January 11, 2021
One of the Statutory Auditors
Deloitte & Associés
Alain GUINOT
Partner

(1) Soil and air pollution, respect for biodiversity and limitations on soil compaction, and climate action.

(2) Electricity consumption (in kWh), Gas consumption (in kWh), Fuel oil consumption (in liters), Propane consumption (in liters), Greenhouse gas emissions (Scope 1 and 2), Average headcount, Part-time headcount, Number of apprentices, Percentage of female managers, Number of hires, Number of departures including layoffs, Percentage of absenteeism, accident frequency rate, accident severity rate, number of days of sick leave, number of accidents for temporary workers (including days lost), Number of days off work for temporary workers, Total number of training hours.

(3) TRICOFLEX; AGRIFAC HOLMER (in-depth consistency review); HOZELOCK EXEL (in-depth consistency review).

5

Consolidated financial statements

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5.1 Consolidated balance sheet at September 30, 2020

Consolidated assets

<i>(in € thousands)</i>	Notes	09/30/2020	09/30/2019
Non-current assets			
Goodwill	3	63,015	65,191
Intangible assets	4	31,182	12,746
Property, plant and equipment	5.1	132,829	136,902
Rights of use	5.2	13,222	-
Investments in associates	6	3,351	3,519
Financial assets	7	2,005	1,548
Deferred tax assets	22	21,175	24,917
TOTAL NON-CURRENT ASSETS		266,780	244,824
Current assets			
Inventories and work-in-progress	8	219,759	228,323
Trade receivables	9	135,950	108,552
Customer contract assets		13,552	11,148
Current tax receivables		11,564	15,169
Other receivables	10	17,733	13,691
Cash and cash equivalents	11	99,291	88,963
TOTAL CURRENT ASSETS		497,849	465,845
TOTAL ASSETS		764,629	710,669

Equity and liabilities

<i>(in € thousands)</i>	Notes	09/30/2020	09/30/2019
Shareholders' equity			
Capital	12	16,970	16,970
Other reserves		335,341	337,885
Treasury shares		(91)	(80)
Net income for the fiscal year		(10,687)	4,096
Shareholders' equity attributable to owners of the parent		341,532	358,870
Attributable to non-controlling interests:			
Share of shareholders' equity		11	11
Share of net income		4	3
Total attributable to non-controlling interests		15	14
TOTAL SHAREHOLDER'S EQUITY	3	341,547	358,884
Non-current liabilities			
Non-current provisions	13	45,971	47,072
Long-term financial debt	14 & 15	53,923	57,081
Deferred tax liabilities		5,553	4,597
TOTAL NON-CURRENT LIABILITIES		105,447	108,751
Current liabilities			
Current provisions	13	10,889	16,499
Current portion of long-term debt	14 & 15	78,946	52,704
Current bank facilities and overdrafts	14 & 15	54,022	41,052
Trade payables		59,463	48,938
Contractual liabilities and deferred income		28,514	26,664
Current tax liabilities		14,656	9,392
Other current liabilities	16	71,144	47,785
TOTAL CURRENT LIABILITIES		317,635	243,034
TOTAL EQUITY AND LIABILITIES		764,629	710,669

5.2 Consolidated Profit and loss, fiscal year ended September 30, 2020

<i>(in € thousands)</i>	Notes	Fiscal year 09/30/2020	Fiscal year 09/30/2019
Revenue	17	754,378	776,687
Change in inventory		(1,884)	(5,208)
Other operating income		634	190
Total Operating income		753,128	771,669
Raw materials and consumables		(383,727)	(397,636)
Changes in inventories of raw materials and consumables		(7,643)	3,573
Other purchases and external charges		(106,367)	(118,622)
Taxes and duties other than on income		(7,562)	(7,668)
Payroll	18	(194,612)	(195,594)
Net allowances for depreciation and amortization		(22,285)	(15,311)
Net allowances for provisions & impairment of assets	19	7,778	(4,374)
Other operating expenses		(3,364)	(3,262)
Total recurring operating expenses		(717,782)	(738,893)
CURRENT OPERATING INCOME (EBIT)		35,346	32,776
Non-recurring income		6,004	3,277
Non-recurring expenses		(35,914)	(25,344)
Net non-recurring income	20	(29,910)	(22,067)
OPERATING PROFIT		5,435	10,710
Financial income		11,521	12,803
Financial expenses		(22,581)	(13,947)
Net financial income	21	(11,060)	(1,144)
PROFIT BEFORE TAX		(5,625)	9,565
Corporate income tax	22	(5,430)	(5,725)
Share in earnings of equity-method associates	6	371	258
NET INCOME FOR THE FISCAL YEAR		(10,684)	4,098
Net income attributable to owners of the parent		(10,687)	4,096
Net income attributable to non-controlling interests		4	3
<i>Earnings per share (in €)</i>		(1.6)	0.6
<i>Diluted earnings per share (in €)</i>		(1.6)	0.6

Statement of recognized income and expenses

<i>(in € thousands)</i>	Fiscal year 09/30/2020	Fiscal year 09/30/2019
NET INCOME	(10,684)	4,098
Net actuarial losses on defined benefit plans	(2,943)	(997)
Deferred taxes on actuarial gains/losses	440	381
Changes in currency translation adjustments	(4,122)	3,044
Capital gains or losses on the disposal of treasury shares (net of tax)	(22)	(88)
TOTAL GAINS AND LOSSES RECOGNIZED IN EQUITY	(17,331)	6,439
<i>Attributable to shareholders</i>	(17,335)	6,436
<i>Attributable to non-controlling interests</i>	4	3

5.3 Consolidated statement of changes in shareholders' equity

Equity attributable to owners of the parent

<i>(in € thousands)</i>	Capital	Share premiums	Retained earnings and reserves	Translation adjustments	Treasury shares	Total attributable to owners of the parent	Equity attributable to non interests	Total consolidated equity
BALANCE AT 09/30/2018	16,970	2,528	347,917	(4,592)	(136)	362,687	15	362,701
Total gains and losses recognized in equity	-	-	3,392	3,044	-	6,436	3	6,439
Dividends distributed			(7,736)			(7,736)	-	(7,736)
Adoption of IFRS 9			(93)			(93)		(93)
Adoption of IFRS 15			(2,481)	14		(2,467)		(2,467)
Change in Group structure						-		-
Other changes			328	(341)	56	43	(3)	40
BALANCE AT 09/30/2019	16,970	2,528	341,327	(1,876)	(80)	358,869	15	358,884
Total gains and losses recognized in equity	-	-	(13,213)	(4,122)	-	(17,335)	4	(17,331)
Dividends distributed								
Change in Group structure						-		-
Other changes			878	(868)	(11)	(1)	(4)	(6)
BALANCE AT 09/30/2020	16,970	2,528	328,992	(6,866)	(91)	341,532	15	341,547

5.4 Consolidated statement of cash flows

<i>(in € thousands)</i>	Notes	09/30/2020	09/30/2019
A. Cash flows from operating activities			
Net income attributable to owners of the parent		(10,687)	4,096
Attributable to non-controlling interests		4	3
- Share in earnings of equity-method associates		169	(258)
+ Allowances for depreciation of fixed assets		22,404	15,182
+ Net allowances for provisions and asset impairments ⁽¹⁾		(4,739)	9,276
+ Goodwill impairment		26,282	-
- Net gains on disposals of fixed assets		(28)	2,066
Operating cash flows		33,404	30,365
Net working capital (+ use, - source)	23	(20,462)	(9,258)
Net cash flow provided by operating activities ⁽³⁾		53,866	39,623
B. Cash flows from investing activities			
Purchases of fixed assets ⁽²⁾		(11,043)	(10,268)
Proceeds from the sale of fixed assets		258	366
Impact of changes in Group structure		(48,405)	-
CASH BUDGETED FOR CAPITAL EXPENDITURES		(59,190)	(9,902)
C. Cash flows from financing activities			
Increase in share capital and premium		-	-
Net dividends paid in the fiscal year		-	(7,739)
Increase in borrowings		40,042	7,485
Repayment of borrowings		(29,590)	(15,921)
Repayment of lease liabilities		(5,816)	-
Change in Treasury shares		(33)	(73)
CASH FROM FINANCING ACTIVITIES		(4,603)	(16,248)
D. Effect of foreign exchange rates on cash		1,922	1,493
NET CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C + D)		(2,643)	14,966
Net cash and cash equivalents at beginning of the fiscal year		47,911	32,945
Net change during the fiscal year		(2,642)	14,966
NET CASH AND CASH EQUIVALENTS AT CLOSE OF THE FISCAL YEAR		45,269	47,911
Marketable securities		3	3
Cash and Cash equivalent		99,289	88,960
Current bank facilities and overdrafts		(54,022)	(41,052)
NET CASH AND CASH EQUIVALENTS AT CLOSE OF THE FISCAL YEAR		45,269	47,911
<i>(1) Excluding current asset provisions.</i>			
<i>(2) Purchases are net of changes in payables on fixed assets.</i>			
<i>(3) Of which interest paid</i>			
<i>and of which corporate income tax paid (or refunded).</i>		3,545	4,541
		(1,473)	15,978

5.5 Notes to the consolidated financial statements

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Note 1 Significant accounting policies and basis of consolidation

1.1 Accounting standards

The 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, 2020 and available online on the European Commission's website.

Standards, amendments and interpretations of the standards adopted by the European Union, which are compulsory from the start of the fiscal year which began on October 1, 2019

The European Union adopted the following amendments, with compulsory application inside the Group from the reporting period beginning October 1, 2019. The new amendments presented below, which are applied within the Group, do not have a material impact on the Group's consolidated financial statements.

Initial application of IFRS 16 – Leases

On January 13, 2016, the IASB published a new standard on lease accounting. This standard, which replaces IAS 17 and its

interpretations, will the majority of leases to be recognized on lessees' balance sheets using a single model, in the form of a right-of-use asset and a lease liability (waived for lessees who are classified as having simple leases or finance leases). This new standard applies to fiscal years beginning on or after January 1, 2019.

As a lessee, the Group's main commitments are real estate leases and vehicle rentals.

The Group will complete the transition to IFRS 16 using the simplified retrospective method. At October 1, 2019, the amount of lease liabilities is calculated by discounting the residual rents with the rates corresponding to the estimated duration of the contracts.

As lessee, the Group uses the incremental borrowing rate, calculated by currency area, corresponding to the risk-free rate in force in the area plus the Group's risk premium. The weighted average incremental borrowing rate applied to lease liabilities as of October 1, 2019 was 1.3%.

The corresponding rights of use will be recognized in an amount equal to that of the lease liability. The initial application of IFRS 16 thus has no impact on the amount of the Group's shareholders' equity at October 1, 2019.

In accordance with the options offered by IFRS 16, the Group opted to apply the following exemptions and simplification measures:

- short-term leases and leases involving low-value assets are not restated;
- leases with a residual term of less than 12 months are considered as short-term leases and are not subject to any restatement.

Pursuant to the provisions of IFRS 16 relating to the modified retrospective approach, comparative data for fiscal year 2019 that will be presented with respect to the data from fiscal year 2020 will not be restated.

The main financial impacts on the 2019 aggregates are presented below:

- impact on the opening equity as of October 1, 2019 is zero, given the simplification measure used to determine right-of-use assets (see above);
- impact on assets related to right-of-use assets and lease liabilities as of October 1, 2019 amounted to €15.8 million.

In practice, the restated leases mainly correspond to property leases. The impact as of October 1, 2019 related to the application of IFRS 16 was presented on a specific line of the table of movements in fixed assets and financial debt.

Comparative periods restated for the impact of IFRS 16

<i>(in € thousands)</i>	Notes	09/30/2020 as reported	IFRS 16 impact	09/30/2020 restated	09/30/2019
Revenue	17	754,378		754,378	776,687
Change in inventory		(1,884)		(1,884)	(5,208)
Other operating income		634		634	190
Total Operating income		753,128		753,128	771,669
Raw materials and consumables		(383,727)		(383,727)	(397,636)
Changes in inventories of raw materials and consumables		(7,643)		(7,643)	3,573
Other purchases and external charges		(106,367)	(5,469)	(111,837)	(118,622)
Taxes and duties other than on income		(7,562)		(7,562)	(7,668)
Payroll	18	(194,612)		(194,612)	(195,594)
Net allowances for depreciation and amortization		(22,285)	5,393	(16,892)	(15,311)
Net allowances for provisions & impairment of assets	19	(7,778)		(7,778)	(4,374)
Other operating expenses		(3,364)		(3,364)	(3,262)
Total recurring operating expenses		(717,782)	(76)	(717,858)	(738,893)
CURRENT OPERATING INCOME (EBIT)		35,346	(76)	35,269	32,776
Non-recurring income		6,004		6,004	3,277
Non-recurring expenses		(35,914)		(35,914)	(25,344)
Net non-recurring income	20	(29,910)		(29,910)	(22,067)
OPERATING PROFIT		5,435	(76)	5,359	10,710
Financial income		11,521		11,521	12,803
Financial expenses		(22,581)	169	(22,412)	(13,947)
Net financial income	21	(11,060)	169	(10,891)	(1,144)
PROFIT BEFORE TAX		(5,625)	93	(5,532)	9,565
Corporate income tax	22	(5,430)	(27)	(5,457)	(5,725)
Share in earnings of equity-method associates	6	371		371	258
NET INCOME FOR THE FISCAL YEAR		(10,684)	66	(10,618)	4,098

Consolidated assets

<i>(in € thousands)</i>	Notes	09/30/2020 as reported	IFRS 16 impact	09/30/2020 restated	09/30/2019
Non-current assets					
Goodwill	3	63,015		63,015	65,191
Intangible assets	4	31,182		31,182	12,746
Property, plant and equipment	5.1	132,829		132,829	136,902
Rights of use	5.2	13,222	(12,911)	311	-
Investments in associates	6	3,351		3,351	3,519
Financial assets	7	2,005		2,005	1,548
Deferred tax assets	22	21,175	(18)	21,157	24,917
TOTAL NON-CURRENT ASSETS		266,780	(12,929)	253,850	244,824
Current assets					
Inventories and work-in-progress	8	219,759		219,759	228,323
Trade receivables	9	135,950		135,950	108,552
Customer contract assets		13,552		13,552	11,148
Current tax receivables		11,564		11,564	15,169
Other receivables	10	17,733		17,733	13,691
Cash and cash equivalents	11	99,291		99,291	88,963
TOTAL CURRENT ASSETS		497,849		497,849	465,845
TOTAL ASSETS		764,629	(12,929)	751,700	710,669

Equity and liabilities

<i>(in € thousands)</i>	Notes	09/30/2020 as reported	IFRS 16 impact	09/30/2020 restated	09/30/2019
Shareholders' equity					
Capital	12	16,970		16,970	16,970
Other reserves		335,341		335,341	337,885
Treasury shares		(91)		(91)	(80)
Net income for the fiscal year		(10,687)	66	(10,622)	4,096
Shareholders' equity attributable to owners of the parent		341,532	66	341,598	358,870
Attributable to non-controlling interests:					
Share of shareholders' equity		11		11	11
Share of net income		4		4	3
Total attributable to non-controlling interests		15	-	15	14
TOTAL SHAREHOLDER'S EQUITY		341,457	66	341,613	358,884
Non-current liabilities					
Non-current provisions	13	45,971		45,971	47,072
Long-term financial debt	14 & 15	53,923	(8,397)	45,526	57,081
Deferred tax liabilities		5,553		5,553	4,597
TOTAL NON-CURRENT LIABILITIES		105,447	(8,397)	97,050	108,751
Current liabilities					
Current provisions	13	10,889		10,889	16,499
Current portion of long-term debt	14 & 15	78,946	(4,598)	74,348	52,704
Current bank facilities and overdrafts	14 & 15	54,022		54,022	41,052
Trade payables		59,463		59,463	48,938
Contractual liabilities and deferred income		28,514		28,514	26,664
Current tax liabilities		14,656		14,656	9,392
Other current liabilities	16	71,144		71,144	47,785
TOTAL CURRENT LIABILITIES		317,635	(4,598)	313,037	243,034
TOTAL EQUITY AND LIABILITIES		764,629	(12,929)	751,700	710,669

Initial application of IFRIC 23 – Uncertainty over Income Tax Treatments

IFRIC 23 clarifies the recognition and measurement principles applicable to tax risks relating to income tax when there is uncertainty about the treatment used by an entity in that respect, with regard to the applicable tax provisions. This interpretation, adopted by the European Union in October 2018, is applicable from October 1, 2019 and had no impact on equity in the opening balance sheet for the year.

The consolidated financial statements of EXEL Industries were approved by the Board of Directors on December 16, 2020.

1.2 Basis of consolidation & scope (see note 2)

Companies over which EXEL Industries exercises exclusive control are fully consolidated. Exclusive control is defined as an ability to govern directly or indirectly the financial and operating policy decisions of the enterprise so as to benefit from its activities. It is

generally presumed to exist when the Group has more than 50% of the voting rights of the controlled company.

