

2018/2019

UNIVERSAL REGISTRATION DOCUMENT

including the annual financial report



All you need. **With love.**

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All you need. **With love.**

AUTORITÉ
DES MARCHÉS FINANCIERS
AMF

This registration document was filed on 31 January 2020 with the French Financial Markets Authority (AMF), in its capacity as a competent authority pursuant to regulation (EU) No. 2017/1129, without prior approval, pursuant to Article 9 of said regulation.

The Universal Registration Document can be used in the context of an offer of marketable securities to the public or an admission to trading on a regulated market by adding a securities note and a summary along with any amendments made to the Universal Registration Document. The whole is approved by the AMF pursuant to regulation (EU) No. 2017/1129.

This registration document is available on the website of the French Financial Markets Authority (AMF) at www.amf-france.org, and on the Manutan International website at www.manutan.com, under the heading Our investors.



“PROFITABLE GROWTH THANKS TO GOOD POSITIONING SUPPORTED BY A SOLID AND AGILE ORGANISATION”

CHAIRMAN’S MESSAGE

Jean-Pierre Guichard

It’s thrilling!

The time in which we are living is certainly one of the most exciting in our history. The technological, competitive, ecological and human environment is changing faster than ever before. At Manutan, we are meeting the many challenges that we face, day after day, with determination and passion.

Supporting profitable growth

In this context, the Manutan Group is achieving its fourth consecutive year of profitable growth, with an increase of 3.3% in turnover (on a like-for-like basis) or 4.1% of growth including our recent acquisition of the company Kruizinga.

This purchase, which took place in the last quarter of our tax year, demonstrates our ambition to continue to reinforce our flagship markets, whilst adapting to new modes of consumption, with offerings of second-hand products and renting handling equipment.

Maintaining our lead

Modernising our Group remains one of our priorities, which leads us to apply different strategies.

- **Digital transformation:** this transformation, which began at the turn of the century, has accelerated rapidly in recent years, with in particular an increase in marketing actions, adapting our expertise and investing in technological tools.

This digitisation also affects how we work:

- in-house, we use more agile methods;
- externally, we regularly use open innovation, through an ecosystem of start-ups, which allows us to make progress in terms of speed and efficiency.

- **Refining our positioning and our added value:** several strategic initiatives have been launched. To cite just the most emblematic:

- **extending our product offering,** by adding more than 100,000 stock items that, combined with the development of our own-brands, allows us to reconcile increasing our turnover and mastering our gross margin;
- **customer expertise,** through our two divisions we address every type of company from traders in the building industry to international companies on the CAC 40, across the whole of Europe, with an offering of products, solutions and services that specifically meets the needs of B2B customers. Our communication through white papers, barometers or events also helps to increase our notoriety and confirm this expertise in our markets;
- **investment in logistics:** our two major projects in progress have a dual aim, improving customer experience and our efficiency through greater robotisation.

Preparing ourselves for the future

As our operating costs are increasing at a controlled pace and our financial structure remains solid, we can continue to modernise our tools, whilst remaining open to the opportunities that arise for us.

Dear Shareholders, Directors and colleagues, we always relish the opportunity to share with you our achievements, our ideas and our ideals. We thank you all for your trust.

Jean-Pierre Guichard,

Chairman of the Board of Directors



1

PRESENTATION OF THE GROUP

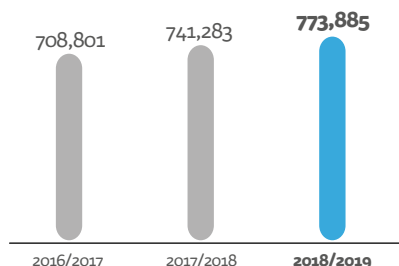
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— Key figures

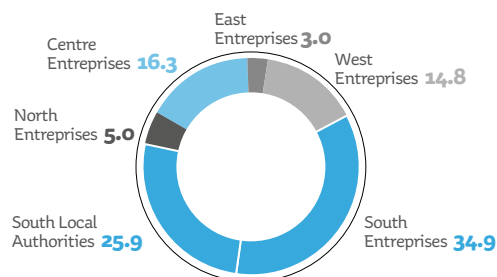
Consolidated growth and financial position

CONSOLIDATED TURNOVER

3-year trend (in thousands of euros)

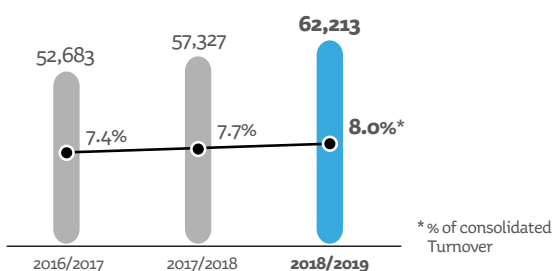


Breakdown by area for 2018/2019 (%)

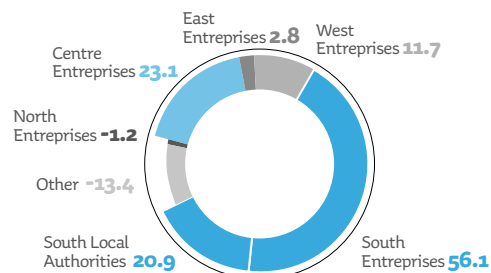


CURRENT OPERATING PROFIT

3-year trend (in thousands of euros)

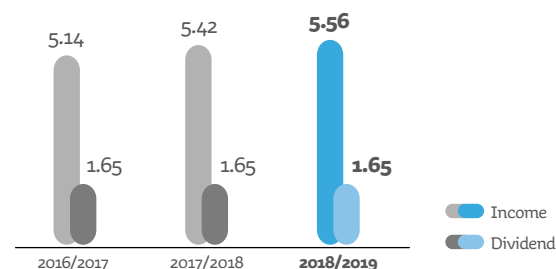


Breakdown by area for 2018/2019 (%)



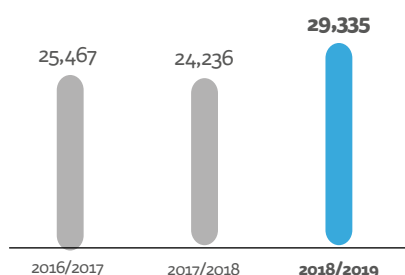
NET INCOME PER SHARE AND NET DIVIDEND PER SHARE

3-year trend (in euros)



NET CASH POSITION

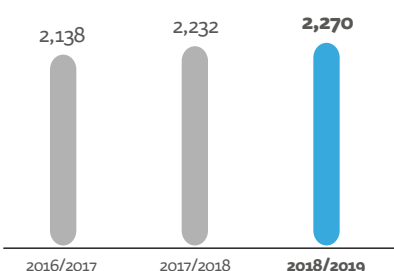
3-year trend (in thousands of euros)



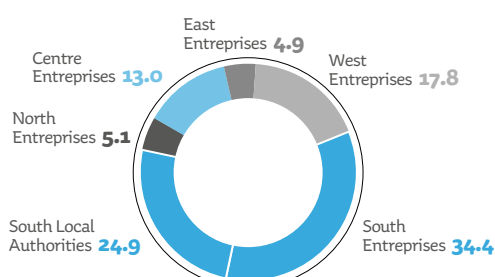
The available cash is comprised of the balance sheet aggregates "cash and cash equivalents" and "marketable securities and current assets". The net available cash is calculated from the difference between available cash and financial debts.

AVERAGE HEADCOUNT

3-year trend



Breakdown by area for 2018/2019 (%)



— Financial communications calendar

Manutan International's financial year begins on 1 October and ends on 30 September.

Publication dates for the figures for the financial year 2019/2020⁽¹⁾

Q1 turnover	15 January 2020
Q2 turnover	15 April 2020
Half-yearly results	27 May 2020
Q3 turnover	16 July 2020
Q4 turnover	15 October 2020
Annual results	2 December 2020

The financial communications calendar and all the financial information are available to Investors and Shareholders on the Company website at: **www.manutan.com**.

The Group's Legal Department can answer any questions regarding the Manutan Group.

Tel.: +33 (0)1 34 53 35 87 / **contact.legal@manutan.com**.

1

(1) Dates subject to modification/publication after the closing of the markets.

— History



- **1987**
Establishment of the Italian subsidiary
- **1988**
Establishment of the German subsidiary
- **1989**
Acquisition of Witre AB in Sweden and Witre A/S in Norway
- **1995**
Acquisition of Overtoom, leader on the Dutch and Belgian markets and implantation of Witre in Denmark
- **1996**
Establishment of the Portuguese subsidiary
- **2001**
Opening of the **first e-business merchant sites** and **e-procurement solutions** made available to Key Accounts
- **2003**
Creation of the **first European product offering**
- **2004**
Implantation in Spain, Hungary, Slovakia and Poland

1966 - 1986

1987 - 1997

1998 - 2000

2001 - 2005

● **1985**

Listing of Manutan on the Second Marché of the Paris Stock Exchange

● **1974**

Establishment of Manutan in Belgium

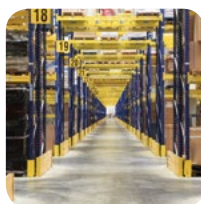
● **1973**

Establishment of the subsidiary Key Industrial Equipment in the United Kingdom

● **1966**

Establishment of Manutan by André and Jean-Pierre Guichard

The first French company in the catalogue selling of industrial equipment

● **2000**

Acquisition of Metro Storage Systems Ltd in Ireland

● **1999**

Acquisitions of Plus in the Czech Republic, of Fabritec in Switzerland, and of Euroequipment in the United Kingdom, and establishment of Witre OY in Finland

● **1998**

Creation of a new legal structure at the top of the Group:
Manutan International - Group holding company



2011

Opening of the **European Centre** in Gonesse (France), which symbolises the Group's unity, its ambitions and its business, human, and environmental vision

2012

Acquisition of Sports & Loisirs (Casal Sport), specialist in sales of sporting equipment for schools, town halls and federations in France

2013

Launch of the overhauling of the Group's Information System

Acquisition of IronmongeryDirect in the UK, a specialist in the distribution of ironmongery products to traders

Acquisition of Ikaros Cleantech in Sweden and in Finland, a specialist in environmental protection products

1

2006 - 2009

2009

An increased presence in the local authority market through the acquisition of Camif Collectivités in France

2008

Acquisition of Rapid Racking in the UK, a specialist in racking and storage solutions

2007

The symbolic €500 million turnover barrier is broken



2010 - 2014



2015 - 2019

2019

Acquisition of Kruizinga, specialist in online distribution of storage systems and transportation equipment in the Benelux countries

Manutan France awarded the "Best Workplaces France" label for the 3rd year running

2018

Manutan Belgium awarded the "Best Workplaces 2018" label

2016

An increased presence in the English traders market through the acquisition of Essex Electrical Wholesalers
Launch of the Manutan own brand

2015

Acquisition of Papeteries Pichon, specialist in the distribution of school supplies to primary and infant schools in France

Manutan is one of the leading European B2B e-commerce companies specialised in multi-channel distribution of equipment for companies and local authorities. Present in 17 countries through 26 operational subsidiaries, the Group is a major player in Europe.

— Presentation of operations

Our positioning: combining an industrial approach with personalised customer relations

An independent and solid Group

As a pioneer in distance selling, Manutan has a true expertise in distribution and is continuing to grow in a market with a high potential, estimated at €100 billion (source: Manutan International SA).

The Group's development is based on over 50 years of experience and a lasting economic model that is deployed in all the subsidiaries. The Guichard family, which has been at the head of the Manutan since 1966, intends to maintain the Group's independence through rigorous and transparent management combined with operational excellence. This family structure, combined with listing on the stock market since 1985 (Euronext Paris – Compartment B), grants the Group its independence and financial solidity.

2,270 employees working closely with our customers

Every day, the Group's employees share the same ambition and commitment: providing our customers with added value, by offering the best solution for their non-strategic purchasing. Responsibility and sincerity are the values that unite everybody who works for the Group.

The strength of a European distributor, the bespoke service of a local trader

What makes Manutan unique and gives us our strength is combining an industrial approach with personalised customer relations, based on mutual respect and transparency. Our customers benefit from efficient and competitive solutions and the quality of bespoke assistance you would expect from a trader.



2,270
EMPLOYEES



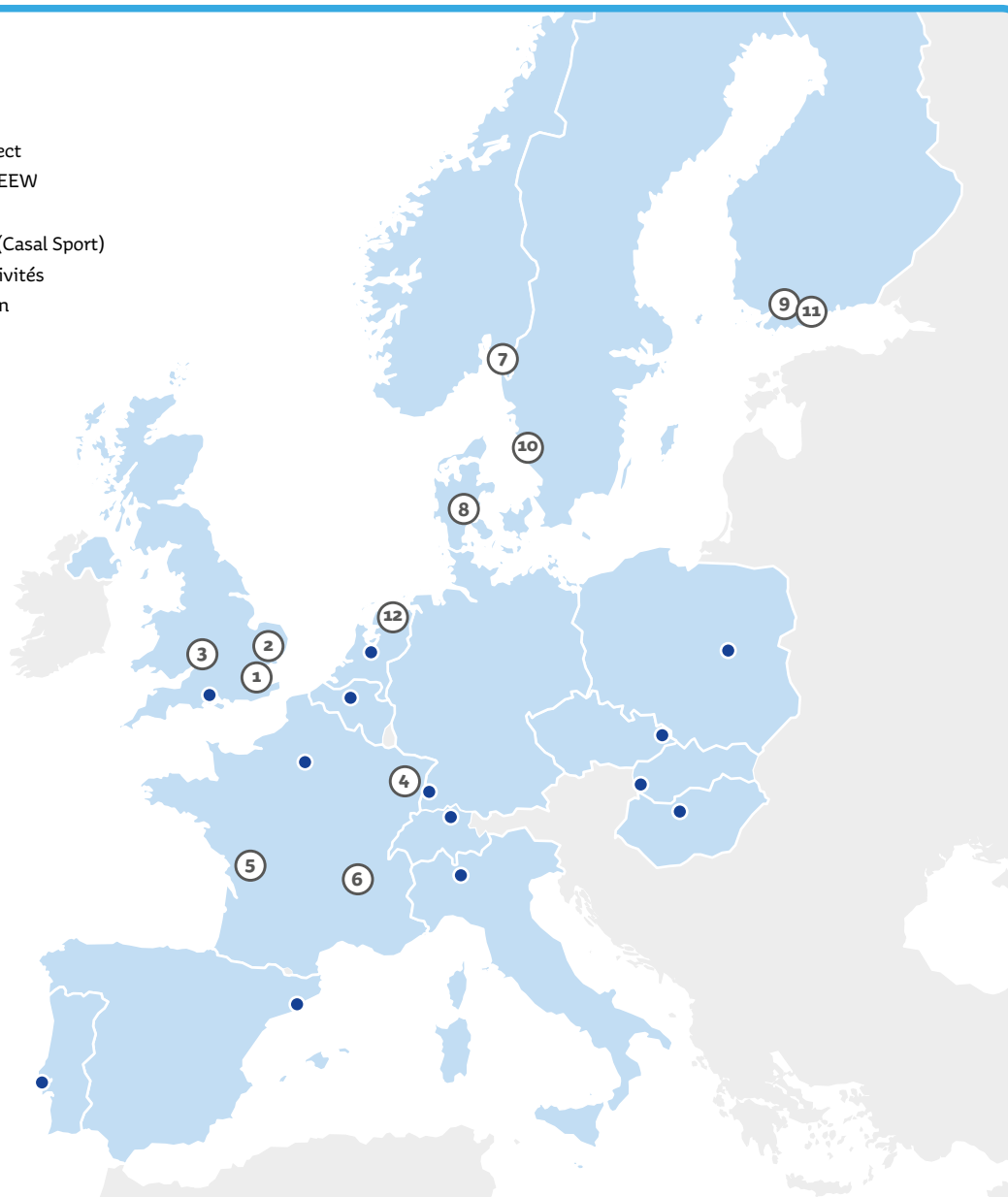
INCLUDING
45%
OF WOMEN



MORE THAN
500,000
STOCK ITEMS

● **MANUTAN**

- ① IronmongeryDirect
- ② ElectricalDirect/EEW
- ③ Rapid Racking
- ④ Sports et Loisirs (Casal Sport)
- ⑤ Manutan Collectivités
- ⑥ Papeteries Pichon
- ⑦ ⑧ ⑨ Witre
- ⑩ Witre et Ikaros
- ⑪ Ikaros
- ⑫ Kruizinga



1



26

**OPERATIONAL
SUBSIDIARIES**



€773.9

MILLION IN TURNOVER



17

COUNTRIES

Our profession: assisting our customers in optimising their non-strategic purchases

A recognised expertise in multi-channel distribution

The Group markets its products through paper catalogues, online and through sales teams and agencies. Our mastery of these different distribution channels, combined with targeted marketing, allows Manutan to offer its customers global solutions that are simple and accessible.

With 26 e-business merchant sites, Manutan has fully integrated electronic sales into its development. In 2019, online sales represent 58% of the Group's turnover (excluding local authorities) and the internet has established itself as a major growth area.

A benchmark partner for non-strategic purchases

Manutan has the stated ambition of providing high quality products and services to its customers in a simple, quick and efficient manner. Helping them to reduce the time spent on non-strategic purchases (supplies, equipment, etc.).

The appropriateness of the solutions offered by Manutan helps our customers to centralise their purchases with a single supplier and to be able to concentrate on their core business.

The Manutan Group's expertise is based on recognised know-how:

- the rigorous selection of high quality, competitive products;
- a dynamic and unlimited range of items allowing every customer to find the solution to their needs;
- simple, quick and accessible order management (24 hours a day online);
- a dynamic sales service, ready to listen to the needs of every type of customer;
- personalised advice and purchasing assistance;
- a large storage capacity that ensures product availability;
- rigorous logistics that offer quick and reliable delivery.

A dynamic and unlimited offer

The Manutan Group has one of the largest product offerings in Europe and aims to cover all the needs of companies and local authorities, regardless of their size or sector. The range already has more than 500,000 items including handling, lifting, and storage and transportation equipment, industrial supplies, safety, hygiene and packing products, office and workshop furniture, furniture for catering and hotels, school supplies, education, health and sports equipment, products for environmental protection, ironmongery, and electrical products. Our readiness to listen to our customers allows the Group to regularly add to its range.

All the listed products and services, including our own brands, are subject to rigorous selection, based on a regular review of more than 3,000 suppliers, the majority of which are in Europe. The Group does not rely on any one supplier, this allows us to choose products independently, according to our own quality standards.

Bespoke services

To offer its customers with extensive, competitive and personalised solutions, Manutan offers a large range of associated services: assembly, spare parts, bespoke design, express delivery, a loyalty programme, etc. Manutan has developed the Savin'side® method for Key Accounts to guide them in the optimisation of their indirect purchasing (e-procurement including punch-out, on-demand sourcing, Vendor Managed Inventory – managing hosted stock), etc.

Efficient and profitable logistics

The Group has a storage capacity of nearly 240,000 m² distributed over sixteen logistics hubs with the best inventory management solutions. Efficient logistics management and controlling subcontracted transport allows Manutan to manage the thousands of orders received every day and to ensure fast delivery to customers across Europe.

Our three customer commitments

We always keep our **promised delivery dates**.

We always provide a **solution** to our customers' product needs.

We make every contact with the customer a **unique experience**.

Our customers: 1 million companies and local authorities put their faith in us

From small companies to multinationals, from regions to town halls, the Group markets its offer to over 1 million customers. The average value of their orders is €400.

- **For companies,** Manutan offers a general range, complemented by specialist offers:
 - in the UK: Rapid Racking (racking and storage solutions) and IronmongeryDirect (ironmongery); ElectricalDirect/Essex Electrical Wholesalers (electrical supplies);
 - in Scandinavia: Ikaros Cleantech (environmental protection products);
 - in Benelux: Kruizinga (storage systems and transportation equipment).
- **For local authorities,** Manutan Collectivités offers a range of school furniture, health and education equipment; Sports et Loisirs (Casal Sport), sports equipment and clothing; Papeteries Pichon, school supplies.

Our markets: a strong presence in Europe

Manutan operates in 17 European countries and in Africa, Asia and the Middle East through the export activities of its subsidiaries. Our European development is based on a desire to have a strong local presence and an in-depth knowledge of our markets. The countries are responsible

for their sales policy and adapt their product offering to suit local particularities. Their expertise also makes use of the Group's support functions and structural organisation that encourages the sharing of experience from in the field.

1

Our competitors: a range of players

Manutan must stand up to competition from many sources, be they B2B distance sellers, retail and or wholesale outlets, specialist or generalist distributors:

- **general players:** TAKKT (a German company—listed on the Frankfurt stock exchange), Schäfer Shop (Germany) and AJ Produkter (Sweden);
- **specialist players:** office furniture and equipment: Staples, Bruneau (France), Office Depot (France), Printus (Germany); maintenance, and health and safety products and equipment: Bernard (France); packaging provisions and hardware: Raja (France); signage: Seton (UK); specific offering for local authorities: UGAP public purchasing (France);
- **traditional industrial distribution:** Descours & Cabaud;
- **the large variety of offerings for business supplies** available over the Internet through marketplaces (Amazon Business, etc.), sharing networks, and traditional competitors' e-business merchant sites.

Driven by its innovative vision for distribution, the Group is reaffirming its conviction and its priorities for the years to come. Developments in the market and feedback on the expectations of companies and local authorities confirm the appropriateness of our multichannel strategy.

— Group strategy

A renewed ambition

Manutan's ambition is to deliver its customers competitive and reliable products, through accessible, fast and global solutions that allow our customers to focus on their core business.

5 strategic priorities

1 Emphasising the multi-channel strategy and developing local relationships with our customers

The multichannel strategy deployed by the Group depends on three objectives:

- capitalising on the multichannel distribution offered by the Group: paper catalogues, online, sales agencies and sales forces;
- developing e-commerce, which is a major growth lever for:
 - offering an ever-greater range of products online,
 - finding thousands of new customers at minimal cost,
 - personalising customer relations, through electronic order management,
 - offering innovative solutions through new media, such as mobile applications, 3D viewing, augmented reality, etc.;
- building on our close relationship and the trust of our customers, by making each sales contact a unique moment. This will allow the Group to add to its front office services to offer more advice and assistance as a true partner.

2 Strengthening the “One-stop shop” positioning

The Group is strengthening its “One-stop-shop” strategy to offer its customers a simple, fast and efficient solution that allows them to:

- access a large range of preselected, appropriate and competitive products;
- reduce their order times;
- facilitate the order process by adapting it to their organisation;
- reduce the overall cost of purchase.

The Group is adapting and changing its organisation to continue its dynamic growth, particularly in the areas of high potential. Driving and managing key business lines—such as purchasing policy or web marketing—is a priority, in order to encourage cross-functional initiatives, facilitate discussions and create real synergies.

3 Harmonising the range of solutions and rationalising purchases

Marketing teams pay attention to the changes in their customers' needs and are close to their markets. This allows them to focus their efforts on referencing new products and launching innovative services. They are careful to always offer suitable products that are well positioned in terms of quality and cost. To allow our customers to have access to high quality products at competitive prices, Manutan is also committed to bulk purchasing and rationalisation: in 2019, the Group had around 200,000 stock items for the harmonised area. Manutan has also developed its own range of products to meet the daily needs of its customers with quality at the right price.

4 Industrialising our growth model at the European level

Manutan's European development depends on the implementation of central functions (communication, finance, IT, etc.), the deployment of Group wide operational tools, and the sharing of best operational practices. A large scale restructuring project has begun to optimise and standardise the procedures within business lines, ensure efficient management of operations and encourage communication between different countries through the implementation of an information system (ERP). This industrialisation of processes allows us to aim for operational excellence, by optimising supplies, commercial efficiency, financial management and customer relations.

5 Making the Manutan brand a benchmark in Europe

Alongside its development strategy, the Group is committed to a far-reaching brand management project at a European level, which will be deployed over several years. The makeover of the graphic identity in 2013 was a first step, with a more modern, up to date logo that communicates values such as responsibility, diversity and the desire to advance as a team. Manutan is set on becoming a European benchmark brand. However, subsidiaries that deal with specialists will retain their own brand.

NON-FINANCIAL INFORMATION STATEMENT 2018-2019

2



All you need. **With love.**

Welkom
Bienvenue
Welcome
Benvenuto
Välkommen
Powitanie
Vítejte

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As a major player in multi-channel distribution, Manutan intends to act responsibly with regard to all its stakeholders. The Group applies a Corporate, Social and Environmental Responsibility approach through its everyday, real-life actions. In our profession and in each of our activities, maintaining the balance between humans and the environment is one of our key priorities.

Manutan's business model is presented through the information in this reference document that presents the Group's activity and strategy (Section 1) and the documents regarding the Manutan Group's outlook and results (Section 4).

Manutan is one of the European leaders in B2B e-commerce, specialised in the multi-channel distribution of equipment for companies and local authorities. Its offering of products and services, one of the most extensive in Europe, enables it to cover all its customers' needs and to support them in optimising their indirect procurement. With 26 subsidiaries⁽¹⁾ established in 17 European countries, the Group has 2,270 employees and posted turnover of €773.9 million in financial year 2018/2019.

Manutan's values are built around the following angles, as explained in Section 1 of this Universal Registration Document:

- our positioning: combining an industrial approach with personalised customer relations;
- our profession: assisting our customers in optimising their non-strategic purchases;
- our customers: 1,000,000 companies and local authorities put their faith in us;
- our markets: a strong presence in Europe.

Manutan pursues its profession as a distributor by putting sincerity and responsibility at the heart of all of its actions, and works for everybody's benefit.

Its mission is built on 4 pillars:

- **the personal approach of a local trader** when guiding and serving our customers, companies and local authorities;
- **the strength of a European distributor** combining reliable processes, in continuous improvement, with innovative and agile technology;
- **the wealth of a dynamic offering of products and services**, which is broad and high quality to power the operations of companies and local authorities;

- **the commitment of a team of women and men** that are always moving forward. The Manutan Group wishes to fulfil its business objective whilst staying true to its corporate culture, which is represented by these six key phrases:

- **At Manutan**, we define our commitments and focus all our efforts, through our actions and initiatives, to **meet them**.
- **At Manutan**, we keep things **simple** and solve problems right away.
- **At Manutan**, we learn, share and **improve** continually.
- **At Manutan**, we are **open, attentive, welcoming** and we speak to people as equals.
- **At Manutan**, we know how to **recognise our strengths, laugh at ourselves** and **celebrate our victories**.
- **At Manutan**, we know that the **companies that stand the test of time** are those that make their **customers happy**.

Beyond these missions and commitments, Manutan has formalised the rules in its Code of Conduct that are imposed on the Group's companies and employees, and that its stakeholders (suppliers, intermediaries, agents, etc.) are asked to adhere to.

This Code is intended to give guidelines to all the Employees and Managers in the Group to guide them in performing their professional duties, but also in preventing corruption (see "Issuer's Risk Factors" - Section 4 of this Universal Registration Document).

It promotes acting with integrity and exemplary professional behaviour in every situation.

Manutan is a company of driven women and men that are working for a better world. Our Corporate Social Responsibility (CSR) is at the heart of this commitment.

To be able to measure our actions in matters regarding CSR, Manutan France works with the company EcoVadis whose assessment methodology is based on international standards, such as the Global Reporting Index (GRI), ISO 26000 and the guiding principles of the Global Compact.

(1) Including the company Kruizinga, acquired by the Manutan Group on 14 June 2019; this company does not fall under the scope of this Non-financial Information Statement for the period 2018-2019.

In 2019, with the aim of enhancing its contribution to the challenges of Sustainable Development and to build the different initiatives taken by the Group around a shared approach, Manutan decided to create a CSR working group.

This group, which is tasked with defining the Group's CSR strategy is sponsored by Xavier Guichard, General Manager. It is composed of representatives of the following different subsidiaries and Group Departments:

Department	Functional entity to which they belong
Retail	Witre Norvège
Quality	Manutan Netherlands
Support Services	Manutan France
Value-Added Services	Manutan France
Market and Development	Manutan Collectivités
IT	Manutan Group
Direct Marketing	Manutan Group
Communication	Manutan Group
Transportation	Manutan Group
Legal	Manutan Group
Purchasing	Manutan Group
Product Offer	Manutan Group
Support Services	Manutan Group
HR	Manutan Group
Customer Quality	Manutan Group

The achievements of the working group

After performing a benchmark of the current practices on the market, the working group established, according to its business cycle, a list of the 15 challenges over 4 categories: "Enterprise for a better world with responsible business conduct", "Enterprise for a better world with a greener industry", "Enterprise for a better world with our employees" and "Enterprise for a better world with sustainable products".

To identify which of these challenges are strategic in the context of Manutan's mission of "Working for a better world", the Group mapped its stakeholders and carried out qualitative interviews. In all, more than thirty interviews were carried out with suppliers, service providers, customers, transporters, media and local associations.

These interviews included questions about their expectations and an assessment of the scale of the pre-listed challenges and the Manutan Group's level of maturity for each of them.

At the same time, seven members of the General Management Board were interviewed and an internal survey was carried out with the employees of six entities in the Group. 150 answers were collected.

The Group's CSR strategy is currently being finalised based on the expectations expressed by our internal and external stakeholders.

It will be integrated into our Business Plan 2020-2025 and will give rise, for this purpose, to the launch of action plans to address our priority challenges.

Preparing the Non-financial Information Statement

This regulated Non-financial Information Statement—for the 2018-2019 financial period—presents, pursuant to French Order No. 2017-1180 on the publication of non-financial information transposing European Directive 2014/95/EU, how Manutan creates value in certain social and environmental issues that it has identified and for which a prevention and monitoring policy is in place. The methodology for determining the risks and associated challenges is the same as that defined in the section covering the issuer's risk factors included in this Universal Registration Document (see Section 4).

Controlling risks/Social aspect:

- the continuous improvement of the Managers in the Manutan Group, who play a key role in the company for fulfilling

Manutan's mission and the aims of its Business Plan ("Management Annual Development Plan"—MAP cycle);

- the continuous development of the skills of all Manutan Group employees to help it to achieve its ambitions and growth (the "Learning Policy");

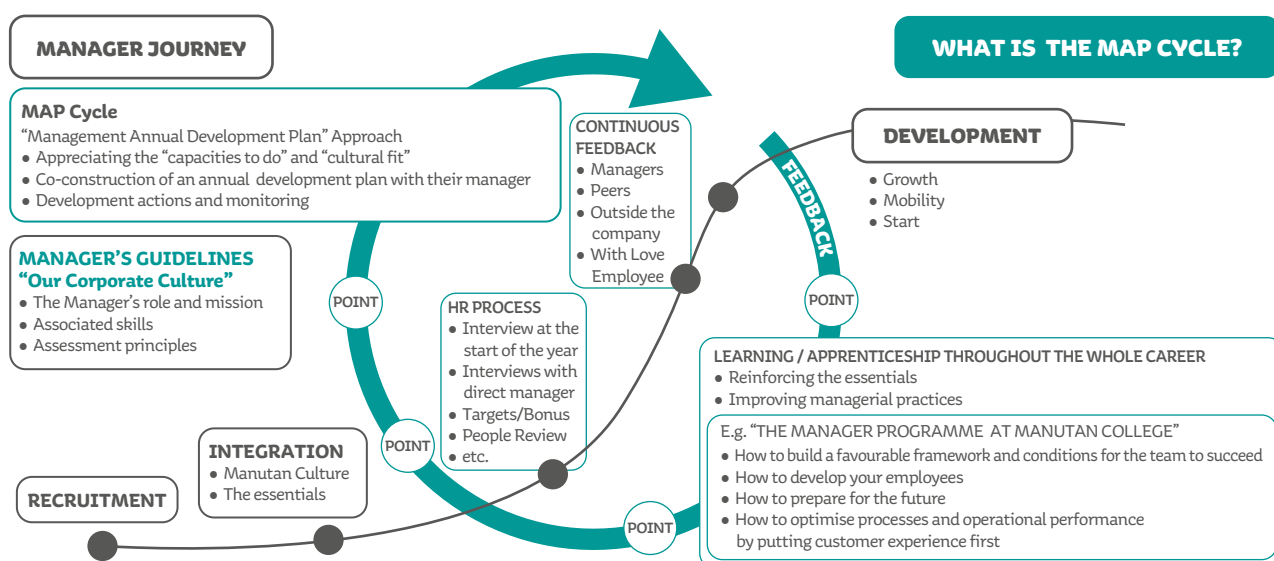
Controlling risks/Environmental aspect:

- ensuring compliance with regulations by reducing the environmental impact (CO₂ compensation approach):
 - stabilising energy consumption,
 - reducing waste and optimising recycling,
 - mobility of employees.

Section I: Social affairs

A. Continuous improvement of Managers

Ensuring the continuous improvement of our Managers, who play a key role in the company to fulfil Manutan's mission and achieve the aims of its Business Plan: part of the annual Manager development cycle approach (Management Annual Development Plan – MAP cycle)



The challenge

The MAP cycle capitalises on the resources in place to ensure the development of Managers, so that they have all the skills **to perform their role, coordinate their activity, manage their team and to prepare for the future.**

It is particularly essential that they initiate, adapt and drive the company's developments and the changes to our professional environment.

Policy

The MAP cycle, like a continuous improvement loop, is built on several events that each contribute to developing a Manager:

- meetings with their line manager: assessing skills and drafting a progress plan, regular meetings to monitor activity and progress;
- learning actions, described in the progress plan: that may range from signing up for professional blogs/newsletters, to attending a conference, meeting in-house experts and those from outside the company, to training and coaching;
- continuous feedback: collected throughout the year, from work situations observed, by the line manager, colleagues, and contacts from outside the company;
- HR process: interview at the start of the year, People Review, targets and bonus, remuneration, "With Love Employee" (employee satisfaction survey).

This is based on the following principles:

- co-construction: where the Manager plays an active role in their development, in agreement with their line manager and the company;
- continuous feedback: induced by a culture of feedback in the company, at every level of the role;
- the Manutan culture: described in the "Our shared culture" guidelines.

Actions taken

The MAP cycle, which was defined in 2014, needed greater guidance to achieve the targets and optimise its efficiency. It needed in particular to become more dynamic and operational, building on a fully integrated culture of feedback.

That is why a decision was made in 2018 to review the detailed composition of the cycle (events and chronology), to train not only the managers, but also the company's employees on the feedback culture and to use a tool to support the whole process. The schedule included a pilot in several entities in early-mid 2019, before being gradually generalised to all of the Group's subsidiaries between now and the middle of 2020. Phase 1 (feedback culture) of the pilot was launched in April 2019, and phase 2 (interview at the start of the year) was launched in October 2019.

Coordination

The project is coordinated by Manutan Group's HRD, with support from local HR in each of the entities. The results are visible from 2019 through different components:

- initially, with the changes in practices and the use of the tools deployed: the number of managers/employees trained, how widely the tools are adopted, and the assessment and feedback on the system;
- then, with the actual progress of our 300 Managers: improving our Managers' appreciation of the criteria for the meeting at the start of the year, the response level to the in-house survey of employee satisfaction on the theme of development, the implementation and effectiveness of the progress plans, etc.

Performance indicators

Performance indicators have been implemented in 2019 to measure and coordinate the monitoring of this undertaking.

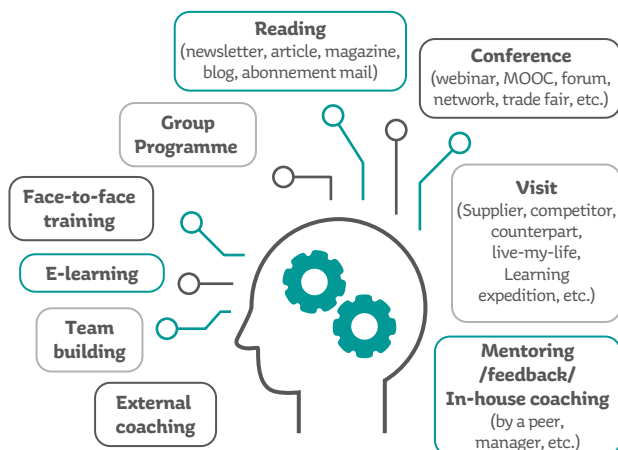
These are the results for the 2018-2019 financial period:

- adherence to the **deployment schedule**:
 - pilot/wave 1: April 2019, as planned,
 - number of **employees trained**:
 - deployment in April 2019 for a pilot group of 285 people, distributed over 4 entities in the Group,
 - face-to-face training for 98 managers (2 hrs) and 132 employees (1 hr);
- **changes in practices** (review at end of 2019 – over the first 2.5 months):
 - practice of giving feedback (online survey, workshops with the pilot and review):
 - the practice of giving feedback has improved for 75% of people,
 - use of the associated tool:
 - number of active accounts: 101 active accounts/285 open accounts,
 - number of feedbacks sent: 997 feedbacks sent in total, or 2 feedbacks/active account-person/month.

B. Continuous development of skills

Providing guidance for the Manutan Group in its ambitions and its growth, in a particularly challenging and competitive environment through the continuous development of all employees' skills, a key success factor both personally and for the company (the Manutan Group Learning Policy).

THE DIFFERENT TYPES OF LEARNING / APPRENTICESHIP AT MANUTAN



The challenge

At Manutan, **learning, sharing and always improving** are part of our Corporate Culture. The Learning Policy is intended to **encourage and assist with learning and skills development for all employees** by creating a favourable environment. At Manutan, we are convinced that everybody can learn at any age, at any time, regardless of their job, and regardless of the stage in their career path.

Policy

The Learning Policy is based on **these 6 guiding principles**:

- at Manutan, opportunities for learning and development can be grasped every day;
- at Manutan, the learning initiatives combine the development of professional skills and people skills;
- at Manutan, we share what we learn with our colleagues, managers, teams and peers;
- at Manutan, we act together to make learning have an impact in the field;
- at Manutan, the University is everywhere;
- at Manutan, the company and every employee make a mutual commitment to carry out at least 1 Learning day per year per employee.

Manutan University – In order to fulfil its ambitions, the Group created its own University and spends a considerable amount on training.

Manutan University is at the heart of the company's development: it offers the conditions for employees who so wish to:

- understand and share the company's strategy and commitments;
- perform their profession better;
- develop a spirit of openness and sharing.

It is also a place where we develop our common culture and imagine the future.

Since October 2018 there has been a University area in every subsidiary of the Group, to allow every Manutan employee to have access to these services.