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 possible assets, equity and liabilities of the acquired company are recognized at their fair value.

The difference between the acquisition cost and the proportionate share acquired of the fair value of the assets and liabilities on the acquisition date is recognized under "Goodwill". This goodwill is not amortized and is tested for impairment whenever there are indications of loss, and at least once a year (see below).

If the acquisition cost is less than the fair value of the acquiree's assets and liabilities, the residual amount of negative goodwill is recognized directly in "Non-recurring income/(expenses)".

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 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". At the takeover date, the Group may opt to recognize the new business combination using the partial goodwill method or the full goodwill method. In the case of full goodwill, the non-controlling interests are measured at fair value and the Group recognizes goodwill on the total of identifiable assets and liabilities.

Expenditures directly related to the takeover are recognized as "Other non-recurring expenses".

At September 30, 2020, the net value of residual goodwill on the balance sheet amounted to €63,015 thousand.

1.5 Intangible assets (see note 4)

The other intangible assets appear on the balance sheet at their historical cost. They are amortized on a straight-line basis over their estimated useful life.

Development expenditures

In accordance with IAS 38, development expenditures 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 expenditures mainly comprise payroll expenditure.

1.6 Property, plant and equipment (see note 5)

Property, plant and equipment 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.

Comparable depreciation rates are applied by all companies 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 fixed assets (office equipment, vehicles, etc.).

1.7 Impairment of assets

Assets with finite useful lives

The Group reviews its main tangible and intangible non-current assets on each closing date to identify any impairment when it appears, from events or circumstances, that their carrying value 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.

Goodwill and fixed assets with indeterminate useful lives:

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 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 was assigned to each CGU thus defined: Agricultural Spraying, Sugar Beet Harvesters, 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 expenses". 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.

Impacts of the initial application of IFRS 16:

The analysis carried out did not lead to the identification of assets related to leases that would need to be tested independently of a CGU.

Pending the expected clarifications on the practical methods of carrying out impairment tests including the restatement of IFRS 16, the Group has included the asset related to the right of use in the carrying amount of the CGU, without modifying the calculation of the discount rate.

1.8 Non-current financial assets (see note 7)

Non-current financial assets include equity interests and other financial assets.

"Equity interests" refers to the Group's investment in the capital stock of unconsolidated companies. These interests are accounted for as available-for-sale securities and recognized at fair value or their acquisition cost, which, according to the Group's estimates, represents their fair value in the absence of an active market. Unrealized gains and losses on these items are recorded separately under shareholders equity.

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 financial assets 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 "profit or loss under income from cash and cash equivalents".

All financial assets are subject to tests once a year to determine if there exists an indication of impairment.

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.

Raw materials and trade goods are as a general rule measured according to the FIFO method.

Inventory in progress and finished products are recognized at production cost that includes the cost of raw materials, direct labor costs and factory overheads.

1.10 Trade receivables and related accounts (see note 9)

Trade receivables have been measured at face value. Provisions for impairment are recorded according to the age of the receivable and the expected losses based on the lifetime of the receivable.

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.

Bank overdrafts are presented as a specific line item under current liabilities.

1.12 Corporate income tax (see note 22)

Deferred taxes

In accordance with IAS 12 – Deferred tax, 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.

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 €21 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.

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.

Tax credits

■ Research tax credits (RTC)

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. Translation differences are recorded directly in equity under the heading "Foreign currency translation reserve".

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.

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 liability, initially measured at the present value of 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.

The reasonably certain term of leases is determined by the department that signed the lease and is reviewed at the close of each accounting period.

In Profit and loss, 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 Profit and loss over the lease term.

1.15 Provisions, contingent assets and contingent liabilities

In accordance with IAS 37, 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.

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 13.3)

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 directly in equity and in consequence have no impact on the income statement.

For defined benefit plans, the expenses recognized in operating income include service costs, 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 closing date of the 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 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 also competes in the consumer watering products market and in sugar beet harvesters.

1.19 Financial instruments

Treasury shares

In accordance with IAS 32, 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.

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.

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 the activity is recorded, in compliance with IFRS 15, and the income derived from the sale of goods is recognized upon the transfer of control of the goods or services. Any trade discounts rebates and related items granted to customers are recognized as amounts deducted from revenue. Revenue from the sale of services is recognized at fair value of the consideration received or receivable. Revenue 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.

Note 2 Basis of consolidation

Name	Percentage controlled		Percentage held		Method of consolidation
	09/2020	09/2019	09/2020	09/2019	
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%		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%		FC
GAMA Technologies SAS	100.00%	100.00%	100.00%	100.00%	FC
BERTHOUD SASU	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
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 (ex-EXEL gsa SAS)	100.00%	100.00%	100.00%	100.00%	FC
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%		FC
EMC LLC (Russia)	100.00%	100.00%	100.00%	100.00%	FC
SAMES KREMLIN SAS	100.00%	100.00%	100.00%	100.00%	FC
<i>French subsidiaries:</i>					
API SCM SAS	100.00%	100.00%	100.00%	100.00%	FC
<i>Foreign subsidiaries:</i>					
SAMES KREMLIN Germany	100.00%	100.00%	100.00%	100.00%	FC
INTEC SAMES KREMLIN (Germany)	100.00%			100.00%	FC
SAMES KREMLIN Spain	99.90%	99.90%	99.90%	99.90%	FC

Name	Percentage controlled		Percentage held		Method of consolidation
	09/2020	09/2019	09/2020	09/2019	
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 South Africa		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
HARDI INTERNATIONAL AS (Denmark)	100.00%	100.00%	100.00%	100.00%	FC
<i>Foreign subsidiaries:</i>					
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 SA (Spain)	100.00%	100.00%	100.00%	100.00%	FC
HARDI GmbH (Germany)	100.00%	100.00%	100.00%	100.00%	FC
Svenska HARDI AB (Sweden)		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
<i>French subsidiaries:</i>					
Groupe HARDI France SA	100.00%	100.00%	100.00%	100.00%	FC
HARDI Service	100.00%	100.00%	100.00%	100.00%	FC
POMMIER S.C.E.P.	47.32%	47.32%	47.32%	47.32%	EM
AGRIFAC Machinery BV (Netherlands)	100.00%	100.00%	100.00%	100.00%	FC
<i>Foreign subsidiaries:</i>					
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
Ashspring Ltd (UK)		100.00%		100.00%	FC
Thistlehaven Ltd (UK)		100.00%		100.00%	FC
HOZELOCK group Ltd (UK)		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
HOZELOCK TRICOFLEX GmbH (Germany)	100.00%	100.00%	100.00%	100.00%	FC
TRICOFLEX Scandinavia AB (Sweden)	100.00%	100.00%	100.00%	100.00%	FC
HOLMER Maschinenbau GmbH (Germany)	100.00%	100.00%	100.00%	100.00%	FC
<i>Foreign subsidiaries:</i>					
HOLMER Poland	100.00%	100.00%	100.00%	100.00%	FC
HOLMER Ukraine	100.00%	100.00%	100.00%	100.00%	FC

Name	Percentage controlled		Percentage held		Method of consolidation
	09/2020	09/2019	09/2020	09/2019	
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
<i>French subsidiaries:</i>					
HOLMER Exxact	100.00%	100.00%	100.00%	100.00%	FC
HOLMER France	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%		FC

FC: Full consolidation – EM: Equity method – NC: not consolidated, now outside scope – NA: not applicable.

Changes in consolidated Group structure

- On November 4, 2019, EXEL Industries group announced the creation of "EXXACT Robotics", a company specialized in precision agricultural technologies, implementing artificial intelligence, robotics, electronics and agronomy.
- On February 3, 2020, the SAMES KREMLIN group acquired 100% of German company iNTEC GmbH & Co. KG. The acquired company manufactures and markets gluing equipment for the automotive industry, mainly in bodywork assembly plants.
- On April 1, 2020, BERTHOUD Agricole and TECNOMA Technologies spun off their commercial activities, which are respectively housed in the new subsidiaries BERTHOUD (SASU) and TECNOMA (SASU).
- On April 27, BERTHOUD Agricole and TECNOMA Technologies changed their company names to GAMA Technologies and SUPRAY Technologies respectively.

During the fiscal year:

- the SAMES KREMLIN group sold SAMES KREMLIN South Africa to its local manager,
- the TRICOFLEX group finalized the closure of its trading company HOZELOCK TRICOFLEX GmbH in Germany,
- CARUELLE NICOLAS SAS changed its name to NICOLAS Sprayers SAS.

Impact of changes in the scope of consolidation on the financial statements as of September 30, 2020 (in millions of euros):

- on consolidated sales: €27,9 million;
- on operating profit: -€2.0 million;
- on non-current assets: €46.8 million;
- on current assets: €35,8 million;
- on non-current liabilities: €0.3 million;
- on current liabilities: €25,6 million.

Note 3 Goodwill

3.1 Movements during the fiscal year

(in € thousands)	09/30/2020	09/30/2019
OPENING NET VALUE	65,192	64,462
Changes in consolidated Group structure:	-	-
Increases	25,008	-
Decreases	-	-
Impairment	(26,282)	-
Other net changes (foreign exchange effect)	(902)	730
CLOSING NET VALUE	63,015	65,192

Goodwill determined on the basis of a fair value measurement of iNTEC SAMES KREMLIN was recognized in the amount of €25.0 million. In accordance with IFRS 3, the Group continues to fully assess the assets acquired and liabilities assumed within 12 months from the acquisition date.

The highly uncertain macroeconomic environment has led us to increase the general level of risk taken into account in our asset impairment testing. This resulted in the impairment of €26.3 million of Agricultural Spraying goodwill, recognized as a non-recurring expense in our financial statements for the year ended September 30, 2020.

Parameters used in impairment tests:

All the tests were carried out using the following principal assumptions for fiscal year 2020:

- the perpetual growth rate used from the sixth year is 1.7% (1.7% in 2019);
- the discount rate is 9.0% (8.3% in 2019);

The discount rate used for the impairment tests corresponds to the weighted average cost of capital (WACC) estimated on a date close to the closing date. The WACC is calculated on the basis of target indebtedness of 25% of equity and a risk-free interest rate of 0.02% (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 year-end closing exchange rate.

On September 30, 2020 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 does not show a risk of additional loss in value for fiscal year 2020.

3.2 Analysis of goodwill by cash-generating unit (CGU)

(Net carrying value)

<i>(in € thousands)</i>	09/30/2020	09/30/2019
Agricultural Spraying CGU	-	26,620
Sugar Beet Harvesters CGU	-	-
Garden Watering and Spraying CGU	33,150	33,715
Industrial Spraying CGU	29,865	4,857
TOTAL	63,015	65,192

Note 4 Intangible assets

<i>(in € thousands)</i>	09/30/2020			09/30/2019	
	Gross	Amortized	Impairment	Net	Net
Patents, trademarks, licenses and software	32,686	(17,861)	-	14,825	12,715
Other intangible assets	18,462	(2,105)	-	16,356	31
TOTAL	51,148	(19,966)	-	31,182	12,746

The gross change in intangible assets is attributable in the amount of €18.3 million to the inclusion of iNTEC SAMES KREMLIN GmbH in the scope of consolidation.

Note 5 Property, plant and equipment

The comparative data relating to 2019 have not been restated for the application of IFRS 16, as the Group opted for the simplified retrospective transition method. The impact of IFRS 16 on the 2019 financial statements is given in note 1.1.3.

(in € thousands)	09/30/2020			09/30/2019	
	Gross	Amortized	Impairment	Net	Net
Land and developments	48,010	(4,839)	-	43,171	43,285
Buildings	141,920	(75,635)	-	66,285	60,627
Plant and equipment	177,346	(151,213)	-	26,133	24,600
Other property, plant and equipment*	35,359	(27,664)	-	7,695	5,061
Property, plant and equipment under construction	2,594	(109)	-	2,485	3,312
Advances and prepayments	282	-	-	282	17
TOTAL	405,511	(259,460)	-	146,051	136,902
Property, plant and equipment	386,958	(254,130)		132,829	
Rights of use	18,553	(5,331)		13,222	

* Other property, plant and equipment consists mainly of vehicles, furniture and computer equipment.

Changes in property, plant and equipment between September 30, 2019 and September 30, 2020 are detailed in tables 5.1 and 5.2.

5.1 Movements during the fiscal year concerning property, plant and equipment

(in € thousands)	09/30/2020			09/30/2019	
	Gross	Depreciation	Net	Net	
PROPERTY, PLANT AND EQUIPMENT AT THE BEGINNING OF THE FISCAL YEAR	390,321	(253,420)	136,902	142,285	
Right-of-use assets on finance leases ⁽¹⁾	(848)	743	(105)	-	
Acquisitions/allowances	6,581	(13,234)	(6,653)	(3,892)	
Change in Group structure	4,960	44	5,004	-	
Disposals or decommissioned assets	(9,564)	9,400	(164)	(2,345)	
Impact of foreign exchange and misc. ⁽²⁾	(4,492)	2,337	(2,155)	854	
PROPERTY, PLANT AND EQUIPMENT AT THE END OF THE FISCAL YEAR	386,958	(254,130)	132,829	136,902	

⁽¹⁾ In previous years, the right-of-use assets relating to finance leases were presented under property, plant and equipment. From now on, the rights of use of the leased assets are presented separately and the movements for the fiscal year are detailed in 5.2.

⁽²⁾ "Currency impact and miscellaneous" includes reclassifications between gross values and depreciation.

5.2 Movements during the fiscal year concerning rights of use

(in € thousands)	09/30/2020		
	Gross	Depreciation	Net
GROSS RIGHTS OF USE AT THE BEGINNING OF THE FISCAL YEAR	848	(743)	105
First application of IFRS 16	15,821		15,821
Acquisitions/allowances	3,298	(5,523)	(2,225)
Change in Group structure	-		-
Disposals or decommissioned assets	(839)	839	-
Impact of foreign exchange and misc.	(575)	96	(479)
GROSS RIGHTS OF USE AT THE END OF THE FISCAL YEAR	18,553	(5,331)	13,222

Note 6 Investments in associates

<i>(in € thousands)</i>	09/30/2020	09/30/2019
OPENING NET VALUE	3,519	3,261
Acquisitions	-	-
Change in Group structure	-	-
Share in earnings of equity-accounted associates	371	258
Dividend distribution	(539)	-
Disposals/deconsolidation	-	-
Other net changes (incl. foreign exchange)	-	-
CLOSING NET VALUE	3,351	3,519

This concerns POMMIER, a company 47% held by Groupe HARDI France, a direct subsidiary of HARDI International AS.

Note 7 Non-current financial assets

<i>(in € thousands)</i>	09/30/2020			09/30/2019
	Gross	Depreciation	Net	Net
Equity interests	733	(0)	733	414
Receivables on equity interests	-	-	-	-
Other equity securities	3	(1)	2	2
Loans	180	-	180	40
Other non-current financial assets	1,277	(187)	1,090	1,091
TOTAL	2,193	(188)	2,005	1,548

Other non-current financial assets mainly include security deposits.

Note 8 Inventories and work-in-progress

<i>(in € thousands)</i>	09/30/2020			09/30/2019
	Gross	Depreciation	Net	Net
Raw materials	114,154	(22,992)	91,163	98,250
Work-in-progress (goods and services)	17,653	(565)	17,088	15,308
Semi-finished and finished goods	57,708	(3,412)	54,296	55,529
Trade goods	70,946	(13,735)	57,212	59,236
TOTAL	260,461	(40,703)	219,759	228,323

Note 9 Trade receivables

<i>(in € thousands)</i>	09/30/2020			09/30/2019
	Gross	Depreciation	Net	Net
Trade receivables	143,054	(7,104)	135,950	108,552
TOTAL	143,054	(7,104)	135,950	108,552

Depreciation 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:

<i>(in € thousands)</i>	09/30/2020	09/30/2019
ALLOWANCES FOR IMPAIRMENT OF TRADE RECEIVABLES AT THE BEGINNING OF THE FISCAL YEAR	(6,622)	(4,992)
First application of IFRS 9		(137)
Net allowance (or reversal) recognized under profit or loss	(385)	(2,483)
Change in Group structure	(262)	-
Other changes	166	990
ALLOWANCES FOR IMPAIRMENT OF TRADE RECEIVABLES AT THE END OF THE FISCAL YEAR	(7,104)	(6,622)

The payment schedule of receivables, subject to allowances for impairment or not, is presented below:

<i>(in € thousands)</i>	Receivables not due	Overdue receivables				Total
		< 90 days	91 to 180 days	181 to 360 days	> 360 days	
Gross trade receivables	113,171	17,292	2,856	2,190	7,545	143,054
Impairment of trade receivables	(143)	(331)	(339)	(335)	(5,946)	(7,104)
TOTAL NET RECEIVABLES	113,028	16,961	2,517	1,845	1,599	135,950

Note 10 Other receivables

<i>(in € thousands)</i>	Net value 09/30/2020	Net value 09/30/2019
Tax receivables excluding corporate income tax (mainly VAT)	7,895	6,356
Amounts receivable from payroll tax agencies	377	272
Advances and prepayments paid	842	1,007
Sundry debtors	4,614	2,087
Prepaid expenses	4,006	3,968
TOTAL	17,733	13,691

Other receivables mainly consist of amounts for VAT refunds.