The University's head office is located at Manutan's European Centre in France and covers a surface area of more than 1,000 m² over three levels. It makes full use in particular of a Cultural Centre and Sports Centre, which allow any employee to regularly partake in physical activity according to their aptitude and their progress objectives.

Manutan University offers customised programmes and a range of training sessions, which favour and strengthen the bonds between all the employees.

The Group also carries out ongoing talent monitoring. Development programmes aimed at attracting or enhancing the loyalty of talents from outside and inside the Group have been implemented, such as the "Leaders of Tomorrow" programme. Launched in May 2019, this 18-month Group programme, aims to identify, develop and enhance the loyalty of in-house talent that has the potential to take positions as managers and managing directors. The participants are guided by a sponsor, in-house guides, project sponsors and Group HR over different parts of the programme (Learning Expedition, strategic project management, personal development, job shadowing).

At every level in the Company, the deployment of assessment tools has been generalised, annual appraisals and people reviews by Managers contribute to the system for continual talent spotting. These tools have made it possible to introduce greater objectivity and better customisation in decisions regarding career management, remuneration and acknowledgement.

Actions taken

The Learning Policy was formalised in May 2018 and officially launched in October 2018 with the start of the new tax year.

Before this launch, and from May to September 2018, all of the managerial teams from top management to local managers were made aware of the subject through workshops organised in every subsidiary. Managers then brought their employees "on-board" with the idea, with the support of HR.

Alongside this, we implemented a communication plan in September 2018 with the following three highlights:

- information through a plenary session with all of the Group's employees (plenary sessions on the same day in all the subsidiaries) with our top management;
- the distribution of a video and a leaflet via our Intranet (raising awareness about the need for continual learning, employee testimonials to illustrate the different types of Learning Actions, etc.);
- the organisation of a Learning Day to meet the teams and suggest Learning actions in each subsidiary;
- the implementation of a Learning Policy Tour, which involved a visit by the Group HR Director and the University over the year in most of the subsidiaries to meet the managers and to define and then monitor their action plans, both for themselves and their teams.

In real terms, the Learning actions to which the employee and their direct manager commit themselves are formalised in annual appraisals (carried out from October to December).

Coordination

The deployment of the Learning Policy is coordinated by Manutan Group's University and local HR in each of the entities. The results will be visible from 2019 through different indicators:

- the **review of Learning actions** implemented over the last year through the annual appraisals and intermediary

progress reviews: the number and type of actions undertaken, the duration, ROE/ROI, etc.;

- the **initiatives organised** by the Group University and by local HR: number and type of actions undertaken, duration, ROE/ROI, etc.;
- the **progress of the With Love Employee score** (Great Place to Work questionnaire) on the question: the company provides me with training that is useful to my professional development.

Performance indicators

Simultaneous announcement in all the Group's plenary sessions on 14 September 2018.

Creation of Learning spaces (local Universities) in all of the subsidiaries from 6 July to 5 October 2018.

Provision to each of the subsidiaries of the Learning Policy "tool kit" (2,300 kits).

Organisation of over one hundred brainstorming and communication workshops by the local HR and Group HR Dept. and the HR University (by groups of 10), sending an explanatory PPT, and creating a digital pathway on our e-learning platform.

A great level of participation in the learning days by employees (1,200 people).

2

Section II: Other social information

The Manutan Group is committed to complying with the principles of the **International Labour Organisation's Declaration** on fundamental principles and rights at work. Manutan undertakes to comply with national and local social regulations, regarding the minimum age for workers,

refusing forced labour and abusive disciplinary practices, preventing discrimination, supporting the freedom of association and of the right to collective bargaining, working hours, remuneration, and health and safety.

1. Employment

The average and non-permanent workforce (full-time equivalent)

2016/2017	2017/2018	2018/2019
2,138	2,171	2,139

- **Group Workforce:** information intended to give an overall view and to facilitate a comparison with the financial data.
- **Salaried workforce:** includes all the employees with an employment contract, as an average over the financial period.
- **Non-permanent workforce:** includes all interim and/or seconded staff.

Facilitating internal mobility – The internal mobility policy demonstrates the Group's intention to offer new opportunities to all its employees in order to allow them to succeed in their professional ambitions. This policy aims to promote mobility within all of the subsidiaries, and also between the subsidiaries of the Group. Therefore, jobs are regularly published on the Group's Intranet (M-life).

THE FIGURES FOR SALARIED WORKFORCE PRESENT AS AT 30 SEPTEMBER 2019

Salaried workforce present as at	30/09/2019
Executives	585
Non-executives	1,557
TOTAL	2,142

The men/women balance is overall adhered to throughout the Group that employs 969 women and 1,173 men as at 30 September 2019

Encouraging the integration of employees – Every new Group employee follows an appropriate induction course, which enables them to discover and experience the corporate project (the course lasts around one month for managers). In addition to presenting the Company and discovering the activities, the new recruit also plays a part in their own integration. This means that they can take the time to understand the Company's business plan before starting on a new assignment.

The remuneration policy – The Group's remuneration policy is based on the following factors:

Fixed remuneration: fixed remuneration is related to the level of responsibility and is based on consistent principles within the Group.

Variable remuneration: variable remuneration is aimed at encouraging individual and collective performances for some of the teams, in particular managers and experts.

Since 1 October 2017 all employees have benefited from variable compensation indexed, at least, on the Group's operating result before taxes and customer satisfaction.

The performance objectives regarding the Group's results are set by the Board of Directors.

Collective remuneration: collective remuneration is intended to encourage collective performance to the benefit of the company.

6.77% – The number of employees on fixed term contracts remains under control.

Employees on part-time contracts account for 6.44% of the workforce.

Salaried workforce present as at	30/09/2019
Part-time employees	138
% of permanent contracts	93.23%

2. Social relationships

Organisation of social dialogue

The management of each entity is responsible for assisting the company with its intention to gradually develop its social commitment, whilst sustainably developing its economic activity.

The determination of social policies is based on regular dialogue with social partners in each entity.

Throughout the whole Group, Manutan has an ongoing dialogue with the Trade Union Organisations and the Institutions Representing Personnel.

In France, a Company Works Council has been implemented in the vast majority of entities and this will be the case for UES Manutan (Manutan economic and social unit) by the end of the year.

A Group Committee (renewed in part following the most recent staff elections) has been in place since 2010. It is made up of a delegation of employees made up of 5 members of staff. It meets once a year.

Agreements are reached regularly considering the impact they would have on the Group's economic performance and the working conditions for employees.

The collective bargaining agreements in force within UES Manutan, which includes Manutan International SA, Manutan SA and the Shared employee cafeteria, are summarised in the following table:

Subject	Signature
Electronic vote	July 2019
Profit-sharing plan	March 2019
Mandatory Annual Negotiations	December 2018
Agreement on reducing working hours	December 2014
Chosen part-time work	December 2011
Working time accounts	December 2011/September 2012/August 2013
Professional equality between women and men	July 2017/August 2018
Inter-generational agreement	July 2017
IT service on-call shifts	July 2017
Technical Department on-call shifts	March 2017
Company Savings Scheme	September 2012/Amendment Dec. 2018
Collective Pension Scheme	September 2012/Amendment Dec. 2018
Overriding profit sharing	December 2013
Quality of Life at Work Agreement	July 2017
GPEC Agreement	July 2017

3. Health and safety

For several years, the Group has been committed to an approach of continuous improvement regarding the physical and mental health and safety of its employees. This consideration contributes to employees' well-being, but also improves the company's image. It is an undeniable performance motivator, and a solid base for quality of life in the work place.

Health and safety conditions at work

Manutan includes its prevention approach as part of its social dialogue. In France, a Health, Safety and Environment division (HSE) was created in 2010 as part of the Group's Human Resources Department. This organisation, which is dedicated to employee well-being, helps to identify the specific professional risks for the Group's business lines and to create a real prevention approach:

Improving ergonomics and comfort in workstations –

In France, the opening of the Group's European Centre in Gonesse, in 2011, offered an opportunity to review and improve the ergonomics of the workstations and the health and safety practices for the 676 employees on the site. The site was designed using a High Environmental Quality approach and places well-being at the heart of the working environment: the 9,500 m² administrative building has been built around a sheltered patio and hosts 508 people. The building has great insulation thanks to a triple-glazed façade and built-in window blinds.

From 2017, Manutan reorganised the offices in the tertiary building, floor by floor, to suit the new ways of working and to act as a showcase for our products catalogue. The ergonomics of the workstations was fully reviewed with ergonomic seats and height adjustable furniture, as well as improved acoustics thanks to noise-proof partitioning walls.

Improving working tools – In France, the logistics platform requires permanent attention due to the range of activities on the logistics chain (incoming flows, outgoing flows, preparation, organisation, deliveries, etc.). Studies were undertaken on all the workstations. Implementation of a banding machine in the packaging areas, electric high-lift forklift to avoid poor postures and muscular-skeletal risks.

Acting in a preventive manner – Raising awareness about preventing accidents in the workplace has led to the development of tools, with the collaboration of the Health and Safety in the Work Place Committee (CHSCT): a unique document for the dynamic assessment of professional risks, a causes tree for lost time accidents, and the implementation of an annual grant for work clothes and Personal Protective Equipment, in particular against the cold.

At the same time, the HSE manager takes part in workshops on preventing muscular-skeletal risks with ergonomists. The company is therefore committed to long-term actions. It should also be noted that purchasers and the HSE division take the needs of warehouse employees into account to offer new protective equipment that is suited to their needs.

We are continuing our policy for communication with our employees on best practices in terms of health and safety.

As is the case every year, the Human Resources Department has organised a prevention forum about health and safety in the workplace. This year, the forum was held on 13 September 2019 at Gonesse. All of the employees were able to come and familiarise themselves with the initiatives taken by Manutan. On this occasion, several subjects were addressed: Osteopathy, First-aid, Ergonomics, Road safety, Raising awareness about working at a height, Naturopathy, Nutrition, and Handicap.

This forum was also an opportunity to carry out a demonstration of how to warm up for our warehouse employees. Employees in logistics professions are subject to major physical stresses. Health and safety are one of the Group's fundamental values, and this is why the idea of allowing employees to warm-up and to stretch before starting work was launched. So, at the start of every shift, musical warm-ups are run by logistics workers that are trained by our sports coach. This practice contributes to well-being at work and helps to create a relaxed time for our teams.

Encouraging participation in sport – The 1,000 m² Sports Centre is an essential part of the Group's European Centre. It allows employees to regularly indulge in physical activity with the assistance of specialist coaches. More than 40% of employees have signed-up for one of the eleven activities offered by the Sports Centre.

Continuing in the area of prevention, Manutan has signed a partnership with France's biggest school of osteopathy (ESO), which offers a free check-up and regular sessions to all of the employees based in France and preferential rates for appointments. An osteopath also comes to the site in Gonesse 4 times per month; this service is managed by the concierge service at the European Centre.

All of these actions are aimed at **reducing the number of accidents in the workplace.**

4. Equal treatment

Anti-discrimination policy

Taking into account the diversity of its business lines, the profiles recruited and the number of its employees, the Manutan Group aims to combat all forms of discrimination. The Group's main areas of action concern origin, gender, handicap, age, sexual orientation, religious diversity, etc.

The measures taken to encourage equality between men and women

The Group intends to reinforce equality between women and men through a proactive policy in this area.

5. Employment of handicapped people

The Group is naturally committed to an approach regarding integrating and employing handicapped workers. To consider the attitudes to adopt and the behaviour to be encouraged, some of the Group's subsidiaries have called upon reference organisations to develop or to publicise their commitment:

One of the strategies of the Manutan Group's human resources policy is to respect each individual for who they

Preventing harassment in the workplace – In order to ensure the physical safety and protect the psychological well-being of employees during their work, a new Anti-Harassment Charter was signed at the European centre in April 2014 and a specific commission was formed. After hearing from the protagonists, a Workplace Harassment Mediation Committee seeks an amicable solution to any ill feeling and other conflicts that may have a detrimental effect on the working environment, without commenting on the legal grounds of the underlying facts.

The Code of Conduct for preventing corruption based on the French Sapin Law is once again appended to the internal rules in order to regulate wrongdoing.

Additions and amendments covered in particular electronic cigarettes, identifying drug abuse issues, preventing sexist behaviour, and the use of company vehicles and personal vehicles for professional needs.

Accidents in the workplace

The number of industrial accidents with more than one day off work in the whole Group amounted to 58 for the financial period 2018/2019, including 9 for the DREDA site.

In August 2018, **a new agreement about professional equality between men and women was negotiated in the UES** with the social partners.

On 1 September 2019, the UES published a gender equality index, which gave a score of 89 out of 100 for the year 2018. Where 100 is the maximum number of points and 75 is the threshold below which actions must be implemented or financial penalties will be imposed.

We will continue to maintain this level or improve it in the next publications.

are. In France, "to make our differences make a difference" Manutan is continuing its partnership with the CAP EMPLOI—whose role is to inform, advise and assist Manutan and its employees in finding solutions to keep people in work and if necessary apply any useful financial assistance from AGEFIPH, which studies the most realistic actions to be implemented by the company to fulfil its employment obligation.

— Section III: Effects of the company's activity with regard to human rights

In accordance with its business plan, the Manutan Group wishes to associate its Suppliers with a moral and ethical approach, in particular with regard to fair social practices. In this regard, it promotes, with its Suppliers and their subcontractors, greater corporate responsibility and compliance with international standards regarding fundamental human rights, the rights of children, and working conditions, to prevent forced labour, undeclared and child labour, discrimination and harassment in the workplace. To apply this commitment in real terms, as part of the formalisation of their business relations, the Manutan Group asks its Suppliers to adhere to its Responsible Purchasing and Ethical Charter and its Code of Conduct. By signing them, Suppliers integrate a process of continuous improvement for their methods of production required by the Group and undertake to comply with any request for information and/or audits on its part.

Foreign suppliers are also reminded of this undertaking when audits are conducted on-site, particularly in Asia during sourcing operations.

In the context of the partnership with Eastwise, an Asian BtoB contract, which helps us to reference our Asian

suppliers, their auditors are obliged to report any breach of any obligations to protect human rights. Before the start of any business relations between a plant and Manutan, Eastwise conducts an audit of each plant, part of which is focussed on CSR.

Furthermore, Manutan's sourcing teams go to the countries at least four times every year, visiting more than 60 plants in total.

Audits based on recognised international guidelines such as BSCI and SEDEX, which meet the requirements of international labour law, that were conducted out over the last two years are collected every year from all our suppliers in Asia.

The launch of BSCI audits at Manutan's initiative in previous years has revealed a redundancy with the audits that we collected directly from our suppliers. Therefore Manutan has invested in its upstream regulatory monitoring department (one additional person recruited, reimplementation of processes, monitoring tools, etc.) to work earlier on prevention: monitoring standards and new regulations, product defects, strategic monitoring (new markets, new products, etc.).

2

— Section IV: Effects of the company's activity with regard to tax evasion

The Manutan Group carries out its activities in an ethical manner and in compliance with applicable local laws, including those regarding fraud and tax evasion. For the financial period 2018/2019, the tax burden amounts to €18,668 thousand, in all the countries in which it operates, or a tax rate of 30.02% (see Note 8.21 of the appendices to the consolidated financial statements).

To ensure compliance with tax regulations and ensure fiscal responsibility, Manutan has chosen to get support from advisors specialised in tax law. They guide us in all matters that may have an impact on taxation.

Our risk management unit has also not identified any major risks of non-compliance with tax laws. Reviews are carried out with all of the Group's Finance Departments.

None of the tax audits that have been carried out by the tax authorities in the different countries in which the Group operates have referred to any breach that could be considered as tax optimisation.

In the future, the Manutan Group will also produce tax reporting for each country (CBCR), particularly as part of a philosophy of transparency and communication. The Group will therefore declare the distribution of its profits, taxes and activities in each country.

Section V: Environmental affairs

A. Ensuring compliance with regulations by reducing the environmental impact

1. Electricity and gas consumption

The challenge

Improving the energy efficiency of the Group's premises is a priority.

The three main items of energy consumption (essentially electricity and gas) are lighting and heating for offices and warehouses, and recharging the batteries of the fork lifts used to handle products.

Policy

Manutan acts in favour of the climate and compensates for the CO₂ emissions generated by its consumption of natural gas, by purchasing carbon credits⁽¹⁾ for 585 tonnes of CO₂.

Manutan therefore undertakes to make a financial contribution to reducing greenhouse gases.

Actions taken

For its DREDA site in Gonesse, Manutan chose to compensate for all of the carbon emissions related to its consumption of natural gas: 3,158,592 MWh over the period from 1 August 2019 to 31 July 2022, or the equivalent of 584,383 tonnes of CO₂.

This compensation takes the form of the purchasing of carbon credits by ENGIE, which contributes to reducing greenhouse gases and is governed by the United Nations' Framework Convention on Climate Change.

A carbon credit is a certified emission reduction unit (CER). It can be used to compensate for carbon emissions equivalent to 5,405 kWh of natural gas, i.e. 1 tonne of CO₂.

STABILISING ENERGY CONSUMPTION

Electricity consumption	2016/2017	2017/2018	2018/2019
<i>In kWh</i>	6,885,880	8,815,380	8,581,602

Gas consumption	2016/2017	2017/2018	2018/2019
<i>In kWh</i>	4,118,051	4,202,514	5,056,563

The CO₂ emissions associated with power consumption amounts to 2,713.51 t CO₂eq.

2. Waste recovery

The challenge

Reducing and optimising the recovery of waste is intended to reduce the environmental impact of our activities and to limit the financial risks.

Policy

Employees at Gonesse are regularly reminded of waste sorting and the associated issues.

Actions taken

2018

- Increase in digitisation.
- Reduction in the thickness of paper.
- Optimisation of packaging.

2019

- Poster campaign.
- Optimisation of sorting corners.

(1) The carbon credits issued are certified according to the United Nations' Framework Convention on Climate Change.

It is specified that the scope of reporting for the performance indicators for this commitment has been increased to cover the companies listed in the paragraph on the scope of the methodological report presented hereafter.

The scope of reporting for these indicators was previously restricted to the site of the Group's registered office at Gonesse (DREDA), which explains the discrepancy in the following figures.

The performance indicators associated with this commitment are as follows:

Waste (tonnes)	2017/2018	2018/2019
Cardboard + Paper + PE Films	135.8	711.81
Non-hazardous industrial waste + Bulky items	152.9	682.08
Wood A	194.1	936.98
Metalwork	70.6	150.96
Glass*	0.8	N/A
Catering*	28	N/A
TOTAL	582.4	2,481.84

* Glass waste and those from catering have been included in the Non-hazardous industrial waste + Bulky items category.

3. Mobility of employees

The challenge

Reducing CO₂ emissions is a major aspect of our mobility policy. It is intended to limit our costs and to meet regulatory constraints.

Policy

Reducing CO₂ and atmospheric aerosol particles by favouring:

- the long-term rental of vehicles with low emissions > 110 g of CO₂;
- allocating petrol vehicles for low mileage drivers > 20,000 km/year and executives;
- accessibility by public transport.

The performance indicators associated with this commitment are as follows:

Actions taken (DREDA scope, Group registered office at Gonesse)

2018

- Ecological driving training/awareness raising.
- Reviewing the company car catalogue.

2019

- Implementation of a shuttle service between the local railway station in Gonesse (40 employees/day).
- Integration of rechargeable hybrid cars in the company car catalogue as soon as they are marketed by our partners.

	2017/2018	2018/2019	Target for 2019/2020
DREDA scope, Group registered office at Gonesse			
Number of employees trained in ecological driving	20	9	10
% of petrol vehicles	18%	19.1	30%
% of hybrid vehicles	N/A	N/A	5%
% of vehicles with CO ₂ emissions that are lower than the standard ⁽¹⁾	71.4%	58.9	25%

(1) Standard = 2017/2018 >120 g; 2018/2019 >117 g; 2019/2020 > 110 g.

The percentages are calculated for the calendar year.

— Section VI: Other environmental information

1. The Manutan European Centre, the emblem of a commitment to the environment

Because the Group gives itself the means to meet its objectives, the European Centre is now an emblem of its environmental commitment: 13.5 hectares, 41,000 m² of warehouses, 9,500 m² of offices, a university, a company restaurant, a Sports Centre and a concierge service, which are all certified as being of High Environmental Quality. Manutan's European Centre was one of the first sites in France to have double HEQ certification (construction and operation) for the high environmental quality of its tertiary and logistics areas.

This HEQ design is equipped with a system that allows the company to optimise its energy resources in several areas:

- recovering rain water for toilets;
- infra-red taps, and economic flushes;
- the use of economic lighting;
- green roofs for thermal and acoustic comfort;
- the thermal and acoustic over insulation of areas;
- triple glazing, which provides perfect insulation;
- Nightcooling technology, which makes it possible to purge the heat accumulated in the building and introduce cool air from outside;
- Centralised Technical Management, which manages all of the buildings (temperature, lighting, air renewal, monitoring, etc.);
- heating and cooling of ambient air using geothermal technology⁽¹⁾ distributed by a network of heat-emitting panels;
- a car park for electronic vehicles with charging terminals.

2. Circular economy

As its business is as distributor, the Group does not directly consume raw materials, but it undertakes to offer and promote environmentally friendly products.

— Section VII: Our company commitments in favour of sustainable development

1. Regional economic and employment impact

In terms of employment and regional development

Manutan's location in the suburbs of Paris in Gonesse (95), for more than 40 years, demonstrates the **Group's intention to favour local development**. Located at the heart of an area that is confronted by certain difficulties regarding employment, the company hopes to allow people who for example have a low level of qualifications to enter the corporate world. More than 49% of the employees in the CSR scope live in neighbouring areas.

Since 2018, Manutan has been part of Club ETI Île-de-France, which federates intermediate sized companies in the Paris region to put them at the heart of a national and regional economic strategy. Club ETI's mission is three-fold:

- helping companies to progress by sharing feedback from experience and best practices;
- giving intermediate sized companies in the Paris region a central place in the regional economy through discussions with regional and national political decision makers;

(1) Geothermal technology is sourced by pumping from the water table at a depth of 57 m. The water is at a temperature of 13°C which goes through heat exchangers to carry out an energy transfer with a heat pump. The water is then released via a second drill hole.

- offering companies a better visibility of the resources of the regional ecosystem that could contribute to their development (start-ups, key accounts).

Manutan is contributing to two worksites related to a partnership with the Île-de-France region and committed companies:

- employment in digital technology, which is aimed at favouring access to digital professions for job seekers/ young graduates whilst stimulating innovation and meeting the recruitment/expertise needs of intermediate sized companies in the Île-de-France region;
- marketing intermediate sized companies in Île-de-France, which is aimed at promoting intermediate sized companies in the region, their assets, expertise, their contribution to the economy and employment to attract young graduates, investors, customers and partners.

On neighbouring and local populations

A major part of the Group's activities is located on the edge of urban areas (Paris, Amsterdam, Southampton, Gothenburg, Ostrava, etc.), in business lines suited to logistics activities, which require storage space. As a result, **the impact on neighbouring and local populations is very limited.**

Stakeholder relations

Maintaining sustainable and transparent relationships with stakeholders – For many years, the Group has strived to build a regular and constructive dialogue with its stakeholders at a local and nation level, in all of the countries where it operates. It favours an open dialogue, which aims to develop innovative projects or partnerships. Modes of dialogue vary according to the stakeholders in question, at the level of each entity or at a Group level.

From 2016, the implementation of a new Group Human Resources Division will make it possible to monitor the different actions undertaken in this area by all the subsidiaries.

EXAMPLES OF STAKEHOLDERS

Stakeholders	Principal forms of dialogue
Employees	<ul style="list-style-type: none"> • Regular internal communication actions (Intranet), intended for all the subsidiaries • A number of communication screens around all of the European Centre (France) • Regular meetings between the Executive Management and all the employees, with plenary sessions organised
Social partners	<ul style="list-style-type: none"> • Regular discussions with the staff representative bodies • Signature of collective bargaining agreements with the Trade Union Representatives
Shareholders, investors	<ul style="list-style-type: none"> • Two financial community meetings held at the publication of the Group's annual and interim results • Quarterly communiques and publications in the economic and financial press, available on the www.manutan.com website • Financial statements available on the www.manutan.com website, in French and English, to present the Group's development and communicate the financial and stock market information
Customers	<ul style="list-style-type: none"> • Commercial websites • Communication on the social networks • Customer satisfaction surveys • Regular publications to promote the Group
Public and local authorities	<ul style="list-style-type: none"> • Member of the Association du mouvement des entreprises du Val-d'Oise (Association for the movement of companies in the Val d'Oise area)
Partners	<ul style="list-style-type: none"> • A member of the French Distance Selling Companies Federation (Fédération des Entreprises de Vente à Distance – FEVAD) • Member of the Club ETI d'Île-de-France

2. Methodological note on the Non-financial Information Statement

Unless specified otherwise, the data gathered covers the period from 1 October in the previous year to 30 September in the current year. The data feedback takes place annually.

Scope

The consolidation method for the scope of reporting is global integration (the data are 100% integrated).

The Manutan Group operates exclusively in the European market. Although local particularities exist, European countries present a certain level of homogeneity with regard to economic, social, cultural and environmental matters.

The methodology and definition of the indicators are therefore identical throughout the whole of the chosen scope.

The main CSR indicators are published every year in the Group Universal Registration Document, which is available on the website **www.manutan.com**.

The corporate data presented represent all of the Group's activities other than the company Kruizinga in the Netherlands, which was acquired on 14 June 2019 and does not fall in the scope of CSR for the 2018-2019 financial year, i.e. 99.3% of the Group's turnover.

The environmental data presented cover all of the Group's activities other than the company Kruizinga, and the following entities;

- Eurostore Group Ltd – United Kingdom;
- Manutan GmbH – Switzerland;
- Group Hardware Ltd – United Kingdom;
- Manutan SL – Spain;
- Manutan GmbH – Germany;
- Trovatar AS – Czech Republic.

Overall, the published data cover 98.4% of the Group's turnover and therefore give a representative overview of the data.

The indicator for the amount of waste produced represents 85.4% of the turnover, it being specified that it covers the following sites:

- the Group registered office at Gonesse (DREDA);
- the French subsidiaries (Manutan Collectivités, Casal Sport, Papeteries Pichon); and
- the following foreign subsidiaries: Manutan BV, Manutan UK Ltd, Rapid Racking Ltd, IronmongeryDirect Ltd, Witre AB, Ikaros Cleantech, Manutan s.r.o., Manutan Hungaria Kft, Manutan Polska Sp z.o.o., Manutan Slovakia s.r.o.

Choice of indicators

The indicators have been chosen with regard to the social, environmental and corporate impacts of the activities of the Group's companies and the risks associated with the professional challenges confronted.

Consolidation and internal control

The data are collected on a pooled basis, or from each entity included in the CSR reporting scope, based on the following sources: extracts from the payroll management system, Excel monitoring files, and invoices etc. Meanwhile, the qualitative information is collected by the Manutan Group's Management Team on a pooled basis.

External audits

The Manutan Group has submitted to one of its Statutory Auditors this Non-financial Information Statement, issued for the 2018/2019 financial period pursuant to the provisions of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Pursuant to the provisions of article L. 225-102-1 V of the French Commercial Code and French Decree No. 2012-557 of 24 April 2012 as amended by Order No. 2017-1180 of 19 July 2017 and Decree No. 2017-1265 of 9 August 2015, KPMG SA was appointed as an independent third party organisation tasked with issuing a substantiated opinion on the compliance and faithfulness of the Non-financial Information Statement 2018-2019.

Methodological limits and particularities

- The workforce is that present at the end of September (excluding staff departing on 30/09), with the status of employees.
- The average workforce is calculated as the mathematical average of the paid, full-time equivalent monthly workforce over 12 months.
- On the other hand, the statistics relating to the workforce are based on the number of employees present and paid as at 30 September. Employees who joined the company at the end of September but are paid from October are excluded from this figure.
- The hours worked used to calculate the frequency and seriousness rates are calculated as follows: the mathematical average of all the entities in average weekly hours worked × average employed workforce × 52.
- Workplace accidents do not include accidents on journeys.
- For CO₂ associated with the consumption of electricity and natural gas, the following emission factors are used:
 - natural gas:
 - 0.214 kg CO₂eq/kWh GCV (Source: European emission factor, ADEME 2016 carbon base);
 - electricity:
 - Belgium: 0.220 kgCO₂eq/kWh,
 - Denmark: 0.360 kgCO₂eq/kWh,
 - Finland: 0.229 kgCO₂eq/kWh,
 - France: 0.057 kgCO₂eq/kWh,
 - Hungary: 0.317 kgCO₂eq/kWh,
 - Italy: 0.406 kgCO₂eq/kWh,
 - Norway: 0.017 kgCO₂eq/kWh,
 - Netherlands: 0.415 kgCO₂eq/kWh,
 - Poland: 0.781 kgCO₂eq/kWh,
 - Portugal: 0.255 kgCO₂eq/kWh,
 - Czech Republic: 0.589 kgCO₂eq/kWh,
 - United Kingdom: 0.457 kgCO₂eq/kWh,
 - Slovakia: 0.197 kgCO₂eq/kWh,
 - Sweden: 0.030 kgCO₂eq/kWh (source: ADEME).

— Cross-reference table

Cross-reference table for the Non-financial Information Statement

Articles L. 225-102-1 and R. 225-105 of the French Commercial Code	Reference paragraphs
Company business model	See Sections I and IV of this Universal Registration Document
Description of the main risks related to the manner in which the company takes into account the social and environmental consequences of its activity, and the effects of this activity with regard to human rights and preventing corruption and tax evasion	Paragraph on the preparation of the Non-financial Information Statement See Section IV of this Universal Registration Document Section IV
Social consequences of the Company's activity	Sections I and II
Environmental consequences of the Company's activity	Sections V and VI
Effects of the Company's activity with regard to human rights	Section III
Effects of the Company's activity with regard to preventing corruption Effects of the Company's activity with regard to tax evasion	See Section IV of this Universal Registration Document Section IV
Consequences of the Company's activity and the use of the goods and services that it produces with regard to climate change	Section V 1
Corporate commitments in favour of sustainable development	Section VII
Corporate commitments in favour of the circular economy	Section VI 2
Corporate commitments in favour of preventing food waste	As there are no company canteens in almost all of the Group's companies, the subject of wasting food has been considered to be irrelevant
Corporate commitments in favour of preventing food insecurity	As there are no company canteens in almost all of the Group's companies, the subject of preventing food insecurity has been considered to be irrelevant
Corporate commitments in favour of respecting animal welfare	Respecting animal welfare has been identified as irrelevant to the Group's activity
Corporate commitments in favour of responsible, fair and sustainable food choices	As there are no company canteens in almost all of the Group's companies, the subject of responsible, fair and sustainable food choices has been considered to be irrelevant
Collective bargaining agreements reached in the company and the impact they would have on the company's economic performance and the working conditions for employees.	Section II 2
Actions aimed at preventing discrimination and promoting diversity	Section II 4
Measures taken in favour of handicapped people	Section II 5

— Report by one of the Statutory Auditors, appointed as independent third party body, on the consolidated statement of extra-financial performance

Financial year ended 30 September 2019

To the General Meeting of Shareholders,

In our capacity as Statutory Auditor of your company (hereinafter "entity") appointed as independent third party body, certified by COFRAC under number 3-1049(1), we hereby report to you on the consolidated statement of extra-financial performance for the year ended 30 September 2019 (hereinafter the "Statement") included in the Group management report pursuant to the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Responsibility of the entity

The Board of Directors is responsible for issuing a Statement in accordance with the legal and regulatory provisions that includes a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators.

The Statement was prepared by applying the entity's procedures (hereinafter the "Guidelines"), the significant elements of which are presented in the Statement and available on request at the entity's registered office.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the profession's code of ethics. Furthermore, we have implemented a quality control system that includes documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory provisions, ethical rules and professional standards.

Responsibility of the Statutory Auditor designated as independent third-party body

Based on our work, our role is to formulate a reasoned opinion expressing moderate assurance as to:

- the Statement's compliance with the provisions of Article R. 225-105 of the French Commercial Code;
- the truthfulness and fairness of the information provided in application of paragraph 3 of sections I and of section II of Article R. 225-105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the actions relating to the main risks (hereinafter the "Information").

However, it is not our responsibility to express an opinion on the entity's compliance with other applicable legal and regulatory provisions, particularly those concerning the combating of corruption and tax evasion, or on the conformity of products and services to applicable regulations.

(1) The scope of which is available on www.cofrac.fr.

Nature and scope of the work

Our work as described hereunder was carried out in accordance with the provisions of Articles A. 225-1ff. of the French Commercial Code, the professional standards of the National Association of Statutory Auditors regarding this type of assignment and ISAE 3000(1):

- We took note of the activity of all the businesses included in the consolidation scope and of their exposure to the main risks;
- We assessed the appropriateness of the Guidelines regarding their relevance, exhaustiveness, reliability, neutrality and comprehensibility, taking into account, where applicable, best practices in the sector;
- We checked to see that the Statement covers each category of information provided in section III of Article L. 225-102-1 on social and environmental matters as well as respect for human rights and the combating of corruption and tax evasion;
- We verified that the Statement presents the information provided in section II of Article R. 225-105 whenever it is relevant to the main risks and includes an explanation of the reasons justifying the absence of the information required by the paragraph 2 of section III of Article L. 225-102-1;
- We verified that the Statement presents the business model and a description of the main risks linked to the activity of all the entities included within the scope of consolidation, including, whenever relevant and proportionate, the risks engendered by business relations, products or services as well as policies, actions and results, including key performance indicators relating to the main risks;
- We consulted documentary sources and conducted interviews in order to:
 - assess the selection and validation process for the main risks and the consistency of the results, including the key performance indicators used, with regard to the main risks and policies presented, and
 - Corroborate the qualitative information (actions and results) that we considered most important, presented in the Appendix. For all the risks, our work was carried out at the level of the consolidating entity and at the level of UES Manutan in France (DREDA) [UES being unité économique et sociale, a group of companies considered as a single entity for purposes of labour law];
- We verified that the Statement covers the consolidated scope, i.e. all the companies included in the scope of consolidation in compliance with Article L. 233-16 with the limits specified in the Statement;
- We took note of the internal control and risk management procedures put in place by the entity and assessed the collection process with a view to the exhaustiveness and veracity of the Information;
- For the key performance indicators and the other quantitative results that we considered the most important, presented in the Appendix, we implemented:
 - analytical procedures consisting in verifying the correct consolidation of collected data as well as the consistency of changes in them;
 - detailed tests based on sampling, consisting in verifying the proper application of definitions and procedures, and in reconciling data with supporting documents. This work was carried out at the level of the Manutan UES in France (DREDA) and covers between 23% and 39% of the consolidated data selected for these tests;

We assessed the overall consistency of the Statement with our knowledge of all the entities included in the consolidation scope.

We consider that the work which we performed using our professional judgement allows us formulate a conclusion of moderate assurance; a higher level of assurance would have required more extensive verification work.

Means and resources

Our work engaged the skills of four people and was carried out between November 2019 and January 2020 over a total period of three weeks.

To assist us in our work, we called upon our specialists in sustainable development and social responsibility. We conducted nearly a dozen interviews with people responsible for the preparation of the Statement.

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

Conclusion

Based on our work we did not observe any significant misstatement likely to call into question the conformity of the consolidated statement of extra-financial performance to the applicable regulatory provisions or the true and fair presentation of the Information, taken as a whole, in accordance with the Guidelines.

Comments

Without calling into question the conclusion expressed above, and in accordance with the provisions of article A.225-3 of the French Commercial Code, we make the following comments:

- A specific process for the identification of the main extra-financial risks and for validation by the governing bodies was put in place in 2019 as mentioned in the introduction to the Statement;
- The results presented as regards the main extra-financial risks include management indicators but do not identify key performance indicators and, in the social section, do not present historical comparisons.

Paris-La Défense, 31 January 2020

KPMG S.A.

Fanny Houlliot
Partner
Sustainability Services

Franck Noël
Partner

Appendix

Qualitative information (actions and results) considered the most important

Annual Manager development cycle
Policy relating to the continuous development of employees' skills
Greenhouse gas emissions offset system
Mobility policy

Key performance indicators and other quantitative results considered the most important

Total workforce at 30 September and distribution by gender
Average FTE headcount
Proportion of workforce with indefinite employment contracts
Number of days absence
Number of workplace accidents
Number of working days lost due to workplace accidents
Number of hours of training
Electricity consumption
Natural gas consumption
CO2 emissions associated with electricity consumption
Volume of waste produced

GOVERNANCE OF MANUTAN INTERNATIONAL

3

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This section is an integral part of the Corporate Governance Report referred to in article L. 225-37 of the French Commercial Code as amended by order No. 2019-744 of 19 July 2019.

Its family structure and its listed company status since 1985 guarantee the independence, stability and dynamism of the Manutan Group.

By a decision of the Board of Directors during its meeting on 18 December 2013, Manutan International SA refers to the MiddleNext December 2009 corporate governance code for small and medium listed companies.

The Board of Directors of the Company was made aware of the revised MiddleNext Code of September 2016 during

its meeting on 14 December 2016 and the elements presented in the "points of vigilance" section of said Code (hereafter the "Reference Code"). The Reference Code also includes points of vigilance drawn from guidelines for reasonable Governance for French companies, which recalls the questions that the Board of Directors must consider to ensure the correct operation of Governance.

This code is particularly well suited to the Company taking into account its size and shareholding. It is available on the website: **www.middlenext.com**.

It is specified that the Company complies with all of the provisions of the MiddleNext Code.

— Board and Management Bodies

The company's current form of Governance as a *Société Anonyme* (French Public Limited Company) with a Board of Directors, which separates the roles of Chairman and General Manager has been in place since the decision taken by the General Meeting of Shareholders on 30 November 2011. This mode of Governance was most recently renewed by a decision of the Board of Directors on 14 March 2019, which was held following the General Meeting that, on this same date, renewed the term of office of the Chairman and the General Manager of the Company.

It is intended to increase the efficiency of the Executive Management's decision-making process, while allowing the (Non-Executive) Chairman of the Board of Directors to participate in setting the Group's major strategic guidelines.

Board of Directors

Composition of the Board of Directors on 31 January 2020

It is specified that the Directors elect domicile at the Company's registered office for the purpose of their activities.