Note 11 Cash and cash equivalents

<i>(in € thousands)</i>	09/30/2020	09/30/2019
Marketable securities	3	3
Cash and Cash equivalent	99,289	88,960
TOTAL	99,291	88,963

The Company does not have any investment portfolios of equity securities.

Note 12 Share capital

At 09/30/2020, the parent company's share capital consisted of 6,787,900 ordinary shares with a par value of €2.50 per share. The Company does not have any dilutive instruments.

There were no corporate actions in the fiscal year under review.

At September 30, 2020, there were 2,690 treasury shares.

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. The proper level of equity is monitored on the basis of gearing (net financial debt 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.

5

Note 13 Provisions for contingencies and expenses

13.1 Breakdown of provisions by nature and changes in the fiscal year

Consolidated <i>(in € thousands)</i>	09/30/2019	Allowance	Reversal (used provisions)	Reversal (unused provisions)	Actuarial gains and losses (placed in reserve)	Reclassification of accounts and others	Changes in scope & foreign exchange	09/30/2020
Provisions for contingencies	33,739	9,988	(16,062)	(1,008)		-	(62)	26,595
Provisions for expenses	29,832	1,157	(3,106)	(14)	2,949	-	(553)	30,265
TOTAL	63,571	11,145	(19,168)	(1,022)	2,949	-	(615)	56,860
Of which non-current provisions	47,072							45,971
Of which current provisions	16,499							10,889
TOTAL	63,571							56,860

13.2 Breakdown between current and non-current provisions

As a rule, provisions for contingencies and expenses are classified as non-current liabilities as their due date is known with precision except if at the closing date the Company knows that certain provisions will result in outflows in the next fiscal year. In this latter case, provisions in question are classified as current liabilities.

Non-current provisions for contingencies and expenses

Consolidated (in € thousands)	09/30/2020	09/30/2019
Revenue-related litigation and expenses for work in progress	1,510	354
Contractual customer warranties	11,562	12,369
Provisions for restructuring	2,894	4,446
Retirement commitments including social charges	28,376	27,777
Other miscellaneous employee-related commitments (excluding redundancy plans)	615	563
Tax contingencies and provisions	71	299
Sundry	944	1,264
TOTAL	45,971	47,072

Current provisions for contingencies and expenses

Consolidated (in € thousands)	09/30/2020	09/30/2019
Revenue-related litigation and expenses for work in progress	1,774	4,348
Provisions for restructuring	7,528	10,490
Tax contingencies and provisions	-	-
Other employee-related & miscellaneous commitments	1,588	1,661
TOTAL	10,889	16,499

13.3 Pension liabilities

Depending on the country, Group employees are eligible for defined contribution and defined benefit retirement plans.

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.

Personnel expenses and contributions payable are recognized by the Group when they are incurred.

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, 2020:

For French companies

- Growth rate of wages (including inflation): 2% (the same as in 2019).
- Discount rate used (including inflation): 0.60% (vs. 0.49% in 2019).
- Retirement age: 65 years.
- Life expectancy: Mortality table TF 00-02.
- 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: 14 years.

With regard to the English company HOZELOCK Ltd.

- Growth rate of pension payments: 1.75% - 5.0%.
- Discount rate used: 1.6% (vs. 1.9% in 2019).
- Rate of inflation: 2.75% (3.0% in 2019)
- Retirement age: 63 years.
- Life expectancy: 107% of the S2PA Mortality Table.
- Average weighted duration of the plans: 18 years.

The cost for the fiscal year consists of:

- expenses in connection with retirement liabilities recognized under "current operating income";
- interest recognized under "net financial income/(expense)";
- impacts from amending the plan, recognized in "non-recurring income and expense" (note 20).

<i>(in € thousands)</i>	Gross	Social charges	Total 09/30/2020	Total 09/30/2019
Service costs in the fiscal year	638	287	925	714
Discount costs	16	7	23	58
Cost of interest	1,768	-	1,768	2,387
Change in plan	-	-	-	1,450
COST FOR THE FISCAL YEAR	2,422	294	2,717	4,609

Changes in pension and similar liabilities break down as follows:

<i>(in € thousands)</i>	Gross	Social charges	Total 09/30/2020	Total 09/30/2019
PENSION LIABILITIES AT THE BEGINNING OF THE FISCAL YEAR	102,503	3,893	106,396	94,171
Cost for the fiscal year	2,422	294	2,717	4,609
Actuarial gains and recognized in equity	3,224	(216)	3,009	11,701
Retirement benefits paid	(3,543)	(224)	(3,767)	(2,869)
Job protection plan	-	-	-	(1,342)
Change in exchange rates	(2,826)	-	(2,826)	126
Change in Group structure	-	-	-	-
PENSION LIABILITIES AT THE END OF THE FISCAL YEAR	101,782	3,747	105,529	106,396

Change in plan assets:

<i>(in € thousands)</i>	Gross	Social charges	Total 09/30/2020	Total 09/30/2019
FAIR VALUE OF ASSETS AT THE BEGINNING OF THE FISCAL YEAR	78,619	-	78,619	65,889
Expected return on plan assets	1,493	-	1,493	1,897
Actuarial gains and recognized in equity	66	-	66	10,704
Contributions paid to plans	2,335	-	2,335	2,211
Retirement benefits paid	(3,045)	-	(3,045)	(2,177)
Change in exchange rates	(2,316)	-	(2,316)	95
Change in Group structure	-	-	-	-
FAIR VALUE OF THE ASSETS AT THE END OF THE FISCAL YEAR	77,153	-	77,153	78,619

Breakdown of plan assets:

<i>(in € thousands)</i>	Total 09/30/2020		Total 09/30/2019	
Shares	216	0.3%	217	0.3%
Bonds	15,951	20.7%	17,758	23.0%
Other assets	60,985	79.0%	60,645	78.6%
FAIR VALUE OF THE ASSETS AT THE END OF THE FISCAL YEAR	77,153	100%	78,619	100%

Reconciliation between total pension liabilities and provisions for liabilities recognized in the balance sheet at September 30, 2020:

<i>(in € thousands)</i>	Gross	Social charges	Total 09/30/2020	Total 09/30/2019
TOTAL PENSION LIABILITIES AT THE END OF THE FISCAL YEAR	101,782	3,748	105,529	106,396
Fair value of plan assets	(77,153)	-	(77,153)	(78,619)
PROVISIONS AT THE END OF THE FISCAL YEAR	24,629	3,748	28,376	27,776

Provisions for retirement varied as follows for the fiscal year:

<i>(in € thousands)</i>	Gross	Social charges	Total 09/30/2020	Total 09/30/2019
PROVISIONS AT THE BEGINNING OF THE FISCAL YEAR	23,884	3,893	27,776	28,282
Cost for the fiscal year	2,422	294	2,717	4,609
Actuarial gains and recognized in equity	3,158	(216)	2,943	997
Retirement benefits paid	(498)	(224)	(722)	(693)
Expected return on plan assets	(1,493)	-	(1,493)	(1,897)
Contributions paid to plans	(2,335)	-	(2,335)	(2,211)
Job protection plan	-	-	-	(1,342)
Change in exchange rates	(510)	-	(510)	30
Change in Group structure	-	-	-	-
PROVISIONS AT THE END OF THE FISCAL YEAR	24,628	3,747	28,376	27,776

The sensitivity of the discount rate commitment is shown in the table below:

<i>(in € thousands)</i>	Total 09/30/2020	with a decrease of 0.5% discount rate	with an increase of 0.5% discount rate
Pension liabilities at the end of the fiscal year	105,529	113,129	98,418

Note 14 Analysis of financial debt by nature

Consolidated <i>(in € thousands)</i>	09/30/2020	09/30/2019
Short-term facilities for operations and bank overdrafts – France and other countries ⁽²⁾	54,022	41,052
Lease liabilities ⁽¹⁾	13,434	765
Bank borrowings – France and other countries ⁽³⁾	100,755	72,191
Shareholder current account	17,666	35,561
Payables on employee profit sharing	558	763
Other borrowings	454	502
Regulated government subsidies ⁽⁴⁾	3	3
TOTAL FINANCIAL DEBT	186,892	150,837
According to the maturities below:		
Non-current portion (> 1 year)	53,923	57,081
Current portion (< 1 year)	132,969	93,756
TOTAL FINANCIAL DEBT	186,892	150,837

The average rate of interest for the fiscal year was 1.5%, compared with 2% in the previous fiscal year.

The comparative data for 2019 have not been restated for the application of IFRS 16.

1. Lease liabilities include finance leases and operating leases that have been recognized as fixed assets and financial debt (see chapter 5 note 1.13 – IFRS 16).

2. Foreign short-term bank borrowings amounted to €7.1 million. These primarily concern the foreign subsidiary in Denmark.

3. Loans from credit institutions can be broken down as follows:

Consolidated (in € thousands)	09/30/2020	09/30/2019
France	100,309	71,505
Foreign	446	686
TOTAL	100,755	72,191
Of which fixed rate	46,513	53,581
Of which variable rate	54,242	18,610

4. These concern advances granted by public funding agencies for modernization and innovation or advances received from COFACE for commercial prospecting for export business.

Financial debt in foreign currency

At September 30, 2020, financial debt in foreign currencies breaks down as follows:

- financial debt denominated in GBP €10,821 thousand (i.e. GBP 9,592 thousand);
- financial debt denominated in DKK €7,145 thousand (i.e. DKK 53,355 thousand);
- financial debt denominated in USD €4,622 thousand (i.e. USD 5,063 thousand);
- financial debt denominated in AUD €1,174 thousand (i.e. AUD 2,109 thousand).

Net financial debt

Consolidated (in € thousands) - Debts in (+)/Liquidities (-)	09/30/2020	09/30/2019
Net cash	(45,269)	(47,911)
Bank borrowings	100,755	72,191
Shareholder current account	17,666	35,561
Lease liabilities	13,434	763
Other borrowings	454	502
Regulated government subsidies	3	3
NET FINANCIAL DEBT	87,043	61,109

Note 15 Repayment schedule of financial debt at September 30, 2020

Consolidated (in € thousands)	Less than 1 year	From 1 year to 5 years	More than 5 years	Total
Short-term operating loans and overdrafts with banks – France and other countries	54,022	-	-	54,022
Finance leases	4,818	7,717	898	13,434
Bank borrowings – France and other countries	56,073	44,682	-	100,755
Employee profit sharing payables and miscellaneous payables	388	600	24	1,012
Contingent debt	-	3	-	3
TOTAL	115,302	53,002	922	169,225
Shareholder current account	17,666	-	-	17,666
TOTAL FINANCIAL DEBT	132,969	53,002	922	186,892

Note 16 Analysis of other current liabilities

Consolidated (in € thousands)	09/30/2020	09/30/2019
Advances and prepayments received	24,964	5,739
Payables for tax (excluding corporate income tax) and payroll tax agencies	33,063	30,825
Other payables	13,117	11,221
TOTAL	71,144	47,785

Note 17 Net sales

Sales by market and geographical area break down as follows:

Consolidated (in € millions)	09/30/2020		09/30/2019	
	Fiscal year	%	Fiscal year	%
Market				
Agricultural sprayer	332.1	44.0%	356.0	45.8%
Sugar Beet Harvester	114.2	15.1%	113.4	14.6%
Garden Watering and Spraying	121.1	16.1%	112.5	14.5%
Industrial Spraying	187.0	24.8%	194.8	25.1%
	754.4		776.7	
Geographical area				
France	157.5	20.9%	169.4	21.8%
International	596.9	79.1%	607.3	78.2%
	754.4		776.7	

International sales break down by geographical area as follows:

Consolidated (in € millions)	09/30/2020 12 months	%	09/30/2019 12 months	%
Europe	373.4	63%	364.2	60%
USA/Canada/Latin America	131.3	22%	145.8	24%
Asia	40.9	7%	45.1	7%
Africa & Oceania	51.2	9%	52.2	9%
TOTAL EXPORT	596.9		607.3	

Amounts invoiced for export revenue broken down as follows (translated into euros):

- total amounts invoiced in euros (subsidiaries + direct sales): €298.8 million
- total amounts invoiced in foreign currency: €298.1 million
 - in US dollars:.....€115.9 million *i.e.* USD 129.9 million
 - in pounds sterling:.....€82.5 million *i.e.* GBP 75.5 million
 - in Danish krone:.....€4.6 million *i.e.* DKK 34.1 million
 - in Australian dollars:.....€24.1 million *i.e.* AUD 39.9 million
 - in other currencies:.....€71 million

Note 18 Staff costs and headcount

Statutory employee profit sharing agreements and voluntary profit sharing plans specific to certain companies of the Group amounted to €1,559 thousand for the fiscal year ended September 30, 2020, compared with €3,078 thousand in the previous fiscal year. These amounts are expensed under staff costs for the fiscal year.

At the end of the fiscal year under review, the headcount broke down as follows:

	09/30/2020	09/30/2019
Permanent headcount		
Executive officers and management	688	690
Technical and supervisory staff	1,228	1,186
Plant workers	1,476	1,478
TOTAL	3,392	3,354
Permanent staff by division	09/30/2020	09/30/2019
Headquarters		
Headcount in France	14	13
TOTAL	14	13
Agricultural Spraying		
Headcount in France	715	729
Headcount in other countries	950	979
TOTAL	1,665	1,708
Sugar Beet Harvester		
Headcount in France	20	31
Headcount in other countries	322	322
TOTAL	342	353
Garden Watering and Spraying		
Headcount in France	132	137
Headcount in other countries	247	249
TOTAL	379	386
Industrial Spraying		
Headcount in France	588	593
Headcount in other countries	404	301
TOTAL	992	894
Total		
Headcount in France	1,469	1,503
Headcount in other countries	1,923	1,851
TOTAL	3,392	3,354

Note 19 Net allowances for provisions and impairment

Consolidated (in € thousands)	Fiscal year 09/30/2020	Fiscal year 09/30/2019
Increases in operating provisions		
Provisions for contingencies and expenses	(9,204)	(9,364)
Provisions for current assets	(7,843)	(12,461)
Reversal of operating provisions		
Provisions for contingencies and expenses	13,934	10,893
Provisions for current assets	10,890	6,557
TOTAL	7,778	(4,374)

Note 20 Non-recurring income/(expenses)

This item includes non-current transactions, which correspond to unusual, abnormal or infrequent events.

The net amount of non-recurring income and expenses of the Group includes the impairment of the goodwill of the Agricultural Spraying

CGU in the amount of €26.2 million, inventory and provision write-downs for €2.1 million in addition to the plan announced during the 2019 fiscal year, and the cost of purchase and sale of equity securities during the year.

Note 21 Financial income/(expenses)

Consolidated (in € thousands)	Fiscal year 09/30/2020	Fiscal year 09/30/2019
Income from cash and cash equivalents	581	700
Finance costs, gross	(3,545)	(4,541)
Financial interest on the lease liability	(182)	-
NET INTEREST LOSS	(3,146)	(3,841)
(Losses)/gains on foreign exchange & other financial (income)/expenses	(7,914)	2,697
NET FINANCIAL LOSS	(11,060)	(1,144)

Note 22 Corporate income tax

Corporate income tax expense breaks down as follows:

Consolidated (in € thousands)	Fiscal year 09/30/2020	Fiscal year 09/30/2019
Current tax income	(1,122)	(10,330)
Deferred tax income	(4,307)	4,605
TOTAL	(5,430)	(5,725)

22.1 Change in deferred taxes

Consolidated (in € thousands)	Fiscal year 09/30/2020	Fiscal year 09/30/2019
NET DEFERRED TAX ASSETS/(LIABILITIES) AT THE BEGINNING OF THE FISCAL YEAR	20,320	14,127
Deferred taxes recognized in shareholders' equity	445	1,238
Deferred tax income	(4,307)	4,605
Changes in Group structure	(8)	0
Translation gains	(828)	350
NET DEFERRED TAX AT THE END OF THE FISCAL YEAR	15,623	20,320
Of which deferred tax assets	21,175	24,917
Of which deferred tax liabilities	(5,553)	(4,597)

22.2 Breakdown of deferred taxes by type

Consolidated (in € thousands)	Fiscal year 09/30/2020	Fiscal year 09/30/2019
(assets if +; liabilities if -)		
Deferred taxes from temporary timing differences		
Employee benefits (provisions for pension liabilities, profit sharing, accrued vacation payments)	7,556	7,869
Other timing differences between the tax result and book result	351	(18)
Tax losses to be carried forward	8,361	10,360
Deferred taxes arising from consolidation adjustments		
Capitalization of finance leases	9	11
Cancellation of tax-driven provisions (accelerated tax depreciation)	(2,210)	(2,358)
Elimination of internal inventory margins	3,205	3,383
Revaluation surplus	(4,813)	(478)
Adjustments of income from customer contracts	807	784
Other misc. items	2,356	768
NET DEFERRED TAX AT THE END OF THE FISCAL YEAR	15,623	20,320
Of which deferred tax assets	21,175	24,917
Of which deferred tax liabilities	(5,553)	(4,597)

22.3 Reconciliation of the effective tax expense and theoretical tax expense

(Calculated at the tax rate applicable in France)

Consolidated (in € thousands)	Fiscal year 09/30/2020	Fiscal year 09/30/2019
Net profit before tax	(5,625)	9,565
Goodwill impairment	26,282	0
THEORETICAL TAXABLE INCOME	20,657	9,565
Current tax rate in France	32.00%	34.43%
THEORETICAL TAX INCOME/(EXPENSE) AT THE CURRENT TAX RATE	(6,610)	(3,293)
Impact of:		
Permanent tax differences	600	(3,660)
Tax loss not used	(4,399)	(2,958)
Tax rate differential with foreign subsidiaries	3,825	2,086
Tax credits	1,336	2,365
Taxes on dividend distribution	(102)	(340)
Misc. (including impact of the French tax sharing agreement)	(79)	75
NET TAX INCOME/(EXPENSE) RECOGNIZED	(5,430)	(5,725)
Effective Group tax rate (%)	26.2%	59.8%

Tax credits, mainly research tax credits (RTC).