CHANGE IN THE COMPOSITION OF THE BOARD OF DIRECTORS

Over the financial period 2018/2019

Date of change	Change in the composition of the Board
12 December 2018	The arrival of Mrs. Éléonore Peloux as the Director representing the employees following her election, on 19 September 2018, by the Company's employees pursuant to the legal and statutory provisions.
16 January 2019	Resignation of Mrs. Claudine Guichard from her position as Director and co-option of Mrs. Sophie Resplandy-Bernard as Director. This co-option by the Board of Directors, on the recommendation of the Appointments and Remuneration Committee, was ratified by the General Meeting of 14 March 2019. It enables the Company to maintain the number of women on the Board at the threshold of 40%, in accordance with French Law No. 2011-103 of 10 January 2011, and to benefit from her experience in the area of corporate strategy.
28 April 2019	Demise of Mr. André Guichard, (Non-Executive) Honorary Chairman of the Board of Directors since 13 March 2015. He was the co-founder of Manutan with his son Jean-Pierre, the current Chairman of the Board of Directors.

Board members	Family connections with other Corporate Officers	Position/Committee	Age (on the date of publication of this report)	Nationality	Initial appointment date/Renewal date	End-of-term year	Number of shares held
Jean-Pierre Guichard	Father of Xavier Guichard	Chairman of the Board	74 years old	French	02/05/94: Chairman of the Management Board GM/BD 30/11/2011: Chairman of the Board of Directors (appointment) GM/BD 19/03/2013 GM/BD 12/03/2015 GM/BD 09/03/2017 GM/BD 14/03/2019	GM 2021	2,928,873
Xavier Guichard	Son of Jean-Pierre Guichard	General Manager and Director	47 years old	French	30/10/09: Member of the Management Board GM/BD 30/11/2011: Deputy General Manager GM/BD 19/03/2013: General Manager (appointment) GM/BD 12/03/2015 GM/BD 09/03/2017 GM/BD 14/03/2019	GM 2021	97,886
Brigitte Auffret	N/A	Deputy General Manager Director and General Secretary	58 years old	French	25/01/2002: Member of the Management Board GM/BD 30/11/2011: Deputy General Manager (appointment) GM/BD 19/03/2013 GM/BD 12/03/2015 GM/BD 09/03/2017 GM/BD 14/03/2019	GM 2021	4,500
Pierre-Olivier Brial	N/A	Deputy General Manager Director	46 years old	French	30/10/09: Member of the Management Board GM/BD 30/11/2011: Deputy General Manager (appointment) GM/BD 19/03/2013 GM/BD 12/03/2015 GM/BD 09/03/2017 GM/BD 14/03/2019	GM 2021	2,500
Carlo d'Asaro Biondo⁽¹⁾	N/A	Director Member of the Audit Committee Chairman of the Appointments and Remuneration Committee	54 years old	French	GM 30/11/2011 GM 19/03/2013 GM 12/03/2015 GM 09/03/2017 GM 14/03/2019	GM 2021	148
Jérôme Lescure⁽¹⁾	N/A	Director Chairman of the Audit Committee and member of the Appointments and Remuneration Committee	59 years old	French	GM 19/03/2013 GM 12/03/2015 GM 09/03/2017 GM 14/03/2019	GM 2021	100
Violette Watine⁽¹⁾	N/A	Director and member of the Appointments and Remuneration Committee	44 years old	French	GM 13/03/2014 GM 17/03/2016 GM 08/03/2018	GM 2020 ⁽²⁾	85
Benoîte Kneib	N/A	Director	51 years old	French	GM 09/03/2017 GM 14/03/2019	GM 2021	-
Sophie Resplandy-Bernard⁽¹⁾	N/A	Director and member of the Audit Committee	51 years old	French	BD 16/01/2019 and GM 14/03/2019	GM 2021	-
Éléonore Peloux	N/A	Director representing the employees	34 years old	French	Employee elections on 19/09/2018	Sept. 2020	-

(1) Independent members according to the criteria for independence from the MiddleNext Code to which the Company refers.

(2) For whom the renewal shall be suggested to the Ordinary General Meeting of 12 March 2020.

Directors' biography and main appointments



Jean-Pierre Guichard, who is an entrepreneur at heart, has spent his entire career at Manutan, from when he founded the Company in 1966, with his father, André Guichard.

He was appointed Chairman of the Management Board in 1994, and then Chairman of the Board of Directors in November 2011, following the change in Manutan International SA's management structure. His term of office as Director, which has been successively renewed since the General Meeting of 19 March 2013, has been running since the latest renewal by the General Meeting of 14 March 2019. The Board of Directors meeting of 14 March 2019 renewed his term of office as Chairman of the Board of Directors.

Jean-Pierre Guichard**Chairman of the Board of Directors (non-executive)**

Xavier Guichard, who is a devotee of Art in all its forms, and especially of modern painting, joined the Manutan Group as the Group Financial Controller in 2002. From 2005 to 2008, he was General Manager of the Scandinavian subsidiaries, then took over the Group's Operations Department. He was appointed as a member of Manutan International SA's Management Board by the Supervisory Board in October 2009.

Following the change in Manutan International SA's management structure, Xavier Guichard was appointed as a Director and Deputy General Manager of the Company in November 2011, and then as General Manager in March 2013. His term of office was renewed by the General Meeting of 9 March 2017, then that of 14 March 2019. The Board of Directors meeting of 14 March 2019 renewed his term of office as General Manager.

Xavier Guichard**General Manager and Director**

Brigitte Auffret adores opera singing, in which she has been involved since her teenage years, she was hired as a financial controller by the Company in February 1986.

She was appointed as the Manutan Group's Administrative and Finance Director in 2000.

In January 2002, she was appointed as a member of the Manutan International SA Management Board by the Supervisory Board, and then as General Manager in September 2006.

Following the change in Manutan International SA's management structure, Brigitte Auffret was appointed as a Director and Deputy General Manager in November 2011. Her term of office was renewed by the General Meetings of 19 March 2013, 12 March 2015, 9 March 2017 and 14 March 2019. The Board of Directors meeting of 14 March 2019 renewed her term of office as Deputy General Manager.

Brigitte Auffret**Deputy General Manager, Director, Secretary General**

Pierre-Olivier Brial has enjoyed playing the guitar and singing since he was a child, and devotes his free time to his passion at his home recording studio. In October 2001, he was hired as Assistant to the Director of Research and Development by Manutan International SA, the French Company.

He then held various management positions within the Group, including in e-business and development, and as manager of the European geographical areas.

Pierre-Olivier Brial was appointed as a member of Manutan International's Management Board by the Supervisory Board on 30 October 2009.

Following the change in Manutan International SA's management structure, Pierre-Olivier Brial was appointed as a Director of the Company and then as Deputy General Manager in November 2011. His term of office as Director was renewed by the General Meetings of 19 March 2013, 12 March 2015, 9 March 2017 and 14 March 2019.

The Board of Directors meeting of 14 March 2019 renewed his term of office as Deputy General Manager.

Pierre-Olivier Brial**Deputy General Manager and Director**

Carlo d'Asaro Biondo, a French and Italian national, studied in Italy. He began his career as a consultant at KPMG SA, he then became the consulting Group's General Manager for France.

He joined Unisys in late 2001, as Vice-Chairman and General Manager for the Communications and Media Businesses. He was appointed as Senior Vice-President in Charge of Telecommunications at AOL Europe in 2004, and then as General Manager of AOL France. He was then promoted to Chairman of AOL Europe. Carlo d'Asaro Biondo was appointed as General Manager for International Operations at Lagardère Active Media in early 2007. He has been the Chairman of Google's Operations in Southern and Eastern Europe, the Middle East, and Africa since 2009.

Since January 2015, he has been EMEA Chairman, responsible for partnerships.

Carlo d'Asaro Biondo was appointed Director by the General Meeting of 30 November 2011; his appointment has been renewed by the General Meetings of 19 March 2013, 12 March 2015, 9 March 2017 and 14 March 2019. He is also Chairman of the Appointments and Remuneration Committee and a member of the Audit Committee, these terms of office were renewed by a decision of the Board of Directors on 14 March 2019. He is classified as an independent Director.

Carlo d'Asaro Biondo**Director**



Jérôme Lescure

Director

Jérôme Lescure is a graduate of the *École spéciale d'architecture* and the *École nationale des ponts et chaussées*, and also holds an MBA from HEC. He began his career in the information technology sector in 1985. After his MBA, he joined AT Kearney, a consulting strategy firm that he co-managed as Partner until 2010. Between 1997 and 2001, he was Vice-Chairman of Euro Disney, where he was responsible for the development of the theme park and of the property division. He became General Manager for Accenture Management Consulting in France in 2011.

Jérôme Lescure has been an entrepreneur and investor since 2013. Today, he is Chairman of the Neoform Wood-Processing Group.

Jérôme Lescure has been appointed Director by the General Meeting of 19 March 2013. His term of office was renewed by the General Meetings of 12 March 2015, 9 March 2017 and 14 March 2019. He is also Chairman of the Audit Committee and a member of the Appointments and Remuneration Committee, these terms of office were renewed by a decision of the Board of Directors on 14 March 2019. He is classified as an independent Director.



Violette Watine

Director

Violette Watine is a graduate of Reims Business School. She completed her education by enrolling on the HEC Challenge Plus programme, which is dedicated to innovative and high technology start-ups.

She began her career at Procter & Gamble in 1998, and then at L'Oréal, in marketing development positions. Following her conversion to the environmental cause, she decided to put her skills at the service of her convictions. In 2006, she founded Mademoiselle Bio, which became the leading multi-channel distribution organic beauty and well-being product retail brand, which she sold in 2010, and finished guiding at the end of 2011. Since then she has directed rapidly expanding start-ups that always aim to change the world at her level. She is currently a General Manager of Slip Français, the digital fashion brand that produces underwear, swimwear and ready-to-wear clothing in France.

Violette Watine was appointed Director by the General Meeting of 13 March 2014. Her term of office as Director was renewed by the General Meeting of 17 March 2016, and then that of 8 March 2018. She is also a member of the Appointments and Remuneration Committee. She has the capacity of Independent Director.



Benoîte Kneib

Director

Benoîte Kneib, who is a graduate of the ESSEC, has had an international career involving the private sector (EADS, Dexia, The Technology Broker in Great Britain, and the creation of the company "Pomme de Reinette" in the USA) and the social sector (micro-credit in Chile, and palliative care in the USA). She then held different management positions at the Auteuil Foundation and created the international branch in Switzerland. In June 2017, she joined the company Mouvement & Finance to develop its activities in offering finance and strategic guidance to start-ups.

Benoîte Kneib was appointed Director by the General Meeting of 9 March 2017. Her appointment as a Director was renewed by the General Meeting of 14 March 2019.



Sophie Resplandy-Bernard

Director

Sophie Resplandy-Bernard began her career as a corporate lawyer in France, England and the United States of America until 2008, mostly with the firm Gibson Dunn, where she became a partner in Paris, in mergers and acquisitions. Then she joined the holding company for the AXA Group where, after a strategic audit, she supervised development, strategy and major projects for the European subsidiaries. She was a Director for these subsidiaries. Since 2013, she has undertaken entrepreneurial projects, mostly in the real estate sector. She was a member of the Advisory Board for OpenClassrooms from 2014 to 2018.

She is a graduate of HEC, and Paris Nanterre University in business law.

Sophie Resplandy-Bernard was appointed as a Director by the Board of Directors on 16 January 2019, this decision was ratified by the General Meeting of 14 March 2019. She is also a member of the Audit Committee. She has the capacity of Independent Director.



Éléonore Peloux

Director representing the employees

Éléonore Peloux graduated from ESC Rennes in 2009, after obtaining a degree in Economic and Social Sciences from Lille Catholic University. During her studies she took advantage of the opportunity to undertake different placements and exchanges with universities in Canada, Ireland, Mexico and Spain. After an experience in Internal Audit with Saint-Gobain in Madrid, she joined Leroy Merlin as Junior Regional Financial Controller. In November 2014, she joined Manutan as Group Business Controller in the Bids Department. After 3 years in the Finance Department, she decided to move to an operational profession and joined the Purchasing Team as Group Purchaser in February 2018.

She was elected by the Group's employees as Director representing the employees on the Board of Directors on 12 December 2018 for a term of office of 2 years.

List of the offices held by the Directors

Names	Existing appointments		Expired appointments
	Existing appointments (other than those performed in the Company)		Appointments and roles (outside the Group) performed in the last 5 years that no longer exist at this time
	In the Group	Outside the Group	
Jean-Pierre Guichard	Director of Manutan SA (France) Co-manager of SCI Philippe Auguste (France) <i>None of these companies are listed on the stock exchange</i>	Chairman of the Board of Directors and Director of MT Finance SA (Luxembourg), <i>unlisted company</i>	Chairman of The Euroequipment Ltd (United Kingdom) ⁽¹⁾ Chairman of Metro Storage Systems Ltd (Republic of Ireland) ⁽¹⁾ Director of Manovert BV (Netherlands) Chairman of Manutan Ltd (United Kingdom) Chairman of Key Industrial Equipment Ltd (United Kingdom) Director of Rapid Racking Ltd (United Kingdom) Chairman of Witre AB (Sweden) Director of Manutan Unipessoal Lda (Portugal) Chairman of The Eurostore Group Ltd (United Kingdom)
Xavier Guichard	Chairman and Chief Executive Officer of Manutan SA (France) Co-manager of SCI Philippe Auguste (France) Chairman of Manutan Collectivités SAS (France) Chairman of the inter-company restaurant association (France) Chairman of Sports & Loisirs SAS (France) Chairman of Papeteries Pichon SAS (France) Chairman of Manutan Italia Spa (Italy) Manager of Manutan SI (Spain) Director of Manutan s.r.o. (Czech Republic) General Manager of Trovatar a.s. (Czech Republic) Director of Manutan Unipessoal Lda (Portugal) Chairman of IronmongeryDirect Ltd (United Kingdom) Director of Rapid Racking Ltd (United Kingdom) Chairman of Group Hardware Ltd (United Kingdom) Director of Essex Electrical Wholesalers (Braintree) Ltd (United Kingdom) Director of Witre OY (Finland) Director of Witre Danmark A/S (Denmark) Chairman of Ikaros Cleantech AB (Sweden) Chairman of Ikaros OY (Finland) Director of Manutan Ltd (United Kingdom) <i>None of these companies are listed on the stock exchange</i>	Director of MT Finance SA (Luxembourg), <i>unlisted company</i>	None
Brigitte Auffret	Deputy General Manager of Manutan SA (France) Chairwoman of the Supervisory Board of Manutan Collectivités SAS (France) Chairwoman of the Supervisory Board of Sports & Loisirs SAS (France) Member of the Supervisory Board of Papeteries Pichon SAS (France) Director of Manovert BV (Netherlands) Director of Witre AB (Sweden) Member of the Supervisory Board of Trovatar a.s. (Czech Republic) Chairwoman of The Eurostore Group Ltd (United Kingdom) Director of Rapid Racking Ltd (United Kingdom) Co-manager of Manutan Polska Sp z o.o. (Poland) Co-manager of Manutan Slovakia s.r.o. (Slovakia) Co-Manager of Manutan Hungária Kft (Hungary) Director of Manutan s.r.o. (Czech Republic) Director of IronmongeryDirect Ltd (United Kingdom) <i>None of these companies are listed on the stock exchange</i>	None	None

(1) Company dissolved at 30 September 2016.

Names	Existing appointments		Expired appointments
	Existing appointments (other than those performed in the Company)		Appointments and roles (outside the Group) performed in the last 5 years that no longer exist at this time
	In the Group	Outside the Group	
Pierre-Olivier Brial	Deputy General Manager of Manutan SA (France) Member of the Supervisory Board of Manutan Collectivités SAS (France) Member of the Supervisory Board of Sports & Loisirs SAS (France) Member of the Supervisory Board of Papeteries Pichon SAS (France) Director of Manovert BV (Netherlands) Director of Manutan NV (Belgium) Co-manager of Manutan GmbH (Switzerland) Co-manager of Manutan GmbH (Germany) Member of the Supervisory Board of Trovatar a.s. (Czech Republic) Director of Manutan Ltd (United Kingdom) Director of Key Industrial Equipment Ltd (United Kingdom) Director of Rapid Racking Ltd (United Kingdom) Director of The Eurostore Group Ltd (United Kingdom) Director of Essex Electrical Wholesalers (Braintree) Ltd (United Kingdom) Chairman of Witre A/S (Norway) Director of Witre AB (Sweden) Chairman of Witre Danmark A/S (Denmark) Chairman of Witre OY (Finland) Director of Ikaros Cleantech AB (Sweden) Director of Ikaros OY (Finland) Director of IronmongeryDirect Ltd (United Kingdom) Director of Group Hardware Ltd (United Kingdom) <i>None of these companies are listed on the stock exchange</i>	Director of METI Chairman of the Club ETI d'Île-de-France	Director of Metro Storage Systems Ltd (Republic of Ireland) ⁽¹⁾ Director of Euroequipment Ltd (United Kingdom) ⁽¹⁾
Carlo d'Asaro Biondo	None	Chairman EMEA partnerships Director of the NGO Optic Humana Technology	Chairman of Rusconi (Italy) Member of the Management Board of 40 subsidiaries of the Lagardère Group Independent Director of Darty Plc, <i>listed company</i> Director of Auchan Retail International
Jérôme Lescure	None	Co-manager of Lavilla SARL NEOFOR SAS, Representative of the LAVILLA Chairman Chairman of ADDITIO SAS Director of the Seb Group, <i>listed company</i>	Chairman of CAMSEL S.A.S. Chairman of Brassac Holding S.A.S. Chairman of Les Bois du Midi S.A.S. Chairman of Bargues Permanent Representative of APICAP, Director of: <ul style="list-style-type: none"> • Ymagis S.A. (<i>listed company</i>); • Active 3D; • Inspirational Stores S.A.; • D3T Chairman of APICAP (previously - OTC Asset Management S.A.S.) Permanent Representative of APICAP, Director of the Archimen S.A.S. Group
Violette Watine	None	General Manager of Slip Français Manager of Partners & Co. (France) General Manager Loumarau, <i>unlisted companies</i>	

(1) Company dissolved at 30 September 2016.

Names	Existing appointments		Expired appointments
	Existing appointments (other than those performed in the Company)		Appointments and roles (outside the Group) performed in the last 5 years that no longer exist at this time
	In the Group	Outside the Group	
Benoîte Kneib	None	Director of Strategy and Development for Mouvement & Finance Member of the Board of Directors of the Avenir Association	General Secretary of the Fondation Apprentis d'Auteuil International Member of the Ambassadors of the Fondation Apprentis d'Auteuil International
Sophie Resplandy-Bernard	None	SIPA SAS, Chairperson	Advisory Board, independent member, OpenClassrooms SAS
Éléonore Peloux	None	None	None

Pursuant to Article 14.2 of the Company's articles of association, the term of office of the members of the Board is two years.

Independence of the members of the Board of Directors

During its meeting of 3 December 2019, the Board considered the position of each of the Directors with regard to the

MiddleNext Code independence criteria referred to below and considered that Jérôme Lescure, Carlo d'Asaro Biondo and Violette Watine could be considered as independent, pursuant to the definition given by recommendation R3 of the MiddleNext Code, i.e. people from outside the company tasked with providing a different view on the decisions taken by the Board.

The following table summarises the independence criteria from the MiddleNext Code chosen for each of the members making up the Board of Directors as at 31 January 2020:

Independence criteria	Jérôme Lescure	Carlo d'Asaro Biondo	Violette Watine	Sophie Resplandy-Bernard
Not being an employee or an Executive Director of the Company or a company in its Group and not having been either of the above over the previous five years	X	X	X	X
Not having any significant business relations with the company or its Group (customer, supplier, competitor, service provider, creditor, banker, etc.) and not having been such over the previous two years	X	X	X	X
Not being a reference shareholder in the Company or holding a significant percentage of the voting rights	X	X	X	X
Not having close family ties with an Executive Director or a reference shareholder	X	X	X	X
Not having been a Company auditor over the previous six years	X	X	X	X

Thus, as at 31 January 2020, at least four of the members of the Board are Independent Directors.

Representation of men and women on the Board

Where the representation of men and women on the Board is concerned, we remind you that at 30 September 2019 and at 31 January 2020, the Board includes four women and five men among its members. The proportion of women on the Company's Board of Directors therefore reaches the threshold of 40%, in accordance with French Law No. 2011-103 of 10 January 2011.

Directors' concurrent appointments

The Company complies with the recommendation from the MiddleNext code for corporate governance for listed companies under the terms of which it is recommended that a Director, who performs a "Managing" role, refrains from accepting more than three appointments as Director in listed companies, including in other countries, outside their Group.

Internal Rules of Procedure of the Board of Directors

The Board Internal Rules of Procedure are available on the Company's website: www.manutan.com.

It is in particular specified that the Company Internal Rules of Procedure were considered and updated by a decision of the Board on 9 March 2017 to take into account the latest legislative and regulatory changes and the September 2016 revision of the MiddleNext Code.

Organisation and operation of the Board of Directors and Committees during the financial year ended 30 September 2019

Roles of the Board of Directors

By exercising its legal prerogatives, the Board of Directors:

- sets the strategic guidelines for the Company's business activities and ensures that they are implemented;
- addresses any issues that affect the proper running of the Company, and settles the issues that concern it through its resolutions;
- defines the Company's financial communications policy;
- monitors the quality of the information provided to shareholders and to the markets;
- performs the controls and checks that it deems appropriate, specifically management controls;
- authorises the sureties, endorsements and guarantees granted by companies other than those operating banking or financial institutions, under the conditions specified in Article R. 225-28 of the French Commercial Code;
- authorises the conclusion of regulated agreements in advance;
- chooses the way in which Executive Management is organised: complementarity or dissociation of the Chairman and General Manager roles;
- appoints and dismisses the Chairman, the General Manager and the Deputy General Managers;
- defines the Executive Management's remuneration policy and, where necessary, allocates the total amount of Director's fees voted by the Shareholders' Meeting among the Directors;
- may co-opt Board Members under the conditions specified by the regulations in force;
- may create Specialist Committees, for which it appoints the members, sets the assignments and operating procedures;
- draws up management forecast documents;
- approves the annual financial statements submitted to the Shareholders' Meeting for approval;

- convenes and sets the agenda for the Shareholders' Meeting;
- reports on its actions in the report to the Shareholders' Meeting;
- approves the Chairman's report, determines the number of free shares or shares arising from the exercise of options that Executive Corporate Officers are bound to hold until the end of their mandate, in the event that options or free shares are awarded;
- determines the number of free shares or shares arising from the exercise of options that Corporate Officers are bound to hold until the end of their mandate, in the event that options or free shares are awarded.

The Chairman's role

By exercising his legal prerogatives, the Chairman:

- organises and directs the work undertaken by the Board, and accounts for it at the General Shareholders' Meeting;
- ensures the proper running of the Company's bodies and specifically ensures that the Directors are in a position to fulfil their assignments;
- drafts a report regarding the composition of the Board, and the conditions for preparing and organising the Board's work.

Moreover, the Non-Executive Chairman is also entrusted with the following additional assignments:

- representing the Company, and relationships with professional federations, public authorities, domestic or international institutional authorities, and more generally, economic players;
- relationships with the Group's major customers or partners both at the domestic and international level;
- public relations with French or foreign subsidiaries;
- the relationship with the Company's shareholders;
- seeking potential targets in order to encourage external growth projects;
- visiting trade shows.

The conditions for preparing the work of the Board of Directors

To enable Board members to adequately prepare for meetings, the Chairman endeavoured to communicate to them, in advance, the necessary information or documents.

The annual financial statements, reviewed by the Audit Committee, and the draft report were sent to the members of the Board of Directors within a reasonable period prior to the meeting called to examine said documents.

Whenever requested by a Board member, the Chairman sent, as far as it is possible, any additional information and documents requested.

Holding of Board of Directors meetings

The Board of Directors meets as often as is in the Company's interest, and also meets without the presence of the Managing Director. The summons were sent in writing or made orally at least eight days prior to the meeting.

The meetings were held at the registered office or at the Manutan Group's European Centre in Gonesse. The Board met four times during the 2018/2019 financial year.

During this period, the attendance rate for members present or represented was 81%. The Statutory Auditors were invited to the Board meetings called to approve the annual and interim financial statements.

Subjects discussed at Board meetings and the business report

The main subjects discussed related to the operation and preparation of its work, the examination of the annual and interim financial statements, the internal control policy, professional and wage equality and the Group's main Capex projects.

Assessment of the Board of Directors' work

Pursuant to Article 6 of the Internal Rules of Procedure, the Chairman of the Board shall, each year, invite the members to give their views on the operation of the Board, the preparation of its works and on the issue of diversity within the Board in order to improve the conditions and its operation.

Management and prevention of conflicts of interest

Where the prevention and management of conflicts of interests is concerned, the Board's Internal Rules of Procedure provide that: "In a situation that reveals or may reveal a conflict between the company's interests and their personal interests, either directly or indirectly, or the shareholder's interests or those of the group of shareholders that they represent, the Director in question must:

- inform the Board as soon as they become aware of the conflict;
- and draw the appropriate conclusions regarding the exercise of their mandate. Depending on the case, they will therefore be required:
 - either to abstain from voting on the corresponding resolution,
 - or not to attend Board Meetings during the period when they find themselves in a conflict of interest situation,
 - or resign from their duties as a Director."

The Director may be held liable if they fail to comply with these abstention or withdrawal rules. It is specified that providing no information is considered as a declaration of no conflict of interest.

Furthermore, the Chairman of the Board shall not be required to forward information or documents relating to the contentious issue to any Director(s) who he has serious grounds to believe is or are in a conflict of interest situation, and shall inform the Board of Directors of the fact that they have not been forwarded.

Organisation and operation of specialised Committees

The Board of Directors has set up the following Committees:

- an Audit Committee;
- an Appointments and Remuneration Committee.

Every Committee plays a role in examining, assessing, and preparing certain Board resolutions that fall under its remit, as well as examining issues and/or projects forwarded by the Board or by its Chairman for review. The Committee has consultative powers and acts under the authority and responsibility of the Board to which it reports.

Audit Committee

Where the Audit Committee is concerned, the Company adhered to the recommendations of the final Audit Committee report of 22 July 2010, which was drawn up by the working party chaired by Mr Henri Poupart-Lafarge.

The Audit Committee consists at 31 January 2020 of three independent members of the Board of Directors.

Carlo d'Asaro Biondo and Jérôme Lescure were appointed as members of the Audit Committee by the Board of Directors on 13 March 2015, for their terms of office as Director, which were renewed by the General Meetings of 9 March 2017 and 14 March 2019. Their appointments to the Audit Committee were renewed by the meeting of the Board of Directors of 14 March 2019 following the GM.

Sophie Resplandy-Bernard was appointed as a member of the Audit Committee by the Board of Directors on 16 January 2019 at the suggestion of the Appointments and Remuneration Committee, and under the condition precedent of the ratification by the General Meeting of 14 March 2019 of her co-option on the Board of Directors.

The composition of the Audit Committee as at 31 January 2020 is as follows:

- Jérôme Lescure, Chairman, independent;
- Carlo d'Asaro Biondo, independent;
- Sophie Resplandy-Bernard, independent.

The Board took the view that all the members of the Audit Committee were independent, in accordance with the aforementioned criteria for the independence of Directors.

Furthermore, they also all have specific expertise in finance and accountancy, in view of their academic history and their professional experience (the professional experience of members of the Audit Committee is referred to in their respective biographies, included in the table of the composition of the Company's Board of Directors).

The Audit Committee's main duties are to:

- examine the accounts and ensure the accounting methods used to draw up the consolidated and Company accounts are relevant;

- monitor:
 - the process for drawing up financial information,
 - the effectiveness of the internal control and risk management systems,
 - the audit of the accounts carried out by the Statutory Auditors,
 - the independence of the Statutory Auditors.

In this respect, the Committee must issue a recommendation on the proposal of Statutory Auditors to be appointed. The Audit Committee promptly informs the Board of Directors of any issues encountered during the course of its work.

The Audit Committee meets twice a year, before the Board meeting where the agenda includes the review of the annual and interim financial statements and/or the proposal to appoint the Statutory Auditors.

In addition, the Audit Committee meets every time that it views necessary, particularly in the event of an important development for the Company. The Committee has met on two (2) occasions over the 2018/2019 financial year.

The main subjects discussed were consideration of the annual and interim financial statements as well as the direction and review of the Group's internal control programme. The attendance rate for this Committee was 80%.

Committee members are allowed sufficient time to examine the financial and accounting documents, and have had the option of meeting with the Statutory Auditors and the Company's Finance Director. The Committee reported its work to the Board, which recorded and monitored all recommendations.

Appointments and Remuneration Committee

The Appointments and Remuneration Committee consists, as at 31 January 2020, of three independent members of the Board of Directors:

Carlo d'Asaro Biondo and Jérôme Lescure were appointed as Members of the Appointments and Remuneration Committee by the Board of Directors on 13 March 2015, for the two years of their terms of office as Director, which were renewed by the General Meetings of 9 March 2017 and 14 March 2019. Their appointments to the Appointments and Remuneration Committee were renewed by the meeting of the Board of Directors of 14 March 2019 following the GM.

Violette Watine was appointed as a member of the Appointments and Remuneration Committee by the meeting of the Board of Directors of 16 January 2019.

Composition of the Appointments and Remuneration Committee as at 31 January 2020:

- Carlo d'Asaro Biondo, Chairman, independent;
- Jérôme Lescure, independent;
- Violette Watine, independent.

The Board took the view that all the members of the Appointments and Remuneration Committee were independent, in accordance with the aforementioned criteria for the independence of Directors.

Appointment assignments

In the appointments area, the Committee:

- gives its opinion on the Chairman and Executive Management's appointment plans, through the Board, at the Chairman's suggestion;
- examines and gives an opinion on appointment and replacement proposals for the Group key executives;
- puts forward proposals for selecting Board Members and Committee Members, given the desirable balance for the composition of the Board, in view of the composition of and changes in the Company's shareholders, and of the split between men and women within the Board;
- reviews the independence of the Board Members and of the candidates for membership of the Board or of a Committee;
- draws up a succession plan for the Directors who are Corporate Officers, so as to be in a position to offer the Board succession solutions in the event of an unforeseen vacancy.

Remuneration assignments

This Committee's duties include making any recommendations on the remuneration of the Corporate Officers to the Board of Directors. If requested by the Board of Directors, it may also issue advisory recommendations on the remuneration of the Group's key management staff. It forwards these recommendations to the Board.

These recommendations cover all components of the remuneration package: the fixed component including benefits in kind, the variable component, any retirement bonuses, supplementary pension schemes, share subscription and purchase options, and free shares, irrespective of whether these components are paid, awarded or paid for by the Company, its parent company or a company under its control.

The recommendations may also relate to the breakdown between the various components comprising the total remuneration and the terms and conditions for the payment thereof, particularly in terms of performance.

Specific operating procedures

The Appointments and Remuneration Committee meets at least twice a year, in particular before the Board meeting where the remuneration of the Chairman and Executive Management is reviewed, or which sets the agenda of a General Meeting convened to approve draft resolutions relating to issues that fall within its remit.

In addition, the Committee meets as and when required at the request of its Chairman, at its own initiative, or at the request of the Chairman of the Board. The Committee has met on two (2) occasions over the 2018/2019 financial year.

The main subjects discussed were a review of the remuneration method for members of the Board of Directors as well as setting the objectives for the calculation of remuneration.

The attendance rate at this Committee was 100%. The Committee reported its work to the Board, which recorded and monitored all recommendations.

Factors likely to have an impact in the event of a public offering

These factors are presented in Chapter 6 "Information about the Company and the capital".

Executive Directors

Xavier Guichard	General Manager
Brigitte Auffret	Deputy General Manager
Pierre-Olivier Brial	Deputy General Manager



Potential convictions of Corporate Officers

The Company is not aware at the date of preparation of this document of any member of the Board of Directors and Executive Management who may have been party to any business bankruptcy, insolvency or liquidation over the past five years. Likewise, during the last five years none of them were convicted of fraud, received an official public penalty or sanction, have been prevented by a court of justice of acting as a member of a Management, Executive or Supervisory corporate body or of acting in a management or executive capacity in respect of the activities of a listed company.

Conflicts of interests of Corporate Officers

The Company is not aware at the date of preparation of this document of the existence of any identified conflict of interests regarding the duties exercised by each member of the Board of Directors and Top Management as Corporate Officer and their private interests or other duties.

The Company is not aware of any service contract binding members of the Board of Directors and Executive Management to the issuer or any of its subsidiaries, from which a member may derive economic benefits.

The Company is not aware at the date of preparation of this document of the existence of any arrangements or agreements concluded with the main shareholders, customers or suppliers by which a member of the Board of Directors and Executive Management would have been selected as such.

The Company is not aware at the date of preparation of this document of the existence of any restrictions adhered to by members of the Board of Directors and Executive Management regarding the sales of their stake in the share capital of the Company, except for two collective agreements to retain shares for a number of them. Refer to the chapter entitled "General information concerning the share capital" on page 162.

Limitations on Executive Management's powers

According to internal procedures, the powers of Executive Management (General Manager and Deputy General Managers) are limited. Therefore, in accordance with the provisions of the Internal Rules of Procedure of the Board of Directors, the Board must approve the following transactions in advance:

- proceeding with the purchase, sale or exchange of any building, real estate rights or business goodwill, of a value exceeding five hundred thousand euros (€500,000) per transaction;
- proceeding, for amounts exceeding five hundred thousand euros (€500,000) per transaction, with the incorporation of companies or equity investments or disposals of shareholdings of any form in any company;
- proceeding with the incorporation or termination of any subsidiary, branch or office, either in France or in any other country;
- proceeding with investments and/or divestments of a value exceeding five hundred thousand euros (€500,000);
- taking out borrowings and/or loans exceeding five hundred thousand euros (€500,000), supported or not by collateral in the form of mortgages, pre-emption right or pledging of the assets of the Company;

- pledging the assets of the Company in any form whatsoever;
- authorising and/or granting deposits and sureties, or other guarantees in the Company's name;
- authorising the hiring and/or the termination of any management executive's employment contract, according to the meaning of Article L. 3111-2 of the French Labour Code, and/or of any Managing Director at the Group's subsidiaries;
- introducing any collective premium, profit-sharing, or employee savings schemes, any share subscription or purchase schemes, any free share allocation schemes or any other collective incentive or motivational scheme for the Company's employees and/or managing directors;
- introducing any retirement or contingency scheme for the benefit of the Company's employees and/or its Corporate Officers, or deciding on any contribution to any scheme set up by a third party and that involves retirement or contingency benefits.

The same applies to any material transaction outside the Company's stated strategy.

— The policy and components of remuneration for the Executive Directors of Manutan International

This section is an integral part of the Corporate Governance Report referred to in article L. 225-37 of the French Commercial Code.

This report from the board regarding the remuneration of the Managing Directors and the remuneration of the Directors is intended to present the following information to you:

1. policy for the remuneration of Executive Directors subject to a vote at the 2020 General Meeting;

2. remuneration paid with regard to the financial year ended 30 September 2019;

3. total remuneration of the Executive Directors.

1. Policy for the remuneration of Executive Directors subject to a vote at the 2020 General Meeting

Pursuant to article L. 225-37-2 of the French Commercial Code, hereafter we present to you the principles and criteria used for the determination, distribution and awarding of fixed, variable and exceptional components of the total remuneration and the benefits in kind that may be awarded to the Chairman of the Board of Directors, the General Manager and the Deputy General Managers during their term of office.

The General Meeting of 12 March 2020 shall be invited to vote on the policy for the remuneration of the Executive Directors for their term of office for the 2019/2020 financial period, based on these components, as described hereafter.

We remind you that the Board of Directors and the Appointments and Remuneration Committee take into account and apply the principles recommended in the MiddleNext Code, i.e. exhaustiveness, benchmarking, consistency, legibility of the rules, measurement and transparency. These principles apply to all of the components of the remuneration of the Executive Directors.

The Board of Directors ensures that none of the components making up the remuneration of the Executive Directors are disproportionate and analyses the remuneration as a whole, taking into account all of its components (fixed, annual and multi-annual variable remuneration).

Pursuant to article L. 225-37-2 of the French Commercial Code, we hereby specify that the payment of these components of variable and exceptional remuneration for the 2019/2020 financial period, as described hereafter, is conditional on the approval of the remuneration of the people in question by the General Meeting that shall be held in 2021 to approve the financial statements for the financial period ending on 30 September 2020.

1.1 Remuneration of the Chairman of the Board of Directors

The Board of Directors is responsible for determining the remuneration of the Chairman of the Board of Directors (non-executive) that is based on the proposals from the Appointments and Remuneration Committee.

In this context, the Board of Directors determines the fixed remuneration of the Chairman of the Board of Directors (non-executive), in view of his legal assignments and the following complementary roles, which are assigned to him by the Board:

- representing the Company, and relationships with professional federations, public authorities, domestic or international institutional authorities, and more generally, economic players:
 - relationships with the Group's major customers or partners both at the domestic and international level,
 - public relations with French or foreign subsidiaries,
 - the relationship with the Company's shareholders,
 - seeking potential targets in order to encourage external growth projects;
- visiting trade shows.

The Chairman of the Board of Directors does not receive any other remuneration (long-term remuneration, variable remuneration, remuneration as a Director, benefits in kind, retirement benefit and non-compete, etc.) in view of his non-executive roles.

1.2 Remuneration of the Executive Directors (General Manager and Deputy General Managers)

The Board of Directors determines a remuneration policy for Executive Directors (General Manager and Deputy General Managers), including the remuneration for each of them based on the proposal of the Appointments and Remuneration Committee.

This policy covers in detail the fixed, variable and exceptional remuneration and any benefits in kind granted by the Company (pension, retirement bonuses etc.). Furthermore, in order to associate the Executive Directors with the development and performance of the Group, the Board of Directors may award them performance shares. These awards must be intended to incite the Executive Directors to consider their actions in the long-term and to align their interests with the Company's business interests and the interest of the shareholders.

This policy is determined not only based on the work carried out, the results obtained and the responsibility assumed, but also with respect to the practices observed in peer companies and the remuneration of other management staff within the Company.

Calculation of the fixed component

The Board of Directors approves the fixed component of each Executive Director's remuneration for a period of twelve (12) months, based on the responsibilities assumed and market practices.