Note 23 Change in working capital requirements (WCR)

(in € thousands)	09/30/2020	09/30/2019
Net inventories	(8,268)	(7,400)
Advances and prepayments paid	(140)	312
Net trade receivables	11,216	(30,139)
Current income tax receivables	(3,967)	8,490
Other receivables and accruals	3,499	(65)
	2,340	(28,802)
Advances and prepayments received	4,972	(225)
Trade payables	10,111	(13,891)
Payables for fixed assets	(183)	119
Payables for tax (excluding corporate income tax) and payroll tax agencies	1,412	(2,068)
Current income tax payables	(1,371)	2,842
Other payables and accruals	4,025	(2,153)
	18,966	(15,376)
(+) NET WORKING CAPITAL (+ USE/- SOURCE) (EXCLUDING FOREIGN EXCHANGE IMPACT & SCOPE)	(16,626)	(13,426)
Payables on fixed assets reclassified under investments	183	(119)
Impact of change in Group structure on WCR	(3,663)	-
Impact of foreign exchange on WCR	7,316	(4,049)
(+) OPERATING WORKING CAPITAL (+ USE, - SOURCE)	(20,462)	(9,258)

Note 24 Related-party transactions

24.1 Remuneration and benefits paid in the fiscal year to corporate officers of the Group

Remuneration and benefits are analyzed in Chapter 7.4.

24.2 Transactions with other related parties

Under the existing treasury agreement between EXEL SAS and EXEL Industries, the Group made payments or withdrawals from the

financial current account; the amount of the current cash account amounted to €18 million at September 30, 2020 and is included in financial debt (see note 14). EXEL Industries recorded a net interest expense of €313 thousand corresponding to an interest rate of 1-month Euribor + 1.5% under 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 2019-2020 fiscal year

Only one significant transaction was carried out. In September 2020, HARDI International sold the land and buildings of the Norre Alsev site to EXEL Real Estate Denmark for DKK 89 thousand.

Note 25 Off-balance sheet commitments and contingent liabilities

25.1 Guarantees given on financial debt

Certain medium-term loans are guaranteed by pledges on equipment acquired. At September 30, 2020, the amount of these pledges was not material and represented less than 1% of the gross value of total property, plant and equipment 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 7 million at September 30, 2020.

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 Liquidity risk

No loans obtained by EXEL Industries from banks provide for prepayment provisions based on 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 27 Tax risk

To the best of its knowledge, the Group does not have any tax risks for which provisions have not been recorded.

Note 28 Events after the reporting period

The lockdown measures taken in response to the second wave of the Covid-19 epidemic did not result in the closure of our production sites, and only had a marginal effect on our commercial activity.

Moreover, our financing allows us to continue our activity without having use of government-guaranteed loans.

Note 29 Statement of fees for Statutory Auditors and auditing services

(in € thousands)	Deloitte & Associés				Mazars				Other Statutory Auditors			
	Total on 09/30/2020	%	Total on 09/30/2019	%	Total on 09/30/2020	%	Total on 09/30/2019	%	Total on 09/30/2020	%	Total on 09/30/2019	%
Auditing services												
Statutory Auditors, certification and examination of separate and consolidated financial statements												
Issuer	51	7%	57	8%	51	9%	51	8%				
Fully consolidated subsidiaries	571	83%	597	84%	469	78%	453	76%	154	41%	143	49%
SUBTOTAL	623	90%	654	92%	520	87%	504	84%	154	41%	143	49%
Other services												
Other related assignments and other audit missions	20	3%	22	3%					-		-	
Legal, tax, employee-related assignments	48	7%	32	4%	80	13%	96	16%	224	59%	143	51%
Information technology												
Internal audit												
Others												
SUBTOTAL	68	10%	54	8%	80	13%	96	16%	224	59%	149	59%
TOTAL	690	100%	708	100%	601	100%	599	100%	378	100%	292	100%

The other services connected to certification assignments included fees for auditing the Corporate Social Responsibility report (€22 thousand) and fees for tax auditing services.

The tax services are performed outside France.

5.6 Statutory Auditors' report on the consolidated financial statements

Fiscal year ended September 30, 2020

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, 2020 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, 2019 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.

Comment

Without calling into question the conclusion expressed above, we draw your attention to note 1.1 "Accounting guidelines", which specifies the impacts related to the initial application of IFRS 16 – Leases and IFRIC 23 – Uncertainty over Income Tax Treatments.

Basis of our assessments – Key points of the audit

The global crisis linked to the COVID-19 pandemic created special conditions for the preparation and audit of the financial statements for this fiscal year. The crisis and the exceptional measures taken in the context of the health crisis have had numerous consequences for companies, particularly on their activity and financing, as well as increased uncertainty about their future prospects. The exceptional measures taken in the context of the state of health emergency, such as travel restrictions and teleworking, have also had an impact on the internal organization of companies and the procedures for implementing audits.

It is in this complex and unfolding context that, 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 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, 2020, the Group's net goodwill totaled €63.0 million *i.e.* around 8.2% of the Group's total assets. This goodwill was recognized following different external growth operations by the Group.

These were assigned to each CGU thus defined by the Group: Agricultural Spraying, Sugar Beet Harvesters, Garden Watering and Spraying and Industrial Spraying.

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 to which the goodwill is allocated, and checking that the CGU's net carrying value 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 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 amount of goodwill is a key audit matter because of its relative weight in the Group's 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.

First consolidation of INTEC

(Notes 2 and 3 to the consolidated financial statements)

Risk identified

On February 3, 2020, EXEL Industries acquired 100% of German company INTEC for €57.9 million.

This transaction resulted in the recognition of goodwill in the amount of €25.0 million after allocation of the purchase price to the assets acquired and liabilities assumed.

EXEL Industries commissioned an independent expert to assist it in the identification and valuation of INTEC's main intangible and industrial assets.

The first consolidation of INTEC is considered to be a key audit matter in view of the materiality of this acquisition and because Management is required to make a certain number of judgments to identify the assets acquired and liabilities assumed, and to assess their fair value.

Our response

Our work consisted in:

- on the basis of the independent expert's report and with the support of our own specialists, assessing the scope of his work and the relevance of the main assumptions and conclusions formulated;
- auditing the initial consolidation, in particular to identify any overvalued assets or undervalued liabilities, or any assets or liabilities not taken into account among assets acquired and liabilities assumed;
- assessing the appropriateness of the assumptions and methods used to measure the fair value of the assets acquired and liabilities assumed with regard to the criteria provided for by the relevant accounting standards;
- verifying the appropriateness of the financial information provided in the notes.

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 of December 16, 2020. 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.

Information resulting from other statutory and regulatory obligations

Appointment of the Statutory Auditors

We were appointed as EXEL Industries' Statutory Auditors by the Annual General Meeting of February 28, 1997 for DELOITTE & ASSOCIÉS and that of January 21, 2015 for MAZARS.

On September 30, 2020, Deloitte & Associés was in the twenty-third year of its engagement since the Company's shares were admitted to trading on a regulated market and MAZARS was in its sixth successive 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 Committee the risks weighing on our independence and the protective measures implemented.

Courbevoie and Paris-La Défense, January 11, 2021

The Statutory Auditors

Mazars

Jean-Maurice EL NOUCHI

Deloitte & Associés

Alain GUINOT

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Separate financial statements

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6.1 Balance sheet at September 30, 2020

Assets

<i>(in € thousands)</i>	09/30/2020	09/30/2019
Net intangible fixed assets	24,230	22,122
Net tangible fixed assets	194	188
Financial assets	325,018	334,244
NON-CURRENT ASSETS	349,443	356,554
Trade receivables	2,684	3,206
Other receivables	157,738	103,050
Cash and Cash equivalent	13,424	21,724
Reg. accounts & translation differences	3,078	1,666
CURRENT ASSETS	176,924	129,646
TOTAL ASSETS	526,367	486,200

Equity and liabilities

<i>(in € thousands)</i>	09/30/2020	09/30/2019
Capital	16,970	16,970
Share premiums	2,528	2,528
Reserves	4,101	4,101
Retained earnings	304,546	290,396
Net income	20,973	14,150
Tax-driven provisions	1,904	1,790
SHAREHOLDERS' EQUITY	351,022	329,935
PROVISIONS FOR CONTINGENCIES AND EXPENSES	2,119	976
FINANCIAL DEBT	155,036	131,769
Trade payables and related accounts	2,386	2,078
Tax and amounts payable to payroll tax agencies	790	617
Other payables	13,567	17,392
Reg. accounts & translation differences	1,448	3,433
TRADE AND OTHER PAYABLES	18,190	23,520
TOTAL EQUITY AND LIABILITIES	526,367	486,200

6.2 Income statement

<i>(in € thousands)</i>	09/30/2020	09/30/2019
Revenue	20,146	20,820
Other operating income	1,008	875
Operating income	21,154	21,695
Operating expenses:		
Raw materials and consumables	-	-
Other purchases and external charges	(7,349)	(5,939)
Taxes and duties other than on income	(305)	(334)
Payroll	(2,411)	(2,109)
Increases in depreciation and amortization, provisions	(1,477)	(1,345)
Other expenses	(193)	(1,148)
Operating expenses	(11,735)	(10,875)
OPERATING RESULTS	9,419	10,820
NET FINANCIAL INCOME/(EXPENSE)	19,847	34,195
CURRENT OPERATING INCOME	29,265	45,015
NET EXCEPTIONAL INCOME/(LOSS)	(11,682)	(36,354)
PROFIT BEFORE TAX	17,583	8,661
Corporate income tax	3,390	5,489
NET INCOME	20,973	14,150

6.3 Notes to the parent company financial statements

Accounting principles, rules and methods

(Articles L.123-13 to L.123-21 of the French Commercial Code; ANC Regulation No. 2016-07)

1. Highlights of the fiscal year: impact of restructuring of the Sugar Beet Harvesters and Agricultural Spraying businesses

After a difficult year in 2019, the sales of the Sugar Beet Harvesters business stabilized in 2020. The financial position improved this year, benefiting from the adjustment of production capacities in Germany, without becoming positive again. The situation of the sugar industry in Europe remains fragile (deterioration in yields, reduction in arable land, low sugar prices).

In addition, in July 2019, the EXEL Industries group announced a plan to reorganize its Agricultural Spraying Division, which involves regrouping activities into centers of excellence for production and research. Three industrial sites (in France and Spain) were closed to consolidate production activities in several high-performance skills centers. At the same time, the US business has suffered in recent years, resulting in the impairment of assets in the consolidated financial statements.

In the end, these two items generated asset impairment in a total amount of €23 million in EXEL Industries' financial statements. These expenses are recognized in net financial income and net exceptional income.

The Group's two other businesses had mixed results in 2020: on the one hand, the garden business benefited from favorable weather conditions and the effect of lockdown to increase its sales; on the other hand, the industrial spraying business was affected by the difficulties facing the automotive industry.

2. Application of accounting policies

The financial statements of our Company for the fiscal year ended on September 30, 2020 were prepared in accordance with the standards, principles and methods applicable in France of ANC Regulation No. 2016-07.

The financial statements are on this basis prepared in accordance with the general principles of conservatism in accordance with the basic principles of:

- going concern;
- the time period concept;
- the consistency principle;

and in accordance with the general rules for the preparation and presentation of annual financial statements.

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.

3. Exceptions provided for by the regulations – Exemptions to accounting instructions

It was not necessary to make use of exceptions provided for by regulations to provide a true and fair view of the Company.

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 intangible and intangible assets, equity interests and provisions.

5. Notes on the balance sheet and income statement

5.1 Intangible assets

Intangible assets are recognized at acquisition cost. 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;

5.2 Property, plant and equipment

Property, plant and equipment are recognized at acquisition cost or 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.

Total fixed assets

Separate financial statements (in € thousands)	Opening gross value	Increases	Decreases	Transfer item to item	Gross value at closing
Intangible assets	27,623	3,556	(46)		31,133
Property, plant and equipment	2,797	19			2,816
Financial assets:					
Equity interests	186,327	43,250	(10,206)		219,371
Receivables on interests	175,955	12,000	(31,832)		156,123
Other equity securities	481	458	(59)		881
Others	950	2			952
TOTAL	394,133	59,285	(42,142)	-	411,276

Amortization and depreciation

Separate financial statements (in € thousands)	Depreciation at opening	Allowance	Reversals	Depreciation at closing
Amortization of intangible fixed assets	5,500	1,448	(46)	6,903
Depreciation of tangible fixed assets	2,610	12		2,622
TOTAL	8,110	1,460	(46)	9,525

Changes affecting provisions for accelerated tax depreciations

Separate financial statements (in € thousands)	Depreciation at opening	Allowance	Reversals	Depreciation at closing
For intangible and tangible fixed assets	9	-	(9)	0
For acquisition expenditures for securities	1,782	123	-	1,904
TOTAL ACCELERATED TAX DEPRECIATION	1,791	123	(9)	1,904

5.3 Financial assets

The gross value of equity interests and receivables on interests is the acquisition cost. The net book value of the equity interests is compared to the share of shareholders' equity of the companies held. When there is inadequate shareholders' equity, the value in use is determined on the basis of the discounted cash flow (DCF) forecasts. A provision for impairment is recognized when the calculated value in use is below the net carrying value.

All the tests were carried out using the following principal assumptions for fiscal year 2020:

- the perpetual growth rate used from the sixth year is 1.7% (1.7% in 2019);
- the discount rate is 9.0% (8.3% in 2019).

The valuation is made in the functional currency of the entity and converted at the year-end closing exchange rate.

On September 30, 2020 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 €27 million.

Expenditures related to the purchase of equity interests are capitalized and amortized over five years as accelerated tax depreciation.

Table of subsidiaries and equity interests of EXEL Industries

Subsidiaries and equity investments (in € thousands)	Siren	Foreign currency	Capital	Other shareholders' equity before appropriation of 2020 income	Share of capital held (in%)	Gross carrying value of securities held	Net carrying value of the securities held	Loans and advances granted by the Company (net amount)	Pledges and guarantees given by the Company	2020 sales	Net income after tax for the last fiscal year 2020	Dividends received by the Company during the fiscal year
French subsidiaries												
GAMA TECHNOLOGIES SAS	515 720 829	€K	1,200	7,114	100	3,012	3,012	3,500		40,943	3,043	-
BERTHOUD SAS	852 943 158	€K	2,559	256	100	2,445	2,445			20,420	(776)	-
CAPAGRI SAS	379 502 016	€K	80	140	100	524	524	146		1,168	17	-
NICOLAS Sprayers	339 046 054	€K	1,625	(850)	100	11,422	3,104	74		6,443	(850)	-
SCI CATHAN		€K	-	210	99	4,597	4,597	-		-	283	270
CMC SAS	379 364 847	€K	405	499	100	844	844	-		2,980	223	285
EXXACT Robotics	878 255 512	€K	100	(804)	100	100	-	620			(804)	-
HOZELOCK EXEL SAS	779 658 772	€K	2,600	6,768	100	5,120	5,120	2,200		41,531	2,171	3,600
PRECICULTURE SAS	097 150 353	€K	420	5,668	100	1,584	1,584	560		30,333	1,836	2,140
SAMES KREMLIN	572 051 688	€K	12,720	19,268	100	15,815	15,815	48,700		84,198	14,469	15,534
SUPRAY Technologies	350 484 309	€K	1,200	1,824	100	1,512	1,512			29,558	1,074	-
TECNOMA SAS	853 321 420	€K	2,055	87	100	7,761	7,761	2,500		14,479	(1)	-
TRICOFLEX SAS	380 333 427	€K	1,909	7,762	100	22,022	22,022			42,937	2,262	2,196
Foreign subsidiaries												
AGRIFAC MACHINERY BV (NL)		€K	68	20,219	100	5,432	5,432	37,547		62,212	(585)	-
LLC EMC (Russia)		RUB K	7,604	(11,567)	100							
LLC EMC (Russia)		€K				184	184			6,583	(153)	377
EXEL REAL ESTATE (USA)		USD K	1,675	277	100							
EXEL REAL ESTATE (USA)		€K				1,116	1,116				10	33
EXEL REAL ESTATE AUSTRALIA		AUD K	4,325	9,527	100							
EXEL REAL ESTATE AUSTRALIA		€K				2,679	2,679	2,105			640	
EXEL REAL ESTATE NETHERLANDS		€K	-	881	100	-	-	11,005			71	
EXEL REAL ESTATE GERMANY		€K	25	(86)	100	25	25	17,946			280	
ETW Inc (USA)		USD K	33,469	(29,833)	100							
ETW Inc (USA)		€K				27,740	19,940	22,394		30,564	(3,470)	
HARDI INTERNATIONAL A/S (DK)		DKK K	100,000	114,570	100							
HARDI INTERNATIONAL A/S (DK)		€K				39,852	32,852	52,850		61,361	3,848	

Subsidiaries and equity investments (in € thousands)	Foreign Siren	currency	Capital	Other shareholders' equity before appropriation of 2020 income	Share of capital held (in%)	Gross carrying value of securities held	Net carrying value of the Company (net amount)	Loans and advances granted by the Company	Pledges and guarantees given by the Company	2020 sales	Net income after tax for the last fiscal year 2020	Dividends received by the Company during the fiscal year
ERED		DKK K	400	-	100							
ERED		€K				54	54	12,000				
HOLMER Maschinenbau GmbH		€K	5,000	(4,738)	100	33,627	33,627	37,534		96,401	(8,001)	
MATROT UK		GBP K		2	100							
MATROT UK		€K				42	2					-
MINWORTH Property UK		GBP K	8,400	2,218	100							
MINWORTH Property UK		€K				11,891	11,891	7,992			557	
RASINDECK Ltd (UK)		GBP K	15,122	10,638	100							
RASINDECK Ltd (UK)		€K				16,619	16,619			-	10,965	
VERMOREL (RO)		RON K	15,027	(17,007)	100							
VERMOREL (RO)		€K				3,350	-	2,812		3,821	(269)	
INGELIA (RO)		RON K	-	46	90							
INGELIA (RO)		€K				2	2			-	-	
Other equity holdings		€K				881	880					
						220,252	193,643	262,486				24,435

6. Inventories and work in progress

Not applicable.

7. Trade receivables

Receivables are recorded at face value.

A provision for impairment is recognized in the event of difficulties to recover them.

8. Marketable securities

This line item includes treasury shares held in connection with a market-making agreement.

At the fiscal year-end, there were 2,690 treasury shares valued at €33.7 per share for a total of €91 thousand.

During the fiscal year, the Company purchased 19,062 shares at an average price of €40.28 per share and sold 18,341 shares at an average price of €40.07 per share.

9. Foreign exchange risk

At September 30, 2020, the Company held in its cash and cash equivalents:

- USD 3,198 thousand; these foreign exchange holdings were not covered by a currency hedge; they are measured at the closing rate of USD 1.1708/€; this balance represented €2,731 thousand;
- GBP 1,771 thousand; these foreign exchange holdings were not covered by a currency hedge; they are measured at the closing rate of GBP 0.9124/€; this balance represented €1,941 thousand;

- AUD 247 thousand; these foreign exchange holdings were not covered by a currency hedge; they are measured at the closing rate of AUD 1.6438/€; this balance represented €150 thousand.

As part of its international development activity, our Company grants loans or foreign currency current account debits to certain of the Group's foreign subsidiaries. The asset and liability foreign currency translation adjustments are the result of foreign currency fluctuations on the account 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.

10. Share capital

The share capital is comprised of 6,787,900 fully paid up shares of €2.50 each.

11. Change in shareholders' equity

(in € thousands)

Shareholders' equity at September 30, 2019	329,935
Dividends	-
Net income for the fiscal year	20,973
Change in tax driven provisions	114
SHAREHOLDERS' EQUITY AT SEPTEMBER 30, 2020	351,022

12. Provisions for contingencies and expenses

Provisions for contingencies and losses are recorded whose purpose and term are clearly defined or whose amount can be reliability determined, when the Company has an obligation towards a third party and it is certain or probable that it will result in an outflow of resources with no inflow of resources representing an equivalent amount expected in return.

12.1 Changes in the fiscal year

Separate financial statements (in € thousands)	09/30/2019	Allowance	Reversals (used provision)	Reversals (not used)	09/30/2020
Lawsuit contingency provisions for subsidiaries	554		(110)		444
Provisions for subsidiary losses	146				146
Provisions for restructuring	102		(89)		13
Provisions for retirement benefits	75	16			91
Provision for fraud		88			88
Provisions for foreign exchange losses	99	1,336	(99)		1,336
TOTAL	976	1,441	(298)	-	2,119

12.2 Retirement severance benefits

Retirement severance payments under collective bargaining agreements (on the basis of a retirement age of 65) are calculated according to rights vested at the end of the fiscal year in accordance with the 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 has applied the "Corridor" method since the 2016 fiscal year under the French Accounting Standards Authority's (ANC) recommendation No. 2013-02 of November 7, 2013 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 forecast residual duration of the commitments.

At the end of the fiscal year, the provision for severance payments amounted to €91 thousand, broken down as follows:

■ Liabilities/pension obligations – excluding social security contributions:	€79 thousand
■ + Social charges (45% of liabilities)	€36 thousand
■ - Unrecognized actuarial gains and losses	-€24 thousand
= Total provision (including social security charges)	€91 thousand

12.3 Other provisions for contingencies and expenses

A provision for risks in subsidiary companies continues on the balance sheet in the amount of €444 thousand.

These provisions were recorded in the parent company's financial statements to protect the subsidiaries' interest in ongoing disputes and legal proceedings.

In addition, the restructuring provision set aside last year in an amount of €102 thousand to cover the expenditures of consulting services relating to the restructuring of the Agricultural Spraying business unit was reversed in the amount of €89 thousand. At the end of the fiscal year, the amount of the provision was €13 thousand.

13. Advances to executive officers

No advances or loans were granted to executive officers for the period under review.

14. Related-party transactions

The Company carries out transactions with related parties that are not of a material nature, 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.

15. Trade receivables and payables

Statement of receivables

Separate financial statements (in € thousands)	Gross amount	Within 1 year	More than 1 year
Receivables from equity interests	156,123	15,188	140,935
Other non-current financial assets	952		952
Trade receivables	2,684	2,684	
Tax and employee-related receivables	4,770	4,770	
Group and associates (related parties)	149,862	149,862	
Other receivables and accruals	3,491	3,491	
TOTAL	317,882	175,995	141,887
Loans granted in the fiscal year	12,000		
Repayments received in the fiscal year	31,832		

Detail on income receivable

■ Customers – Invoices to be issued.....	€0 thousand
■ Suppliers – Receivables.....	€16 thousand
■ Accrued tax refunds.....	€82 thousand
■ Miscellaneous accrued assets.....	€270 thousand
■ Accrued interest receivable.....	€0 thousand
■ Total accrued income.....	€368 thousand

Statement of payables

Separate financial statements (in € thousands)	Gross amount	Within 1 year	More than 1 year, less than 5 years	More than 5 years
Other bonds	30,335	335	30,000	-
Financial debt (including shareholder current accounts)	124,701	111,105	13,596	-
Trade payables	2,396	2,396		
Tax and amounts payable to payroll tax agencies	790	790		
Group and associates (related parties)	13,512	13,512		
Other payables and accruals	46	46		
TOTAL	171,779	128,183	43,596	-
Loans obtained in the fiscal year	41,000			
Loans repaid in the fiscal year	10,895			

Breakdown of accrued expenses

■ Accrued interest/financial debt.....	€399 thousand
■ Trade payables.....	€486 thousand
■ Tax and amounts payable to payroll tax agencies.....	€599 thousand
■ Other payables.....	€46 thousand
■ Total accrued expenses.....	€1,530 thousand

16. Sales

Separate financial statements (in € thousands)	09/30/2020	09/30/2019
France Services	8,733	9,381
Export Services	11,412	11,439
REVENUE	20,146	20,820

17. Net financial income/(expense)

Separate financial statements (in € thousands)	09/30/2020	09/30/2019
Financial income from equity interests	24,435	27,820
Other interest and similar income	9,228	9,703
Reserves written back to income	99	392
Foreign exchange gains	4,526	2,599
Net income on sales of short-term investments	10	25
TOTAL INCOME	38,297	40,539
Increases in provisions	(12,564)	(922)
Interest	(2,243)	(2,799)
Foreign exchange losses	(3,643)	(2,623)
Net expense on sales of short-term investments	-	-
TOTAL EXPENSES	(18,450)	(6,344)
NET FINANCIAL INCOME/(EXPENSE)	19,847	34,195

Changes in balances of cash and cash equivalents with affiliates break down as follows:

(in € thousands)	09/30/2020	09/30/2019
Financial income	33,662	37,523
Financial expenses	334	508

18. Net exceptional income/(loss)

Separate financial statements (in € thousands)	09/30/2020	09/30/2019
Application of a "better fortunes" (financial recovery) clause	146	188
Disposal price of decommissioned assets	-	-
Reversal of provisions/proceeds from the sale of fixed assets	94	-
Reversal of provisions for subsidiary contingencies	110	-
Other misc. items	9	23
TOTAL INCOME	360	211
Debt waivers granted to subsidiaries	-	(11,772)
NAV of deactivated assets	-	-
Allowances for subsidiary contingencies	-	(444)
Net allowances for depreciation and amortization/restructuring	(11,700)	(24,193)
Allowances for tax-driven provisions (accelerated tax depreciation)	(123)	(101)
Other misc. items	(219)	(55)
TOTAL EXPENSES	(12,042)	(36,565)
NET EXCEPTIONAL INCOME/(LOSS)	(11,682)	(36,354)

19. Corporate income tax

The Company 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.

Agreements between the parent Company and consolidated subsidiaries were drawn up on the basis of fiscal neutrality. Taxes payable are recognized by subsidiaries as if they were taxed separately, with the parent Company recording its own tax and the saving or charge resulting from application of the tax consolidation scheme.

Corporate income tax as presented in the income statement breaks down as follows:.....(in €K)

■ tax on the Company's own taxable income.....	454
(identical to the tax that would have been borne in the absence of tax consolidation)	
■ tax audits and tax cancellations, corporate income tax adjustment on (N-1).....	48
■ tax consolidation expense/(income).....	(3,195)
(mainly from subsidiaries' losses attributed to the Group's income/(loss))	
■ the Company's tax credits (mainly research tax credits).....	(697)
Total income tax expenses for the fiscal year (or net income).....	(3,390)

Breakdown of income tax

<i>(in € thousands)</i>	Net income before tax	Taxes payable	Net income after tax
Current operating income	29,265	(3,135)	26,131
Net exceptional income/(loss)	(11,682)	3,330	(8,353)
Impact of tax consolidation		3,195	3,195
BOOK INCOME	17,583	3,390	20,973

Deferred taxes

<i>(in € thousands)</i>	Amount
Taxes payable on:	
Regulated provisions (accelerated tax depreciation)	1,904
TOTAL DEFERRED TAX ASSETS	1,904
Prepaid taxes on:	
Temporarily disallowed deductions and timing differences (to be deducted the following year)	96
Expenses to be subsequently deducted (non-deductible provisions)	91
TOTAL DEFERRED TAX LIABILITIES	187
NET DEFERRED TAXES	1,717

In December 2020, the tax authorities accepted our request to benefit on a retrospective basis from the preferential tax regime for patent granting. As such, the tax authorities will reimburse an excess corporate tax of €1.7 million, which will be recognized in the parent company financial statements for EXEL Industries' 2020/2021 fiscal year.

20. Other disclosures

Commitments given (in € thousands)

Pledge of investment securities in an English subsidiary, granted to collateralize a bank loan	7,992
--	-------

Commitments received (in € thousands)

"Better fortunes" (financial recovery) clauses (received from subsidiaries)	13,229
---	--------

Average number of employees

Average number of employees	09/30/2020	09/30/2019
Executive officers and management	15	13
Office staff and workers	-	1
TOTAL	15	14

21. Events after the reporting period

There are no events after the reporting period.

6.4 Proposed appropriation of net income

(in €)	09/30/2020	09/30/2019
Sources:		
1. Retained earnings from previous fiscal years	304,546,181	290,396,219
2. Net income for the fiscal year	20,973,268	14,149,962
Appropriations:		
3. Statutory reserve		
4. Dividends	-	-
5. Retained earnings	20,973,268	14,149,962
TOTAL	20,973,268	14,149,962

6.5 Statutory Auditors' report on the Company financial statements

Fiscal year ended September 30, 2020

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, 2020 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 applicable from October 1, 2019 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.

Basis of our assessments – Key points of the audit

The global crisis linked to the COVID-19 pandemic created special conditions for the preparation and audit of the financial statements for this period. The crisis and the exceptional measures taken in the context of the health crisis have had numerous consequences for companies, particularly on their activity and financing, as well as increased uncertainty about their future prospects. The exceptional measures taken in the context of the health emergency, such as travel restrictions and teleworking, have also had an impact on the internal organization of companies and the procedures for implementing audits.

It is in this complex and unfolding context that, 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 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

Risk identified

Equity interests appear on the assets side of the balance sheet at September 30, 2020 in a net amount of €192.8 million, or 36.6% of total assets. They are recognized at their acquisition cost. Impairment is recognized when their value in use is below their net carrying value.

As stated in note 5.3 "Financial assets" the net carrying value of equity interests is compared to the share of shareholders' equity of the companies held. When there is inadequate shareholders' equity, the value in use is determined on the basis of the discounted cash flow forecasts. A provision for impairment is recognized when the calculated value in use is below the net carrying value.

The estimate of the value in use of these securities 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 securities:

- For valuations relying on historical elements, we have verified that the shareholders' 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 the cash flow projections compared with the economic and financial context in which the different companies operate as well as the consistency of these forecasts with the historical performances of the entities,
 - compared the perpetual growth rates adopted for the projected flows with our own benchmarks,
 - compared the discount rates 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.441-4 of the French Commercial Code.

Report on Corporate Governance

We certify that the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code is provided in the report of the Board of Directors on corporate governance.

With regard to the information provided, pursuant to the terms of Article L.225-37-3 of the French Commercial Code on remunerations and benefits paid to corporate officers and undertakings made in their favor, we have verified consistency thereof with the 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. Based on our work, we certify the truth and fairness of this information.

Other disclosures

In accordance with the law we checked the information on the holders of shares or voting rights disclosed in the management report.

Information resulting from other statutory and regulatory obligations

Appointment of the Statutory Auditors

We were appointed as EXEL Industries' Statutory Auditors by the Annual General Meeting of February 28, 1997 for Deloitte & Associés and that of January 21, 2015 for Mazars.

On September 30, 2020, Deloitte & Associés was in the twenty-third year of its assignment since the Company's shares were admitted to trading on a regulated market and Mazars was in its sixth successive 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 period, 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. If necessary, we discuss the risks weighing on our independence and the protective measures taken with the Audit Committee.

Courbevoie and Paris-La Défense, January 11, 2021

The Statutory Auditors

Mazars

Jean-Maurice EL NOUCHI

Deloitte & Associés

Alain GUINOT

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, 2020

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.

Courbevoie and Paris-La Défense, January 11, 2021

The Statutory Auditors

Mazars

Jean-Maurice EL NOUCHI

Deloitte & Associés

Alain GUINOT

7

Report on Corporate Governance

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Pursuant to Article L.22-10-10 (formerly Article L.225-37-4) 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 2019/2020 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 8.2.6), the specific terms and conditions relating to the participation of shareholders in the Annual General Meeting (section 8.1). Lastly, it set out the aspects liable to have an impact in the event of a takeover bid (section 8.3).

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 AMF recommendations were also followed for the preparation of this report.

This report was reviewed by the Remuneration and Appointments Committee on December 15, 2020. It was reviewed in the form of a draft and approved by the Board of Directors on December 16, 2020.

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

The Company refers to the MiddleNext Code, which was last revised in September 2016. This Code is available on the MiddleNext website.

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. This report mentions the provisions of the Code that have been excluded and the reasons for which they have been excluded in the table below.