Calculation of the annual variable component of the remuneration

The Board of Directors approves the annual variable component of each Executive Director's remuneration based on the following quantitative criteria: target consolidated turnover and consolidated pre-tax operating income subject to minimal performance conditions, as well as the Group With Love Customer, customer satisfaction index, and the Group With Love Employee, employee satisfaction index.

These quantitative criteria have been approved in detail by the Board on the recommendation of the Appointments and Remuneration Committee, however, for confidentiality reasons, the fulfilment level is not made public.

This variable portion is in a range of between 40% and 50% of the Executive Director's fixed annual remuneration. Furthermore, a bonus for which the rate may vary between 0 and 1.5 times the target bonus depending on the achievement of objectives set and when a minimum profitability threshold is achieved, may be awarded.

The payment of variable annual remuneration to the Executive Directors for a financial period N is conditional on the approval of the Ordinary General Meeting held in N+1.

Calculation of the multi-annual variable component of the remuneration

The Board of Directors meeting of 18 September 2017 determined the share of the multi-annual variable remuneration for each Executive Director. It is conditional upon (i) their presence on 30 September 2020, (ii) a triggering threshold regarding average Group EBIT (Operating profit/loss) on 30 September 2020 and (iii) the achievement of Group targets for turnover, average Group EBIT (Operating profit/loss) and Group cumulative free cash-flow transactions, over a period of 5 years (ending on 30 September 2020).

The level of achievement required for these targets was specifically determined by the Board of Directors, but is not made public for confidentiality reasons.

This variable multi-annual portion is between 50% and 60% of the total fixed gross remuneration paid to the Executive Director between 1 October 2015 and 30 September 2020. Furthermore, a bonus for which the rate may vary between 0 and 1.5 times the target bonus, depending on the achievement of objectives, may be awarded.

The payment of variable multi-annual remuneration to the Executive Directors is conditional on it being approved by the Ordinary General Meeting held in 2021.

Allocation of free performances shares

The Combined General Meeting of 12 March 2020 authorised the Board of Directors to award free shares to salaried staff of the Company or companies that are directly or indirectly affiliated to it under the meaning of Article L. 225-197-2 of the French Commercial Code and/or the executive directors who meet the conditions set forth in Article L. 225-197-1 of the French Commercial Code.

Under the terms of this authorisation and pursuant to the applicable regulations, the Executive Directors may benefit from the awarding of performance shares that shall be determined by the Board of Directors. These allocations shall be made under conditions of presence and performance.

Bonuses, benefits and remuneration granted to Executive Directors in the event of the termination of or change in their position

• With regard to Xavier Guichard, Director and General Manager

The Board of Directors has determined that Xavier Guichard, Director and General Manager shall not benefit from any bonus, remuneration or any benefit due to the termination or change in his roles as General Manager.

• With regard to Brigitte Auffret, Director and Deputy General Manager

The Board of Directors meeting of 3 December 2019 renewed the indemnity likely to be payable to Brigitte Auffret, Director and Deputy General Manager, in an identical amount, in the event that her employment is terminated, as previously renewed on 13 December 2017, in the following way:

In the event of dismissal (with the exception of cases of serious or gross negligence, force majeure, redundancy due to a physical inability recognised by the company doctor, retirement, early retirement or resignation) the Company agrees to pay the Executive Director contractual compensation for the early termination of their employment contract, in addition to redundancy pay as provided for by the Law.

The amount of this gross compensation is fixed at 21 (twenty-one) months' salary (fixed basic salary + bonus but excluding exceptional incentives).

Payment of the contractual compensation is subject to the following performance conditions:

- average current operating profit over the three (3) years preceding notification of termination of the employment contract to be maintained above 4% of turnover; and

- stable positive consolidated net income over the past three (3) financial years preceding the notification of the termination of the employment contract.

These aggregate conditions are based on the consolidated results. The achievement of these objectives would be based on the consolidated accounts for the last three (3) financial years, as approved by the Board of Directors and certified by the Statutory Auditors, prior to the notification of the termination of the employment contract.

If Brigitte Auffret's appointment as a member of the Board of Directors is terminated, for any reason whatsoever, these performance conditions governing the granting of contractual compensation would become null and void at the end of a period of eight (8) months from the expiry date of the appointment.

The notification date of the termination of the employment contract would be taken into account when determining whether the performance condition would apply to the payment of compensation.

The commitment made for the benefit of Brigitte Auffret, as described above, is a regulated agreement. The latter was approved by the Combined General Meeting of 14 March 2019 that voted in favour of renewing Brigitte Auffret's term of office as Director and whose term of office as Deputy General Manager was also renewed by the meeting of the Board of Directors that was held following this General Meeting.

Furthermore, the Board Meeting of 30 November 2011 decided to maintain the benefit of an Executive redundancy insurance policy taken out with GSC, which provides the Class 6 Option 2 basic scheme and Class H Option 2 complementary scheme guarantees for the benefit of Brigitte Auffret, Director and Deputy General Manager.

• With regard to Pierre-Olivier Brial, Director and Deputy General Manager

The Board of Directors meeting of 3 December 2019 renewed the indemnity likely to be payable to Pierre-Olivier Brial, Director and Deputy General Manager, in an identical amount, in the event that his employment is terminated, as previously renewed on 13 December 2017, in the following way:

In the event of dismissal (with the exception of cases of serious or gross negligence, force majeure, redundancy due to a physical inability recognised by the company doctor, retirement, early retirement or resignation) the Company agrees to pay the Executive Director contractual compensation for the early termination of their employment contract, in addition to redundancy pay as provided for by the Law.

The amount of this gross compensation is fixed at 21 (twenty-one) months' salary (fixed basic salary + bonus but excluding exceptional incentives).

Payment of the contractual compensation is subject to the following performance conditions:

- average current operating profit over the three (3) years preceding notification of termination of the employment contract to be maintained above 4% of turnover;

- and stable positive consolidated net income over the past three (3) financial years preceding the notification of the termination of the employment contract.

These aggregate conditions are based on the consolidated results. The achievement of these objectives would be based on the consolidated accounts for the last three (3) financial years, as approved by the Board of Directors and certified by the Statutory Auditors, prior to the notification of the termination of the employment contract.

If Pierre-Olivier Brial's appointment as a member of the Board of Directors is terminated, for any reason whatsoever, these performance conditions governing the granting of contractual compensation would become null and void at the end of a period of eight (8) months from the expiry date of the appointment.

The notification date of the termination of the employment contract would be taken into account when determining whether the performance condition would apply to the payment of compensation.

The commitment made for the benefit of Pierre-Olivier Brial, as described above, is a regulated agreement. The latter was approved by the Combined General Meeting of 14 March 2019 that voted in favour of renewing Pierre-Olivier Brial's term of office as Director and whose term of office as Deputy General Manager was also renewed by the meeting of the Board of Directors that was held following this General Meeting.

Furthermore, the Board Meeting of 30 November 2011 decided to maintain the benefit of an Executive redundancy insurance policy taken out with GSC, which provides the Class 6 Option 2 basic scheme and Class H Option 2 complementary scheme guarantees for the benefit of Pierre-Olivier Brial, Director and Deputy General Manager.

Non-compete compensation

The Board of Directors has determined that the Executive Directors cannot benefit from non-compete compensation.

Remuneration with regard to the role of Director

The Board of Directors has determined that the Executive Directors should not receive any remuneration with regard to their term of office as Directors (previously "Directors' fees").

Share subscription or purchase options

As the Board of Directors does not benefit from a delegation by the Company's General Meeting to issue subscription or purchase options, the Executive Directors may not benefit from any such share subscription or purchase options.

Remuneration, bonuses or benefits payable or likely to be payable due to termination or change of functions

The Board of Directors has determined that the future Executive Directors shall not benefit from any remuneration, bonuses or benefits payable or likely to be payable due to termination or a change of their function.

Exceptional remuneration

The Executive Directors may benefit from exceptional remuneration under certain exceptional circumstances that must where applicable be specified and justified.

Components of remuneration and benefits of any kind that are payable or that may be payable to an Executive Director, under the terms of agreements signed directly or through an intermediary, due to their role, either with the company in which the role is performed or any company controlled by it, within the meaning of article L. 233-16 of the French Commercial Code, any company that controls it, within the meaning of the same article, or any company placed under the same control as it, as defined by said article

The Board of Directors has determined that the Executive Directors cannot benefit from any remuneration in this regard.

Retirement

The Board of Directors has determined that the Executive Directors cannot benefit from any additional retirement scheme.

Benefits in kind

The Board of Directors has determined that the Executive Directors may have a company car and an insurance policy taken out with GSC.

Any other remuneration that is payable due to the role

All of the remuneration policy for Executive Directors is described above. The latter may not receive any other remuneration due to their role.

Ratio between the level of remuneration of the Chairman of the Board of Directors, the General Manager and the Deputy General Managers and the mean and median remuneration of the Company's employees

This information is presented in accordance with the very recent terms of Law No. 2019-486 of 22 May 2019 on growth and business transformation, known as the "PACTE" law, in order to be immediately compliant with the new transparency requirements for Directors' compensation. It may of course evolve over time as further clarifications and official positions are made available to companies.

The following ratios have been calculated on the basis of the fixed and variable remuneration paid by the Company during the financial years referred to.

	Financial year 2018/2019	Financial year 2017/2018	Financial year 2016/2017
Jean-Pierre Guichard Chairman of the Board of Directors (non-executive)			
Ratio to mean remuneration	10.14	11.42	10.87
Ratio to median remuneration	11.24	13.44	13
Xavier Guichard General Manager			
Ratio to mean remuneration	12.02	13.79	13.13
Ratio to median remuneration	13.32	16.24	15.7
Brigitte Auffret Deputy General Manager			
Ratio to mean remuneration	10.99	12.57	11.97
Ratio to median remuneration	12.18	14.8	14.32
Pierre-Olivier Brial Deputy General Manager			
Ratio to mean remuneration	10.99	11.82	11.26
Ratio to median remuneration	12.18	13.92	13.46

Explanatory note on the ratios:

The corporate officers were unchanged during all three financial years, 2016-2017, 2017-2018 and 2018-2019, and the ratios were calculated on the basis of their total remuneration paid in respect of the periods concerned.

2. Remuneration paid with regard to the financial year ended 30 September 2019

This paragraph describes, pursuant to the remuneration policy approved by the General Meeting of 14 March 2019 (seventeenth and eighteenth ordinary resolutions), the remuneration and benefits paid (or to be paid) for the 2018/2019 financial period, to the Company's Executive Directors—Jean-Pierre Guichard, Chairman of the Board of

Directors, Xavier Guichard, General Manager, Brigitte Auffret, Deputy General Manager, and Pierre-Olivier Brial, Deputy General Manager—it being specified that the components of variable remuneration may not be paid until they are approved by the General Meeting of 12 March 2020.

The following table presents the components of remuneration and benefits paid or to be paid to Jean-Pierre Guichard, Chairman of the Board of Directors for the 2018/ 2019 financial period.

Components of remuneration paid or to be paid for the financial year ended 30 September 2019	Accounting amounts or valuations	Presentation
Fixed remuneration	€450,000	Fixed remuneration for the 2018/2019 financial period is the same as that due for the 2017/2018 financial period
Variable annual remuneration	N/A	Jean-Pierre Guichard does not receive any variable annual remuneration
Multi-annual variable remuneration in cash	N/A	Jean-Pierre Guichard does not receive any variable multi-annual remuneration
Exceptional remuneration	N/A	Jean-Pierre Guichard does not receive any exceptional remuneration
Share options, performance shares or any other component of long-term remuneration	N/A	Jean-Pierre Guichard does not receive any long-term remuneration
Remuneration with regard to his role as Chairman of the Board of Directors (previously "Directors' fees")	N/A	Jean-Pierre Guichard does not receive any remuneration with regard to his role as a member and Chairman of the Board of Directors (previously "Directors' fees")
Valuation of benefits in kind	N/A	Jean-Pierre Guichard does not receive any benefits in kind
Remuneration, bonuses or benefits related to starting in the role	N/A	N/A
Remuneration due to an agreement	N/A	Jean-Pierre Guichard does not receive any remuneration in this regard
Other components of remuneration related to this role	N/A	Jean-Pierre Guichard does not receive any other remuneration in relation to his role
Compensation paid or to be paid for the financial year ended on 30 September 2019 that are or shall be subject to a vote by the General Meeting as part of the procedure for regulated agreements and understandings		
	Amount	Presentation
Retirement benefit	N/A	Jean-Pierre Guichard does not receive any retirement benefit
Non-compete compensation	N/A	Jean-Pierre Guichard does not receive any non-compete compensation
Supplementary pension scheme	N/A	Jean-Pierre Guichard does not benefit from any supplementary pension scheme within the Group

The following table presents the components of remuneration and benefits paid or to be paid to Xavier Guichard, General Manager, for the 2018/2019 financial period:

Components of remuneration paid or to be paid for the financial year ended 30 September 2019	Accounting amounts or valuations	Presentation
Fixed remuneration	€345,000	Fixed remuneration for the 2018/2019 financial period is the same as that due for the 2017/2018 financial period
Variable annual remuneration	€136,647 (the payment of this remuneration is subject to approval by the General Meeting of 12 March 2020)	Variable remuneration is determined according to quantitative and qualitative criteria decided each year by the Board based on a proposal by the Appointments and Remuneration Committee
Multi-annual variable remuneration in cash	No payment	Xavier Guichard benefits from multi-annual variable remuneration (see the note under the summary table of his remuneration included in this report)
Exceptional remuneration	N/A	Xavier Guichard does not receive any exceptional remuneration
Share options, performance shares or any other component of long-term remuneration	N/A	Xavier Guichard benefits from the allocation of free performance shares of which he shall become the holder (subject to complying with the conditions of presence and performance) on 6 May 2024 (the date for the end of the acquisition period (see table 6 hereafter)
Remuneration with regard to his role as Director (previously "Directors' fees")	N/A	Xavier Guichard does not receive any remuneration with regard to his role as a Director (previously "Directors' fees")
Valuation of benefits in kind	€5,322	Xavier Guichard has a company car
Remuneration, bonuses or benefits related to starting in the role	N/A	N/A
Remuneration due to an agreement	N/A	Xavier Guichard does not receive any remuneration in this regard
Other components of remuneration related to this role	N/A	Xavier Guichard does not receive any other remuneration in relation to his role
Compensation paid or to be paid for the financial year ended on 30 September 2019 that are or shall be subject to a vote by the General Meeting as part of the procedure for regulated agreements and understandings		
	Amount	Presentation
Retirement benefit	N/A	Xavier Guichard does not receive any retirement benefit
Non-compete compensation	N/A	Xavier Guichard does not receive any non-compete compensation
Supplementary pension scheme	N/A	Xavier Guichard does not benefit from any supplementary pension scheme within the Group

The following table presents the components of remuneration and benefits paid or to be paid to Brigitte Auffret, Deputy General Manager, for the 2018/2019 financial period:

Components of remuneration paid or to be paid for the financial year ended 30 September 2019	Accounting amounts or valuations	Presentation
Fixed remuneration	€335,000	Fixed remuneration for the 2018/2019 financial period is the same as that due for the 2017/2018 financial period
Variable annual remuneration	€106,149 (the payment of this remuneration is subject to approval by the General Meeting of 12 March 2020)	Variable remuneration is determined according to quantitative and qualitative criteria decided each year by the Board based on a proposal by the Appointments and Remuneration Committee
Multi-annual variable remuneration in cash	No payment	Brigitte Auffret benefits from multi-annual variable remuneration (see the note under the summary table of her remuneration included in this report)
Exceptional remuneration	N/A	Brigitte Auffret does not receive any exceptional remuneration
Share options, performance shares or any other component of long-term remuneration	N/A	Brigitte Auffret benefits from the allocation of free performance shares of which she shall become the holder (subject to complying with the conditions of presence and performance) on 6 May 2024 (the date for the end of the acquisition period (see table 6 hereafter)
Remuneration with regard to her role as Director (previously "Directors' fees")	N/A	Brigitte Auffret does not receive any remuneration with regard to her role as a Director (previously "Directors' fees")
Valuation of benefits in kind	€21,713	Brigitte Auffret has a company car and an insurance policy taken out with GSC
Remuneration, bonuses or benefits related to starting in the role	N/A	N/A
Remuneration due to an agreement	N/A	Brigitte Auffret does not receive any remuneration in this regard
Other components of remuneration related to this role	N/A	Brigitte Auffret does not receive any other remuneration in relation to her role
Compensation paid or to be paid for the financial year ended on 30 September 2019 that are or shall be subject to a vote by the General Meeting as part of the procedure for regulated agreements and understandings		
	Amount	Presentation
Retirement benefit	No payment	Brigitte Auffret is the beneficiary of a retirement benefit (see information in the paragraph on the remuneration policy)
Non-compete compensation	N/A	Brigitte Auffret does not receive any non-compete compensation
Supplementary pension scheme	N/A	Brigitte Auffret does not benefit from any supplementary pension scheme within the Group

The following table presents the components of remuneration and benefits paid or to be paid to Pierre-Olivier Brial, Deputy General Manager, for the 2018/2019 financial period:

Components of remuneration paid or to be paid for the financial year ended 30 September 2019	Accounting amounts or valuations	Presentation
Fixed remuneration	€335,000	Fixed remuneration for the 2018/2019 financial period is the same as that due for the 2017/2018 financial period
Variable annual remuneration	€106,149 (the payment of this remuneration is subject to approval by the General Meeting of 12 March 2020)	Variable remuneration is determined according to quantitative and qualitative criteria decided each year by the Board based on a proposal by the Appointments and Remuneration Committee
Multi-annual variable remuneration in cash	No payment	Pierre-Olivier Brial benefits from multi-annual variable remuneration (see the note under the summary table of his remuneration included in this report)
Exceptional remuneration	N/A	Pierre-Olivier Brial does not receive any exceptional remuneration
Share options, performance shares or any other component of long-term remuneration	N/A	Pierre-Olivier Brial benefits from the allocation of free performance shares of which he shall become the holder (subject to complying with the conditions of presence and performance) on 6 May 2024 (the date for the end of the acquisition period (see table 6 hereafter)
Remuneration with regard to her role as Director (previously "attendance fees")	N/A	Pierre-Olivier Brial does not receive any remuneration with regard to his role as a Director (previously "Directors' fees")
Valuation of benefits in kind	€21,782	Pierre-Olivier Brial has a company car and an insurance policy taken out with GSC
Remuneration, bonuses or benefits related to starting in the role	N/A	N/A
Remuneration due to an agreement	N/A	Pierre-Olivier Brial does not receive any remuneration in this regard
Other components of remuneration related to this role	N/A	Pierre-Olivier Brial does not receive any other remuneration in relation to his role
Compensation paid or to be paid for the financial year ended on 30 September 2019 that are or shall be subject to a vote by the General Meeting as part of the procedure for regulated agreements and understandings		
	Amount	Presentation
Retirement benefit	No payment	Pierre-Olivier Brial is the beneficiary of a retirement benefit (see information in the paragraph on the remuneration policy)
Non-compete compensation	N/A	Pierre-Olivier Brial does not receive any non-compete compensation
Supplementary pension scheme	N/A	Pierre-Olivier Brial does not benefit from any supplementary pension scheme within the Group

3. Total remuneration of the Executive Directors

The following summary tables were prepared pursuant to the provisions of Position-Recommendation No. 2014-14 of the French Financial Markets Authority (AMF).

Non-executive corporate officer

Mr. Jean-Pierre Guichard

The following information regarding Jean-Pierre Guichard is given with regard to his role as (Non-Executive) Chairman of the Board of Directors of the Company.

SUMMARY OF REMUNERATION, OPTIONS AND SHARES AWARDED (TABLE 1)

Jean-Pierre Guichard Chairman of the Board of Directors	2017/2018	2018/2019
Remuneration payable for the financial period (detailed in table 2)	450,000	450,000
Valuation of multi-annual variable remuneration	None	None
Valuation of options awarded during the financial period	None	None
Valuation of performance shares awarded during the year	None	None
Valuation of other long-term remuneration schemes	None	None
TOTAL	450,000	450,000

SUMMARY OF THE REMUNERATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS (TABLE 2)

Jean-Pierre Guichard	2017/2018		2018/2019	
Amounts awarded during the year <i>In euros</i>	Due	Paid	Due ⁽¹⁾	Paid ⁽²⁾
Fixed remuneration	450,000	450,000	450,000	450,000
Variable annual remuneration*	None	None	None	None
Multi-annual variable remuneration	None	None	None	None
Exceptional remuneration	None	None	None	None
Remuneration with regard to the role as Chairman of the Board of Directors (previously "Directors' fees")	None	None	None	None
Benefits in kind – company car	None	None	None	None
Benefits in kind – GSC insurance	None	None	None	None
TOTAL	450,000	450,000	450,000	450,000

(1) This is the remuneration awarded to an Executive Director with regard to the financial year, regardless of the payment date.

(2) This is the total remuneration paid to a Director on the date of the closing of accounts in respect of their duties during the financial year.

* Variable annual remuneration: No variable remuneration is payable in respect of his duties as (Non-Executive) Chairman of the Board of Directors.

Executive Directors

Mr. Xavier Guichard

The following information regarding Xavier Guichard is given with regard to his appointment as Director and General Manager of the Company.

SUMMARY OF THE REMUNERATION OF THE GENERAL MANAGER

Xavier Guichard	2017/2018		2018/2019	
Amounts awarded during the year				
<i>In euros</i>	Due	Paid	Due ⁽¹⁾	Paid ⁽²⁾
Fixed remuneration	345,000	345,000	345,000	345,000
Variable annual remuneration*	144,201	191,891	136,647	144,201
Multi-annual variable remuneration**	None	None	None	None
Exceptional remuneration	None	None	None	None
Remuneration with regard to his role as Director (previously "Directors' fees")	None	None	None	None
Benefits in kind - company car	5,322	5,322	5,322	5,322
Benefits in kind – GSC insurance	None	None	None	None
TOTAL	494,523	542,213	486,969	494,523

(1) This is the remuneration awarded to an Executive Director during the financial year, regardless of the payment date.

(2) This is the total remuneration paid to an Executive Director for the financial year ending 30/09/2019 and all the variable remuneration with regard to their duties during the financial year ended 30/09/2018, which were paid to them after approval by the Combined General Meeting of 14 March 2019.

* Variable annual remuneration:

Board of Directors	Bonus rate targeted at 100% achievement of targets ⁽¹⁾	
Xavier Guichard	50% of gross annual fixed remuneration	The variable portion of the remuneration is indexed to objectives based on profit before tax and on turnover, and is subject to minimum performance conditions proposed annually by the Board of Directors of Manutan International ⁽²⁾
(1) The bonus rate may vary between 0 and 1.5 times the target bonus, depending on the achievement of objectives. The share of variable remuneration is indexed to the achievement of minimum performance targets (triggering threshold).		
(2) For confidentiality reasons non-public performance objectives were pre-established and defined in detail by the Board of Directors of Manutan International on 3 December 2019.		

** Xavier Guichard is also entitled to multi-annual variable remuneration determined by the Board of Directors of 18 September 2017. This is conditional upon (i) his presence on 30 September 2020, (ii) a triggering threshold regarding average Group EBIT (Operating profit/loss) on 30 September 2020 and (iii) the achievement of Group targets for turnover, average Group EBIT (Operating profit/loss) and Group cumulative free cash-flow transactions, over a period of 5 years (ending on 30 September 2020).

The level of achievement required for these targets was specifically determined by the Board of Directors, but is not made public for confidentiality reasons.

The amount of this variable long-term remuneration shall be equal (if the conditions are fulfilled) to 60% of the total gross fixed remuneration paid to Xavier Guichard between 1 October 2015 and 30 September 2020.

The bonus rate may vary between 0 and 1.5 times the target bonus, depending on the achievement of objectives.

No allowance for the financial periods ended on 30/09/2018 and 30/09/2019 has been accounted for with regard to the multi-annual variable remuneration for Xavier Guichard.

Therefore, as at 30/09/2019, the total balance of the provision amounts to €255,938, which corresponds to the allowance for the period ended on 30/09/2017.

Mrs. Brigitte Auffret

The following information regarding Brigitte Auffret is given with regard to her appointment as Director and Deputy General Manager of the Company.

SUMMARY OF THE REMUNERATION OF THE DEPUTY GENERAL MANAGER

Brigitte Auffret	2017/2018		2018/2019	
Amounts awarded during the year				
<i>In euros</i>	Due	Paid	Due ⁽¹⁾	Paid ⁽²⁾
Fixed remuneration	335,000	335,000	335,000	335,000
Variable annual remuneration*	112,017	150,126	106,149	112,017
Multi-annual variable remuneration**	None	None	None	None
Exceptional remuneration	None	None	None	None
Remuneration with regard to his role as Director (previously "attendance fees")	None	None	None	None
Benefits in kind – company car	4,188	4,188	4,188	4,188
Benefits in kind – GSC insurance	17,355	17,355	17,525	17,525
TOTAL	468,560	506,669	462,862	468,730

(1) This is the remuneration awarded to an Executive Director during the financial year, regardless of the payment date.

(2) This is the total remuneration paid to an Executive Director for the financial year ending 30/09/2019 and all the variable remuneration with regard to their duties during the financial year ended 30/09/2018, which were paid to them after approval by the Combined General Meeting of 14 March 2019.

* Variable annual remuneration:

Board of Directors	Bonus rate targeted at 100% achievement of targets ⁽¹⁾	
Brigitte Auffret	40% of gross annual fixed remuneration	The variable portion of the remuneration is indexed to objectives based on profit before tax and on turnover, and is subject to minimum performance conditions proposed annually by the Board of Directors of Manutan International ⁽²⁾

(1) The bonus rate may vary between 0 and 1.5 times the target bonus, depending on the achievement of objectives. The share of variable remuneration is indexed to the achievement of minimum performance targets (triggering threshold).

(2) For confidentiality reasons non-public performance objectives were pre-established and defined in detail by the Board of Directors of Manutan International on 3 December 2019.

** Brigitte Auffret is also entitled to multi-annual variable remuneration determined by the Board of Directors of 18 September 2017. This is conditional upon (i) her presence on 30 September 2020, (ii) a triggering threshold regarding average Group EBIT (Operating profit/loss) on 30 September 2020 and (iii) the achievement of Group targets for turnover, average Group EBIT (Operating profit/loss) and Group cumulative free cash-flow transactions, over a period of 5 years (ending on 30 September 2020).

The level of achievement required for these targets was specifically determined by the Board of Directors, but is not made public for confidentiality reasons.

The amount of this variable long-term remuneration shall be equal (if the conditions are fulfilled) to 50% of the total gross fixed remuneration paid to Brigitte Auffret between 1 October 2015 and 30 September 2020.

The bonus rate may vary between 0 and 1.5 times the target bonus, depending on the achievement of objectives.

No allowance for the financial periods ended on 30/09/2018 and 30/09/2019 has been accounted for with regard to the multi-annual variable remuneration for Brigitte Auffret.

Therefore, as at 30/09/2019, the total balance of the provision amounts to €208,594, which corresponds to the allowance for the period ended on 30/09/2017.

Mr. Pierre-Olivier Brial

The following information regarding Pierre-Olivier Brial is given with regard to his appointment as Director and Deputy General Manager of the Company.

SUMMARY OF THE REMUNERATION OF THE DEPUTY GENERAL MANAGER

Pierre-Olivier Brial	2017/2018		2018/2019	
Amounts awarded during the year	Due	Paid	Due ⁽¹⁾	Paid ⁽²⁾
<i>In euros</i>				
Fixed remuneration	335,000	335,000	335,000	335,000
Variable annual remuneration*	112,017	145,627	106,149	112,017
Multi-annual variable remuneration**	None	None	None	None
Exceptional remuneration	None	None	None	None
Remuneration with regard to his role as Director (previously "attendance fees")	None	None	None	None
Benefits in kind – company car	4,738	4,738	4,112	4,112
Benefits in kind – GSC insurance	17,152	17,152	17,670	17,670
TOTAL	468,907	502,517	462,931	468,799

(1) This is the remuneration awarded to an Executive Director during the financial year, regardless of the payment date.

(2) This is the total remuneration paid to an Executive Director for the financial year ending 30/09/2019 and all the variable remuneration with regard to their duties during the financial year ended 30/09/2018, which were paid to them after approval by the Combined General Meeting of 14 March 2019.

* Variable annual remuneration:

Board of Directors	Bonus rate targeted at 100% achievement of targets ⁽¹⁾	
Pierre-Olivier Brial	40% of gross annual fixed remuneration	The variable portion of the remuneration is indexed to objectives based on profit before tax and on turnover, and is subject to minimum performance conditions proposed annually by the Board of Directors of Manutan International ⁽²⁾

(1) The bonus rate may vary between 0 and 1.5 times the target bonus, depending on the achievement of objectives. The share of variable remuneration is indexed to the achievement of minimum performance targets (triggering threshold).

(2) For confidentiality reasons non-public performance objectives were pre-established and defined in detail by the Board of Directors of Manutan International on 3 December 2019.

** Pierre-Olivier Brial is also entitled to multi-annual variable remuneration determined by the Board of Directors of 18 September 2017. This is conditional upon (i) his presence on 30 September 2020, (ii) a triggering threshold regarding average Group EBIT (Operating profit/loss) on 30 September 2020 and (iii) the achievement of Group targets for turnover, average Group EBIT (Operating profit/loss) and Group cumulative free cash-flow transactions, over a period of 5 years (ending on 30 September 2020).

The level of achievement required for these targets was specifically determined by the Board of Directors, but is not made public for confidentiality reasons.

The amount of this variable long-term remuneration shall be equal (if the conditions are fulfilled) to 50% of the total gross fixed remuneration paid to Pierre-Olivier Brial between 1 October 2015 and 30 September 2020.

The bonus rate may vary between 0 and 1.5 times the target bonus, depending on the achievement of objectives.

No allowance for the financial periods ended on 30/09/2018 and 30/09/2019 has been accounted for with regard to the multi-annual variable remuneration for Pierre-Olivier Brial.

Therefore, as at 30/09/2019, the total balance of the provision amounts to €202,344, which corresponds to the allowance for the period ended on 30/09/2017.

SUMMARY TABLE OF THE COMPENSATION AND BENEFITS GRANTED TO THE EXECUTIVE DIRECTORS (TABLE 11)

	Employment Contract		Bonuses or benefits payable or likely to be payable due to the termination or change of functions		Supplementary pension scheme		Indemnities relating to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Jean-Pierre Guichard Director and Chairman of the Board of Directors Appointment start date: 19 March 2013 Appointment expires: General Meeting 2021		X		X		X		X
Xavier Guichard Director and General Manager Appointment start date: 19 March 2013 Appointment expires: General Meeting 2021	X ⁽¹⁾			X		X		X
Brigitte Auffret Director and Deputy General Manager Appointment start date: 19 March 2013 Appointment expires: General Meeting 2021	X ⁽²⁾		X			X		X
Pierre-Olivier Brial Director and Deputy General Manager Appointment start date: 19 March 2013 Appointment expires: General Meeting 2021	X ⁽³⁾		X			X		X

(1) Xavier Guichard holds an employment contract signed with Manutan International SA. This contract has been suspended since 30 November 2011 by a decision of the Board of Directors taken on the same day. The continuation of the employment contract is justified due to the period of service of the employment contract; the contract was signed on 30 June 2002.

(2) Brigitte Auffret holds an employment contract with Manutan International SA. This contract has been suspended since 1 April 2008. As Deputy General Manager, Brigitte Auffret is not covered by the MiddleNext Code recommendations on combining an employment contract with an appointment as a corporate officer. Brigitte Auffret benefits from retirement benefit.

(3) Pierre-Olivier Brial holds an employment contract signed with Manutan International SA. This contract has been suspended since 20 January 2016 by a decision of the Board of Directors. As Deputy General Manager, Pierre-Olivier Brial is not covered by the MiddleNext Code recommendations on combining an employment contract with an appointment as a corporate officer. Pierre-Olivier Brial benefits from retirement benefit.

Stock options and free shares (tables 4 to 10)**Share subscription or purchase options**

No options to subscribe to or purchase shares were awarded or exercised during the financial year. Furthermore, no subscription or share purchase scheme is under way in the company. Therefore, tables 4, 5, 8 and 9 of AMF Position-Recommendation No. 2014-14 do not apply to the Company.

Free shares

Pursuant to the authorisation given by the Combined General Meeting of 17 March 2016 and the remuneration policy for Executive Directors approved by the Combined General Meeting of 14 March 2019, which provides for each Executive Director to have the possibility to be awarded free shares in the Company under conditions of presence and performance, and at the suggestion of the Appointments and Remuneration Committee that met on 16 April 2019, on 6 May 2019, the Board of Directors of the Company decided to implement a scheme for the awarding of free shares of a maximum number of 76,000 shares to the benefit of the Executive Directors of the Company, i.e. the General Manager, Xavier Guichard and the two Deputy General Managers, Brigitte Auffret and Pierre-Olivier Brial under the conditions of presence and performance based on achieving the rate of operating profitability assessed at a Group level.

FREE SHARES AWARDED TO EACH EXECUTIVE DIRECTOR (TABLE 6)

The following tables present all the data regarding schemes for the allocation of free shares implemented by the Company for the benefit of Executive Directors on the date of this Universal Registration Document:

Performance shares awarded free of charge on the basis of the General Meeting of Shareholders of 17 March 2016 during the term of each Executive Director	Number and date of scheme	Number of shares awarded during the financial year	Valuation of the shares according to the method used to draw up the consolidated accounts	Acquisition date	Availability date	Performance conditions
Xavier Guichard General Manager	No.: 2019 scheme	23,000	1,281,100			
Brigitte Auffret Deputy General Manager	Date of the board meeting: 06/05/2019	30,000	1,671,000	7 May 2024	7 May 2024	(2)
Pierre-Olivier Brial Deputy General Manager		23,000	1,281,100			
TOTAL	-	76,000	4,233,200⁽¹⁾	-	-	-

(1) Represents the total valuation of the scheme, the attribution of free shares being evaluated.

(2) Performance condition based on achieving the operating profitability rate assessed at a Group level, for which the details are not provided for confidentiality reasons.

HISTORICAL SUMMARY OF FREE SHARES ALLOCATED (TABLE 10)**Information on the awarding of free shares**

	2019 Scheme
Date of the General Meeting	17 March 2016
Date of the Board of Directors meeting	6 May 2019
Total number of free shares awarded, including the number awarded to the following executive directors:	76,000
<i>Xavier Guichard</i>	23,000
<i>Brigitte Auffret</i>	30,000
<i>Pierre-Olivier Brial</i>	23,000
Acquisition Date for the shares	7 May 2024 ⁽¹⁾
End date for the retention period	N/A ⁽²⁾
• Number of shares subscribed to as at 30 January 2020	0
• Total number of shares cancelled or voided	0
• Free shares awarded remaining at end of year	76,000

(1) The definitive awarding of performance shares is subject to conditions of presence and performance based on achieving an operating profitability rate assessed at a Group level, for which the details are not provided for confidentiality reasons.

(2) The Board of Directors has not defined a retention period. Therefore, the beneficiaries may freely dispose of their shares at the end of the acquisition period of five years, or from 7 May 2024, subject to keeping at least fifteen percent (15%) of the performance shares that have been awarded to them until the end of their term of office in the Company.

It is specified that no free shares were made available during the financial period (table 7 of AMF Position-Recommendation No. 2014-14 is inapplicable).

Remuneration with regard to the role as Director and/or member of the Audit Committee and/or member of the Appointments and Remuneration Committee (previously "Directors' fees") (table 3)

In accordance with the provisions of the Board of Directors' Internal Rules of Procedure, every Director may receive remuneration with regard to their role as a corporate officer (previously "directors' fees"), the amount of which is voted by the Ordinary General Meeting, and the allocation of which is decided by the Board of Directors, on the suggestion of the Appointments and Remuneration Committee, as follows:

- Directors who also serve as either Chairman of the Board or as Executive Directors (Chairman of the Board of Directors, General Manager or Deputy General Manager) do not receive this type of remuneration;
- for Directors who are not part of the management team, the allocation of this remuneration shall be carried out by the Board according to their attendance pro rata and the time that they dedicate to their role (i) as Director and/or (ii) as a member of the Audit Committee and/or the Appointments and Remuneration Committee and/or (iii) Chairperson of one of these committees, up to the limit of the flat rates set each year by the Board, by type of role, and, based on their actual attendance of all the meetings of the Board and/or all the meetings of each of said committees held during the financial year;

- every year, the Board may decide on a set amount for each Director that shall be deducted from the total theoretical annual amount due per Director per financial period for each absence from the meetings of the Board and/or its Committees.

Every Director shall have the right to reimbursement of the travel costs incurred as part of the fulfilment of their duties.

The remunerations (previously "directors' fees") paid for their role to members of the Board of Directors and the members and Chairpersons of its committees amounted to €135,000 at 30 September 2019 (€124,500 for the financial period ended on 30 September 2018) broken down as follows:

Members of the Board of Directors during the financial year	Financial period	
	2017/2018	2018/2019
<i>In euros</i>		
Jean-Pierre Guichard – Chairman of the Board	-	-
Xavier Guichard – General Manager	-	-
Brigitte Auffret – Deputy General Manager, Director	-	-
Pierre-Olivier Brial – Deputy General Manager, Director	-	-
André Guichard ⁽¹⁾ – Honorary Chairman	-	-
Claudine Guichard ⁽²⁾ – Director	-	-
Nicolas Huet ⁽³⁾ – Director	10,000	N/A
Carlo d'Asaro Biondo - Director	33,000	25,500
Jérôme Lescure – Director	35,500	30,500
Violette Watine – Director	23,000	28,000
Benoîte Kneib – Director	23,000	23,000
Sophie Resplandy-Bernard ⁽⁴⁾ – Director	N/A	28,000
Éléonore Peloux ⁽⁵⁾ – Director representing the employees	N/A	N/A
TOTAL	124,500	135,000

(1) Deceased on 28 April 2019.

(2) Resigning as of 16 January 2019.

(3) Resigning as of 30 March 2018.

(4) Whose co-option was ratified by the General Meeting of 14 March 2019.

(5) The director representing the employees is paid under her employment contract with the Company and does not get remuneration for her executive role.

Other than the remuneration of the Chairman of the Board of Directors and the remuneration paid to the non-executive members of the Board of Directors for their role as Director

and/or member/Chairperson of the *ad hoc* committees of the Board of Directors (previously "Directors' fees"), no other form of remuneration was paid to the latter.

— Internal control and risk management procedures

The report covers all entities within the Manutan Group, both operational and holding companies.