MiddleNext recommendations

Comply or Explain

Assessment of the work of the Board each year

Given the size of the Board and its composition, the members of the Board consider that assessing its work every two years is sufficient to have a sufficient perspective on its progress

7.1 Board of Directors

7.1.1 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 has a casting vote.

At the date of filing of this Universal Registration Document, the Board of Directors comprised seven members. Six members are appointed by the shareholders' Annual General Meeting for terms of six years; the seventh 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.

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 (formerly Article L.225-18-1) 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 seven members, including the director representing employees, who is not included in the calculation, the number of women is two out of six, *i.e.* a difference of two.

Composition of the Board of Directors as of January 18, 2021

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 approving the financial statements for the 2022 fiscal year			Expertise of the agricultural world and industry
Marc BALLU	M	Director	AGM of January 24, 2012	AGM approving the financial statements for the 2023 fiscal year			Expertise of the agricultural world and B2B2C
Cyril BALLU	M	Director	AGM of March 12, 2020	AGM approving the financial statements for the 2025 fiscal year			Expertise of the agricultural world
Pascale AUGER	F	Director	AGM of February 7, 2018	AGM approving the financial statements for the 2023 fiscal year	Chairwoman of the Audit Committee Member of the Remuneration and Appointments Committee		Finance/accounting Industrial experience Strategy
SAS JUMPTIME represented by Claude LOPEZ	M	Director	AGM of January 12, 2016	AGM approving the financial statements for the 2021 fiscal year	Chairman of the Remuneration and Appointments Committee Member of the Audit Committee		Marketing/commerce, B2B2C Expertise of the agricultural world Strategy Mergers/acquisitions
Sylvain MACCORIN	M	Director representing employees	Decision of the Group Works Council dated February 7, 2018	At the close of the AGM of February 9, 2021			Retail Knowledge of the agricultural world
EXEL SAS, represented by Marie-Pierre DU CRAY SIRIEIX	F	Director	AGM of February 2, 1995	AGM approving the financial statements for the 2022 fiscal year			Legal expertise of a diversified and international group

Board of Directors

2 women

2 independent members

Board Committees

Chaired and composed predominantly of independent members

Audit Committee

100% independent

7.1.2 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 its members' skills and their knowledge of the Group and the various markets in which it operates.

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

7.1.3 Analysis of the independence of the members of the Board of Directors

Each year, the Board of Directors reviews the independence of its members.

Thus, at their meetings of September 24 and 25, 2020, the Remuneration and Appointments Committee and the Board of Directors reviewed the independence of its members with regard to the criteria of the MiddleNext Corporate Governance Code.

In accordance with the recommendation of the MiddleNext Code, the Board considered that two members meet the independence criteria set out by the MiddleNext Code as of December 15, 2020, namely Pascale AUGER and Claude LOPEZ.

7.1.4 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 best of the Company's knowledge and as of the date of this Universal Registration Document, no member of the Board of Directors has, in the last five years, (i) been convicted of fraud or been subject to an official challenge and/or an official public sanction pronounced by the statutory or regulatory authorities, (ii) been associated with a bankruptcy, a receivership, a liquidation or a placement in judicial administration, (iii) been deprived by a court of the right to exercise the function of director, of management or of supervision of an issuer or to take part 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, 2020

Patrick BALLU: Chairman of EXEL SAS, Manager of GF PAP, Manager of SCIs Le Capricorne, Le Lion and Le Sagittaire (*intra-group offices*).

Marc BALLU: Deputy Chief Executive Officer of EXEL Industries, Deputy Chief Executive Officer of EXEL SAS, Chairman of HOZELOCK Sweden, HOZELOCK Australia and TRICOFLEX, Chief Executive Officer of HOZELOCK EXEL, director of HOZELOCK Holland, HOZELOCK Limited, Rasindeck Limited and Minworth Property UK Limited (*intra-group offices*).

Cyril BALLU: Deputy Chief Executive Officer of EXEL Industries, Deputy Chief Executive Officer of EXEL SAS, Chief Executive Officer of NICOLAS Sprayers (*intra-group offices*).

Pascale AUGER: Chairwoman of Corporate Angel, Deputy Chief Executive Officer of the Rabot Dutilleul Group.

Claude LOPEZ: Chairman of SAS JumpTime, Manager of SARL des Grandes Terres.

Marie-Pierre DU CRAY SIRIEIX: Chairwoman of MPdCS&Co.

Sylvain MACCORIN: Deputy Mayor of Lugny (71260).

7.1.5 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.

7.1.6 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 shareholders' 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, the main provisions of which are summarized below:

- 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.

7.1.7 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 2019/2020 fiscal year and the beginning of the 2020/2021 fiscal year were as follows:

With regard to accounting and financial matters, the Board of Directors approved the parent company financial statements and consolidated financial statements for the first half of 2019/2020 and the 2019/2020 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 2020/2021 fiscal year.

With regard to strategic issues, the Board monitored the implementation of the Group's strategic orientations and approved acquisition projects. The Board regularly analyzes and discusses a strategic issue and keeps abreast of market developments.

With regard to governance issues, the Board decided on the appointment of a new Chief Executive Officer, set his objectives and his remuneration, and examined developments in the composition of the Board. 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 and non-financial reporting. It adopted the Charter for the evaluation of related-party agreements.

The Board of Directors met seven times during the 2019/2020 fiscal year, with an attendance rate of 100%. Meetings lasted an average of eight hours, except for those held by videoconference.

7.1.8 Board of Directors' assessment

The assessment of the work of the Board of Directors was carried out in 2020 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 discussed it at its meeting of December 16, 2020.

7.1.9 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 (formerly Article L.225-39) 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 (see also section 3.8).

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 valuation 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.

7.2 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 two such Committees, namely the Audit Committee and the Remuneration and Appointments Committee.

7.2.1 The Audit Committee

The Audit Committee currently has two independent members: Pascale AUGER, Chairwoman, and Claude LOPEZ, representing the SAS Jump'Time. 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 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.

In 2019/2020, the Audit Committee met twice, with an average attendance rate of 100%. The meetings lasted an average of four hours.

7.2.2 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 the SAS Jump'Time, Chairman of the Committee, and Pascale AUGER. 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 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 2019/2020, 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.

7.3 Group management

7.3.1 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 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 a 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, 2020

Yves BELEGAUD:

- Chairman of Exxact Robotics, AGRIFAC Machinery BV Netherlands, GAMA Technologies SAS, BERTHOUD SAS, CMC constructions mechanics champenoises, PRECICULTURE SAS, Supray Technologies SAS, TECNOMA SAS, EMC LLc, SAMES KREMLIN SAS, HOZELOCK EXEL SAS, Rasindeck Limited, HOLMER Maschinenbau GmbH, EXEL Real Estate Denmark, EXEL Real Estate Netherlands;
- director of ET Works Inc, of HARDI International A/S, EXEL Real Estate Australia Pty, EXEL Real Estate Inc, EXEL Real Estate Germany GmbH;
- Chairman of SASU Mancoby.

Daniel TRAGUS:

- Chairman of Pommier SCEBP, CAPAGRI SAS;
- director of AGRIFAC Machinery BV, AGRIFAC North America Inc, ET Works Inc., HARDI International A/S, ILEMO-HARDI, HARDI

Australia Pty Ltd, EXEL Real Estate Australia Pty Ltd, EXEL Real Estate Netherlands BV, EXEL Real Estate Germany GmbH, EXEL Real Estate Denmark;

- Manager of SCI Cathan.

For Marc BALLU and Cyril BALLU, see section 7.1.4.

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

To the best of the Company's knowledge and as of the date of this Universal Registration Document, no member of the Executive Management has, in the last five years, (i) been convicted of fraud or been subject to an official challenge and/or an official public sanction pronounced by the statutory or regulatory authorities, (ii) been associated with a bankruptcy, a receivership, a liquidation or a placement in judicial administration, (iii) been deprived by a court of the right to exercise the function of director, of management or of supervision of an issuer or to take part 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.

7.3.2 Committee of Top Managers

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.

7.4 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 remuneration policy for executive corporate officers was approved by 97.16% of the votes at the Annual General Meeting of March 12, 2020 (7th resolution).

7.4.1 Remuneration policy for corporate officers (ex-ante vote)

7.4.1.1 Remuneration policy for members of the Board of Directors

Directors of the Company receive remuneration for their office (formerly "directors' fees"). The maximum overall amount of the remuneration package to be distributed among the directors is authorized by the shareholders' 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 2019/2020.

The shareholders' Annual General Meeting of March 12, 2020 set the total amount of directors' remuneration at €120,000. It will not change for the 2020/2021 fiscal year.

For the 2020/2021 fiscal year, the directors' remuneration will be allocated on an identical basis to that of 2019/2020:

- 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.

7.4.1.2 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;
- remuneration for his office as director and his duties on the Remuneration and Appointments Committee (formerly directors' fees), the allocation of which is determined in accordance with the distribution 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.

7.4.1.3 Remuneration policy for executive corporate officers

The remuneration policy for the Chief Executive Officer and the Deputy Chief Executive officers for the 2020/2021 fiscal year is described in this section. It will be submitted for approval to the shareholders' Ordinary General Meeting to approve the financial statements for the fiscal year ended on September 30, 2020.

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 assignments and the skills and experience required to perform these duties. 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 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 an executive 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 the other Senior Executives of the Group holding company.

Individual objectives include a CSR objective.

The target variable remuneration for Yves BELEGAUD is €90,000, which may vary between €0 and €180,000.

The target variable remuneration for Marc BALLU is €60,000, which may vary between €0 and €84,000; for Cyril BALLU, it is €24,000, which may vary between €0 and €32,640; for Daniel TRAGUS, it is €65,000, which may vary between €0 and €88,400.

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.

7.4.1.4 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.

7.4.2 Remuneration of corporate officers paid or allocated during the 2019/2020 fiscal year (ex-post vote)

In accordance with Article L.22-10-34 (formerly Article L225-100) III of the French Commercial Code, the following components of the remuneration paid or awarded to corporate officers for the 2019/2020 fiscal year are submitted to the vote of the shareholders. It is specified that the payment of the variable remuneration of the executive corporate officers is subject to its approval by the shareholders at the Annual General Meeting of February 9, 2021.

7.4.2.1 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 March 2020.

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

	Amounts paid during the 2019/2020 fiscal year	Amounts paid during the 2018/2019 fiscal year
Members of the Board of Directors		
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	€16,000	€16,000
Pascale AUGER		
Remuneration of the office	€28,000	€28,000
JumpTime SAS represented by Claude LOPEZ		
Remuneration of the office	€28,000	€28,000
TOTAL	€156,661	€156,661

7.4.2.2 Remuneration of the Executive Management

The amounts "paid" during the 2019/2020 fiscal year correspond to the amounts actually received by each member of the Executive Management. The amounts "awarded" in respect of the 2019/2020 fiscal year correspond to the remuneration awarded for duties performed during the 2019/2020 fiscal year, regardless of the date of payment. These amounts include all remuneration paid by Group companies during the fiscal year.

Guerric BALLU

Guerric BALLU – Group Chief Executive Officer	2019/2020		2018/2019	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Fixed remuneration	82,525	82,525	367,077	367,077
Annual variable remuneration	-	65,000	65,000	117,000
Multi-year variable remuneration				
Exceptional remuneration		42,000*		
Pension payment and special remuneration				
Director remuneration	7,200	7,200	16,000	16,000
Services rendered				
Benefits in kind	12,351	12,351	28,595	28,595
TOTAL	102,076	209,076	476,672	528,672

* Directly by EXEL SAS.

Guerric BALLU left the Group on December 17, 2019.

Yves BELEGAUD

Yves BELEGAUD – Group Chief Executive Officer	2019/2020		2018/2019	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Fixed remuneration	240,000	240,000		
Annual variable remuneration	40,000	-		
Multi-year variable remuneration				
Exceptional remuneration				
Pension payment and special remuneration				
Director remuneration				
Services rendered	120,000	120,000		
Benefits in kind				
TOTAL	400,000	360,000	-	-

Yves BELEGAUD has been Chief Executive Officer of EXEL Industries since December 17, 2019; he benefits from health insurance and employee welfare arrangements.

Marc BALLU

Marc BALLU – Deputy Chief Executive Officer	2019/2020		2018/2019	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Fixed remuneration	275,699	275,699	270,753	270,753
Annual variable remuneration	67,214	46,984	46,703	41,352
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	88,539	88,539	96,469	96,469
TOTAL	447,452	427,222	429,925	424,574

Marc BALLU benefits from health insurance and employee welfare arrangements.

Cyril BALLU

Cyril BALLU – Deputy Chief Executive Officer	2019/2020		2018/2019	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Fixed remuneration	148,909	148,909	149,810	149,810
Annual variable remuneration	22,130	18,220	18,220	13,160
Multi-year variable remuneration				
Exceptional remuneration	15,000	15,000		
Pension payment and special remuneration				
Director remuneration	8,880	8,880		
Services rendered				
Benefits in kind	9,921	9,921	9,457	9,457
TOTAL	204,840	200,930	177,487	172,427

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

Franck BALLU

Franck BALLU – Deputy Chief Executive Officer	2019/2020		2018/2019	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Fixed remuneration	8,114	8,114	21,917	21,917
Annual variable remuneration			-	9,863
Multi-year variable remuneration				
Exceptional remuneration				
Pension payment and special remuneration				
Director remuneration				
Services rendered				
Benefits in kind				
TOTAL	8,114	8,114	21,917	31,780

Franck BALLU Deputy Chief Executive Officer EXEL SAS until March 12, 2020.

Daniel TRAGUS

Daniel TRAGUS – Deputy Chief Executive Officer	2019/2020		2018/2019	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Fixed remuneration	262,575	262,575		
Annual variable remuneration	59,900	35,000		
Multi-year variable remuneration				
Exceptional remuneration				
Pension payment and special remuneration				
Director remuneration				
Services rendered				
Benefits in kind	20,085	20,085		
TOTAL	342,560	317,660	-	-

Daniel TRAGUS has been Deputy Chief Executive Officer since April 1, 2020; he benefits from health insurance, employee welfare arrangements and the social security regime for company managers (GSC).

Remuneration for the entire 2019/2020 period.

7.5 Salary gap ratio

		2019/2020	2018/2019	2017/2018	2016/2017	2015/2016
Patrick BALLU						
Holding company ratio	Mean	1.0	1.1	1.2	1.1	1.4
	Median	1.2	1.3	1.4	1.4	1.7
El France ratio	Mean	2.2	2.3			
	Median	2.7	2.7			
Yves BELEGAUD						
Holding company ratio	Mean	4.4				
	Median	5.2				
El France ratio	Mean	9.5				
	Median	11.3				
Guerric BALLU						
Holding company ratio	Mean	2.5	6.7	8.0	6.8	6.8
	Median	3.0	8.0	9.6	8.6	8.5
El France ratio	Mean	5.5	14.1			
	Median	6.6	16.7			
Marc BALLU						
Holding company ratio	Mean	5.2	5.3	5.6	5.5	6.7
	Median	6.2	6.4	6.8	7.0	8.3
El France ratio	Mean	11.3	11.3			
	Median	13.4	13.4			
Cyril BALLU						
Holding company ratio	Mean	2.4	2.2	2.2	2.1	1.8
	Median	2.9	2.6	2.6	2.6	2.2
El France ratio	Mean	5.3	4.6			
	Median	6.3	5.4			
Daniel TRAGUS						
Holding company ratio	Mean	3.8				
	Median	4.6				
El France ratio	Mean	8.4				
	Median	10.0				
Franck BALLU						
Holding company ratio	Mean	NM	NM	1.6	1.5	1.5
	Median	NM	NM	1.9	1.9	1.9
El France ratio	Mean	NM	NM			
	Median	NM	NM			

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Information on the Company and its share capital

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8.1 General information on EXEL Industries

Company name

EXEL Industries

Registered office

54, rue Marcel Paul – 51200 ÉPERNAY France

Administrative office

52, rue de la Victoire – 75009 PARIS

Legal form

A French public limited company (*Société Anonyme*) with a Board of Directors. Amendment of the Articles of Association (*Statuts*) to comply with the provisions of Act 2001-420 of May 15, 2001 (New Economic Regulations Act) (see Articles 13, 18, 19, 20 and 21 of the Articles of Association).

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 B 095 550 356

For the principal office

RCS Paris B 095 550 356

APE business identifier code (registered office): 2830Z

APE business identifier code (main place of business): 7010Z

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 (75009) – 52, rue de la Victoire (in 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 eighty years of age."

Deliberations of the Board of Directors (Article 17 of the Articles of Association)

"17.1. Board members are called to Board 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 meeting. [...]"

Annual General Meetings (Article 23 of the Articles of Association)

"Shareholders' 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; or
- 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 Profit and loss (P&L) summarizes 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."