This report was prepared with the support of various participants from internal control and more particularly the internal control and risk management unit that led the project.

1 Internal control and risk management procedures

1.1 Definition of internal control

Within the Manutan Group, internal control is a procedure defined and implemented by the Executive Management, with the responsibility of all its employees.

It plays a key role in the performance and management of the different operations by assisting in preventing and controlling the risks of failing to achieve the targets fixed by the Company.

Internal control aims to ensure:

- compliance with laws and regulations;
- the application of the instructions and directions set by the Executive Management;
- that internal Company procedures operate correctly, in particular those contributing to safeguarding assets;
- the accuracy of financial information.

It contributes in a general manner to the management of activities, the effectiveness of the operations and the efficient use of resources. However, internal control cannot provide an absolute guarantee that the Company's targets will be achieved.

Consequently, the primary objective of the current internal control procedure within the Manutan Group is to provide Managing Directors, the Board of Directors and Shareholders with reasonable assurance that:

- the risks to which the Group is subject are identified and managed;
- the published financial statements are prepared on a reliable basis that accurately reflects the operations and position of the Company;
- the Group's operations comply with the law and regulations in force, as well as Group values and rules whilst preserving the Company's assets.

The implementation of good internal control practices also contributes to the reduction in risk of fraud and error within the Group.

1.2 The Guidelines used by the Manutan Group

This draws its inspiration from the reference framework on the procedures for risk management and internal control systems for small and medium-sized listed companies, published on 22 July 2010 and updated on 26 October 2016 by the AMF (French Financial Markets Authority) and based on the internal control guidelines known as COSO (Committee of Sponsoring Organizations of the Treadway Commission).

2 The Manutan Group's internal control environment

The procedure in place within the Manutan Group is coordinated by a unit dedicated to risk management and internal control.

This unit depends on an operational organisation over different levels within the Corporate Finance Department at the Group head office under the management of the Executive Management.

It is responsible for communications and awareness measures regarding this area. It aims to achieve better risk management and a higher level of performance.

2.1 General organisation of the Manutan Group

The Manutan Group is organised into operational areas (South, Centre, North, West and East), covering all subsidiaries, and is led by the parent company Manutan International.

In this respect, Manutan International SA hosts Group functional managements (Marketing and Purchasing, Information Systems, Corporate Finance, Human Resources, Communication) that exercise a control function and provide expertise, advice and business-wide support.

The Managers of the operational areas are responsible, within their area, for the implementation of the strategy and the achievement of objectives set by the Group Executive Committees. The subsidiaries, within the areas, manage their operations in the various countries where the Group is present. Reporting to the Area Manager, they implement the Group's policy, while taking account of specific local conditions. To do this, they refer to the guidelines and procedures defined by the Group.

2.2 Participants in internal control

Internal control is everybody's business, from the governing bodies of the Group to all Manutan Group employees.

Even though "management" is responsible for the implementation of good internal control practices, the risk management and internal audit team is in charge of applying and coordinating procedures throughout the Group.

The risk management and internal audit unit is part of the Group Finance Department and reports to the Executive Management and the Audit Committee.

The risk management and internal audit unit defines the structure and procedures for the Group's internal control together with all key operating and functional staff. It also ensures that the rules laid down are applied.

Executive Management

Management of the Manutan Group is entrusted to the Executive Management that defines the action plans required for the implementation of the Group's strategy. It also ensures the uniformity and consistency of practices within all the Group's subsidiaries.

Management is based on a functional and operational organisation of the departments within the group with defined duties, responsibilities and expertise.

Board of Directors

The Board of Directors has a driving role in implementing internal control both by defining guidelines and internal standards and in inspecting their application. It also monitors the manner in which they are converted into action plans.

The Board of Directors is thus involved in local strategic decision-making (investments, development plans, etc.) within the limits of the duties contractually set with the managing directors. This presence guarantees local action in line with Group strategy.

Audit Committee

The Audit Committee is responsible for monitoring the procedure for the preparation of financial information, the effectiveness of internal control and risk management systems.

Group Finance Department

The preparation of Group accounting and financial information is the responsibility of the Group Finance Department which supervises the work carried out by local finance departments. In this way, the Top Management relies mainly on:

- the Consolidation Division: it is responsible for preparing the interim and annual consolidated financial statements and the related closing instructions. It defines and distributes the Group standards and must ensure the reliability of the accounting information. It must also establish the guidelines for managing taxes, cash and relations with investors;
- the Risk management and internal audit division: it defines and implements the guidelines for internal audits. It also deploys the risk management system by in particular regularly updating the cartography of risks and offering appropriate action plans. The department dedicated to this procedure also directs the internal control work and audits through financial or operational business-wide assignments in the subsidiaries. It is also responsible for assessing, processing and raising awareness amongst managers regarding the Group's exposure to inherent risks to achieving the strategic objectives;
- the Management Control Division: this is a key player in operational control for the Group. Its main role is to

regularly check operational performance by implementing reports and defining KPI – Key Performance Indicators. It deals directly with the operational realities of subsidiaries and may participate in the resolution of management difficulties beyond the single area of finance;

- the Legal Division: it monitors compliance with laws, regulations and rules of procedure for the delegation of powers and responsibilities within the Group.

Legal control is ensured by the presence of at least one of the members of the Group Board of Directors at the Boards of Directors of companies leading an operational area.

3 Procedures relating to the preparation and processing of accounting and financial information

The proper application of Group accounting and financial principles is verified by Group Finance Department, as well as by the local Statutory Auditors.

Group Finance Department also provides advice and support in dealing with specific problems and non-current transactions.

The Board of Directors reviews the annual and interim financial statements as well as the management information presented thereafter to the Audit Committee and the Board of Directors.

The preparation and analysis of financial information is based on an integrated process, from the budgetary procedure and reporting process to the preparation of consolidated financial statements audited by the Statutory Auditors.

3.1 The budgetary procedures

The Group Finance Department is responsible for overseeing the budgetary procedure. The Manutan Group's budgetary procedure is managed according to an annual calendar. Budgets for countries and operating areas are generated on the basis of guidelines issued by the Board of Directors of Manutan International SA and discussions between Operating Management, the Group Finance Department and cross-functional departments.

Draft budgets for the areas are presented for each area during an official review between the Board of Directors and the Operational Managers: the strategic directions, the projects and the associated means as well as the detailed resulting objectives are commented on.

Following any revisions requested by the Board of Directors, the budgets for the operating areas and accordingly those of the corresponding companies are then validated.

The draft Group budget is then amended to its final version. The Group's targets and their financial impact are drawn from it and presented to and shared with the Group's senior Management team and its main managers.

Overall consistency is thus assured, with regard to the Group and its operating areas, areas with its countries, and Functional Top Management and Operating Top Management. The budget serves as a benchmark throughout the year. Forecasts are reviewed and revised on a quarterly basis.

3.2 The reporting procedure

Group reporting consists of monthly monitoring of the performance of the entities by means of specific indicators whose coherence and accuracy are reviewed by the Group Finance Department: these are standard financial indicators, based on the income statement, the balance sheet and analysis of cash flows, and also indicators to measure performance and the achievement of quantified objectives.

3.3 The consolidation procedure

The Manutan Group prepares consolidated financial statements to the IFRS standards every month as part of its internal management. Only the interim and annual consolidated financial statements are published today.

To achieve this, a detailed planning schedule and a description of the various steps and related duties are prepared for every monthly closing of the consolidated financial statements. A systematic review of the financial statements is carried out, as well as a review of the consistency with the IFRS standards, the Group accounting principles and compared to performance objectives. The audit points revealed by the Local Statutory Auditors are also treated. They are accompanied by a list of information and documents to be provided in a consolidation package (e.g. representation letter, information for the notes to the consolidated financial statements, etc.).

The consolidation, a key step in the preparation of Group accounting and financial information, is carried out centrally by the Group Finance Department on the basis of the subsidiaries' consolidation packages, validated previously by local management and the Statutory Auditors and analysed by Group Finance Department.

The consolidation process is structured around various information exchange and validation meetings. A local closing meeting, for interim and annual closings, is organised for every Group subsidiary. This brings together the local financial staff (frequently together with the Managing Director of the subsidiary), a representative of Group Finance Department and the local Statutory Auditors.

3.4 Use of Statutory Auditors' reports

The Group internal control and risk management team manager summarises and reports all audit issues brought to his/her attention by the Statutory Auditors. He or she then ensures the internal audit follow-up on all of these issues, and participates as appropriate, in the implementation of corrective measures.

3.5 Description of the Information System

All information that serves as a basis for the preparation of the consolidated financial statements is managed by a single integrated tool that is shared by all Group companies and recognised as a benchmark in the market.

This tool is controlled by the Group Finance Department and brings together, in a unique format and guidelines, the various phases of financial information generation: budget, reporting and preparing consolidated financial statements.

All analyses and discussions relating to financial information are based on information generated from this common tool.

4 Risk assessment and audit activities

The internal control and risk management unit is responsible for raising awareness about risk management amongst all the internal participants. Its role is not limited to defining the standards and auditing that they are correctly applied: it actively monitors the deployment of corrective actions and the reduction of anomalies detected in the application of the Group procedures.

The internal control unit is responsible for developing and drafting Group procedures aimed at structuring and improving internal control.

The implementation of the Group risk management policy has made it possible to identify the following risks (see the "Issuer's risk Factor" section– page 79 et seq. of this document):

- financial risks: risks related to the market, rates, liquidity, exchange, shares, customer credit, the economic climate and raw materials;
- operational risks: the risks of the failure of a transporter, risks related to the information systems, to competition, acquisitions, the protections of ethical and corporate assets, or to reputation;
- industrial and environmental risks;
- legal risks.

In order to implement internal management of audits to ensure continuing improvement, the projects related to internal control and risk management result in the creation of various documents and tools, which are valuable points of reference for Manutan Group employees.

By agreement with the Audit Committee, the work carried out over the previous financial period was essentially centred on continuing risk assessment with a specific focus on: the processes for managing cash at the level of subsidiaries and at the Group level, the implementation of a new internal audit referential for certain activities, monitoring IT risks and cyber-security risks, a review of the process of the Sales Department, and mapping risks of corruption in the context of compliance with the French Sapin II Law.

Specific assignments aimed at verifying the reliability of financial information and the implementation of new procedures (particularly in the areas of IT, finance and sales, etc.) were also performed. Awareness raising actions also continued over the financial period, with the development of working meetings with the managers of the Group's different subsidiaries, and the deployment of specific IT projects coordinated by the Data Security Systems Manager (RSSI) and the internal control unit.

The risk management unit also carried out a number of specific assignments in different entities such as:

- assisting with the closing of accounts;
- implementing and deploying control procedures and activities;
- reviewing the monthly financial performance analysis carried out within the Group's entities;
- conducting audits of cash management processes at several subsidiaries.

Furthermore, the consolidated financial statements are examined every month by the Group Finance Department and the Executive Management. The analyses carried out are presented to the Board of Directors and to the Audit Committee every half year. Emphasis is placed on developing turnover, income and cash position relative to the budget, as well as on an analysis of major risks.

5 Outlooks

The Manutan Group is committed to a continuing improvement approach for its procedures. The priorities identified in previous years (expenditure commitment management, securing of financial flows, inventory management, purchase management, IT and information systems security, and cash management) are still relevant issues according to the audits conducted and will form the guiding basis for the involvement of the internal control and risk management unit over the next year. The Group has also deployed projects to enter into compliance with laws, by instigating, for example, a system to prevent corruption (Sapin II Law) or protecting personal data (GDPR).

Work on increasing the security of our IT systems will continue, particularly regarding the deployment over several financial periods of the Group's new ERP system and the cyber risks by which more and more companies are faced.

The organisational challenges facing the Group will also remain a major line of work for the unit.

Particular attention will continue to be paid to monitoring major ongoing projects, through audits performed at key stages in the subsidiaries, as well as through monitoring risks relating to costs, deadlines, and quality.

Furthermore, the Company will continue to remain informed of changes in the AMF (French Financial Markets Authority) Reference Framework.

— Statutory Auditors' special report on regulated agreements and commitments

General Meeting for the approval of the financial statements for the financial year ended 30 September 2019

To the General Meeting of the company Manutan International S.A.,

In our capacity as Statutory Auditors for your Company, we hereby present to you our report on regulated agreements and commitments.

It is our duty to inform you, based on the information made available to us, of the features and the essential terms of the agreements and commitments of which we have been advised or that we have discovered during our assignment and the reasons justifying their interest to the company, though we are not obliged to comment on their usefulness or their value or to seek out other agreements or commitments. It falls to you, under the terms of Article R. 225-31 of the French Commercial Code, to assess the value of the conclusion of these agreements and commitments with a view to their approval.

It is also our duty, where appropriate, to inform you of the information provided for by Article R. 225-31 of the French Commercial Code regarding the performance, over the financial year ended, of the agreements and commitments previously approved by the General Meeting.

We have performed such procedures as we considered necessary in accordance with professional guidance issued by the national auditing body [the Compagnie nationale des Commissaires aux Comptes] regarding this assignment. These procedures consisted of verifying that the information provided to us was consistent with the data in the documents from which it was drawn.

Agreements and commitments submitted for approval by the General Meeting

3

Agreements and commitments authorised and concluded during the financial year last ended

We hereby inform you that we have not been advised of any agreement or commitment authorised and concluded during the year to be submitted for the approval of the General Shareholders' Meeting pursuant to Article R.225-38 of the French Commercial Code.

Agreements and commitments authorised and concluded since the closing of accounts

We have been informed of the following agreements and commitments, authorised and concluded since the closing of accounts for the financial year ended, which have been given prior authorisation by the Board of Directors of your company.

1. Renewal of the commitment regarding the end-of-service indemnities of Pierre-Olivier Brial, which may be payable due to termination of the employment contract, and the related conditions of performance

Person concerned:

Pierre-Olivier Brial, Deputy General Manager

Nature, purpose and terms:

In its meeting of 03 December 2019, your Board of Directors renewed the commitment made in the terms of Article L.225-42-1 of the French Commercial Code regarding the end-of-service indemnity that may be due to him by reason of the termination of his employment contract, as well as the related performance conditions.

This agreement provides for Pierre-Olivier Brial to receive a contractual termination indemnity in respect of his employment contract, the terms of which are:

With the exception of dismissal for serious misconduct, gross negligence or force majeure, dismissal on the grounds of physical inability as decided by the company doctor, retirement, or voluntary departure (resignation, retirement or termination of the employment by mutual consent), Pierre-Olivier Brial shall benefit from contractual compensation for the termination of his employment contract in addition to the legal severance pay. This contractual indemnity for termination includes the entire amount of the agreed termination indemnity.

The amount of this gross indemnity is set at 21 (twenty-one) months' salary (fixed basic salary + bonus but excluding exceptional incentives).

This indemnity shall be governed by the applicable social and fiscal rules at the time of payment and may therefore be subject in its entirety to employer's and employee's social security charges.

Payment of this indemnity is conditional on the achievement of both the following performance conditions:

- average current operating profit over the three (3) years preceding notification of termination of the employment contract to be maintained above 4% of turnover; and
- stable positive consolidated net income over the past three (3) financial years preceding the notification of the termination of the employment contract.

These two cumulative conditions will be based on the consolidated net income and turnover of the Manutan group. Achievement of these objectives will be measured on the basis of the consolidated accounts for the last three (3) financial years prior to the notification of the termination of the employment contract as approved by the Board of Directors and certified by the Statutory Auditors, .

If Pierre-Olivier Brial's office as Deputy General Manager should come to an end for any reason whatsoever, these performance conditions governing the granting of the contractual indemnity would become null and void at the end of a period of eight months from the date of cessation of the corporate office.

Reasons:

In view of the extent of the powers and responsibilities entrusted to Pierre-Olivier Brial in his capacity as Deputy General Manager and the investment required by these functions, it became apparent that it was in the Company's interest to cement good understanding and future relations with its Deputy General Manager by granting him an indemnity in the event of termination of his employment contract.

2. Renewal of the commitment regarding the end-of-service indemnities of Brigitte Auffret, which may be payable due to termination of the employment contract, and the related conditions of performance

Person concerned:

Brigitte Auffret, Deputy General Manager

Nature, purpose and terms:

In its meeting of 03 December 2019, your Board of Directors renewed the commitment regarding the end-of-service indemnity that may be due to her by reason of the termination of her employment contract, as well as the related performance conditions.

This agreement provides that Brigitte Auffret's contractual end-of-service indemnity in respect of her employment contract is as follows:

- With the exception of dismissal for serious misconduct, gross negligence or force majeure, dismissal on the grounds of physical inability as decided by the company doctor, retirement, or voluntary departure (resignation), the Company undertakes to pay Brigitte Auffret contractual compensation for the termination of her employment contract for any reason other than those referred to above, in addition to the legal severance pay.
- The amount of this gross compensation is fixed at 21 (twenty-one) months' salary (fixed basic salary + bonus but excluding exceptional incentives).
- This compensation shall be governed by the social and fiscal rules applicable at the time of its payment.

The payment of the above mentioned compensation is conditional on the achievement of the following performance conditions:

- average current operating profit over the three years preceding notification of termination of the employment contract to be maintained above 4% of turnover; and
- stable positive consolidated net income over the past three financial years preceding the notification of the termination of the employment contract.

These two cumulative conditions shall be based on the consolidated turnover of the three financial years preceding the notification of the termination of the employment contract. If Brigitte Auffret's corporate office as a member of the Board of Directors were to come to an end for any reason whatsoever, these performance conditions governing the granting of contractual indemnity would become null and void at the end of a period of eight (8) months from the date of cessation of the corporate office. "

This provision is motivated by the seniority of Brigitte Auffret as a member of the Management Board and the Executive Management (25 January 2002), then as a member of the Board of Directors and Deputy General Manager since 30 November 2011.

Reasons:

In view of the extent of the powers and responsibilities entrusted to Brigitte Auffret in her capacity as Deputy General Manager and the investment required by these functions, it became apparent that it was in the Company's interest to cement good understanding and future relations with its Deputy General Manager by granting her an indemnity in the event of termination of her employment contract.

Agreements and commitments previously approved by the General Meeting

Agreements and commitments approved during previous financial years the performance of which continued during the financial year ended

Pursuant to Article R.225-30 of the French Commercial Code, we have been informed of the performance of the following agreements and commitments, previously approved by the General Meeting during previous financial years, which continued during the financial year last ended.

1. Agreement concluded with a member of the Board of Directors: Suspension of employment contract

Person concerned:

Pierre-Olivier Brial, Deputy General Manager

Nature, purpose and terms:

Your company has suspended the employment contract of Pierre-Olivier Brial in the terms of Article L.225-38 of the French Commercial Code, for the following reasons:

In 2015, changes to the organisation of Manutan International have been planned, which shall in particular result in a change to the organisational structure, particularly regarding the Group functions that shall be redistributed between the General Manager and the Deputy General Managers.

This change revealed that it would also be necessary to change the legal status of Pierre-Olivier Brial, who, under the new organisation, shall be assigned the responsibility for the strategic development of Ironmongery Direct in England and Manutan Collectivités in France.

Taking into account the nature and scope of the responsibilities that will be assigned to him, it seems inappropriate to continue the situation of combining an employment contract and a corporate office.

Indeed, in order to be valid, such a combination is subject to several conditions including continuing the distinct technical functions of the employment contract and the hierarchical subordination.

In view of the organisational changes referred to above, it is evident that under the new organisation Pierre-Olivier Brial will move more towards a supervisory role, validating the business strategy and business plans implemented by the Managing Directors of the regions. As such, Pierre-Olivier Brial will have a greater role in managing the subsidiaries.

It will therefore become increasingly difficult to make a distinction between the functions devolved to Pierre-Olivier Brial as corporate officer and the technical functions that necessarily characterise an employment contract.

Moving to a role of setting the strategy for the Divisions, for which he will be responsible in addition to his supervisory role, will also make it more difficult to define the hierarchical reporting lines required for an employment contract.

For all these reasons, the validity of combining a corporate office with an employment contract could be called into question.

- The suspension of the employment contract will be effective throughout the term of office of Pierre-Olivier Brial as Deputy General Manager or any executive corporate office within the company that may subsequently be assigned to him by the Board, from the date of signing of said suspension agreement.
- In the event of non-renewal or cessation of Pierre-Olivier Brial's office of Deputy General Manager of the Company for whatever reason and regardless of on which party's initiative, the employment contract between the Company and Pierre-Olivier Brial will immediately come back into effect.

He will resume his previous position as Marketing and Group development Manager and will receive annual remuneration of an equivalent amount to the last annual remuneration (fixed, bonus and benefits in kind, with the exclusion of GSC (insurance for loss of employment)) granted in respect of his corporate office.

The entire period of suspension of the employment contract due to the performance of his office will be taken into account in the calculation of his years of service in the Company.

The agreement to suspend the employment contract and the commitment relating to the contractual indemnity for termination of the employment contract, as well as the associated performance conditions, were authorised by the Board of Directors on 20 January 2016.

2. Agreement concluded with three members of the Board of Directors: Provident and medical expenses schemes for Xavier Guichard, Brigitte Auffret and Pierre-Olivier Brial in their capacity as corporate officers analogous to executive employees

Persons concerned:

Xavier Guichard, General Manager.

Brigitte Auffret, Deputy General Manager

Pierre-Olivier Brial, Deputy General Manager.

Nature, purpose and terms:

On 30 November 2011 your Board of Directors authorised Xavier Guichard, Brigitte Auffret and Pierre-Olivier Brial, in their capacity as Corporate Officers analogous to executive employees, to benefit from the Group provident and medical expenses schemes applicable to the Company.

3. Agreement concluded with a member of the Board of Directors: Provident and applicable medical expenses schemes taken out for Jean-Pierre Guichard in his capacity as a corporate officer analogous to an executive employee

Person concerned:

Jean-Pierre Guichard, Chairman of the Board of Directors;

Nature, purpose and terms:

On 14 December 2011, your Board of Directors authorised Jean-Pierre Guichard, in his capacity as a Corporate Officer analogous to an executive employee, to benefit from the Group provident and medical expenses schemes applicable to the Company.

4. Authorisation of an interest-free loan to the Inter-Company Restaurant Association at the Manutan European Centre

Person concerned:

Xavier Guichard, General Manager.

Nature, purpose and terms:

On 12 December 2013, the Board of Directors retroactively authorised your Company to grant, on 31 March 2012, an interest-free loan, in an amount of €946,894.50 (nine hundred and forty-six thousand, eight hundred and ninety-four euros and fifty cents) for a term of 10 (ten) years, to its subsidiary Association du Restaurant Inter-Entreprises du Centre Européen Manutan (Inter-Company Restaurant Association of the Manutan European Centre), in order to finance its fixed installations, to the exclusion of any other use.

The reimbursement of this loan has given rise to a schedule of payments, by constant annuities over ten years, payable until 31 March 2022.

At 30 September 2019, the balance stood at €284,067.65.

5. Agreement concluded with a member of the Board of Directors: Suspension of the employment contract of Xavier Guichard

Person concerned:

Xavier Guichard, General Manager.

Nature, purpose and terms:

On 30 November 2011, the Board of Directors of your company suspended the employment contract of Xavier Guichard, in his capacity as a corporate officer.

The suspension of the employment contract takes effect for the full term of office of Xavier Guichard as Deputy General Manager, from the date of signing of said suspension agreement.

In the event of the non-renewal or cessation (regardless of the cause or the initiating party) of his corporate office as Deputy General Manager, or any executive office, in particular as General Manager, entrusted by the Board of Manutan International, the existing employment contract between the company Manutan International and Xavier Guichard will immediately resume its effect.

Xavier Guichard will resume his previous position as Executive Manager or, if this position is not vacant, a position that is at least equivalent in terms of qualification and level of responsibilities within said Company or another company of the Manutan Group, in France. In the latter case, Manutan International shall guarantee that the new employer will replicate the undertakings in the agreement in favour of Xavier Guichard.

He shall receive an annual remuneration of an equivalent amount to the last annual remuneration (fixed, bonus and benefits in kind) granted under the terms of his corporate office.

The entire period of suspension of the employment contract of Xavier Guichard, due to his corporate office, will be taken into account in the calculation of his years of service in the Company.

5. Agreement concluded with a member of the Board of Directors: Suspension of the employment contract of Brigitte Auffret

Person concerned:

Brigitte Auffret, Deputy General Manager

Nature, purpose and terms:

In view of the change in the way the company is administered, and the resulting end of the term of office as member of the Management Board and General Manager of Brigitte Auffret, and her appointment as Deputy General Manager, on 30 November 2011, your Board of Directors authorised the signing of an amendment to the agreement to suspend the employment contract of Brigitte Auffret, member of the Board of Directors and Deputy General Manager, with regard to her employment contract as Group Administrative and Finance Director, concluded on 1 April 2008, the principle conditions of which are as follows:

- The suspension of the employment contract shall take effect for the full term of the appointment of Brigitte Auffret as Deputy General Manager, from the day of signing of said suspension agreement.
- In the event of the non-renewal or cessation (regardless of the cause or the initiating party) of her office as Deputy General Manager of Manutan International, or any other executive office entrusted by the Board of Manutan International, the existing employment contract between Manutan International and Brigitte Auffret shall immediately come back into effect.
- Brigitte Auffret will resume her previous position as Group Administrative and Finance Director or, if this position is not vacant, a position that is at least equivalent in terms of qualification and level of responsibilities within said Company or another company of the Manutan Group, in France. In the latter case, Manutan International shall guarantee that the new employer will replicate the undertakings in the suspension agreement in favour of Brigitte Auffret.
- She shall receive annual remuneration of an equivalent amount to the last annual remuneration (fixed, bonus and advantages in kind, with the exclusion of GSC (insurance for loss of employment) granted in respect of her corporate office.
- The entire period of suspension of the employment contract of Brigitte Auffret, due to her mandate, shall be taken into account in the calculation of her seniority in the Company.

7. Agreement concluded with Manutan N.V. (Belgium): brand licensing agreement

Persons concerned:

- Xavier Guichard, General Manager;
- Brigitte Auffret, Deputy General Manager;
- Pierre-Olivier Brial, Deputy General Manager.

Nature and purpose:

On 1 July 2002 the Supervisory Board authorised your Company to retroactively grant a licence for the Manutan brand to its subsidiary Manutan N.V. for a term of ten years from 1 October 2000, renewable by tacit agreement.

In its meeting of 16 January 2017, the Board of Directors authorised the renewal of this brand licensing agreement for a term of three years, on the same terms, until 30 September 2019.

On 15 January 2020, the Board of Directors retroactively ratified the brand licence agreement, under the same conditions, for a new term of ten years from 1 October 2019, subject to tacit renewal.

In consideration of the operation of this licence, Manutan N.V. undertook to pay your Company an annual fee of 1.5% of its turnover before tax.

Terms:

The amount invoiced to the subsidiary Manutan N.V., as at 30 September 2019, amounted to €694,657.

The Statutory Auditors

Nantes, on 31 January 2020

KPMG Audit
Department of KPMG S.A.

Franck Noël
Partner

Courbevoie, on 31 January 2020

Mazars

Anne Veaute
Partner



**COMMENTS
ON THE FINANCIAL
YEAR ENDED
30 SEPTEMBER 2019**

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— Highlights

Acquisition of Kruizinga

A major player in the online distribution of storage and handling equipment, Kruizinga was founded in 1960 and has succeeded in developing its business throughout the Netherlands and also in Belgium and Germany.

With a catalogue of more than 15,000 references spread over 40,000 square meters of storage space, the company posts annual revenues of €25 million and operating profit of around 10% of turnover.

The acquisition of Kruizinga will allow the Group simultaneously:

- to enrich its product offering and its expertise in ranges that are strategic for Manutan;
- to strengthen its positions in the e-commerce channel and to offer innovative digital services;
- to enrich its offering of value-added services with the rental of handling and storage equipment, as well as the sale of second-hand products within these same equipment ranges;
- and to strengthen its positions in the Benelux.

The change of name of Key Industrial Equipment, which officially becomes Manutan UK Limited

Reflecting Manutan's ambition of becoming a benchmark European generalist brand, the UK subsidiary has changed name and identity. At the beginning of May, Key Industrial Equipment officially became Manutan UK Limited.

This brand management project forms an integral part of the Group's development strategy and will continue to be rolled out to all our generalist subsidiaries.

Successful roll-out of the Group ERP in the United Kingdom

The pace of deployment of the Group ERP is accelerating in order to attain the objective of migrating all Group companies to this technological platform by 2021. The Group's information system was adopted by Rapid Racking

in January and by Manutan UK last May. With the change of brand name and the expansion of its product offering, the UK subsidiary has passed a succession of key milestones in its development.

Restructuring of Ikaros

Started last spring, the restructuring of Ikaros is aimed at re-energising the brand and its commercial development.

To do this, the first step is to create operating synergies among the Scandinavian subsidiaries. This translates particularly into two projects:

- the overhaul of Ikaros' organisational structure, processes and information system, aligned with those of Witre;
- moving the warehouse and offices of Ikaros Sweden to Gothenburg, to the headquarters of Witre.

Extension of the storage capacity of IronmongeryDirect

IronmongeryDirect completed the works enabling it to double its storage capacity to accompany its burgeoning business and to support the development of ElectricalDirect.

In addition to these changes, and as part of the drive to promote our brand as an employer, the offices were extended and renovated.

— Manutan Group results and outlook

The increase in turnover and income continued over the financial year, driven by organic growth, prudent management of the cost structure and the acquisition of Kruizinga in the Netherlands in July 2019.

During the year the Group continued to improve its financial structure, while at the same time financing its investment projects with both equity and bank borrowings. Confident as we are of our business model, we will continue our development strategy of:

- supporting growth in activity (pushing Offering, Digital and Trading);

- investing and innovating to stand out (storage capacity, digital tools, roll-out of new services, etc.);
- raising our profile through our external communication;
- strengthening our culture and our employees' potential through the Manutan University;
- seizing opportunities for acquisition.

An increase in turnover driven by the resilience of organic growth and the acquisition of Kruizinga in the Netherlands in July 2019

The Group's activity grew by 3.3% over the whole financial year 2018/2019, at constant exchange rates, scope and days, underpinned in particular by strong performances from entities with a well-established presence in the Group (France, Belgium and other Southern countries) while those in Eastern and Northern countries saw their turnover decline.

The negative exchange effect is -0.2%, mostly related to movements of sterling and the Swedish krona. The change in consolidation scope in financial year 2018/2019 had a positive effect of +0.8% with the acquisition of Kruizinga in July 2019. The days worked effect was also positive (+0.5%), with increases of one day worked in France and Belgium and two days worked in the Netherlands.

Over the year as a whole, Group results were fairly uniform:

- first quarter (October to December 2018): +2.9% (as against an increase of 6.6% in 2017), up by 2.0% on a like-for-like basis, i.e. at constant scope, exchange rates and number of days;
- second quarter (January to March 2019): +5.6% (as against an increase of 2.4% in 2018), up by 6.9% on a like-for-like basis, i.e. at constant scope, exchange rates and number of days;
- third quarter (April to June 2019): +3.5% (as against an increase of 8.4% in 2018), up by 3.5% on a like-for-like basis, i.e. at constant scope, exchange rates and number of days;
- fourth quarter (July to September 2019): +5.5% (as against up by 1.3% (as against an increase of 1.3% in 2018), up by 1.3% on a like-for-like basis.

Sustained operating profitability

Recurring operating profit for the year was up by 8.5% at €62.2 million, compared with €57.3 million the previous year, and amounted to 8.0% of sales compared with 7.7% the previous year.

This improvement was mainly due to the growth dynamic of turnover and good management of operating expenses, which represented 29.6% of turnover as against 29.9% in the previous financial year.

After taking account of non-recurring items, operating profit was up by 6.3%, while as a percentage of turnover it increased from 7.7% to 7.8% over the period 2018/2019.

The non-recurring items mainly concerned restructuring costs, asset transactions and share acquisition expenses.

Net income up

Net income was up by 2.6% compared with the previous financial year. It came to 5.5% of turnover, compared with 5.6% for the previous financial year. The improved financial result partly offset the increase in the Group's effective tax

rate (30.0% in 2018/2019 as against 27.3% in 2017/2018 due to increased profits in countries with high tax rates such as France).

— Financial structure and investment policy

Financial structure still just as solid

Financial structure

Since its foundation, the Group's long-standing philosophy with regard to its financial policy has consisted in financing its operating investments (mainly IT solutions, marketing projects and logistics resources), as well as organic and/or external growth, mainly with equity and with bank borrowings. This policy ensures that the Group enjoys a sound and durable financial structure.

However, in order to preserve its investment capacity and the ability to seize opportunities for external growth, the Group has chosen to lease finance its HEQ (High Environmental Quality) European Centre in the Île-de-France (Greater Paris) region. Thus, at 30 September 2019, the Group had long-term financial debt of €47.6 million (up by €14.6 million on the previous financial year). This change corresponds mainly to the two new borrowings subscribed (financing of the Gonesse warehouse and acquisition of Kruizinga), less repayments of borrowings.

The Group's financial position remains sound, its long-term debt representing 6.9% of the balance sheet total, compared with 5.2% one year earlier. The ratio of equity to permanent capital thus comes to almost 90.6%. In addition, the Group has confirmed credit lines and authorised overdrafts with its banking partners for a total amount of €20.2 million. These lines can be drawn at any time.

Available cash went from €72.2 million to €94.7 million as a result of new borrowings, investments, changes in WCR and repayment of borrowings.

This change can be analysed as follows:

- an increase of 2.3% in the free cash flow, which came to €57.2 million;
- a €20.9 million reduction in working capital requirements, due mainly to a rebalancing relative to the 2017/2018 figures and more rigorous monitoring:
 - €8.8 million in operating items (inventories, customer receivables and supplier payables): explained largely by improved management of customer receivables, particularly at Papeteries Pichon SAS, Manutan SA and Manutan Netherlands,
 - €12.0 million in non-operating items (miscellaneous receivables and payables and taxes);

- a sustained level of capital expenditure in support of the Group's development:
 - investments in intangible assets of €6.0 million relating mainly to BPSA (Business Processes & Systems Alignment) development costs and in-house projects,
 - capital expenditure of €22.3 million on property, plant & equipment, mainly concerning the project for the new premises for Papeteries Pichon, the new warehouse in Gonesse and refurbishments at Ironmongery,
 - net impact of the acquisition of the shares in Kruizinga for €31.7 million;
- Investments for the three previous years are summarised hereunder:

2017/2018:

- investments in intangible assets of €4.1 million relating mainly to BPSA (Business Processes & Systems Alignment) development costs and in-house projects,
- capital expenditure of €15 million on property, plant & equipment, mainly concerning the project for the new warehouse of Papeteries Pichon and various refurbishments at Ironmongery;

2016/2017:

- investment in intangible assets of €2.9 million corresponding mainly to the cost of acquiring software applications in the Group,
- capital expenditure of €3.8 million on property, plant & equipment concerning the renovation of IT equipment and fitting out of various warehouses;

2015/2016:

- investments of €5.0 million in intangible assets, mainly corresponding to the overhaul of the information systems,
- capital expenditure of €3.7 million on property, plant & equipment concerning the renovation of IT equipment and fitting out of various warehouses,
- net impact of the acquisition of the shares in Essex Electrical Wholesalers for €3.0,
- net impact of the acquisition of the shares in Papeteries Pichon for €69 million.

Real estate

The operation of storage warehouses is a key element of the Group's logistics business. Manutan has total storage area of 237,820 m². The following table shows the main logistics sites currently operated by the Group:

Location	Warehouse area (in m ²)	Type of holding	Nature of the asset
Gonesse, European Centre (France)	41,000	Finance lease	Warehouses and land
Molsheim (France)	10,000	Finance lease	Warehouses and land
Bressuire (France)	9,000	Rental	Warehouses
Niort (France)	200	Rental	Warehouses
Saint-Étienne (France)	13,600	Rental	Warehouses
La Talaudière (France)	15,750	Rental	Warehouses
Den Dolder (Netherlands)	30,500	Freehold	Warehouses and land
Wapenveld (Netherlands)	40,000	Rental	Warehouses and land
Verwood (UK)	11,400	Freehold	Warehouses and land
Kemble (UK)	13,000	Finance lease	Warehouses and land
Basildon (UK)	9,070	Rental	Warehouses and land
Ostrava (Czech Republic)	29,200	Freehold	Warehouses and land
Gothenburg (Sweden)	9,000	Freehold	Warehouses and land
Gothenburg (Sweden)	2,000	Rental	Warehouses
Malmö (Sweden)	3,600	Rental	Warehouses
Milan (Italy)	500	Rental	Warehouses

— Results by region

4

Manutan International, a holding company at the service of its subsidiaries

Manutan International is the holding company at the head of the Manutan Group, and has been listed on the Euronext Paris stock exchange for more than 30 years. At the end of June 2019, it acquired a new entity in the Netherlands, Kruizinga. With this acquisition the Manutan group aims to strengthen its positions in the Netherlands, a market in which Manutan is already present. At 30 September 2019, it controlled 26 operating companies, spread over 17 European countries, all applying the same know-how as multichannel distributor to businesses and local authorities.

Its main responsibilities are:

- to define and direct the Group's strategy;
- to steer the five-year Business Plan;
- to create a common dynamic in terms of communication and human resources, affirming the concept of an international group;
- to manage the IT, Marketing and Purchasing functions for the Group as a whole;
- to implement and direct Group projects;
- to assist Group companies to attain their objectives, in its capacity as centre of competence;
- to guide and control the Group's operational performance and ensure its financial durability.
- coordination and steering of real estate projects in progress;
- continued implementation of its sourcing and own brand strategies;
- coordination of the recruitment processes for key Group personnel;
- monitoring of risk management and internal control, coordinating with the business plan and the priorities defined with the Audit Committee;
- control of the Group's Information System project, under the aegis of the Group Information Systems Division;
- coordination of the Group's University project and sports centre.

During 2018/2019, Manutan International was notably involved in the following operational matters:

- coordination of business-wide operational projects: development of the Group purchasing policy and rationalisation of suppliers, development of online sales and Key Accounts policy;

Manutan International SA's operating profit was €7.1 million, practically unchanged from the previous year. Turnover was up by €1 million, offset by the €2 million reduction in external purchases and the €3 million increase in personnel costs. The aim of this increase was to strengthen the transversal functions while at the same time reducing other external purchases.

Depreciation and amortisation charges were up by €0.1 million at €6.2 million, in line with the Group's capital expenditure policy (the new information system came into service in the UK in January for Rapid Racking then in May for Manutan UK). During the past financial year the Group's subsidiaries re-invoiced Manutan International SA for services rendered and personnel costs linked to shared services for a total amount of €2.5 million, while services provided by Manutan International SA to Group subsidiaries were remunerated in an amount of €52.3 million.

Manutan International SA received €28.2 million in dividends from its subsidiaries, compared with €24 million

the year before, an increase of €4.2 million. Apart from this, a negative net change of €3 million in additions and reversals to provisions for investment holdings and loans granted was recognised for the financial year. After inclusion of financial income and expense generated by cash managed on behalf of the Group, the financial result came to €19.2 million.

Finally, after taking account of employee profit sharing of €0.9 million and tax of €2.3 million (there were no non-current items), net profit came to €22.9 million, compared with €27.4 million for the previous financial year.

Profitability improved against a backdrop that remains uneven

For ease of reading and comparison of the geographical regions' operating performance, the Group presents the operating results of the Centre, Southern (Businesses and Local Authorities) and Eastern regions restated to eliminate

the Manutan brand royalties paid to Manutan International SA. Current operating profit corresponds to operating profit before non-current items.

Southern Region Businesses

SPAIN, FRANCE, ITALY, PORTUGAL AND SWITZERLAND

<i>In thousands of euros</i>	2019/2018	2018/2017	Change
Total revenues	310,495	290,791	6.8%
Current operating profit	34,917	32,553	7.3%
Operating profitability	11.2%	11.2%	
Average headcount	596	587	1.4%

Strong growth in activity

Activity of the Southern Region is driven by the growth of Manutan SA, Italy, Portugal, Spain and Switzerland.

Manutan SA posted turnover growth of 5.9% (restated for intra-Group transactions). This growth was driven both by key accounts and one-off customers, boosted by increased quotations activity and by the ongoing programme to extend the Group's offering.

The other countries in the Southern Region also showed considerable dynamism: Italy +6.7%, Portugal +14.0%, Spain +12.5% and Switzerland +22.3%, thanks in particular to key accounts, but also to one-off customers driven by the increase in online sales.

Performance of operating profitability maintained

The region's operating profitability rate held steady at 11.2%. For the region as a whole, the 0.2 pp decline in the margin rate was offset by good control of operating costs, which improved by 0.2 pp as a percentage of turnover.

Southern Region Local Authorities

FRANCE

In thousands of euros

	2019/2018	2018/2017	Change
Total revenues	203,154	195,734	3.8%
Current operating profit	12,984	10,432	24.5%
Operating profitability	6.4%	5.3%	
Average headcount	564	583	-3.3%

Growing activity

The local authorities market saw an increase in turnover: +3.0% (restated for intra-Group transactions) relative to the previous financial year. This increase was mainly due to Manutan Collectivités, which posted turnover growth of +5.9% (restated for intra-Group transactions), driven mainly by the very good performance of the direct one-off sales activity combined with public sector contracts.

The other companies in the region also showed growth: Pichon +1.0% thanks to the public sector contracting activity and Casal +0.2% thanks to the public orders activity.

Operating profitability up strongly

The region's increase in operating profitability (from 5.3% in 2017/2018 to 6.4% in 2018/2019) was driven by Manutan Collectivités and Casal in particular thanks to the increase in turnover, the improved margin rate and good control of operating costs. This fine performance was somewhat blemished by Pichon, which saw a slight decline in its profitability rate mainly linked to the increase in personnel costs associated with the reorganisation of its sales team.

Central Region

GERMANY, BELGIUM AND THE NETHERLANDS

In thousands of euros

	2019/2018	2018/2017	Change
Total revenues	151,813	142,472	6.6%
Current operating profit	14,398	11,758	22.5%
Operating profitability	9.5%	8.3%	
Average headcount	295	289	1.9%

Growth in activity driven by the dynamism of Belgium as well as by the acquisition and integration of Kruizinga in July 2019

Turnover for the region was up by 6.6% compared with the previous financial year. Restated for intra-Group transactions, turnover increased by 7.1%, mainly driven by Belgium (+6.1%) and the integration of Kruizinga in July 2019. The dynamism observed in the region is explained largely by an improvement in the local economic context in Belgium, combined with the effectiveness of the marketing strategy put in place.

The region's operating profitability for the year came to 9.5% of turnover compared with 8.3% in the previous financial year. This increase came largely from Belgium, thanks to the increase in its margin rate and good control of operating costs. The Netherlands posted an improvement in its profitability, also thanks to good control of operating costs. The company newly acquired in July 2019 also contributed to the region's increased profitability.

Western Region

UNITED KINGDOM

<i>In thousands of euros</i>	2019/2018	2018/2017	Change
Total revenues	115,027	109,747	4.8%
Current operating profit	7,283	7,089	2.7%
Operating profitability	6.3%	6.5%	
Average headcount	403	397	1.4%

Growth in turnover despite the negative impact of exchange rates

The Western region posted turnover up by 4.8% compared with the previous financial year. Restated for intra-Group transactions and at constant exchange rates, the region's growth was 5.0%, driven in particular by IronmongeryDirect (+8.0%) and Essex Electrical Wholesalers (+32.4%) which continues to develop its new distance selling activity through the Electrical Direct brand, launched at the end of financial year 2016.

The region was affected by adverse exchange rate movements (a negative €0.3 million).

The decline in operating profitability was due to the increase in the proportional contribution of key accounts, which command thinner margins than the other segments. Added to this was the increased cost of transport and raw materials, particularly steel, bringing pressure to bear on purchasing costs of Rapid Racking. The region also bore some non-recurring costs linked to the rollout of the Group ERP during the financial year.

Northern Region

DENMARK, FINLAND, NORWAY AND SWEDEN

<i>In thousands of euros</i>	2019/2018	2018/2017	Change
Total revenues	39,121	41,568	-5.9%
Current operating profit	(776)	1,240	-162.6%
Operating profitability	-2.0%	3.0%	
Average headcount	115	120	-4.2%

Operating profitability down

Turnover of the Northern Region was down by 5.9%, due mainly to the fall in activity in Sweden, combined with adverse movements in the Swedish krona exchange rate (negative impact of €0.8 million). Restated for intra-Group transactions and at constant exchange rates, the change in the region's turnover was -3.9%.

Operating profitability was down (from +3.0% to -2.0%), largely due to a decline in turnover associated with a fall in the margin rate due to the customer mix and the impact of adverse movements in the exchange rate of the Swedish krona.

Eastern Region

HUNGARY, POLAND, CZECH REPUBLIC AND SLOVAKIA

<i>In thousands of euros</i>	2019/2018	2018/2017	Change
Total revenues	23,433	24,057	-2.6%
Current operating profit	1,739	1,666	4.4%
Operating profitability	7.4%	6.9%	
Average headcount	112	111	0.8%

Operating profitability up in spite of a fall in turnover

Turnover of the Eastern region fell by 2.6% (unchanged at -2.6% at constant exchange rates and restated for intra-Group transactions), dragged down by the poor performance of the Czech Republic (-7.3% in local currency terms, linked directly to the slowdown in the automotive

industry). This decline in activity was partly offset by the fine performances of Poland (+6.3% in local currency) and Hungary (+9.8% in local currency). Poland's growth continues to reflect our determination to increase our presence in this dynamic market.

Operating profitability was up, thanks in particular to the increase in the margin rate and strict control of operating costs, which offset the decline in turnover.

Other information

Events after the reporting period

There have been no events after the reporting period that would have a material impact on the financial statements as approved.

Research and development activities

The Company does not conduct any research and development activities as such. Nevertheless, its workforce constantly seeks to develop and improve any work processes and practices likely to have a positive impact on its operations.

Breakdown of Manutan International SA's supplier payables at 30 September 2019

The breakdown of supplier payables is as follows (in thousands of euros):

Past due at 30/09/2018	Past due at 30/09/2018	Due in 1-30 days	Due in 30-60 days	Due in >60 days	Total supplier payables incl. tax
860	1,249	575	28	0	2,711 403 invoices
Past due at 30/09/2019	Past due at 30/09/2019	Due in 1-30 days	Due in 30-60 days	Due in >60 days	Total supplier payables incl. tax
1,456	412	828	421	-	3,118 324 invoices

Breakdown of Manutan International SA's customer receivables at 30 September 2019

The breakdown of customer receivables is as follows (in thousands of euros):

>60 days overdue	<60 days overdue	Past due at 30/09/2018	Not yet due	Total customer receivables incl. tax
108	369	5	15,227	15,709 136 invoices
>60 days overdue	<60 days overdue	Past due at 30/09/2019	Not yet due	Total customer receivables incl. tax
1,648	21	386	13,419	15,473 140 invoices

Presentation of the annual financial statements

There have been no changes in the presentation of the annual financial statements or in the valuation methods used relative to the previous financial year that would have a significant impact on the understanding of these financial statements.

Equity investments

Pursuant to the provisions of Article L. 233-6 of the French Commercial Code, we inform you that during the past financial year the Company did not acquire equity interests in any company having its registered office in France.

Non-tax deductible expenses and luxury item expenses

During the past financial year the Company did not commit to, and therefore also did not incur, any of the charges covered by Articles 39-4, 39-5, 54 *quater* and 223 *quinquies* of the French General Tax Code, other than depreciation deemed excessive on motor cars used by the Company, in the amount of €58,152.07.

Changes in the financial or trading position

We hereby declare that there has been no significant change in the Company's financial or commercial situation during the past financial year or thereafter.

Agreements other than in the normal course of business

There are no agreements other than in the normal course of business between any manager or shareholder and a subsidiary held more than 50% by Manutan International SA.

— Financial Notice of 15 January 2020

2018/2019 Q1 turnover

Growth dynamic continues

<i>In thousands of euros</i>	December 31 st 2019	December 31 st 2018
Turnover like-for-like	191,286	192,612
Contribution of acquired companies*	5,737	
TOTAL GROUP	197,023	192,612

*Acquisition of Kruizinga finalized in June 2019.

During Q1 2019/2020, the Manutan Group's business enjoyed a growth of 2.3% compared to the same quarter of the prior year, including a scope effect of +3.0% related to the acquisition of the Kruizinga company, a +0.2% currency effect and a -1.1% day effect (+0.2% at like-for-like scope, constant exchange rates and number of working

days). Turnover amounted to 197.0 million euros, compared with 192.6 million euros for the same quarter of the previous fiscal year.

In terms of its operational areas, the Group's situation is diverse :

<i>In thousands of euros</i>	December 31 st 2019	December 31 st 2018
Enterprises	148,959	144,665
South	71,687	70,059
Centre	35,613	30,877
West	26,852	26,709
North	8,995	10,867
Est	5,812	6,153
Local authorities	48,064	47,947
South	48,064	47,947
TOTAL GROUP	197,023	192,612

(1) The analysis of the Group's performance by geographical regions has been refined and now contains an additional level of granularity: businesses and local authorities. Our reports will therefore include this additional information from now on.

<i>At constant scope, exchange rates and number of working days</i>	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	Financial year
Enterprises	-0.6%				-0.6%
South	3.6%				3.6%
Centre	-2.7%				-2.7%
West	-3.7%				-3.7%
North	-14.3%				-14.3%
Est	-1.1%				-1.1%
Local authorities	2.8%				2.8%
South	0.2%				0.2%
TOTAL GROUP	0.2%				0.2%

The Group's performance was driven by South area, both in the Enterprises division and Local Authorities division, posting growth of +3.6% and + 2.8% respectively compared to the first quarter of the previous year. Note that the performance of the North zone is still impacted by the anticipated slowdown in activity in the main market, in Sweden, as well as by a strategic repositioning.

For the rest of the financial year, the Group will continue implementing its development strategy while maintaining its mid-term investment plan. The Group will carry on actively seeking external growth targets.

About the Manutan Group

A family-run business created in 1966. Manutan is Europe's leading B2B e-commerce company and specializes in the multichannel distribution of products and equipment for businesses and local authorities.

Its vast range of select products and services is one of the largest offerings in Europe. This enables the company to meet all of its client's needs and help them reduce their indirect purchase costs.

With 26 subsidiaries established in 17 countries in Europe, the Group has more than 2 200 employees and has a turnover of 774 million euros in 2018/2019. Manutan France was awarded Best Workplaces in 2019.

Manutan International is listed on Euronext Paris – Compartment B - ISIN: FR0000032302-MAN.

www.manutan.com

Next publication: Q2 2019/2020 turnover: April 15th 2020 (after market closure).

Issuer's risk factors

Risk management policy

The Manutan Group's risk management approach is based mainly on strengthening its internal control environment and risk measuring tools. The Group regularly updates its risk mapping. This document summarises and classifies the risks to which the group is exposed depending on the probability of their materialising and the impact they would have. Specifically, the Group uses an assessment scale embodying all the criteria to be taken into account in assessing each risk. The different risks listed are therefore classified hereafter, in the «Risk hierarchy» section according to their potential impact and the probability of their occurrence.

Manutan's risk management system also relies on optimising the Group's insurance cover. This policy takes the form of various projects placed under the supervision of the internal control unit. Monitoring results of the various projects are presented regularly to the Audit Committee.

In accordance with the regulatory framework, the Company has carried out a review of the risks that could have a significant negative effect on its business, its financial position or its results (or its ability to achieve its objectives), and considers that there are no significant risks other than those presented below.

However, the Manutan Group cannot absolutely guarantee that the risks to which it might be exposed in carrying on its activities in a constantly evolving environment have been entirely eliminated. Nevertheless, it is important to stress that none of the risks identified to date has materialised or poses a threat to the normal conduct of the Group's business, which is carried on in accordance with recognised business practices and the applicable regulatory framework.

The Board's report on governance and internal control procedures also provides an overview of Group practices in this area (pp. 63 ff. of this document).

Risk hierarchy

Financial risks

Exchange risk

Customer credit risk

Brexit

Interest rate risk

Risks associated with the economic environment

Commodities risk

Risks associated with the business sector

Risks linked to information systems

Cyber-attack

Risks relating to competition

Risks relating to acquisitions

Risk of failure of a transporter

Reputational risk

Risks linked to the protection of assets

Industrial and environmental risks

Disruption of activity

Safety of persons

Legal and regulatory risks

Business ethics and compliance with the various regulations

Insurance

Incidents & Group insurance policies

Financial risks

Exchange risk

The Group pursues a general policy of managing the risk with financial instruments such as forward contracts or options. The majority of currency hedging contracts have maturities of between three and twelve months maximum, aimed at hedging against changes in rates in the current financial year.

An analysis of the exchange risk is shown in Note 8.25 on page 128 of the notes to the consolidated financial statements for 2019.

Customer credit risk

Customer credit risk is confined to the potential non-recovery of the Group's trade receivables in the event of non-payment resulting from our customers' insolvency.

Due to the Group's activity, these risks are limited, since the portfolio of customer receivables consists entirely of a large number of small accounts spread among several hundred thousand customers. The Group's policy is to check the creditworthiness of all customers wishing to obtain payment terms on credit.

An analysis of the customer credit risk is shown in Note 8.25 on page 128 of the notes to the consolidated financial statements for 2019. We would point out that the provision for impairment of customer receivables at 30 September 2019 stood at €5m (Note 8.6 to the consolidated financial statements).

Brexit

A working group has been set up in order to evaluate the risks associated with a potential "no-deal Brexit".

The risks identified by the Group are confined to a potential increase in logistics costs for the transport of goods and the completion of possible new customs formalities.

For the financial year ended 30 September 2019, the Manutan Group's turnover was €773.9 million. Turnover of the entities in the UK region (IronmongeryDirect Ltd, Rapid Racking Ltd, Key Industrial Equipment Ltd and Essex Electrical Wholesalers Ltd), represents 15% of total Group turnover. The Group is therefore not heavily exposed to the impact of Brexit.

Interest rate risk

The finance division has put in place a mechanism for managing interest rate risk as regards Group debt. The main objective is to guarantee the financial cost of medium-term debt and thus optimise the annual financial cost of this debt. This policy, managed by Group Treasury, also relies on a combination of variable- and fixed-rate derivative instruments.

At 30 September 2019 the Group had no outstanding interest rate swap derivatives.

An analysis of the interest rate risk is shown in Note 8.25 on page 120 of the notes to the consolidated financial statements for 2019. At 30 September 2019, 80% of the group's debts were at fixed interest rates.

The Group's interest rate risk is monitored throughout the year by the Group's Treasury Department in the parent company. The impact of a one percentage point change in interest rates (up or down) on the Group's variable rate net positions at less than one year would be non-material at approximately €276,500.

Risks associated with the economic environment

The impact of changes in economic conditions from one country to another is offset by the scale of the Group's geographical coverage.

The fact that it is established only in Europe, and the geographical composition of its revenues, allow it to consider its activities as very little exposed to the various country risks such as political instability, war, etc.

Commodities risk

The Group is not directly exposed to risk relating to changes in commodity prices, but rather indirectly via the products it distributes.

At present, the impact of changes in commodity prices on the Group's operating profit is well under control, as shown by the year's results. In order to limit any impact, the Group's procurement teams pursue a policy of active negotiation with the main suppliers concerned.

Risks associated with the business sector

Risks linked to information systems & cyber-attacks

The rapid development of the new technologies and the gradual migration of Group companies to a unified system (PGI - *Progiciel de Gestion Intégré* or "Integrated Management Application") expose the Group to several risks: cyber-attacks, hacking, technical breakdown leading to non-availability of IT tools, and data theft. These types of incidents can potentially lead to disruption of the Group's normal activity. The impact of these events depends on the nature of the attack or breakdown and on how long the systems are unavailable.

For this reason the Group's Information Systems Division is responsible for securing the networks and systems on the one hand and the applications necessary for the continuity of the Group's business on the other.

Linked with the Group's policies on internal control and security, these risks are the object of functional, technical and legal security measures. Controls are also carried out to verify the implementation of these action plans.

In view of the growing threats in the area of cybercrime, a Security Committee also meets once a quarter, bringing together the CIO, the Head of IT security, the internal control unit and General Management. The committee reviews the main projects relating to network and system security assurance. The anomalies or risks detected during the period also give rise to corrective action plans shared with all parties concerned.

The Group has also taken out cyber-insurance in order to share the risk with its insurer. We would point out that the Group did not suffer any major incidents with critical consequences during the year ended 30 September 2019.

Risks relating to competition

The Group faces competition from other groups as regards its acquisition and organic growth policies. Consequently, strategic, commercial and competition-related information, particularly that relating to the Group's structural projects in terms of external or organic growth is highly sensitive.

For this reason the Group has introduced awareness-raising measures regarding confidentiality, the security of Intranet sites and access management for its employees.

Risks relating to acquisitions

There are risks in the event of external growth, primarily via acquisitions, including problems with integration, non-realisation of expected gains and synergies, and the departure of key employees. Risks relating to the valuation of assets and liabilities may also appear following the completion of acquisitions, and may result in provisions for the impairment of assets. The impact of these risks depends on the post-acquisition performance of the companies acquired.

The group's exposure to the risk of asset impairment is covered in Note 8 to the consolidated financial statements. The Group performs sensitivity tests at each closing date on reasonably possible changes in the key assumptions (revenue growth rate to perpetuity, gross margin rate and NPV discount rate) of plus or minus 1% (individually and in aggregate). At 30 September 2019 these sensitivity tests did not reveal any likely scenario requiring recognition of impairment losses on goodwill (except for the Papeteries Pichon and Casal CGUs, where a one-point increase in WACC would lead to a loss of value).

The Group carries out operational and financial monitoring in order to obtain assurance that the results of each

company acquired are in line with expectations, which in turn reduces the risk of asset impairment.

Besides, the acquisition processes implemented by the Group, notably at the due diligence stage, aim to provide as good an understanding as possible of the uncertainties surrounding these various risks in such cases. The unit in charge of external growth transactions carries out the due diligence, with the support of specialised recognised local advisers. The resulting assessment depends on the quality of the information provided, and is limited by the legal and regulatory framework applicable under local company law.

Risk of failure of a transporter

The varied nature of the Group's customers and their geographical locations require multiple logistical flows. In the event that one of the Group's transporters were to fail definitively, the consequences of having to replace it would be limited in terms of both cost and delivery times.

In order to control this risk, the Group has flexibility and scaling options (sending deliveries from a supplier, relationships with a variety of transport companies and agreements with other transporters), and a unit dedicated to transport, which among other things provides for a high degree of responsiveness.

Reputational risk

The Group might face a major media event that damages its image. It is exposed to reputational risk particularly

whenever its values or operating excellence are called into question (accidents relating to health and/or safety, supplier practices or dispute with a customer).

Such events may lead to a campaign to denigrate the Group. Faced with these risks, the Group does all it can to prevent operational risks and negative campaigns that could damage its reputation, via its policies, organisational structure, procedures and governance.

Risks linked to the protection of assets

The Group's sites and facilities, which primarily consist of warehouses and commercial buildings, may be exposed to malicious acts or accidents.

To combat this type of risk, the Group has drawn up an asset protection policy. This policy, which is centrally managed, requires the entities to implement tried and tested solutions to reduce risk, covering the technical, legal, managerial and organisational fields.

Also, all sensitive sites are covered by protective measures against potential malicious acts, depending on the specific characteristics of the site.

As regards the protection of intangible assets, the Group is continuing its initiatives (see "Risks relating to information systems" on page 80), with the dual goal of preventing any actions originating either from within the Group or from outside it.

Industrial and environmental risks

The Group's companies ensure that their commitment to quality, environmental protection and workplace safety is fully integrated in their daily practices. They operate in compliance with relevant local laws, and are even proactive and involved in respecting the environment, as shown by the double HEQ (High Environment Quality) certification of the Group's European Centre built in Gonesse.

The very nature of the Group's activity ensures a limited impact on the environment and the absence of any proven risks. The nature of the Group's business does not require it to handle products that present a significant industrial or environmental risk.

In addition, several Group companies with significant operations have obtained quality certification for their distribution and sales processes, among them Manutan SA, which in 1996 became the first French distance selling company to be ISO 9001 certified.

Disruption of activity

The Group had the opportunity of identifying some causes that could lead to a temporary slowdown in activity or the partial loss of inventories of merchandise following an incident.

The main scenarios identified were as follows:

- a fire;
- a temporary power and/or telephone network outage;
- a natural disaster such as earthquake or storm, or an aircraft crashing onto our European HQ given its proximity to the local airports);
- an epidemic or a strike;
- a cyber-attack/IT breakdown leading to paralysis of the systems.

The impact of each scenario would vary depending on the damage caused and for how long the normal operation of business is disrupted. Simultaneous paralysis of all subsidiaries and for several days could have significant consequences. However, we would also point out that the Group has suffered no such simultaneous paralysis of all its subsidiaries in the past few years.

Manutan has also drawn up and tested a disaster recovery plan. It is based on proven technical solutions in line with industry best practices. These arrangements enable both the impact of an incident on the smooth operation of the business and its duration to be reduced. The Group also has various insurance policies, notably covering its buildings.

The risk of cyber-attack is covered in the section dealing with risks relating to the sector of activity.

Legal and regulatory risks

The Group's distribution activity (B2B) is subject to laws on distance selling to businesses and local authorities currently in force.

The Group pursues its objective of preventing legal risks by establishing and monitoring Group procedures for defining and allocating the roles and responsibilities of the key executives, notably in purchasing, sales to major European accounts, e-commerce, brands and domain names.

The Group is not aware of any current litigation or exceptional event that might have, or may have had in the recent past, a significant impact on its operations, profits, financial situation or net assets.

Nor are there currently any government, legal or arbitration proceedings or any proceedings of which the Company is aware that are in suspense or with which it is threatened that might have, or may have had in the last twelve months, a significant impact on the financial situation or profitability of the Company or the Group.

The Manutan group makes a point of carrying on its activities within the framework of a compliance policy shared by all the group's employees and its trading partners. Since every commercial relationship is based on mutual trust, it is essential to adhere to rules of good conduct in order to retain the trust of suppliers, customers and shareholders.

Safety of persons

The Group seeks to prevent and reduce as far as possible risks that might have an impact on employees' health and safety. These threats can take several forms, such as in particular:

- a workplace accident;
- a fire;
- other risks linked to the handling of certain machines or items of equipment, particularly in warehouses.

The main consequences of these events relate to possible harm suffered by employees. The Group is engaged however in a process for reducing workplace accidents. For example at our head office the HR Division rigorously monitors workplace accidents and has already prepared several awareness-raising campaigns.

The Group's exposure to professional risks and the policy for reducing these risks are dealt with in the section entitled Statement of Extra-Financial Performance.

The group has thus complied with the new measures stemming from Law No. 2016-1691 of 9 December 2016 on transparency, the combating of corruption and the modernisation of the economy (the so-called Sapin II Law), applicable since 1 June 2017, and from Regulation (EU) 2016/679 of 27 April 2016 (the General Data Protection Regulation or GDPR) which came into force on 24 May 2018.

Ethical and social risks

Although its activity does not expose it to any major ethical risks, the Group conducts its ordinary business with all its partners in compliance with ethical rules and generally accepted good practices.

The Group is not aware of any particular exposure to social risks, other than those that might normally arise in the normal course of business.

The Code of Conduct, a reflection of Manutan's values

Manutan has set forth in a Code a set of rules of conduct that apply obligatorily to its subsidiaries and employees and to which the Group's other stakeholders (suppliers, intermediaries, agents, etc.) are also asked to subscribe.

Manutan's Code of Conduct aims to provide all its employees and managers with a frame of reference to assist them in the performance of their professional activities, as well as in the combating of corruption. It is intended to promote integrity and exemplary professional conduct in all circumstances, in France and abroad.

It is designed to help our employees conform to the Group's values, fulfil its obligations and show respect to others, including customers and suppliers.

This Code is available on the Group's corporate website: <https://www.manutan.com/en/our-investors/structure/corruption-prevention>.

It is also available under the heading *boîte à outils* (Toolbox) on the Group Intranet and all the subsidiaries' local intranets. Manutan encourages all its employees to take note of it and refer to it as often as necessary.

Whistleblowing platform

In accordance with the Sapin II Law, the Manutan Group has decided to make an external platform available to its employees in order to allow them to report any unlawful act that they might personally witness. Managed by lawyers, this information gathering tool guarantees the confidentiality of exchanges and of the processing of the reports.

The Ethics Committee, your primary contact

Set up at the request of the members of Manutan's General Management in application of the "Sapin II" law, The Ethics Committee is the primary point of contact for all the Group's employees, suppliers and partners to help them both in the exercise of their activities and also in the prevention of corruption.

The MANUTAN Ethics Committee is composed of four (4) permanent members — one member from Group General Management, the Human Resources Director, the Product Marketing Director and the Group Legal Director.

The mission of the Ethics Committee is to:

- ensure that all employees, suppliers and partners comply with the provisions of the Group's Code of Conduct, which applies to everyone, everywhere in the world;
- respond, as a reference authority, to their questions on the interpretation and/or application of the Group's Code of Conduct;
- take up any question relating to the prevention of, and fight against, corruption;
- receive and analyse reports of conduct or situations contrary to the law or to the Group's Code of Conduct that it may learn of directly or indirectly;
- decide what action to take on alerts and warnings that are brought to its attention.

Compliance with the General Data Protection Regulation (GDPR)

The handling of personal data is at the heart of the activities of the Manutan group, which pays particular attention to the application of the rules on protection of personal data in order to safeguard the trust-based relationships established with its customers and suppliers.

This vigilance has translated into the incorporation of the GDPR into the Group's best practices, particularly in the context of its exchanges with its partners as well as the formalisation of its relationships. Communiqués have been issued and information meetings held in order to raise awareness among group employees of the new requirements deriving from the GDPR and their operational importance.

For the roll-out of the various phases of the arrangements for complying with the GDPR, the group is supported by a first class international consultancy and has retained the services of a Data Protection Officer (DPO) who advises and supports it in the application of the Regulation.

Insurance

For Manutan, insurance is a way to transfer certain major risks with which it might be confronted. This transfer is accompanied by a policy of prevention aimed at reducing the risks as far as possible. The Group carefully monitors and if necessary reassesses its risks in order to adjust the level of coverage to the risks incurred.

As part of its policy of managing and financing risks, the Manutan Group and its subsidiaries have notably taken out the following insurance policies:

- material damage and operating losses:
 - The "Material damage and operating losses" programme provides for the implementation of a master policy and the issue of local policies for the foreign subsidiaries.
 - The Manutan Group has also put in place an inspection schedule for the risks associated with the "Material damage and operating losses" insurance programme. In order to better manage these risks, the Group's main sites are periodically visited by a safety engineer. These visits enable an audit to be performed of the vulnerabilities and the corresponding preventive and protective measures to be put in place.

- IT;
- civil liability of Managers;
- General Civil Liability: the Group has subscribed insurance covering the financial consequences of the Company's and its subsidiaries' civil liability in respect of damage caused to third parties;
- an important point to note is that the Dataguard policy has been recast into a cyber-security policy which now covers not just interruption of activity due to IT systems failure or breakdown but also hacking and cyber-attacks on the network and their consequences.

With a view to the effective implementation of its risk management strategy, the Manutan Group takes care to insure itself with top rated creditworthy insurance companies with a strong international reach.

At 30 September 2019, no claimable event with a significant financial impact and the consequences of which had not already been included in the financial statements for 2018-2019 had been identified.



FINANCIAL STATEMENTS AT 30 SEPTEMBER 2019

5

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— Statutory auditors' report on the consolidated financial statements

Financial year ended 30 September 2019

To the General Meeting of Shareholders of Manutan International S.A.,

Opinion

In performance of the assignment entrusted to us by your General Meeting of Shareholders, we have audited the consolidated financial statements of Manutan International S.A. for the financial year ended 30 September 2019 as enclosed herewith.

We hereby certify that the consolidated financial statements are, as regards the International Financial Reporting Standards (IFRS) as adopted by the European Union, regular and accurate and provide a true and fair view of the results of operations for the past financial year and of the financial situation and assets at the end of the financial year of the group formed by the persons and entities included in the consolidation.

The above opinion is consistent with the content of our report to the Audit Committee.

Basis of our opinion

Audit referential

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

The responsibilities incumbent upon us by virtue of these standards are indicated in the section headed "Responsibilities of the Statutory Auditor in respect of the audit of the consolidated financial statements" in this report.

Independence

We conducted our audit in accordance with the rules on independence applicable to us for the period 1 October 2018 to the date of this report, and in particular we did not provide any services prohibited by Article 5, paragraph 1, of Regulation (EU) No. 537/2014 or by the Code of Ethics of the Statutory Auditors profession.

Observation

Without calling into question the opinion expressed above, we call your attention to Note 3 to the consolidated financial statements explaining the effects of applying IFRS 9 - Financial Instruments and IFRS 15 - Revenue from Contracts with Customers with effect from 1 October 2018.

Justification of our assessments - Key points of the audit

Pursuant to the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key points of the audit relating to the risks of material misstatement which in our professional judgement were the most significant for the audit of the consolidated financial statements for the year and the responses we provided to these risks.

The assessments were made in the context of our audit of the consolidated financial statements taken as a whole and the forming of our opinion expressed above. We do not express an opinion on the elements of these consolidated financial statements taken in isolation.

Valuation of the recoverable amount of goodwill

Risk identified

At 30 September 2019, the carrying amount of goodwill stood at €170 million in the consolidated financial statements of the Group (24.6% of total assets).

In the context of its development, the Group has carried out targeted acquisitions and in several instances has recognised goodwill. These goodwill items correspond to the difference between the price paid and the fair value of the assets and liabilities acquired; they have been allocated to the cash generating units (CGUs) of the activities into which the acquired businesses have been integrated.

The management makes sure, by means of annual impairment tests, that the carrying amount (net book value) of these goodwill items does not exceed their recoverable amount.

As indicated in Note 7.4 to the consolidated financial statements, the recoverable amount is calculated for the CGU to which goodwill can be allocated. In the Manutan Group, the five operating regions constitute a CGU since there are synergies among the different entities operating in the same geographical market using common operating resources, with a single operational management. Nevertheless, in certain cases, a single legal operational entity may constitute a CGU.

The value-in-use of the cash generating units is calculated by discounting forecast operating cash flows after tax and renewal investments to their present value. These forecasts come from the business plans drawn up by each cash generating unit and validated by Group management in the context of its operational supervision.

Any adverse change in the expected returns from the businesses to which goodwill has been allocated, due to internal or external factors such as those linked to the economic and financial environment in which the business operates, is likely to have an appreciable effect on the recoverable amount and to require recognition of impairment. Such a development would involve reassessing the pertinence of all the assumptions used in determining this value and the reasonableness and consistency of the calculation parameters.

The establishment of the recoverable amount of goodwill items relies heavily on the management's judgement, involving as it does the growth rate of revenues in perpetuity, the gross margin rates used for cash flow projections and the discount rate applied to the future cash flows to calculate their net present value, as presented in Note 8.1 to the consolidated financial statements. We therefore considered the valuation of goodwill as a key point of our audit.

Our response

As part of our work we examined the way in which impairment tests on goodwill are carried out, and in particular:

- we checked to see that the methodology applied by the company conformed to the accounting standards in force;
- we assessed the consistency of the assumptions used in determining future cash flows with past performances and our knowledge of the business, backed up by conversations with the management;
- with the help of our valuation specialists, we analysed the assumptions used by the management in calculating the discount rate applied to future cash flows to bring them to net present value, as well as the growth rate in perpetuity;
- we studied the sensitivity analyses of the recoverable amount of goodwill carried out by the management and performed our own sensitivity analyses on the key assumptions.

Lastly, we also assessed the appropriateness of the information provided in Notes 7.4 and 8.1 to the consolidated financial statements.

Specific verifications

We also carried out, in accordance with professional standards applicable in France, the specific verification required by law of the information relating to the Group provided in the Board of Directors' Management Report.

We have no comments to make concerning their fairness and consistency with the consolidated financial statements.

We attest that the consolidated statement of non-financial performance (DPEF) required by Article L.225-102-1 of the French Commercial Code is included in the Group management report, it being specified that in accordance with the provisions of Article L. 823-10 of this code, we have not verified the fair presentation or the consistency with the consolidated financial statements of the information provided in this statement, and this information must be the subject of a report by an independent third party body.

Information resulting from other legal and regulatory obligations

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Manutan International S.A. by the General Meetings of 4 March 2004 as regards KPMG Audit, a Division of KPMG S.A. and of 14 March 2003 as regards Mazars.

At 30 September 2019, Mazars was in the sixteenth and KPMG Audit, a Division of KPMG S.A. the fifteenth year of their respective uninterrupted terms.

Responsibilities of the management and the persons forming the corporate governance regarding the consolidated financial statements

The Management is responsible for the preparation of the consolidated financial statements giving a true and fair view in accordance with the IFRS as adopted by the European Union and for putting in place such internal controls as it deems necessary to enable the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In drawing up the consolidated financial statements, it is incumbent upon the management to assess the company's ability to continue as a going concern, to provide such information relating to the going concern assumption as may be necessary or appropriate and to apply the going concern accounting principle unless it intends to put the company into liquidation or cease its activities.

It is incumbent on the Audit Committee to monitor the process of drawing up financial information and the effectiveness of the internal control and risk management systems and of the internal audit if applicable as regards the procedures for drawing up and processing accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditor regarding the audit of the consolidated financial statements

Objective and approach of the audit

It is for us to draw up a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole do not contain material misstatements. Reasonable assurance means a high level of assurance, which does not however guarantee that an audit performed in accordance with professional standards will always detect every material misstatement. Misstatements may derive from fraud or from error and are considered material if, taken individually or together, they can reasonably be expected to be capable of influencing such economic decisions as users of the financial statements may take on the basis of those statements.

As specified by Article L.823-10-1 of the French Commercial Code, our certifying the financial statements does not imply assurance of the viability of your company or of the quality of its management.

Throughout the audit process carried out in accordance with professional standards applicable in France, the Statutory Auditor exercises its professional judgement. Furthermore:

- it identifies and assesses the risks of material misstatements being contained in the consolidated financial statements whether deriving from fraud or from error, defines and implements audit procedures to address these risks and collects such evidence as it considers sufficient and appropriate on which to base its opinion. The risk of non-detection of a material misstatement arising from fraud is higher than that of such misstatement arising from error, since fraud may involve collusion, forgery, wilful omissions, false declarations or bypassing of internal controls;
- it takes note of such internal controls as are pertinent for the audit in order to define the appropriate audit procedures in each situation, but not with a view to expressing an opinion on the effectiveness of the internal controls;
- it assesses the appropriateness of the accounting methods applied and the reasonableness of the accounting estimates made by the management body, as well as the related information provided by management in the consolidated financial statements;

- it assesses the appropriateness of the management's application of the going concern accounting principle and, depending on the evidence collected, the existence or otherwise of significant uncertainty associated with events or situations likely to cast serious doubt on the company's ability to stay in business. This assessment is based on the evidence collected up until the date of its report. However, subsequent circumstances or events could lead to the going concern assumption being called into question. If it reaches the conclusion that such significant uncertainty does exist, it draws the attention of readers of its report to the information provided in the consolidated financial statements regarding this uncertainty or, if this information is not provided or is not pertinent, it issues a qualified opinion or refuses to certify;
- it assesses the overall presentation of the consolidated financial statements and whether they give a true and fair view of the underlying transactions and events;
- it collects such evidence as it considers sufficient and appropriate concerning the financial information on the persons or entities included in the consolidation scope in order to express an opinion on the consolidated financial statements. It is responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on them.

Report to the Audit Committee

We send a report to the Audit Committee presenting in particular the extent of the audit work and the work programme implemented as well as the conclusions drawn from our work. We also bring to its attention any significant weaknesses in internal controls that we may have detected as regards the procedures relating to the preparation and processing of accounting and financial information.

Among the elements contained in the report to the Audit Committee are the risks of material misstatements that we consider to have been the most significant for the audit of the consolidated financial statements for the year and which therefore constitute the key points of the audit, which it behoves us to describe in this report.

We also provide the Audit Committee with the declaration provided by Article 6 of Regulation (EU) No. 537-2014 confirming our independence within the meaning of the rules applicable in France as laid down in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the Code of Ethics of the Statutory Auditors profession. If necessary, we discuss with the Audit Committee any risks to our independence and the measures taken to safeguard it.