8.2 Capital and shareholders

8.2.1 Stock market data

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 €2.5

Key figures

Share value at September 30, 2020:	€33.70
Share performance over one year:	-17.40%
Market capitalization at September 30, 2020:	€228.8 million
Average daily trading volume:	3,106

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:

Fiscal year from 12/01/2018 to 11/30/2020

Period	Trading volume in number of shares	Capital (in € millions)	Price (in euros)		
			High	Low	Last
12/2018	8,303	0.59	76.80	61.40	68.00
01/2019	19,468	1.45	79.20	65.00	71.20
02/2019	8,618	0.58	73.00	63.80	66.80
03/2019	11,228	0.73	68.00	63.20	65.40
04/2019	21,255	1.41	71.80	64.60	65.00
05/2019	14,545	0.83	65.20	49.90	54.20
06/2019	7,596	0.41	57.40	47.50	47.50
07/2019	76,720	3.45	49.80	44.00	45.90
08/2019	7,821	0.34	45.90	42.70	44.10
09/2019	25,083	1.09	53.00	38.20	40.80
10/2019	17,893	0.76	46.00	39.10	39.10
11/2019	42,720	1.68	44.00	36.50	41.70
12/2019	18,702	0.81	46.60	41.10	46.60
01/2020	39,138	1.77	47.80	38.70	44.30
02/2020	18,629	0.74	44.40	34.40	34.40
03/2020	506,152	17.01	36.80	31.00	35.00
04/2020	48,046	1.86	44.10	34.50	41.70
05/2020	10,304	0.43	42.40	40.70	42.10
06/2020	30,519	1.20	43.30	36.90	37.90
07/2020	14,054	0.51	38.50	35.90	35.90
08/2020	24,494	0.88	36.40	35.70	35.70
09/2020	24,392	0.86	36.00	33.60	33.70
10/2020	40,166	1.49	39.30	34.20	39.10
11/2020	30,346	1.24	46.30	38.60	43.80

8.2.2 Relations with the financial community

Financial communications

EXEL Industries provides extensive information to shareholders, the financial community and the public through:

- its Annual Report/Universal Registration Document filed with the French financial market authority, the French securities market regulator (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

Documents are available on request and can be downloaded from our website:

www.exel-industries.com, under the "Media Library" heading.

For the period of validity of this Universal Registration Document, the Articles of Association, the Statutory Auditors' reports and the financial statements for the last three fiscal years, as well as all reports, correspondence and other documents and the historical financial information of EXEL Industries and its subsidiaries for the last three fiscal years and all other documents provided for by law, may be consulted in the Legal and Finance Departments at the Company's main office at 52 rue de la Victoire, Paris (75009), France.

2019/2020 publications

December 23, 2019	Strategic acquisition of the company Eisenmann INTEC in Germany
January 23, 2020	First-quarter sales
February 3, 2020	EXEL Industries completes the acquisition of Eisenmann INTEC in Germany
March 12, 2020	Annual General Meeting
April 28, 2020	Second-quarter sales
June 2, 2020	First-half results
July 28, 2020	Third-quarter sales
October 27, 2020	Fourth-quarter sales
December 17, 2020	Full-year results

Schedule of 2021 communications

January 26, 2021	First-quarter sales
February 9, 2021	Annual General Meeting
April 27, 2021	Second-quarter sales
June 1, 2021	First-half results
July 27, 2021	Third-quarter sales
October 28, 2021	Fourth-quarter sales
December 17, 2021	Full-year results

Brokerage and research firms covering EXEL Industries group

- Gilbert Dupont (Crédit du Nord);
- ID Midcap / LCM (Louis Capital Market);
- Oddo BHF;
- LPE;
- Portzamparc;
- CM-CIC.

8.2.3 Dividends distributed

Dividend amount

Fiscal year	Dividend per share
2016/2017	€1.58 per share
2017/2018	€1.14 per share
2018/2019	€0.00 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;
- Decision not to pay dividends in order to consolidate the Group's financial position;
- Retained earnings of €20,973,268, bringing retained earnings to €325,519,449.

8.2.4 Shareholders

8.2.4.1 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 EXEL Industries Share Capital and Voting Rights

Shareholders	At 9/30/2018			At 9/30/2019			At 9/30/2020		
	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*	4,263,247	62.81%	70.57%	4,277,248	63.01%	71.36%	4,793,722	70.62%	75.75%
Patrick BALLU and family shareholders	903,958	13.32%	15.04%	891,483	13.13%	14.82%	902,994	13.30%	14.93%
BALLU family SUB-TOTAL	5,167,205	76.12%	85.62%	5,168,731	76.15%	86.18%	5,696,716	83.92%	90.68%
EXEL Industries SA	1,401	0.02%	0.00%	1,969	0.03%	0.00%	2,690	0.04%	0.00%
Financial inst., misc. investors & public	1,619,294	23.86%	14.38%	1,617,200	23.82%	13.82%	1,088,494	16.04%	9.32%
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.

8.2.4.2 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, 2020, EXEL SAS and its affiliates are the controlling shareholders of EXEL Industries with 83.92% of the capital and 90.68% of the voting rights. As of October 13, 2020, EXEL SAS and affiliates hold 89.68% of the voting rights following the conversion of EXEL Industries shares to bearer status.

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;
- presence of independent members on the Board of Directors, in accordance with the recommendations of the MiddleNext Code;
- Independent members dominate the Board of Directors' Committees.

Number of theoretical voting rights

At 09/30/2018	11,969,731
At 09/30/2019	11,955,754
At 09/30/2020	11,955,646

8.2.4.3 Crossing thresholds

During the 2019/2020 fiscal year and at the start of the 2020/2021 fiscal year, the following threshold crossings were declared:

Shareholder	Date	Direction of threshold	Threshold crossed	Number of shares after crossing	% of capital after crossing	% of voting rights after crossing
Financière de l'Échiquier	08/06/2020	down	2.5% in share capital	167,408	2.4666%	1.399%
EXEL SAS	03/17/2020	up	66% in share capital	4,781,750	67.45%	73.96%
EXEL SAS and affiliates	10/13/2020	down	90% in voting rights	5,690,304	83.83%	89.68%

Shareholders holding more than 2.5% of the share capital among “financial institutions, misc. investors and the public”

Lazard Frères Gestion

Shareholders holding more than 5% of the share capital among “financial institutions, misc. investors and the public”

None.

Number of shareholders

Based on the most recent identifiable bearer shares report on October 13, 2020: 1,373 (including 200 registered shareholders).

No employee stock ownership plan exists.

8.2.4.4 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 2019/2020 fiscal year.

Name and function	Financial instruments	Nature of the transaction	Number of securities
EXEL SAS, director	Shares	Acquisitions	516,474
Marc BALLU director and Deputy Chief Executive Officer & closely related persons	Shares	Acquisitions	12,520
Marc BALLU director and Deputy Chief Executive Officer & closely related persons	Shares	Sale	1

8.2.5 Share repurchase program

Authorizations to purchase treasury shares

The Annual General Meeting of March 12, 2020 (13th 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 eighteen months. Under this authorization, the purchase price is €220.

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 conduct of business rules recognized by the French securities market regulator, the 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 €74.7 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, 2020 held 2,690 of said shares.

On June 1, 2016, EXEL Industries entered into a liquidity agreement with Gilbert Dupont for the purpose of facilitating the market for the share. At September 30, 2020 Gilbert Dupont 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 shares on 09/30/2019	1,969
Number of shares repurchased in the fiscal year ended 09/30/2020	19,062
Shares were purchased at an average price of	€40.28
Number of shares sold in the fiscal year ended 09/30/2020	18,341
Shares were sold at an average price of	€40.07
Number of treasury securities held at 09/30/2020	2,690

Description of the share repurchase program submitted for approval by the Annual General Meeting of February 9, 2021

The Annual General Meeting of February 9, 2021 is requested in resolution 6 to approve the implementation of a new share repurchase program in accordance with the provisions of Articles L.22-10-62 (formerly Article L.225-209) *et seq.* of the French Commercial Code, Title IV of Book II of the AMF General Regulation, European Regulation No. 596/2014 of the European Parliament and Commission Delegated Regulation 2016/1052 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 *Autorité des Marchés Financiers* (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 (formerly Article L.225-177) *et seq.* of the French Commercial Code or the allocation of free shares pursuant to the provisions of Articles L.22-10-59 (formerly Article L.225-197-1) *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 costs), which represents a maximum theoretical amount of €101,818,500.

As of September 30, 2020, the number of treasury shares held by EXEL Industries was 2,690. On that basis, the Company would be able to buy back 676,100 shares given the number of treasury shares held.

The repurchase authorization would be valid for a period of 14 months from the Annual General Meeting of February 9, 2021.

8.2.6 Summary table of authorizations/delegations granted by the General Meeting to the Board of Directors

The table below summarizes the delegations/authorizations granted by the shareholders' 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 09/30/2020
Authorization granted to the Board of Directors to trade in the Company's shares	AGM of March 12, 2020, resolution 13	18 months, until September 12, 2021	10% of the share capital, maximum price of €220 per share	not used

8.2.7 Additional information regarding the share capital

Share capital (Article 6 of the Articles of Association)

"The share capital amounts to €16,969,750 divided into 6,787,900 shares all with a par value of €2.5.

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 increases in share capital in the last five years and 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 15 days after crossing this threshold by registered letter with acknowledgment of receipt."

"If the crossing of this threshold is not reported to the Company within fifteen days, the sanctions provided for by applicable laws and regulations will then apply", that is to say that, the failure to report crossing a threshold shall result in the loss of voting rights for the shares exceeding the percentage that should have been reported, for a period of two years after this disclosure obligation has been met".

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.

Dividend policy

It is expected that a dividend representing approximately one-quarter 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.

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.

8.3 Information that could have an impact in the event of a takeover bid

Pursuant to Article L.22-10-11 (formerly Article L.225-37-5) 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 October 13, 2020, holding by EXEL SAS and affiliates of 83.83% of the share capital and 89.68% of the theoretical voting rights of EXEL Industries; the BALLU family holds 13.21% of the share capital and 14.96% of the theoretical voting rights;
- 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 shareholders' Annual General Meeting in which EXEL SAS and its affiliates hold more than 85% of the exercisable voting rights.



9

Ordinary General Meeting of February 9, 2021

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|-----|---|-----|
| 9.1 | Report of the Board of Directors on the resolutions submitted to the Ordinary General Meeting of February 9, 2021 | 126 |
| 9.2 | Text of the resolutions submitted to the Ordinary General Meeting of February 9, 2021 | 127 |



9.1 Report of the Board of Directors on the resolutions submitted to the Ordinary General Meeting of February 9, 2021

Financial statements for the 2019/2020 fiscal year, appropriation of income

The purpose of the first and second resolutions is to submit for your approval the financial statements of EXEL Industries for the year ended September 30, 2020.

The parent company financial statements show positive net income of €20,973,268. Shareholders' equity (excluding net income for the fiscal year) amounted to €330 million and ensures the financial strength of EXEL Industries.

The consolidated financial statements show a loss of €10,684 thousand.

The third resolution concerns the appropriation of income for the fiscal year ended on September 30, 2020. To consolidate the Group's financial position, it has been decided not to pay a dividend.

The amount of dividends paid over the previous three fiscal years is hereby noted:

Fiscal year	Dividends net per share
2016/2017	€1.58
2017/2018	€1.14
2018/2019	€0

Appointment of the Statutory Auditors

The fourth and fifth resolutions concern the appointment of the Statutory Auditors.

As the terms of office of Mazars and Deloitte et Associés expire at the end of the Annual General Meeting of February 9, 2021, a call for tenders was organized by the Audit Committee, acting independently, in accordance with the provisions of Articles L.823-3 and L.823-19

of the French Commercial Code and Article 16 of EU Regulation No. 537/2014.

The Audit Committee therefore decided to propose to the Board the renewal of the appointment of Mazars, initially appointed in 2015, and to appoint Grant Thornton. The Board has approved these proposals.

Share repurchase program

The purpose of the sixth 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 €150 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 2019/2020, EXEL Industries purchased 19,062 treasury shares under the liquidity agreement.

Remuneration of directors

The purpose of the seventh resolution is to confirm the total amount of remuneration allocated to directors at €120,000 until a new decision by the shareholders' Annual General Meeting.

Vote on the remuneration of corporate officers

Ex-ante say on pay

The purpose of the eighth to eleventh resolutions is to approve the remuneration policy for the 2020/2021 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' report on corporate governance in section 7.4.1 of the Company's Universal Registration Document for 2019/2020.

Your vote is required pursuant to Article L.22-10-8 (formerly Article L.225-37-2) of the French Commercial Code.

Ex-post say on pay

The purpose of the twelfth resolution is to approve the information relating to the remuneration of all of the Company's corporate officers for the 2019/2020 fiscal year, as presented in the Board of Directors' report on corporate governance, in accordance with Article L.225-37-3 of the French Commercial Code (section 7.4.2).

Your vote is required pursuant to Article L.22-10-34 (formerly Article L.225-100) II of the French Commercial Code.

The purpose of the thirteenth to nineteenth resolutions is to approve the components of remuneration paid during the fiscal year or awarded in respect of the 2019/2020 fiscal year to:

- Patrick BALLU, Chairman of the Board of Directors;

- Gueric BALLU, Chief Executive Officer until December 17, 2019;
- Yves BELEGAUD, Chief Executive Officer from December 17, 2019;
- Marc BALLU, Deputy Chief Executive Officer;
- Cyril BALLU, Deputy Chief Executive Officer;
- Franck BALLU, Deputy Chief Executive Officer until March 12, 2020;
- Daniel TRAGUS, Deputy Chief Executive Officer from April 1, 2020.

In addition to the information concerning the total remuneration and benefits of any kind paid or awarded in respect of the 2019/2020 fiscal year, the information provided notably contains the ratios between the level of remuneration of the executive corporate officers and the mean and median remuneration of the employees of the Company and the Group's French companies.

This information is provided in section 7.5 of the Universal Registration Document.

Your vote is required pursuant to Article L.22-10-34 (formerly Article L.225-100) III of the French Commercial Code.

The elements of variable remuneration for Yves BELEGAUD, Marc BALLU, Cyril BALLU and Daniel TRAGUS will be paid to them after your approval at the Annual General Meeting.

9.2 Text of the resolutions submitted to the Ordinary General Meeting of February 9, 2021

Agenda

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| <p>1- Approval of the parent company financial statements for the fiscal year ended September 30, 2020</p> <p>2- Approval of the consolidated financial statements for the fiscal year ended September 30, 2020</p> <p>3- Appropriation of net income for the fiscal year ended September 30, 2020</p> <p>4- Renewal of the appointment of Mazars as Statutory Auditor</p> <p>5- Appointment of Grant Thornton as Statutory Auditor</p> <p>6- Authorization granted to the Board of Directors to trade in the Company's shares</p> <p>7- Setting the amount of directors' remuneration</p> <p>8 to 11- Vote on the remuneration policy of corporate officers</p> | <p>Approval of the remuneration policy of corporate officers for the 2020/2021 fiscal year (<i>ex-ante</i> say on pay) for the Chief Executive Officer (resolution 8), the Deputy Chief Executive Officers (resolution 9), the Chairman of the Board of Directors (resolution 10) and directors (resolution 11)</p> <p>12 to 19- Vote on remuneration paid during the year or awarded for the past fiscal year</p> <p>Approval of the report on the remuneration of corporate officers (resolution 12), approval of the components of the remuneration paid during the fiscal year ended September 30, 2020 (<i>ex-post</i> say on pay) to Patrick BALLU (resolution 13), Gueric BALLU (resolution 14), Yves BELEGAUD (resolution 15), Marc BALLU (resolution 16), Cyril BALLU (resolution 17), Franck BALLU (resolution 18) and Daniel TRAGUS (resolution 19)</p> <p>20- Powers to carry out formalities</p> |
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The following resolutions are put to the vote of the Ordinary General Meeting:

First resolution

Approval of the parent company financial statements for the fiscal year ended September 30, 2020

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 2019/2020 fiscal year;
- the Statutory Auditors' report on the parent company financial statements;

approves the annual financial statements for the fiscal year beginning on October 1, 2019 and ended on September 30, 2020 as presented to it by the Board of Directors, showing net income of €20,973,268, as well as the transactions reflected in those financial statements or summarized in those reports.

Second resolution

Approval of the consolidated financial statements for the fiscal year ended September 30, 2020

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 2019/2020 fiscal year;
- Statutory Auditors' report on the consolidated financial statements;

approves the consolidated financial statements for the fiscal year beginning on October 1, 2019 and ended on September 30, 2020 as presented to it by the Board of Directors, showing consolidated net income of -€10,684 thousand, as well as the transactions reflected in those financial statements or summarized in those reports.

Third resolution

Appropriation of net income for the fiscal year ended September 30, 2020

The Annual General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, resolves

- to allocate the profit for the 2019/2020 fiscal year, which amounts to €20,973,268;
- plus retained earnings amounting to €304,546,181;
- forming a distributable profit of €325,519,449;

as follows:

- in full to retained earnings, the credit balance of which is thus increased from €304,546,181 to €325,519,449.

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	Net dividend per share
2016/2017	€1.58
2017/2018	€1.14
2018/2019	€0

Fourth resolution

Renewal of the appointment of Mazars as Statutory Auditors

The Annual General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, notes that the term as Statutory Auditor of Mazars, Tour Exaltis, 61, rue Henri Regnault, 92400 Courbevoie, expires at the end of this Meeting and resolves to renew that term for a period of six fiscal years expiring at the close of the Ordinary General Meeting called in 2027 to approve the financial statements for the fiscal year ending September 30, 2026.

Fifth resolution

Appointment of Grant Thornton as Statutory Auditors

The Annual General Meeting, ruling under the conditions of quorum and majority for Ordinary General Meetings, notes that the term of office of Deloitte as Statutory Auditor expires at the end of this Meeting and resolves to appoint Grant Thornton, 29 rue du Pont, 92200 Neuilly-sur-Seine, for a period of six fiscal years expiring at the close of the Ordinary General Meeting called in 2027 to approve the financial statements for the fiscal year ending September 30, 2026.

The Annual General Meeting, in accordance with the provisions of paragraph 4 of Article L.823-1 of the French Commercial Code, acknowledges that Grant Thornton has verified, over the last two fiscal years, contribution transactions of the Company or companies that it controls within the meaning of paragraphs I and II of Article L.233-16 of the French Commercial Code.

Sixth resolution

Authorization granted to the Board of Directors to trade in the Company's shares

The Annual General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings,

- taking note of the Board of Directors' report;
- in accordance with the provisions of Articles L.22-10-62 (formerly Article L.225-209) *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 on the conditions applicable to repurchase programs and stabilization measures, the AMF General Regulation, Articles 241-1 *et seq.*, and 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, 2020), 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 Regulation of the *Autorité des Marchés Financiers*, 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 under a liquidity contract entered into in accordance with market practice accepted by the *Autorité des Marchés Financiers* (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,
 - delivery upon 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 (formerly Article L.225-177) *et seq.* of the French Commercial Code or the allocation of free shares pursuant to the provisions of Articles L.22-10-59 (formerly Article L.225-197-1) *et seq.* of the French Commercial Code.

The program is also intended to enable the Company to operate for any other purpose authorized or 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, which may cover 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 €150 per share (excluding trading expenditures) (*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, 2020), 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. 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 *Autorité des Marchés Financiers*, complete all formalities and, in general, take the necessary steps to apply this authorization;
 6. 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.

Seventh resolution

Determination of the remuneration of directors

The Annual General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, sets to €120,000 the maximum total annual amount of remuneration awarded to the members of the Board of Directors as of today.

Eighth resolution

Approval of the remuneration policy for the Chief Executive Officer for the 2020/2021 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 (formerly Article L.225-37-2) II of the French Commercial Code, the remuneration policy applicable to the Chief Executive Officer, as presented in this report (section 7.4.1 of the 2019/2020 Universal Registration Document).

Ninth resolution

Approval of the remuneration policy for the Deputy Chief Executive Officers for the 2020/2021 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 (formerly Article L.225-37-2) II of the French Commercial Code, the remuneration policy applicable to the Deputy Chief Executive Officers, as presented in this report (section 7.4.1 of the 2019/2020 Universal Registration Document).

Tenth resolution

Approval of the remuneration policy for the Chairman of the Board of Directors for the 2020/2021 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 (formerly Article L.225-37-2) II of the French Commercial Code, the remuneration policy applicable to the Chairman of the Board of Directors, as presented in this report (section 7.4.1 of the 2019/2020 Universal Registration Document).

Eleventh resolution

Approval of the remuneration policy for directors for the 2020/2021 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 prepared in accordance with Article L.225-37 of the French Commercial Code, approves, pursuant to Article L.22-10-8 (formerly Article L.225-37-2) II of the French Commercial Code, the remuneration policy applicable to directors, as presented in this report (section 7.4.1 of the 2019/2020 Universal Registration Document).

Twelfth resolution

Approval of the report on the remuneration of corporate officers (*ex-post* say on pay)

The Annual General Meeting, voting under the quorum and majority requirements for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance prepared in accordance with Article L.225-37 of the French Commercial Code, approves, pursuant to Article L.22-10-34 (formerly Article L.225-100) II of the French Commercial Code, the information mentioned in Article L.225-37-3 of the French Commercial Code presented therein (section 7.4.2 of the 2019/2020 Universal Registration Document).

Thirteenth resolution

Approval of the components of the remuneration paid during the fiscal year ended on September 30, 2020 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 for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance, approves, in accordance with Article L.22-10-34 (formerly Article L.225-100) III of the French Commercial Code, the fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during the fiscal year ended September 30, 2020 to Patrick BALLU in his capacity as Chairman of the Board of Directors, as presented in this report (section 7.4.2 of the 2019/2020 Universal Registration Document).

Fourteenth resolution

Approval of the components of the remuneration paid during the year or allocated for the fiscal year ended September 30, 2020 to Gueric BALLU in his capacity as Chief Executive Officer until December 17, 2019 (*ex-post* 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, approves, in accordance with Article L.22-10-34 (formerly Article L.225-100) III of the French Commercial Code, the fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during the fiscal year ended September 30, 2020 to Gueric BALLU in his capacity as Chief Executive Officer until December 17, 2019, as presented in this report (section 7.4.2 of the 2019/2020 Universal Registration Document).

Fifteenth resolution

Approval of the components of the remuneration paid during the fiscal year ended on September 30, 2020 to Yves BELEGAUD in his capacity as Chief Executive Officer from December 17, 2019 (*ex-post* 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, approves, in accordance with Article L.22-10-34 (formerly Article L.225-100) III of the French Commercial Code, the fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during the fiscal year ended September 30, 2020 to Yves BELEGAUD in his capacity as Chief Executive Officer as from December 17, 2019, as presented in this report (section 7.4.2 of the 2019/2020 Universal Registration Document).

Sixteenth resolution

Approval of the components of the remuneration paid during the fiscal year ended September 30, 2020 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 for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance, approves, in accordance with Article L.22-10-34 (formerly Article L.225-100) III of the French Commercial Code, the fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during the fiscal year ended September 30, 2020 to Marc BALLU in his capacity as Deputy Chief Executive Officer, as presented in this report (section 7.4.2 of the 2019/2020 Universal Registration Document).

Seventeenth resolution

Approval of the components of the remuneration paid during the fiscal year ended September 30, 2020 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 for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance, approves, in accordance with Article L.22-10-34 (formerly Article L.225-100) III of the French Commercial Code, the fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during the fiscal year ended September 30, 2020 to Cyril BALLU in his capacity as Deputy Chief Executive Officer, as presented in this report (section 7.4.2 of the 2019/2020 Universal Registration Document).

Eighteenth resolution

Approval of the components of the remuneration paid during the fiscal year ended September 30, 2020 to Franck BALLU in his capacity as Deputy Chief Executive Officer until March 12, 2020 (*ex-post* 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, approves, in accordance with Article L.22-10-34 (formerly Article L.225-100) III of the French Commercial Code, the fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during the fiscal year ended September 30, 2020 to Franck BALLU in his capacity as Deputy Chief Executive Officer until March 12, 2020, as presented in this report (section 7.4.2 of the 2019/2020 Universal Registration Document).

Nineteenth resolution

Approval of the components of the remuneration paid during the fiscal year ended on September 30, 2020 to Daniel TRAGUS in his capacity as Deputy Chief Executive Officer from April 1, 2020 (*ex-post* 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, approves, in accordance with Article L.22-10-34 (formerly Article L.225-100) III of the French Commercial Code, the fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during the fiscal year ended September 30, 2020 to Daniel TRAGUS in his capacity as Deputy Chief Executive Officer from April 1, 2020, as presented in this report (section 7.4.2 of the 2019/2020 Universal Registration Document).

Twentieth 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.

Cross-reference table

In order to facilitate the reading of this document, the cross-reference table below makes it possible to identify, in this Universal Registration Document, the information that constitutes the Annual Financial Report as well as the management report to be published by listed companies, in accordance with Articles L.451-1-2 of the French Monetary and Financial Code and 222-3 of the French securities market regulator (AMF) General Regulation.

No. Required items	Chap. / Pages
Financial Report	
Annual financial statements	Chap. 6 / p. 87-98
Consolidated financial statements	Chap. 5 / p. 51-157
Management report	see cross-reference table with the management report
Declaration of the persons responsible for the Annual Financial Report	Chap. 1 / p. 6
Statutory Auditors' reports on the parent company and consolidated financial statements	Chap. 5 / p. 83-86 Chap. 6 / p. 99-101
Management report	
1. Position and activity of the Group	
1.1 Position of the Company during the past fiscal year and objective and exhaustive analysis of change in the business, results and financial position of the Company and the Group, in particular its debt position, with regard to volume and business complexity	Chap. 3 / p. 20; 24-25 Chap. 5 / p. 57-82 Chap. 6 / p. 90-98
1.2 Key financial performance indicators	Chap. 3 / p. 24-25 Chap. 5 / p. 52-56 Chap. 6 / p. 88-89
1.3 Key non-financial performance indicators relating to the specific activity of the Company and the Group, in particular information relating to environmental and personnel issues	Chap. 4 / p. 38, 42, 45-46, 48
1.4 Significant events occurring between the balance sheet date and the date on which the management report was prepared	Chap. 3 / p. 20 Chap. 5 / p. 82 Chap. 6 / p. 98
1.5 Identity of the main shareholders and holders of voting rights at Annual General Meetings, and changes made during the fiscal year	Chap. 8 / p. 120
1.6 Existing branches	Chap. 5 / p. 64-66
1.7 Significant equity investments in companies having their registered office in France	NA
1.8 Transfers of cross-shareholdings	NA
1.9 Foreseeable changes in the position of the Company and the Group and future outlook	Chap. 3 / p. 20
1.10 Research and development activities	Chap. 3 / p. 21-24
1.11 Table showing the Company's results for each of the last five fiscal years	Chap. 3 / p. 32
1.12 Information on supplier and customer payment terms	Chap. 3 / p. 26
1.13 Amount of inter-company loans granted and statement by the Statutory Auditor	Chap. 3 / p. 31
2. Internal control and risk management	
2.1 Description of the main risks and uncertainties facing the Company	Chap. 3 / p. 26-29 Chap. 4 / p. 36-37 Chap. 5 / p. 81
2.2 Information on the financial risks related to the effects of climate change and presentation of the measures taken by the Company to reduce them by implementing a low-carbon strategy in all aspects of its activity	Chap. 4 / p. 45
2.3 Main characteristics of the internal control and risk management procedures implemented by the Company and the Group relating to the preparation and processing of accounting and financial information	Chap. 3 / p. 26-29
2.4 Information on the objectives and policy concerning the hedging of each main category of transactions and on exposure to price, credit, liquidity and cash risks, including the use of financial instruments	Chap. 3 / p. 26 Chap. 5 / p. 81
2.5 Anti-corruption system	Chap. 4 / p. 37; 46
2.6 Duty of care plan and report on its effective implementation	NA

No. Required items	Chap. / Pages
3. Report on Corporate Governance	149
Information on remuneration	
3.1 Remuneration policy for executive corporate officers	Chap. 7 / p. 110-111
3.2 Remuneration and benefits of any kind paid during the fiscal year or awarded to each corporate officer during the fiscal year	Chap. 7 / p. 111-113
3.3 Relative proportion of fixed and variable remuneration	Chap. 7 / p. 110-113
3.4 Use of the option to request the return of variable remuneration	NA
3.5 Commitments of any kind made by the Company for the benefit of its corporate officers, corresponding to elements of remuneration, severance payments or benefits due or likely to be due as a result of the assumption, termination or change of their duties or subsequent to the exercise of such duties	NA
3.6 Remuneration paid or allocated by a company included in the scope of consolidation within the meaning of Article L.233-16 of the French Commercial Code	Chap. 7 / p. 111-113
3.7 Ratios between the level of remuneration of each executive corporate officer and the average and median remuneration of the Company's employees	Chap. 7 / p. 114
3.8 Annual change in remuneration, the Company's performance, the average remuneration of the Company's employees and the aforementioned ratios over the five most recent fiscal years	Chap. 7 / p. 114
3.9 Explanation of how the total remuneration complies with the adopted remuneration policy, including how it contributes to the long-term performance of the Company and how the performance criteria were applied	Chap. 7 / p. 111-113
3.10 Method of taking into account the vote of the last Ordinary General Meeting provided for in II of Article L.225-00 (until December 31, 2020) and then in I of Article L.22-10-34 (from January 1, 2021) of the French Commercial Code	Chap. 7 / p. 110
3.11 Deviation from the procedure for implementing the remuneration policy and any exceptions	NA
3.12 Application of the provisions of the second paragraph of Article L.225-45 of the French Commercial Code (suspension of payment of directors' remuneration in the event of non-compliance with gender balance on the Board of Directors)	Chap. 7 / p. 105
3.13 Allocation and retention of options by corporate officers	NA
3.14 Allocation and retention of free shares to executive corporate officers	NA
Governance information	
3.15 Offices and positions held in any company by each corporate officer during the fiscal year	Chap. 7 / p. 106, 109
3.16 Agreements entered into between an executive or a significant shareholder and a subsidiary	Chap. 5 / p. 81
3.17 Summary of authorizations in force granted by the shareholders' Annual General Meeting relating to increases in share capital	Chap. 8 / p. 122
3.18 Procedures for exercising Executive Management	Chap. 7 / p. 105
3.19 Composition, conditions of preparation and organization of the work of the Board	Chap. 7 / p. 106-107
3.20 Application of the principle of balanced representation of men and women on the Board	Chap. 7 / p. 105
3.21 Any limitations that the Board places on the powers of the Chief Executive Officer	NA
3.22 Reference to a Corporate Governance Code and application of the <i>comply or explain principle</i>	Chap. 7 / p. 104
3.23 Specific procedures for shareholder participation at the Annual General Meeting	Chap. 8 / p. 116-117
3.24 Assessment procedure for current agreements – Implementation	Chap. 7 / p. 108
3.25 Information likely to have an impact in the event of a public tender offer or exchange offer	Chap. 8 / p. 123

No. Required items	Chap. / Pages
4. Capital and shareholders	
4.1 Structure, changes in the Company's share capital and crossing of thresholds	Chap. 8 / p. 120-121
4.2 Acquisition and disposal by the Company of its own shares	Chap. 8 / p. 121-122
4.3 Statement of employee profit sharing in the share capital on the last day of the fiscal year (proportion of capital represented)	NA
4.4 Statement of any adjustments for securities giving access to the share capital in the event of share repurchase or financial transactions	NA
4.5 Information on transactions by executives and related persons in the Company's shares	Chap. 8 / p. 121
4.6 Amounts of dividends paid in respect of the three previous fiscal years	Chap. 3 / p. 32 Chap. 8 / p. 119 Chap. 9 / p. 128
5. Statement of Non-Financial Performance	
5.1 Business model	Chap. 4 / p. 35
5.2 Description of the main risks related to the business of the Company or the Group, including, where relevant and proportionate, risks created by business relationships, products or services	Chap. 4 / p. 36
5.3 Information on the way in which the Company or the Group takes into account the social and environmental consequences of its activity, and the effects of this activity on respect for human rights and the fight against corruption (description of the policies applied and due diligence procedures implemented to prevent, identify and mitigate the main risks related to the business of the Company or the Group)	Chap. 4 / p. 47
5.4 Results of the policies applied by the Company or the Group, including key performance indicators	Chap. 4 / p. 48
5.5 Social information (employment, work organization, health and safety, labor relations, training, equal treatment)	Chap. 4 / p. 38-43
5.6 Environmental information (general environmental policy, pollution, circular economy, climate change)	Chap. 4 / p. 43-46
5.7 Societal information (societal commitments in favor of sustainable development, subcontracting and suppliers, fair practices)	Chap. 4 / p. 47
5.8 Anti-corruption information	Chap. 4 / p. 37; 46-47
5.9 Information on action in favor of human rights	Chap. 4 / p. 37-47
5.10 Specific information: - the Company's policy to prevent the risk of technological accidents; - ability of the Company to cover its civil liability in respect of goods and people due to the operation of such facilities; - resources provided by the Company to manage the compensation of victims in the event of a technological accident involving its liability	Chap. 4 / p. 41-42
5.11 Collective agreements concluded within the Company and their impact on the Company's economic performance and on the working conditions of employees	Chap. 4 / p. 40
5.12 Statement by the independent third party on the information contained in the Statement of Non-Financial Performance	Chap. 4 / p. 49
6. Other disclosures	
6.1 Additional tax information	NA
6.2 Injunctions or financial penalties for anti-competitive practices	NA



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