Nantes and Courbevoie, 31 January 2020

The Statutory Auditors

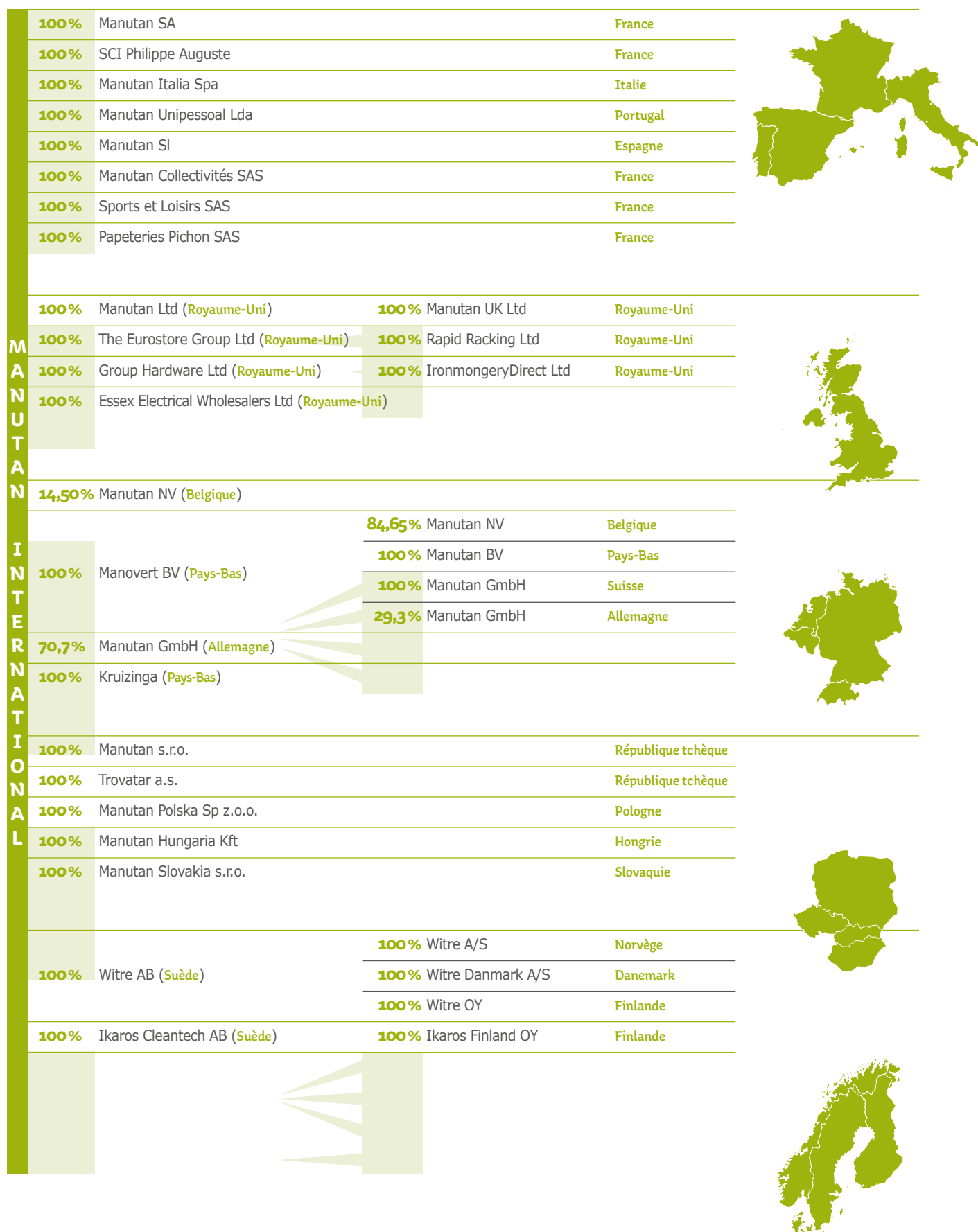
KPMG Audit
a Division of KPMG S.A.

Franck Noël
Partner

Mazars

Anne Veaute
Partner

Organisation chart at 30 September 2019



— Consolidated financial statements

Statement of financial position as at 30 September 2019

ASSETS

<i>In thousands of euros</i>	Notes	30/09/2019	30/09/2018
Goodwill	8.1	169,745	143,461
Other intangible assets	8.2	31,388	31,707
Property, plant and equipment	8.2	116,211	102,325
Investment property	8.4	534	607
Non-current financial assets	8.5	3,074	1,587
Deferred tax assets	8.21	5,403	4,938
Non-current assets		326,355	284,624
Inventories	8.6	73,210	67,555
Trade receivables	8.6	186,213	198,833
Other receivables and prepaid expenses	8.7	8,569	7,243
Current tax receivables		701	1,183
Current cash management assets	8.9	0	0
Cash and cash equivalents	8.9	94,749	72,230
Assets held for sale	8.10	73	0
Current assets		363,516	347,046
TOTAL ASSETS		689,871	631,671

EQUITY AND LIABILITIES

<i>In thousands of euros</i>	Notes	30/09/2019	30/09/2018
Share capital		15,227	15,227
Share premium		5,796	5,796
Consolidated reserves		396,348	369,025
Consolidated profit/(loss)		42,260	41,183
Equity attributable to owners of the parent	8.11	459,630	431,230
Non-controlling interests		149	134
Total equity		459,779	431,365
Non-current financial liabilities	8.12-8.13	47,620	33,030
Provisions for employee benefits	8.14	6,018	3,916
Deferred tax liabilities	8.21	9,982	10,777
Non-current liabilities		63,619	47,723
Provisions for other liabilities	8.15	1,697	2,361
Current financial liabilities	8.12-8.13	17,794	14,964
Supplier payables		102,827	91,960
Other liabilities and accruals	8.16	41,651	38,763
Current tax liabilities		2,504	4,535
Current liabilities		166,473	152,584
Total liabilities		230,092	200,307
TOTAL LIABILITIES AND EQUITY		689,871	631,671

Statement of comprehensive income for the financial year ended 30 September 2019

<i>In thousands of euros</i>	Notes	30/09/2019	30/09/2018
Total revenues (excl. tax)	8.24	773,885	741,283
Cost of goods sold		(482,774)	(462,335)
Trading margin		291,111	278,947
Selling and administrative expenses	8.17	(228,899)	(221,621)
Current operating profit	8.24	62,213	57,327
Other operating income and expenses	8.19	(1,564)	(279)
Operating profit		60,649	57,048
Financial income	8.20	1,414	1,411
Financial expenses	8.20	(1,611)	(1,757)
Profit before tax		60,452	56,701
Tax on income	8.21	(18,150)	(15,487)
Consolidated net income		42,302	41,214
• non-controlling interests		42	31
• attributable to owners of the parent		42,260	41,183
Earnings per share attributable to owners of the parent, excluding treasury shares (in euros)			
• basic	8.22	5.56	5.42
• diluted	8.22	5.56	5.42

Other components of comprehensive income for the financial year ended 30 September 2019

<i>In thousands of euros</i>	Notes	30/09/2019	30/09/2018
Consolidated net income		42,302	41,214
Items that cannot be reclassified to profit or loss			
Actuarial differences on employee benefit obligations		(1,859)	23
Tax on items that cannot be reclassified to profit or loss		480	(6)
Total items that cannot be reclassified to profit or loss		(1,379)	17
Items that may be reclassified to profit or loss			
Conversion differences	8.11	(419)	(2,119)
Net change in fair value of financial instruments ⁽¹⁾		0	0
Tax on items that may be reclassified to profit or loss		0	0
Total items that may be reclassified to profit or loss		(419)	(2,119)
Total gains and losses recognised directly in equity		(1,798)	(2,102)
Net gains and losses recognised directly in equity		40,504	39,112
Attributable to:			
• owners of the Company		40,462	39,081
• non-controlling interests		42	31

(1) Changes in fair value of the effective portion of the instruments.

Statement of changes in equity for the years ended 30 September 2019

<i>In thousands of euros</i>	Capital	Premiums	Consolidated reserves	Result	Shares in the consolidating entity	Group equity	Non-controlling interests	Total equity
At 30/09/2017	15,227	5,796	345,582	39,069	(965)	404,711	137	404,848
Profit (loss):								
• appropriation of profits			39,069	(39,069)				
• profit for the year				41,183		41,183	31	41,214
Dividends paid (€1.65 per share)			(12,562)			(12,562)	(33)	(12,595)
Income and expenses recognised directly in equity			(2,102)			(2,102)		(2,102)
Impact of purchases/sales of treasury shares								
Transactions with non-controlling interests								
At 30/09/2018	15,227	5,796	369,987	41,183	(965)	431,230	134	431,365
Profit (loss):								
• appropriation of profits			41,183	(41,183)				
• profit for the year				42,260		42,260	42	42,302
Dividends paid (€1.65 per share)			(12,562)			(12,562)	(27)	(12,589)
Income and expenses recognised directly in equity			(1,798)			(1,798)		(1,798)
Impact of purchases/sales of treasury shares								
Other items of income and expense recognised directly in equity			500			500		500
Transactions with non-controlling interests								
AT 30/09/2019	15,227	5,796	397,310	42,260	(965)	459,630	149	459,779

Consolidated statement of cash flows for the year ended 30 September 2019

In thousands of euros

	Notes	30/09/2019	30/09/2018
Opening net cash and cash equivalents		72,220	82,147
Operating activities			
Free cash flow	8.23	57,235	55,941
Change in working capital requirements	8.23	20,863	(24,584)
Net cash flow from operating activities		78,099	31,357
<i>of which interest paid</i>		<i>(591)</i>	<i>(645)</i>
<i>of which corporate income tax paid</i>		<i>(20,514)</i>	<i>(15,554)</i>
Investing activities			
Intangible assets acquired	8.2	(5,950)	(4,095)
Property, plant and equipment acquired	8.2	(22,289)	(15,027)
Acquisitions/Disposals of non-current financial assets		(1,466)	(28)
Disposals of property, plant and equipment		53	19
Impact of changes in scope ⁽¹⁾		(31,479)	0
Change in payables/receivables relating to non-current assets		995	247
Cash flow used in investing activities		(60,137)	(18,885)
Financing activities			
Dividends paid to shareholders of the parent company		(12,562)	(12,562)
Dividends paid to non-controlling interests		(27)	(33)
Repayment of financial debts ⁽²⁾		(18,799)	(34,376)
Increase in financial debts ⁽³⁾		36,000	20,000
Increase in loans		(22)	(18)
Cash flow used in financing activities		4,590	(26,989)
(Increase)/decrease in current cash management assets		0	5,000
Change in conversion differences		(32)	(411)
Change in cash and cash equivalents		(32)	(9,927)
Closing net cash and cash equivalents		94,740	72,220
Available Group cash at year-end	8.9	94,740	72,220
Net cash and cash equivalents		94,740	72,220
Current cash management assets		0	0

(1) Acquisition of Kruizinga (acquisition price net of cash acquired).

(2) Repayments of financial debts mainly concern repayment by Manutan International of two acquisition loans (Pichon and Kruizinga) for €7 million, reduction of debt in respect of the European Centre real estate finance lease for €4.6 million by the SCI (property company) and €3.2 million payment of instalments on the loan taken out by Papeteries Pichon for its new premises. The loans taken by Manutan SA and the SCI for the extension of the storage warehouse were repaid in the amount of €2.6 million.

(3) The increase in financial debt relates to the €20 million loan taken by Manutan International for the acquisition of Kruizinga and the €16 million of borrowings contracted by Manutan SA and the SCI to finance the extension of the storage warehouse.

— Notes to the consolidated financial statements

Note 1 Reporting entity

These financial statements for the financial year ended 30 September 2019 refer to the consolidated accounts of the Manutan Group. They are presented by Manutan International, a Limited Company with a Board of Directors,

based at ZAC du parc des Tulipes, avenue du XXI^e-Siècle, Gonesse, France. The Group's activity consists of distance selling of industrial and office equipment and consumables to businesses and local authorities.

Note 2 Declaration of compliance

Pursuant to European Regulation No. 1606/2002 of 19 July 2002 on international standards, the Manutan Group's financial statements have been drawn up in accordance with all the international financial reporting standards (IAS/IFRS) published by the International Accounting Standards Board (IASB) and adopted by the European Union. There are no differences with respect to the IASB standards.

The consolidated financial statements were duly approved by the Board of Directors on 3 December 2019, and did not give rise to any comments. They will be submitted for approval to the General Meeting on 12 March 2020.

Note 3 Basis of preparation

The financial statements are presented in euros, rounded to the nearest thousand euros. The euro is the Group's functional and presentation currency.

They have been prepared under the historical cost convention, with the exception of the following assets and liabilities which are measured at their fair value: derivative financial instruments, financial instruments held for trading and financial instruments classed as available for sale.

Non-current assets and groups held for sale are measured at the lower of their carrying amount and fair value minus selling costs.

The accounting methods presented below were applied consistently to all periods presented in the consolidated financial statements.

The accounting methods were applied consistently by all Group entities.

The Group applied the following standards for the first time on 1 October 2018. However, they have no material impact on the Group's annual financial statements:

- IFRS 15 "Revenue from Contracts with Customers", mandatorily applicable from 1 January 2018;
- IFRS 9 "Financial Instruments", mandatorily applicable from 1 January 2018;
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration".

Except for the new standards and interpretations presented above, the accounting principles used for the preparation of the annual consolidated financial statements are identical to those used for the preparation of the consolidated financial statements for the year ended 30 September 2018 and detailed in the consolidated financial statements published at that date.

A number of new standards and amendments to and interpretations of standards came into force for financial years starting on or after 1 January 2019.

The new standards, amendments to standards and interpretations that are mandatory and relevant to the Group are listed below:

- IFRS 16 "Leases": this standard was adopted by the European Union on 31 October 2017 and its application is mandatory for financial years starting on or after 1 January 2019. The Group intends to apply this standards from 1 October 2019 using the simplified retrospective approach;
- IFRIC 23 "Uncertainty over Income Tax Treatments", mandatorily applicable for financial years starting on or after 1 January 2019 according to the IASB;
- annual improvements to IFRS 2016-2018 cycle: applicable to financial years starting on or after 1 January 2018.

It should be noted that the anticipated effects of draft standards and interpretations currently being studied by the IASB and the IFRIC are not reflected in these financial statements.

3.1 IFRS 9 “Financial instruments”

IFRS 9 “Financial instruments” issued by the IASB in July 2014 replaces IAS 39 “Financial instruments” for financial years starting on or after 1 January 2018.

This new standard comprises three main sections:

- 1) classification and valuation of financial assets and liabilities;
- 2) impairment of financial assets;
- 3) hedge accounting.

Concerning the first of these, the Group has not identified any major changes to its model for classifying financial assets and liabilities.

3.2.1 Impairment of financial assets (section 2 of IFRS 9)

Section 2 of IFRS 9 establishes a new model for the impairment of financial assets based on expected credit losses, replacing the previous model based on incurred losses.

The policy on impairment of trade receivables in force at Manutan takes account of the level of expected losses on the customer portfolio based on historical non-recovery.

We would point out that this risk is limited due to the customer receivables recovery system in place.

Consequently, the application of IFRS 9 in this area does not have a material impact on the Group's financial statements at 30 September 2019. Accordingly no restatement was made in the consolidated annual accounts at 30 September 2019 or 30 September 2018.

3.2.2 Hedge accounting (section 3 of IFRS 9)

The amendments made in the third section are aimed at bringing hedge accounting into line with companies' risk management.

In accordance with IFRS 9 (paragraph 6.1.3), the Group has decided to continue to apply IAS 39 in accounting for transactions carried out to protect itself against exchange risk.

IFRS 9 did not therefore have a material impact on the Group's accounts.

3.2 IFRS 15 “Revenue from contracts with customers”

The Manutan group has carried out an analysis of its revenues from the sale of merchandise and related services (including in particular the transport of merchandise): this standard did not have any material impact on the recognition of revenue or on the Group's accounts.

Besides, we would also point out that the main sources of discounts granted to our customers are deducted directly from turnover.

3.3 IFRS 16 “Leases”

IFRS 16 “Leases” was adopted by the European Union on 31 October 2017 and its application is mandatory for financial years starting on or after 1 January 2019. It requires all leases to be shown in the lessee's balance sheet in the form of an asset (the right to use the leased item) and a financial liability to pay rentals. At 30 September 2019, leases classified as “operating” are presented in off-balance sheet commitments (see Note 11 “Summary of obligations and commitments”).

The Group's leases mainly concern buildings and, to a lesser extent, vehicles and miscellaneous items of equipment.

The Group has identified the potential impact of applying IFRS 16 and has gathered information on the characteristics of the various lease contracts outstanding.

The Group intends to apply this standard from 1 October 2019 using the simplified retrospective approach (without restating the comparative period).

These leases, with the exception of short-term and low-value leases, will be recognised as assets (right to use) and liabilities (payment of rentals).

At this stage Manutan estimates that the liability for future rentals determined in accordance with IFRS 16, at 1 October 2019 is between €17 and €19 million. The amount of the assets (right to use) will be equal to that of the future rental liabilities. The application of IFRS 16 to the Group's financial statements is not expected to have a material effect on net income.

Note 4 Estimates and judgements

The preparation of financial statements in accordance with IFRS requires Management to exercise judgement and to make estimates and assumptions which have an impact on the application of accounting methods and on the amounts of assets, liabilities, revenue and expense items. Estimates and underlying assumptions are made on the basis of past experience and other factors considered as reasonable given the circumstances. They thus serve as a basis for exercising the judgement necessary for determining such carrying amounts of assets and liabilities as cannot be obtained directly from other sources. This applies particularly to the valuation of tangible and

intangible assets in the context of impairment tests, the valuation of the amount of provisions for other liabilities, provisions for the impairment of inventories and deferred tax assets. Actual values may differ from these estimated values.

Estimates and underlying assumptions are reviewed on an ongoing basis. The impact of changes in accounting estimates is recognised in the period in which the change is made if it affects that period only, and in the period in which the change is made and in subsequent periods if they are also affected by the change.

Note 5 Significant events

Acquisition of Kruizinga

In June 2019 the Group acquired 100% of the shares of Kruizinga.

Based in Wapenveld, in the centre of the Netherlands, Kruizinga was founded in 1960 and has succeeded in developing its business throughout the Netherlands and also in Belgium and Germany. Its position is based on the breadth of its offering, its digitised customer approach and its modern logistics platform. It offers a very extensive catalogue of more than 15,000 items spread over 40,000 m² of storage space and land. It has a loyal customer base consisting mainly of businesses.

Kruizinga posted sales of approximately €25 million and operating profit of around 10% of sales for 2018.

For the financial year ended 30 September 2019 only three months of this company's activity are included in the Group consolidated financial statements (July to September 2019). The contribution of this newly acquired company to the Group consolidated accounts for the three months to 30 September 2019 amounted to €5,643,000 in turnover and €593,000 of net income.

With this acquisition the Manutan group aims to strengthen its positions in the Netherlands, a market in which Manutan is already present.

Note 6 Manutan Group: scope of consolidation

Companies included in the scope are fully consolidated. They apply the same accounting principles ("Group accounting standards") for the recognition and presentation of transactions and similar events.

The consolidation scope at 30 September 2019 is detailed in Note 9.

Note 7 Main accounting methods

7.1 Business combinations

When an entity is included in the consolidation scope, the assets, liabilities and any identifiable liabilities of the acquired entity that meet the IFRS accounting criteria, are accounted for at fair value, determined on the acquisition date.

Adjustments to the values of assets and liabilities relating to acquisitions accounted for on a preliminary basis (due to ongoing work by the accountants) are recognised retrospectively if they take place within a period of twelve months from the acquisition date. After this deadline, the effects are recorded directly in profit or loss, unless they correspond to the correction of errors.

7.2 Financial year-end date

The accounts used for the consolidation were the annual accounts of the companies included within the scope with a financial year ended 30 September 2019, with the exception of Papeteries Pichon SAS and Kruizinga, whose financial years end on 31 December.

An interim situation has accordingly been established for the period from 1 October 2018 to 30 September 2019 for Papeteries Pichon SAS and for the period 1 July to 30 September 2019 for Kruizinga.

7.3 Translation of foreign-currency denominated financial statements and transactions

The functional currency of foreign subsidiaries is their local currency.

Consequently the financial statements of foreign companies with a functional currency other than the euro are translated in accordance with the following method:

- balance sheet items are translated using the financial year-end closing rate;
- income and expenses of foreign companies are translated into euros using the average exchange rate for the financial year, provided this is not distorted by sharp movements in exchange rates.

Translation differences arising on the opening equity and on changes in equity during the year (capital increase, acquisition, etc.) or on income statement items, are recognised in equity and allocated between the part attributable to owners of the parent and that attributable to third parties. The effect of these differences is reported separately in the statement of changes in equity.

Transactions in foreign currencies are converted into the respective currencies of the Group entities by applying the current exchange rate on the transaction date. Assets and liabilities denominated in foreign currencies at the year-end date are converted into the functional currency using the exchange rate on that date. Any resulting conversion differences are recognised in profit or loss.

7.4 Goodwill

Goodwill is the difference between the fair value of the consideration paid and the overall estimate of the fair value of the assets and liabilities identified at the acquisition date.

The fair value of the consideration paid includes discounting the debt to its present value in the event of deferred or staggered payment. Acquisition costs however are recognised as expenses in profit and loss.

Identifiable assets and liabilities at the date of acquisition are valued at their fair value.

The Group performs an impairment test on all goodwill. The recoverable amount is calculated for the cash generating unit (CGU) to which goodwill can be allocated. In the Manutan Group, each of the five operating regions constitutes a CGU since there are synergies among the different entities operating in the same geographical market using common operating resources, with a single operational management. Nevertheless, in certain cases, a single legal operational entity may constitute a CGU.

The value-in-use of the CGU is calculated based on the method of discounting forecast operating cash flow after tax and renewal investments. These forecasts are detailed in the business plans drawn up by each CGU and validated by Group management in the context of its operational supervision. The business plan period, which is generally three years, is completed by two years of extrapolations and an end value, which is calculated on the basis of capitalisation to perpetuity of cash flows with a moderate growth rate limited to the inflation rate in the operational region. The discount rate used is the WACC calculated per CGU at each financial year-end, on the basis of a debt/equity ratio corresponding to the average of companies within the same sector.

These impairment tests are performed at least once per year at each financial year-end.

An impairment loss is recognised when the carrying amount of the CGU exceeds its recoverable amount. The recoverable amount is the greater of the fair value of the CGU net of selling expenses and its value in use.

7.5 Other intangible assets

Other intangible assets are measured at their historical acquisition cost, which comprises purchase price plus all necessary costs incurred to bring them into use, less accumulated amortisation and impairment.

Computer software user licences and upgrades are amortised from the date they enter service on a straight-line basis over a period from 1 to 7 years, depending on their purpose and useful life.

Intangible assets are subjected to impairment tests if indications of possible impairment are detected.

7.6 Property, plant and equipment

Property, plant and equipment is measured at historical acquisition cost, which comprises the purchase price plus necessary costs incurred to make the assets ready for use, less accumulated depreciation and any impairment losses.

Depreciation is calculated using the straight-line method over the expected useful life of the asset from the date it enters service:

- buildings: 20 to 30 years for buildings used mainly as warehouses and offices;

- fixtures and fittings: 10 to 15 years;
- computer hardware: 3 to 5 years;
- other property, plant and equipment (vehicles, equipment and tools, office furniture and equipment): 5 years.

7.7 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit and loss on a straight-line basis over the period of the lease.

Leases of fixed assets in which the Group bears substantially all the risks and rewards inherent in ownership are

classified as finance leases. Finance leases are capitalised as assets at the lease's commencement at the fair value of the leased asset. Each payment made under the lease contract is allocated between finance charge and principal reduction.

Fixed assets acquired in this manner are depreciated over their useful lives.

7.8 Investment property

Investment property comprises land and/or buildings owned by the Group, or for which the Group enjoys the rights of possession, that the Group does not directly use in its core activities.

Investment property is presented on a separate line in the balance sheet. It is valued at the lower of depreciated historical cost or market value.

7.9 Trade and other receivables

Trade receivables consist of a large number of small accounts spread over several hundred thousand customers. These receivables are shown at their nominal value.

Provision is made for these receivables according to the risk of non-recovery. This is assessed taking into consideration their specific risks and a statistical risk calculated according to their ageing.

7.10 Inventories

Inventories are measured using the weighted average unit cost (WAUC) method at the lower of their acquisition cost or net realisable value. Acquisition cost comprises the purchase price and related expenses (freight, packaging and other direct expenses).

In determining the net realisable value, particular account is taken of the following considerations:

- obsolete items;
- slow-moving items;
- showroom inventory and goods on consignment.

7.11 Derivative financial instruments

Derivative financial instruments are initially recognised at their fair value under current financial asset or liabilities. They are subsequently measured again at fair value at each closing of the accounts. The method for recognising associated gains or losses depends on whether or not the derivative is designated as a hedging instrument, and, where applicable, on the nature of the hedged item.

The Group thus distinguishes among:

- fair value hedges of recognised assets or liabilities or firm commitments. Gains and losses on derivatives, and on the hedged instruments, are recognised in profit and loss as financial income/expenses for the effective portion of the hedge. The same applies to the non-effective portion;

- hedging of risks specific to recognised assets or liabilities, or highly probable future transactions, also designated as “cash flow hedges”. Changes in the fair value of the effective portion of the hedge are recognised directly in equity. Gains and losses on the non-effective portion are recognised in profit and loss under other income/expenses;
- hedges of net investments in foreign operations. The recognition of changes in fair value follows the same rules as that of changes in cash flow hedges.

Changes in the fair value of derivatives that do not meet the conditions of hedge accounting or have not been designated as such are recognised in profit and loss under financial income/expenses.

In accordance with IFRS 7, the determination of the fair value of financial asset and liability instruments can be defined as follows:

- by reference to a quoted price on an active market, where one exists; this fair value is ranked under Level 1, as specified by the standard;
- by using a valuation based on a model that factors in observable data for unlisted instruments such as derivatives or financial asset and liability instruments that are not classified under Level 1; this fair value is classified under Level 2 in accordance with the standard.

7.12 Cash and cash equivalents

In accordance with IAS 7 “Cash flow statements”, the “cash and cash equivalents” item appearing on the consolidated balance sheet and cash flow statement comprises cash on hand and demand deposits together with short-term, highly liquid investments whose investment horizon is less than three months.

Cash investments with an investment horizon of 3 to 12 months are presented in “Marketable securities and current assets”.

Nonetheless, in order to ensure that its resources are fully appreciated, the Group considers that its total available cash effectively comprises the sum of the balance sheet items “Cash and cash equivalents” and “current cash management assets”.

An analysis in this regard is presented alongside the “Cash flow statement” and in Note 8.9 “Cash and cash equivalents”.

7.13 Assets and liabilities held for sale

The Group has to classify a non-current asset sold individually (or a group of current and non-current assets and liabilities in the context of the disposal of an activity) as being held for sale if the company intends to recover their value by selling the assets rather than through their operating use.

These assets and liabilities are classified and presented on a separate balance sheet line when the following essential conditions are met:

- a disposal plan is ongoing;

- the assets and liabilities are available for sale in their current state;
- the sale is likely to go through within a reasonable time frame.

Non-current assets held for sale are valued at the lower of amortised historical cost and market value (being fair value less selling costs).

7.14 Share subscription or purchase options

In accordance with IFRS 2 “Share-based payments”, share subscription or purchase options awarded to employees are recognised in the financial statements using the following methods: the estimated fair value of the options awarded, which corresponds to the fair value of the services

rendered by the employees in exchange for the options received, determined on the award date. It is recognised over the vesting period of the rights, by increasing the equity in “Share-based payments” and by decreasing the corresponding amount in “Personnel costs”.

7.15 Employee benefits

In accordance with the laws and practices of each country, the Group participates in various pension plans that provide for medical and pension benefits, whose amounts vary in accordance with seniority, salary, and payments made to State sponsored mandatory plans.

Service awards

These were measured based on an actuarial calculation. Commitments were calculated for all employees concerned.

The Group recognises actuarial gains and losses in profit or loss.

Defined contribution plans

For defined contribution plans (such as the French contributory plan), the charges corresponding to the contributions are expensed during the financial year in the

income statement. These plans involve no subsequent obligation by the Group to its employees.

Defined benefit plans

This relates essentially to pension plans with fixed benefits and pension plans based on end of career salary, which complement mandatory State sponsored plans.

A provision is established for rights acquired by personnel employed at the end of the year as regards supplementary pensions, when they are not covered by a pension fund or insurance.

These commitments are subjected to an actuarial valuation in accordance with local country laws and practices. All costs relating to pension entitlements payable to pensioners and rights acquired by employees were determined on the basis of conventions or agreements in force at each company. The Group recognises actuarial gains and losses directly in equity.

7.16 Revenues

Revenues comprise the sale of products and related services such as transport, assembly, etc.

Revenue is recognised on the date on which the risks and benefits associated with the product sold are transferred.

In addition, the implementation of a strict credit management policy enables the Group to ensure upstream that no sale will be made if collection is doubtful.

7.17 Product returns

A provision is established to cover the costs of products returned after the year-end. This takes into account the loss of gross margin as well as costs directly related to

such returns (transport, packaging, repair, etc.) The provision depends on the return rate determined statistically by each company.

7.18 Promotion costs

Promotion costs are recognised as and when incurred. In particular, catalogue production costs are expensed on the date that the printers make them available.

7.19 Other operating income and expense

This item records the effects of any key events occurring during the accounting period that would distort the company's recurring business performance. It is used to record a limited number of unusual, abnormal or infrequent income and expense items of significant amounts. These entries are a result of exceptional events that are unrelated to the Group's normal business activity, such as:

- securities acquisition expenses;

- gains on disposals of property assets;
- personnel expenses resulting from managerial reorganisations, etc.

7.20 Financial income and expense

Financial income comprises:

- income associated with cash and cash equivalents;
- gains on disposals and gains on changes in the impairment of financial assets;

- income associated with the discounting to present value of assets and liabilities;
- foreign exchange gains on unhedged items.

Financial expenses comprise:

- interest expense on borrowings and bank overdrafts;
- the cost of ineffective portions of currency hedging transactions;
- losses on disposals and changes in the impairment of financial assets;
- charges associated with the discounting to present value of assets and liabilities;
- exchange losses.

7.21 Taxes

Income tax (expense or income) comprises the tax expense (or income) due and the deferred tax expense (or income). Tax is recognised in profit or loss unless it relates to items

recognised directly in equity, in which case it is recognised in equity.

Tax payable

Tax payable is the amount of tax due on taxable profits for a period, determined by applying the current tax rate applicable in each country of operation to the taxable profits of each corresponding Group entity.

Deferred taxes

Deferred taxes are determined using a balance sheet approach with variable deferrals applied for all temporary differences between the carrying amount of assets and liabilities and their tax bases. The measurement of deferred tax assets and liabilities is based on the method that the Group expects to use to recover or adjust the carrying amount of assets and liabilities, using the tax rates adopted at financial year-end.

A deferred tax asset is recognised only if it appears likely to be recovered in a reasonable time-frame, based on the latest updated forecasts. Deferred tax assets are reviewed at each year-end, and impairment losses are recognised in the event that there is a risk of non-recovery.

The effect on previously recognised deferred tax assets of any changes in the rates of taxation is recognised in profit or loss, unless the effect relates to an item recognised directly in equity, in which case the effect is recognised in equity.

Deferred taxes are presented in the balance sheet separately from current tax assets and liabilities and classified as non-current items.

Manutan International heads a tax grouping which includes Manutan SA and Manutan Collectivités, in the meaning of Article 223-A of the French General Tax Code.

7.22 Earnings per share

Earnings per share are calculated on the basis of net income of the consolidated group attributable to owners of the parent company. The number of shares used in the

calculation is the average number of shares in circulation during the past year, less treasury stock.

7.23 Sector information

The analysis of the Group's performance by geographical regions has been refined and now contains an additional level of granularity: businesses and local authorities. In accordance with IFRS 8, the sector information presented in Note 8.24 is based on this new sector breakdown used by the Management of the Manutan group.

All Group companies carry on the same business in the countries where they are located. Accordingly there is only one sector of activity.

The regions used correspond to the operating regions established in the financial year and are based mainly on the geographical location of the Group's assets. They group together companies from several countries that share similarities in terms of operations, customer behaviour, product and service offerings, and economic conditions, enabling operating synergies. Inter-regional transactions, as well as the non-operational activities of the holding company are presented in "Others".

The information reviewed and used by the Group's main operational decision makers is based on five operating regions and two divisions: businesses and local authorities.

Thus, in accordance with IFRS 8, the Group now reports on the basis of these two divisions composed of operating regions consisting of the following countries:

- North: Sweden, Norway, Denmark and Finland;
- Centre: Belgium, Netherlands and Germany. Kruizinga was integrated into the Centre region in July 2019;
- East: Czech Republic, Poland, Slovakia and Hungary;
- South: France, Italy, Portugal, Spain and Switzerland;
- West: United Kingdom;
- Other: holding companies and elimination of inter-regional transactions.

Note that the figures for the South and Centre regions presented hereunder are not comparable with those published for financial years 2017 and 2018 for the following reasons:

- since 1 October 2018 Switzerland has been included in the South region (as opposed to the Centre region in the financial statements at 30 September 2018);
- the South region is segmented into the Businesses and Local Authorities divisions. The transactions carried out between these two divisions are included in the line "Other".

However, these effects are not significant.

The accounting methods and principles used to present the sector results are the same as those used for the Group. Manutan brand royalties collected by Manutan International from the Centre, South and East regions are neutralised by including them in "Other" in order to improve the comprehension of operating performance and facilitate comparison among regions.

Note 8 Notes to the consolidated financial statements

Analysis of the main balance sheet items

8.1 Goodwill

<i>In thousands of euros</i>	Acquisition date	30/09/2018	Acquisition Increase	Disposal Decrease	Exchange rate movements	Reclassification	30/09/2019
Net value							
Centre CGU	01/04/1995 ⁽¹⁾	32,596	26,418				59,014
Sports et Loisirs CGU	15/10/2012	9,365					9,365
West CGU	⁽²⁾	26,924			48		26,972
East CGU	⁽³⁾	1,933					1,933
North CGU	⁽⁴⁾	5,865			(212)		5,653
Pichon CGU	30/06/2015	49,707					49,707
Traders CGU	⁽⁵⁾	17,071			30		17,101
TOTAL		143,461	26,418	0	(134)	0	169,745

(1) Acquisition of Kruizinga BV in July 2019.

(2) Two transactions which took place during financial years 1998/99 and 2007/08.

(3) Three transactions which took place during financial years 1998/99, 2000/01 and 2004/05.

(4) Merger of the Witre and Ikaros CGUs during the 2018 year. Acquisition of Ikaros on 10/10/2013.

(5) Merger of the IMD and Essex Electrical Wholesalers CGUs at 30/09/2017. Acquisition of IronmongeryDirect (IMD) in financial year 2012/2013 and of Essex Electrical Wholesalers on 25/07/2016.

Impairment tests were carried out on these goodwill items at year-end in accordance with the following methods:

At 30 September 2019, an assumed growth to perpetuity of between 1.5% and 2% per year in cash flows was used to arrive at the end value. The NPV discount rate varies depending on the CGU and related country risk.

	30/09/2019	30/09/2018
Centre CGU	7.0%	8.6%
Sports et Loisirs CGU	8.0%	7.5%
West CGU	8.0%	8.4%
East CGU	9.0%	6.1%
North CGU	7.5%	6.8%
Pichon CGU	8.0%	7.5%
Traders CGU	8.0%	8.4%

The Group has performed sensitivity tests on reasonably possible changes in the key assumptions (revenue growth rate to perpetuity, gross margin rate and NPV discount rate) of plus or minus 1% (individually and in aggregate). These

sensitivity tests did not reveal any likely scenario requiring recognition of impairment losses on goodwill (except for the Papeteries Pichon and Casal CGUs, where a one-point increase in WACC would lead to a loss of value).

During the year the Group acquired Kruizinga. Provisional goodwill has been calculated, consisting of the difference between the acquisition price of the company and the

amount of its net assets as per its unaudited accounts at the date of taking control. This goodwill will be definitively allocated before 30 September 2020.

8.2 Non-current assets

Other intangible assets

Amortisation of intangible assets is recognised in current operating profit and loss.

CHANGES IN THE 2018/2019 FINANCIAL YEAR

<i>In thousands of euros</i>	30/09/2018	Acquisition Increase	Acquisition by means of business combination	Disposal Decrease	Reclassification	Exchange rate movements	30/09/2019
Gross values							
Trademarks	3,922					(58)	3,864
Software applications	76,321	473		(42)	4,387	(91)	81,049
Intangible assets in progress	6,428	5,457			(4,363)		7,521
Other	3,945	19			(174)	0	3,791
Total	90,616	5,950		(42)	(150)	(149)	96,225
Amortisation							
Trademarks							
Software applications	(57,872)	(6,192)		42	0	84	(63,939)
Intangible assets in progress							
Other	(1,037)	(11)			150	0	(898)
Total	(58,909)	(6,203)		42	150	84	(64,837)
NET VALUES	31,707	(253)		0	0	(65)	31,388

Fixed assets in progress consist basically of capital expenditure on the Group's information system.

CHANGES IN THE 2017/2018 FINANCIAL YEAR

<i>In thousands of euros</i>	30/09/2017	Acquisition Increase	Acquisition by means of business combination	Disposal Decrease	Reclassification	Exchange rate movements	30/09/2018
Gross values							
Trademarks	4,080		0			(158)	3,922
Software applications	74,609	1,608		(6,547)	6,836	(185)	76,321
Intangible assets in progress	11,453	2,483		(242)	(7,266)	0	6,428
Other	3,931	4	0	(10)	15	5	3,945
Total	94,073	4,095		(6,799)	(415)	(338)	90,616
Amortisation							
Trademarks							
Software applications	(58,462)	(6,116)		6,547	0	159	(57,872)
Intangible assets in progress							
Other	(1,015)	(23)		10	(4)	(5)	(1,037)
Total	(59,477)	(6,139)		6,557	(4)	154	(58,909)
NET VALUES	34,596	(2,044)		(242)	(419)	(184)	31,707

Property, plant and equipment

CHANGES IN THE 2018/2019 FINANCIAL YEAR

<i>In thousands of euros</i>	30/09/2018	Acquisition Increase	Acquisition by means of business combination	Disposal Decrease	Reclassification	Exchange rate movements	30/09/2019
Gross values							
Land	20,192	2,066				(17)	22,240
Buildings	105,751	33		(1)	152	(210)	105,725
Fixtures and fittings	35,206	2,609	1,295	(476)	2,053	(26)	40,662
Computer hardware	19,143	1,084		(236)	53	(27)	20,016
Fixed assets in progress	11,527	16,327			(2,144)	4	25,714
Other property, plant and equipment	7,706	387	530	(337)		(23)	8,263
Total	199,524	22,505	1,825	(1,050)	115	(300)	222,620
Depreciation/impairment							
Land							
Buildings	(49,800)	(4,439)			(150)	180	(54,210)
Fixtures and fittings	(24,957)	(2,479)	(971)	376	42	16	(27,970)
Computer hardware	(16,500)	(1,067)		234	(287)	25	(17,595)
Fixed assets in progress							
Other property, plant and equipment	(5,943)	(1,032)	(294)	333	281	21	(6,634)
Total	(97,199)	(9,018)	(1,265)	943	(114)	242	(106,409)
NET VALUES	102,325	13,487	560	(106)	0	(58)	116,211

The Manutan Group is financing the Manutan HEQ (High Environmental Quality) European Centre project via a 12-year finance lease. The property complex is recognised under property, plant and equipment for a gross total of €71.2 million (€12.2 million for the land and €59 million for the buildings), in accordance with IAS 17. The property complex is depreciated over the useful life of its respective components.

Property, plant and equipment in progress corresponds mainly to the advance payments made by Papeteries Pichon for the construction of its new premises and the construction costs for Manutan SA's new warehouse.

CHANGES IN THE 2017/2018 FINANCIAL YEAR

<i>In thousands of euros</i>	30/09/2017	Acquisition Increase	Acquisition by means of business combination	Disposal Decrease	Reclassification	Exchange rate movements	30/09/2018
Gross values							
Land	20,206					(14)	20,192
Buildings	110,150	154		(4,197)		(356)	105,751
Fixtures and fittings	33,886	1,883		(973)	558	(147)	35,206
Computer hardware	18,569	1,153		(491)	0	(88)	19,143
Fixed assets in progress	67	11,536			(67)	(9)	11,527
Other property, plant and equipment	7,610	938		(712)	(79)	(51)	7,706
Total	190,488	15,663		(6,373)	411	(665)	199,524
Depreciation/impairment							
Land							
Buildings	(50,559)	(3,778)		4,197		339	(49,800)
Fixtures and fittings	(23,892)	(2,240)		1,020	43	112	(24,957)
Computer hardware	(15,671)	(1,119)		491	(276)	76	(16,500)
Fixed assets in progress							
Other property, plant and equipment	(5,982)	(949)		702	241	46	(5,943)
Total	(96,104)	(8,086)		6,410	8	573	(97,199)
NET VALUES	94,384	7,578		37	419	(92)	102,325

8.3 Finance leases

The substance of Group leasing contracts has been analysed. The following amounts, corresponding to finance leases, are included in the amounts in the Property, Plant and Equipment table of the foregoing note:

<i>In thousands of euros</i>	30/09/2018	Acquisition Increase	Acquisition by means of business combination	Disposal Decrease	Reclassification	Exchange rate movements	30/09/2019
Gross values							
Land	13,146						13,146
Buildings	66,951	7			174	3	67,135
Fixtures and fittings	303					(1)	302
Computer hardware	1,066					0	1,066
Other property, plant and equipment	1,422	216		(203)		1	1,435
Total	82,887	223		(203)	174	3	83,084
Amortisation							
Land							
Buildings	(21,230)	(3,335)			(150)	(2)	(24,717)
Fixtures and fittings	(329)					1	(328)
Computer hardware	(953)					0	(953)
Other property, plant and equipment	(568)	(405)		200		(1)	(773)
Total	(23,081)	(3,739)		200	(150)	(2)	(26,771)
NET VALUES⁽¹⁾	59,806	(3,517)		(3)	24	1	56,312

(1) Of which the property finance lease of the European Centre €51 million at 30 September 2019 and €53 million at 30 September 2018.

8.4 Investment property

<i>In thousands of euros</i>	30/09/2018	Acquisition Increase	Acquisition by means of business combination	Disposal Decrease	Reclassification	Exchange rate movements	30/09/2019
Investment property	1,448				(872)	3	579
Impairment of investment property	(842)	0			799	(2)	(45)
NET INVESTMENT PROPERTY	607	0			(73)	1	534

Investment property comprises:

- an unused plot owned by Sports et Loisirs (the value recorded in the financial statements is **€115,000**);
- an unused plot of land (12,400 m²) owned by Manutan UK (formerly Key Industrial Equipment). Estate agents have estimated the market value of this land at **€1,468,000**.

Depreciation methods and rates used are identical to those used for other property, plant and equipment.

8.5 Non-current financial assets

<i>In thousands of euros</i>	30/09/2018	Acquisition Increase	Acquisition by means of business combination	Disposal Decrease	Reclassification	Exchange rate movements	30/09/2019
Gross values							
Other non-current financial assets	1,587	2,034		(546)		0	3,074
Total	1,587	2,034		(546)		0	3,074
Amortisation							
Other non-current financial assets	0						0
Total	0						0
NET VALUES	1,587	2,034		(546)		0	3,074

8.6 Operating assets

Inventories

<i>In thousands of euros</i>	30/09/2019	30/09/2018
Gross values	78,216	71,602
Write-downs	(5,006)	(4,047)
NET VALUES	73,210	67,555

Trade receivables

<i>In thousands of euros</i>	30/09/2019	30/09/2018
Gross values	191,273	203,390
Write-downs	(5,060)	(4,557)
NET VALUES	186,213	198,833

Ageing of customer receivables breaks down as follows:

FINANCIAL YEAR 2018/2019

<i>In thousands of euros</i>	Total receivables	<3 months	3-6 months	6 months-1 yr	>1 year
Gross values	191,273	177,810	5,614	3,487	4,363
Provisions	(5,060)	(298)	(1,100)	(1,045)	(2,617)
NET VALUES	186,213	177,512	4,514	2,441	1,746

FINANCIAL YEAR 2017/2018

<i>In thousands of euros</i>	Total receivables	<3 months	3-6 months	6 months-1 yr	>1 year
Gross values	203,390	187,071	5,500	7,005	3,814
Provisions	(4,557)	(108)	(795)	(1,216)	(2,438)
NET VALUES	198,833	186,963	4,705	5,788	1,377

Note 8.25 provides an analysis of the Group's sensitivity to credit risk and foreign exchange risk relating to customer receivables.

8.7 Other receivables and prepaid expenses

<i>In thousands of euros</i>	30/09/2019	30/09/2018
Prepaid expenses	7,993	6,358
Other receivables	577	885
TOTAL	8,569	7,243

8.8 Fair value of financial instruments and other financial assets

The table below provides a comparison of the value of the financial assets recognised in the balance sheet with their fair value.

<i>In thousands of euros</i>	Carrying amount		Assets measured at fair value through P&L		Assets held to maturity		Loans and receivables		Fair value	
	30/09/2019	30/09/2018	30/09/2019	30/09/2018	30/09/2019	30/09/2018	30/09/2019	30/09/2018	30/09/2019	30/09/2018
Non-current financial assets (Note 8.5)										
Loans, guarantees and other receivables	3,074	1,587					3,074	1,587	3,074	1,587
Current financial assets										
Fair value hedges, assets										
Current cash management assets										
Cash and cash equivalents (Note 8.9)	94,749	72,231	94,749	72,231					94,749	72,231
TOTAL ASSETS	97,823	73,818	94,749	72,231			3,074	1,587	97,823	73,818

8.9 Cash and cash equivalents

Cash and cash equivalents comprise:

- cash in hand;
- cash equivalents, i.e. short-term, highly liquid deposits easily convertible into a known amount of cash and subject to negligible risk of value impairment. They comprise liquid securities and accounts and term deposits with maturities of less than three months;

- balances relating to temporary bank overdrafts and associated accrued interest.

The Group considers its total available cash as effectively consisting of the balance sheet aggregates "Cash and cash equivalents" and "Current cash management assets" (i.e. with maturities of between three and twelve months).

The net financial balance is therefore calculated as the difference between net cash plus "current cash management assets" and financial debt:

<i>In thousands of euros</i>	30/09/2019	30/09/2018
Bank current account balances	65,148	65,761
Marketable securities ⁽¹⁾	29,387	6,300
Deposits ⁽²⁾	214	169
Total cash assets	94,749	72,230
Current bank overdrafts	9	10
Net cash position	94,740	72,220
Current cash management assets		
Total available cash	94,740	72,220
Financial debts (8.13)	65,405	47,984
NET FINANCIAL BALANCE	29,335	24,236

(1) Fair value Level 1; see Note 7.11 "Derivative financial instruments".

(2) Fair value Level 2; see Note 7.11 "Derivative financial instruments".

8.10 Assets held for sale

<i>In thousands of euros</i>	30/09/2018	Acquisition increase	Disposal decrease	Reclassification	Exchange rate movements	30/09/2019
Gross value						
Land	0			73		73
Buildings	0			799		799
Other property, plant and equipment	0					0
Total	0	0	0	872	0	872
Depreciation						
Land	0					0
Buildings	0			(799)		(799)
Other property, plant and equipment	0					0
Total	0	0	0	(799)	0	(799)
NET VALUE	0	0	0	73	0	73

The office premises (2,628 m²) owned by Manutan UK (formerly Key Industrial Equipment), which were previously classed as investment property, will be sold during the

coming financial year. The net value of this asset amounted to €73,000 at 30 September 2019.

8.11 Changes in Group equity

Changes in number of shares

At 30 September 2019 the number of shares was 7,613,291, each with a par value of €2. There were no changes during the 2018/2019 financial year.

The public holds 26.5% of the share capital.

Treasury shares

The 13,062 treasury shares are charged to Group equity as at 30 September 2019.

Impact of exchange rate fluctuations

Exchange rate fluctuations had the following effects on Group equity during the financial year:

- a negative net impact of €522,000 arising from the difference between closing and opening exchange rates recognised directly in equity excluding profit and loss;
- a positive net impact of €103,000 arising from the difference between closing and average exchange rates applied to the contribution of foreign companies to the consolidated result.

8.12 Financial liabilities**Breakdown by type of debt**

<i>In thousands of euros</i>	30/09/2019	30/09/2018
Borrowings from credit institutions	38,896	18,991
Liabilities in respect of finance leases ⁽¹⁾	8,725	14,039
Non-current financial liabilities	47,620	33,030
Borrowings from credit institutions	12,448	9,242
Liabilities in respect of finance leases ⁽²⁾	5,337	5,712
Current bank overdrafts	9	10
Financial instruments		
Current financial liabilities	17,794	14,964
TOTAL FINANCIAL LIABILITIES	65,414	47,994

(1) Of which €8.4 million concerning the European Centre property finance lease at 30 September 2019.

(2) Of which €4.6 million concerning the European Centre property finance lease at 30 September 2019.

The increase of €17.4 million in financial debt over the period relates to the two borrowings contracted during the year:

- €16.0 million for the construction costs of the second warehouse of Manutan SA;
- €20.0 million for the acquisition of Kruizinga.

These two new borrowings were partly offset by the following repayments:

- €4.6 million on the European Centre property finance lease;
- €12.8 million on loans contracted in previous financial years, including:
 - a) €6.0 million of the loan contracted at the time of the acquisition of Papeteries Pichon,
 - b) €2.6 million for the project to extend the second warehouse of Manutan SA,
 - c) €3.2 million for the construction project of the future premises of Papeteries Pichon and
 - d) €1.0 million for the acquisition of Kruizinga.

8.13 Fair value of financial instruments and other liabilities

The table below provides a comparison of the value of the financial liabilities recognised in the balance sheet with their fair value:

<i>In thousands of euros</i>	Carrying amount		Liabilities measured at fair value through P&L		Supplier and other payables		Liabilities recognised at amortised cost		Fair value	
	30/09/2019	30/09/2018	30/09/2019	30/09/2018	30/09/2019	30/09/2018	30/09/2019	30/09/2018	30/09/2019	30/09/2018
Non-current financial liabilities										
Borrowings from credit institutions ⁽¹⁾	38,896	18,991					38,896	18,991	38,896	18,991
Liabilities in respect of finance leases	8,725	14,039					8,725	14,039	8,725	14,039
Current financial liabilities										
Borrowings from credit institutions ⁽¹⁾	12,448	9,242					12,448	9,242	12,448	9,242
Owed in respect of finance leases	5,337	5,712					5,337	5,712	5,337	5,712
Derivative financial instruments										
Supplier payables	102,827	91,960			102,827	91,960			102,827	91,960
Other debts	41,651	38,763			41,651	38,763			41,651	38,763
Current bank overdrafts	9	10					9	10	9	10
Other liabilities (provisions and taxes)	20,201	21,590							20,201	21,590
TOTAL CURRENT AND NON-CURRENT LIABILITIES	230,093	200,307			144,478	130,723	65,414	47,994	230,093	200,307

MATURITY SCHEDULE OF FINANCIAL INSTRUMENTS SHOWN AS LIABILITIES IN THE BALANCE SHEET

<i>In thousands of euros</i>	Balance sheet value		Less than one year		From one to five years		Beyond five years	
	30/09/2019	30/09/2018	30/09/2019	30/09/2018	30/09/2019	30/09/2018	30/09/2019	30/09/2018
Borrowings from credit institutions	51,344	28,234	12,448	9,242	37,294	16,118	1,602	2,873
Liabilities in respect of finance leases	14,061	19,751	5,337	5,712	8,725	14,039		
Financial debts	65,405	47,984	17,785	14,954	46,018	30,157	1,602	2,873
Derivative financial instruments								
Supplier payables	102,827	91,960	102,827	91,960				
Other debts	41,651	38,763	41,651	38,763				
Current bank overdrafts	9	10	9	10				

8.14 Employee benefits

<i>In thousands of euros</i>	30/09/2019	30/09/2018
Pension commitments	5,796	3,686
Service awards	222	230
TOTAL PROVISIONS	6,018	3,916

The estimate of the value of pension commitments at 30 September 2019 was made by an independent actuary, in accordance with the recommendations of IAS 19.

The amount of pension commitments provisioned corresponds to the contractual commitments of the French companies which envisage making an end-of-service payment to their employees when they retire.

All expenses relating to pension commitments are shown in the "Personnel Costs" item, which is included in the "Operational expenses" line in the income statement, and include an amount of €255,000 for services rendered (€264,000 in 2017/2018) and the financial cost of €64,000 (€60,000 in 2017/2018).

The main assumptions used in the actuarial calculations are as follows:

	30/09/2019	30/09/2018
NPV discount rate	0.53%	1.55%
Inflation rate	1.60%	1.50%
Average rate of salary increase (including inflation)	1.60%	1.50%
Age at retirement ⁽¹⁾ :		
• executives	65	65
• non-executives	Between 62 and 63	Between 62 and 63

(1) Depending on socio-occupational category.

On 31 December 2007 the pension fund of Overtoom International Nederland was closed. The funds invested and the coverage obligations were transferred to a professional fund which now manages employee pension commitments.

In the 2017/2018 financial year the Management of the subsidiary subscribed to a new defined contribution fund.

8.15 Provisions for other liabilities

CHANGES IN THE 2018/2019 FINANCIAL YEAR

<i>In thousands of euros</i>	30/09/2018	Additions	Reversal of Provision used	Reversal of unused Provision	Change through business combination	Reclassification	Exchange rate movements	30/09/2019
Salary disputes	844	386	(635)	0	0	92	(2)	684
Product returns	649	292	(244)	0	0	0	(1)	696
Restructuring	71	0	(71)	0	0	0	0	0
Legal and tax	475	0	(325)	0	0	(150)	0	0
Financial	0	0	0	0	0	0	0	0
Other risks	323	36	0	0	0	(41)	0	317
TOTAL	2,361	714	(1,275)	0	0	(99)	(3)	1,697

Additions to and reversals of provisions during the financial year mainly concerned the settlement of the main salary, legal and tax disputes.

CHANGES IN THE 2017/2018 FINANCIAL YEAR

<i>In thousands of euros</i>	30/09/2017	Additions	Reversal of Provision used	Reversal of unused Provision	Change through business combination	Reclassification	Exchange rate movements	30/09/2018
Salary disputes	418	392	34	0	0	0	0	844
Product returns	726	25	(96)	0	0	(5)	(1)	649
Restructuring	250	0	(179)	0	0	0	0	71
Legal and tax	566	0	(90)	0	0	0	0	475
Financial	0	0	0	0	0	0	0	0
Other risks	1,767	135	(156)	0	0	(1,423)	(1)	323
TOTAL	3,726	551	(487)	0	0	(1,428)	(2)	2,361

The additions to and reversals of provisions for restructuring during the financial year 2017/2018 mainly concerned the Centre regions.

Ongoing litigation

There is no litigation or exceptional event likely to have a material impact on the Group's financial position for which a provision has not been established.

8.16 Other liabilities and accruals

<i>In thousands of euros</i>	30/09/2019	30/09/2018
Suppliers of fixed assets	1,510	539
Tax and social security liabilities	23,986	24,080
VAT	8,825	7,639
Credit notes pending	1	36
Provisions for general expenses	3,349	3,648
Other sundry debts	3,980	2,821
TOTAL	41,651	38,763

At 30 September 2019, all these liabilities were due at 1 year or less.

Analysis of the main items in the income statement

8.17 Operational expenses

Provisions are shown net of additions, reversals, losses and gains.

Other income and expense also includes gains and losses on ordinary disposals of fixed assets.

Personnel costs include payroll and social security charges, employee profit sharing, the cost of temporary employees, employee benefits and other personnel costs. Personnel costs include employee profit sharing plan contributions, which amounted to €3,937,000 for 2018/2019, €4,087,000 for 2017/2018 and €3,732,000 for 2016/2017.

<i>In thousands of euros</i>	30/09/2019	30/09/2018
Other external purchases	(81,888)	(79,438)
Taxes and duties	(6,121)	(5,977)
Personnel costs	(127,214)	(121,809)
Depreciation and amortisation charges	(15,218)	(14,938)
Net additions to/reversals of provisions	305	19
Other income and expenses	1,238	522
TOTAL	(228,899)	(221,621)

8.18 Personnel costs

Composition of average workforce

	30/09/2019	30/09/2018
Employees	1,658	1,710
Executives	612	522
TOTAL	2,270	2,232

Breakdown of average workforce by region

Workforce	30/09/2019	30/09/2018
Businesses	1,521	1,505
North	115	120
Centre	295	289
East	112	111
South	596	587
West	403	397
Local authorities	564	583
South	564	583
Other	185	144
TOTAL GROUP	2,270	2,232

Men in the workforce	30/09/2019	30/09/2018
Businesses	864	863
North	81	87
Centre	199	208
East	68	60
South	253	242
West	263	266
Local authorities	282	307
South	282	307
Other	99	75
TOTAL GROUP	1,244	1,245

Women in the workforce	30/09/2019	30/09/2018
Businesses	657	643
North	34	33
Centre	96	81
East	44	51
South	342	345
West	140	132
Local authorities	283	276
South	283	276
Other	86	68
TOTAL GROUP	1,026	987

Movements	Arrivals	Departures
Businesses	253	238
North	16	21
Centre	26	21
East	29	28
South	117	108
West	66	60
Local authorities	32	51
South	32	51
Other	82	41
TOTAL GROUP	367	329

Breakdown of personnel costs

	30/09/2019	30/09/2018
Employees	(68,368)	(70,162)
Executives	(58,846)	(51,647)
TOTAL	(127,214)	(121,809)

Remuneration allocated in respect of the financial year to the consolidating company's management bodies for the performance of offices in Group companies amounted to €1,882,052 in 2018/2019 and €2,001,399 in 2017/2018.

Attendance fees paid to members of the Board of Directors amounted to €156,000 for financial year 2018/2019 and €124,500 for 2017/2018.

Turnover per average headcount

	30/09/2019	30/09/2018
Businesses	421	404
North	340	346
Centre	515	493
East	209	217
South	521	495
West	285	276
Local authorities	360	336
South	360	336
TOTAL GROUP	341	332

8.19 Other operating income and expense

	30/09/2019	30/09/2018
Asset transactions		490
Fines and penalties		
Restructuring and other costs	(1,293)	(619)
Share acquisition expenses	(271)	(150)
TOTAL	(1,564)	(279)

Restructuring costs are mainly associated with the development of the Group's organisation, and share acquisition costs relate mainly to the acquisition of Kruizinga.

8.20 Financial income and expense

<i>In thousands of euros</i>	30/09/2019	30/09/2018
Income from cash and cash equivalents	259	361
Exchange gains	997	900
Other financial income	158	150
TOTAL FINANCIAL INCOME	1,414	1,411
Gross cost of borrowings	(591)	(645)
Exchange losses	(853)	(960)
Other financial charges	(167)	(153)
TOTAL FINANCIAL CHARGES	(1,611)	(1,757)
Financial result	(197)	(346)

The change in Group financial income and expenses is due mainly to the volatility of the euro exchange rate against other currencies during the financial year.

Income from cash and cash equivalents declined slightly due to limited opportunities for risk-free remunerated investment in the markets.

The cost of indebtedness fell slightly with the gradual repayment of existing borrowings.

8.21 Corporation tax

Explanation of difference between statutory tax rate and effective tax rate (as a percentage of profit before tax):

<i>In %</i>	30/09/2019	30/09/2018
Statutory income tax rate	34.43%	34.43%
Effect of differences between accounting and taxable results	1.85%	0.90%
Non-activated tax losses	0.11%	0.67%
Previous non-capitalised tax loss carry-forwards applied	-0.17%	-0.18%
Differences in rates of income tax	-5.36%	-3.73%
Tax credit	-0.84%	-4.78% ⁽¹⁾
EFFECTIVE RATE OF CORPORATION TAX	30.02%	27.31%

(1) Of which -2.03% from reimbursement to Manutan International of excess corporation tax paid during the financial year.

The Group's income tax expense for the financial year amounted to €18,150,000, comprising €18,668,000 current and €518,000 deferred tax expense.

Source of deferred taxes

<i>In thousands of euros</i>	30/09/2019	30/09/2018
Gross values		
Fixed assets (excluding finance leases)	616	607
Trademarks	(938)	(953)
Inventories	936	687
Customers	616	580
Financial instruments	0	0
Pension provisions	1,761	1,150
Other provisions	277	250
Finance leases	(9,020)	(9,195)
Tax loss carry-forwards	678	382
Other temporary differences	495	653
TOTAL	(4,579)	(5,839)
Deferred tax assets	5,403	4,938
Deferred tax liabilities	9,982	10,777
NET DEFERRED TAX	(4,579)	(5,839)

Change in net deferred tax

<i>In thousands of euros</i>	
30/09/2018	(5,839)
Recognised in profit and loss	518
Recognised in equity	480
Change of consolidation scope	254
Exchange rate movements	8
30/09/2019	(4,579)

8.22 Earnings per share

	30/09/2019	30/09/2018
Net income attributable to owners of the parent <i>(in thousands of euros)</i>	42,260	41,183
Number of shares in circulation	7,600,229	7,600,229
EARNINGS PER SHARE <i>(IN EUROS)</i>	5.56	5.42
Dilutive effect of subscription warrants	0	0
DILUTED EARNINGS PER SHARE <i>(IN EUROS)</i>	5.56	5.42

8.23 Statement of cash flow

Free cash flow

<i>In thousands of euros</i>	30/09/2019	30/09/2018
Consolidated profit for the year	42,302	41,214
Net operating depreciation, amortisation and impairment charges	15,221	14,958
Impairment of intangible assets	0	0
Impairment of property, plant and equipment	(3)	(733)
Other non-cash profit and loss items	500	0
Other provisions (net)	(838)	270
Proceeds of disposal of assets	(53)	28
Carrying amount of assets disposed of	106	205
FREE CASH FLOW	57,235	55,941

Change in working capital requirements

Sources: (+) Applications: (-) <i>In thousands of euros</i>	30/09/2019	30/09/2018	Change
Inventories (net)	(1,034)	(4,741)	3,708
Customer receivables (net)	4,414	(13,586)	18,000
Other receivables	8,212	(6,155)	14,366
Supplier payables (net)	5,464	3,284	2,180
Assets and liabilities in respect of corporation tax	(1,847)	(32)	(1,814)
Other debts	5,655	(3,353)	9,008
CHANGE IN WORKING CAPITAL REQUIREMENTS	20,863	(24,584)	45,447
Change in payables/receivables relating to non-current assets	995	247	747

8.24 Information by sector

Turnover – breakdown by geographical region

<i>In thousands of euros</i>	30/09/2019	30/09/2018
Businesses	639,889	608,633
North	39,121	41,568
Centre	151,813	142,472
East	23,433	24,057
South	310,495	290,791
West	115,027	109,747
Local authorities	203,154	195,734
South	203,154	195,734
Other	(69,158)	(63,085)
TOTAL GROUP	773,885	741,283

<i>In %</i>	30/09/2019	30/09/2018
Businesses	82.7%	82.1%
North	5.1%	5.6%
Centre	19.6%	19.2%
East	3.0%	3.2%
South	40.1%	39.2%
West	14.9%	14.8%
Local authorities	26.3%	26.4%
South	26.3%	26.4%
Other	-8.9%	-8.5%
TOTAL GROUP	100.0%	100.0%

Current operating profit – breakdown by geographical region

<i>In thousands of euros</i>	30/09/2019	30/09/2018
Businesses	57,561	54,307
North	(776)	1,240
Centre	14,398	11,758
East	1,739	1,666
South	34,917	32,553
West	7,283	7,089
Local authorities	12,984	10,432
South	12,984	10,432
Other	(8,332)	(7,411)
TOTAL GROUP	62,213	57,327

<i>In %</i>	30/09/2019	30/09/2018
Businesses	92.5%	94.7%
North	-1.2%	2.2%
Centre	23.1%	20.5%
East	2.8%	2.9%
South	56.1%	56.8%
West	11.7%	12.4%
Local authorities	20.9%	18.2%
South	20.9%	18.2%
Other	-13.4%	-12.9%
TOTAL GROUP	100.0%	100.0%

Operating profit – breakdown by geographical region

<i>In thousands of euros</i>	30/09/2019	30/09/2018
Businesses	56,028	54,690
North	(1,774)	982
Centre	14,072	11,758
East	1,739	2,307
South	34,917	32,553
West	7,074	7,090
Local authorities	12,964	9,918
South	12,964	9,918
Other	(8,343)	(7,561)
TOTAL GROUP	60,649	57,048

<i>In %</i>	30/09/2019	30/09/2018
Businesses	92.4%	95.9%
North	-2.9%	1.7%
Centre	23.2%	20.6%
East	2.9%	4.0%
South	57.6%	57.1%
West	11.7%	12.4%
Local authorities	21.4%	17.4%
South	21.4%	17.4%
Other	-13.8%	-13.3%
TOTAL GROUP	100.0%	100.0%

Current and non-current assets, current and non-current liabilities**NON-CURRENT ASSETS**

	30/09/2019	30/09/2018
Businesses	110,750	83,392
North	8,672	9,340
Centre	30,942	3,995
East	9,752	9,957
South	7,826	6,015
West	53,558	54,084
Local authorities	95,736	82,428
South	95,736	82,428
Other	119,869	118,805
TOTAL GROUP	326,355	284,624

CURRENT ASSETS

	30/09/2019	30/09/2018
Businesses	204,580	195,725
North	13,421	15,611
Centre	42,109	40,133
East	9,478	8,958
South	94,076	90,939
West	45,497	40,084
Local authorities	114,404	119,080
South	114,404	119,080
Other	44,532	32,241
TOTAL GROUP	363,516	347,046

NON-CURRENT LIABILITIES

	30/09/2019	30/09/2018
Businesses	8,839	3,680
North	150	553
Centre	164	173
East	0	0
South	7,817	1,987
West	708	968
Local authorities	14,477	16,944
South	14,477	16,944
Other	40,303	27,099
TOTAL GROUP	63,619	47,723

CURRENT LIABILITIES

	30/09/2019	30/09/2018
Businesses	85,327	79,804
North	5,727	5,436
Centre	14,797	13,685
East	2,371	2,442
South	46,759	41,848
West	15,674	16,393
Local authorities	57,844	49,446
South	57,844	49,446
Other	23,302	23,333
TOTAL GROUP	166,473	152,584

Free cash flow

	30/09/2019				30/09/2018			
<i>In thousands of euros</i>	Free cash flow	Of which consolidated profit	Of which amort., depreciation and operating provisions	Of which other non-operating items	Free cash flow	Of which consolidated profit	Of which amort., depreciation and operating provisions	Of which other non-operating items
Businesses	33,870	29,216	4,311	343	31,642	28,848	3,961	(1,166)
North	(1,365)	(1,598)	486	(253)	1,056	681	447	(71)
Centre	9,055	8,609	445	2	7,019	6,768	387	(135)
East	1,610	1,008	597	4	1,400	1,630	567	(798)
South	16,987	15,733	943	311	15,449	14,528	1,034	(113)
West	7,582	5,463	1,840	279	6,718	5,240	1,526	(48)
Local authorities	9,056	7,967	1,617	(527)	7,873	6,429	1,707	(263)
South	9,056	7,967	1,617	(527)	7,873	6,429	1,707	(263)
Other	14,309	5,076	9,294	(62)	16,426	5,906	9,290	1,230
TOTAL GROUP	57,235	42,260	15,221	(246)	55,941	41,183	14,958	(199)

	30/09/2019				30/09/2018			
<i>In%</i>	Free cash flow	Of which consolidated profit	Of which amort., depreciation and operating provisions	Of which other non-operating items	Free cash flow	Of which consolidated profit	Of which amort., depreciation and operating provisions	Of which other non-operating items
Businesses	59.2%	69.1%	28.3%	-139.3%	56.6%	70.0%	26.5%	584.6%
North	-2.4%	-3.8%	3.2%	102.7%	1.9%	1.7%	3.0%	35.8%
Centre	15.8%	20.4%	2.9%	-0.7%	12.5%	16.4%	2.6%	67.9%
East	2.8%	2.4%	3.9%	-1.8%	2.5%	4.0%	3.8%	400.1%
South	29.7%	37.2%	6.2%	-126.4%	27.6%	35.3%	6.9%	56.8%
West	13.2%	12.9%	12.1%	-113.1%	12.0%	12.7%	10.2%	24.0%
Local authorities	15.8%	18.9%	10.6%	214.1%	14.1%	15.6%	11.4%	132.1%
South	15.8%	18.9%	10.6%	214.1%	14.1%	15.6%	11.4%	132.1%
Other	25.0%	12.0%	61.1%	25.2%	29.4%	14.3%	62.1%	-616.7%
TOTAL GROUP	100.0%	100.0%	100.0%	100%	100.0%	100.0%	100.0%	100.0%

Capital expenditure⁽¹⁾

<i>In thousands of euros</i>	30/09/2019	30/09/2018
Businesses	5,249	5,188
North	113	430
Centre	607	780
East	426	220
South	2,587	870
West	1,516	2,888
Local authorities	14,918	10,698
South	14,918	10,698
Other	8,288	3,873
TOTAL GROUP	28,455	19,759

(1) These amounts include lease-financed assets.

8.25 Financial risk management objectives and policies**Market risk**

The Group is not significantly exposed to market risks, given its financial structure and the small portion of its shares traded on the stock exchange (26.5% at 30 September 2019).

Liquidity risk

The Group is not significantly exposed to liquidity risk. At 30 September 2019, the Group's cash and cash equivalents amounted to €94,740,000 including current financial investments, while financial liabilities totalled €65,405,000. The ratio of consolidated financial debt to consolidated equity stood at 0.14.

In addition, the Group had an unused confirmed line of credit of €20 million. At 30 September 2019, this line was unused.

The financial debts are subject to legal and financial covenants, non-compliance with which would lead to early calling. All these covenants were complied with at 30 September 2019. They mainly concern medium- and long-term debt to equity ratios and free cash flow to net borrowings ratios.

Type of borrowings	Fixed or variable rate	Amount <i>In thousands of euros</i>	Maturity			Hedge	Original currency
			<1 year	1-5 years	>5 years		
Borrowings from credit institutions	Variable rate	0	0	0	0	No	EUR
	Fixed rate	51,344	12,448	38,896	0	No	EUR
Liabilities in respect of finance leases	Fixed rate	675	339	335	0	No	EUR
	Variable rate	12,963	4,574	8,389	0	No	EUR
	Variable rate	285	285	0	0	No	EUR
	Fixed rate	138	138	0	0	No	GBP
Current bank overdrafts	Variable rate	9	9	0	0	No	EUR
TOTAL		65,414	17,794	47,620	0		

Interest rate risk

The Group's financial policy consists in managing financial charges using a combination of variable and fixed rate derivatives. At 30 September 2019 the Group had no outstanding interest rate swap derivatives.

The interest rate sensitivity analysis at 30 September 2019 is as follows:

<i>In millions of euros</i>	Total	<1 year	1-5 years.	> 5 years
Financial assets ⁽¹⁾	93.1	93.1	0.0	0.0
Financial liabilities ⁽²⁾	65.4	17.8	47.6	0.0
NET POSITION	27.6	75.3	(47.6)	0.0

(1) Negotiable debt securities, other financial assets and variable rate loans and advances.

(2) Borrowings, financial debts and other variable rate financial liabilities.

The Group's interest rate risk is monitored throughout the year by the Group's Treasury Department in the parent company. The impact of a one percentage point change in

interest rates (up or down) on the Group's variable rate net positions at less than one year would be approximately €276,500.

Exchange risk

The Group pursues a general policy of risk management and self-hedging. Thus the management of intra-Group transactions is attentively monitored by local and Group treasury departments.

The Group's net exposure to exchange rate risk is presented by currency:

<i>In millions of euros</i>	Pounds sterling	Dollars	Czech koruna	Norwegian kroner	Danish kroner	Euros	Other currencies ⁽¹⁾	Totals
Monetary assets	27.6	7.7	5.0	3.1	1.0	2.4	8.2	55.0
Monetary liabilities	10.3	0.4	2.2	0.3	0.0	3.8	2.1	19.3
NET EXPOSURE	17.2	7.3	2.8	2.8	1.0	(1.4)	6.1	35.7

(1) Other currencies = CHF, CZK, HUF, JPY and PLN.

Monetary assets comprise receivables and loans, as well as marketable securities and cash.

Monetary liabilities comprise borrowings, as well as operating liabilities and other debts.

The risk analysis led to the following conclusion on the currency hedging requirements:

- purchases in dollars (USD) against euros (EUR);
- purchases in euros (EUR) against the pound sterling (GBP), the Czech koruna (CZK) and the Swedish krona (SEK);
- sales of Norwegian kroner (NOK) and Danish kroner (DKK) against Czech koruna (CZK);
- sales of Hungarian forints (HUF) and Polish zloty (PLN) against euros (EUR).

Annual volumes at stake

The total volume of flows to be hedged during the year amounted to €36.9 million, or 7.64% of the Group's cost of goods sold: a change in exchange rates would have a limited impact on the Group's income statement.

At 30 September 2019, the Group had no outstanding forward contracts in respect of these hedges.

Equity risk

The Group's exposure to equity risk is limited to its holdings of treasury shares in Manutan International, the only Group securities listed on a regulated market. These treasury shares totalled 13,062 as at 30 September 2019 (see Note 8.11 "Changes in Group equity").

They are recognised in consolidated equity.

Credit risk

In view of the nature of the Group's business, credit risk is limited, since "Trade receivables" consist entirely of a large number of small accounts spread over several hundred thousand customers.

The Group's policy is to check the creditworthiness of all clients wishing to obtain credit terms. Trade receivables are monitored regularly, and as a consequence the Group's exposure to bad debts is not significant.

8.26 Related parties

Related parties are:

- parent companies;
- subsidiaries;
- members of the Board of Directors of Manutan International.

Transactions with related parties outside the Group were not significant.

Remuneration allocated in respect of the financial year to the consolidating company's management bodies for the performance of offices in Group companies amounted to €1,882,052 in 2018/2019 and €2,001,399 in 2017/2018.

Transactions with the Group's senior Executives during the financial year ended 30 September 2019 (members of the Board of Directors) break down as follows:

- short-term benefits: €2,032,052 in 2018/2019 and €2,081,399 in 2017/2018;

- post-employment benefits: N/A;
- other long-term benefits: N/A;
- end-of-service indemnities: N/A;
- share-based payments: N/A.

Short-term benefits correspond to remuneration of the management bodies, including a provision of €156,000 for attendance fees to be paid in respect of the past financial year.

Also, undertakings regarding end-of-service indemnities in the event of their departure have been given to the Group's senior Management. These (unpaid) undertakings amounted to €1,640,500 in 2018/2019.

8.27 Special purpose vehicles

Special purpose vehicles are consolidated if the Group concludes that it controls them, based on a review of the substance of the special purpose vehicle's relationship with the Group and of its risks and benefits.

The Manutan Group did not control any special purpose vehicles at 30 September 2019.

Note 9 Companies included in the consolidation scope at 30 September 2019

List of consolidated companies	Consolidating company's % of voting rights	Consolidating company's % equity interest
Manutan International SA (France)		
Manutan Collectivités SAS (France)	100.00	100.00
The Eurostore Group Ltd (United Kingdom)	100.00	100.00
Manutan GmbH (Switzerland)	100.00	100.00
IronmongeryDirect Ltd (United Kingdom)	100.00	100.00
Manutan UK Ltd (formerly Key Industrial Equipment Ltd – United Kingdom) ⁽¹⁾	100.00	100.00
Manovert BV (Netherlands)	100.00	100.00
Kruizinga BV (Netherlands)	100.00	100.00
Manutan Hungaria kft (Hungary)	100.00	100.00
Manutan Italia Spa (Italy)	100.00	100.00
Manutan Ltd (United Kingdom)	100.00	100.00
Manutan Polska Sp z o.o. (Poland)	100.00	100.00
Manutan SA (France)	100.00	100.00
Manutan SL (Spain)	100.00	100.00
Manutan Slovakia s.r.o (Slovakia)	100.00	100.00
Manutan s.r.o. (Czech Republic)	100.00	100.00
Manutan Unipessoal Lda (Portugal)	100.00	100.00
Manutan NV (Belgium)	99.15	99.15
Manutan GmbH (Germany)	100.00	100.00
Manovert BV (The Netherlands)	100.00	100.00
Association du R.I.E. (France)	100.00	100.00
SCI Philippe Auguste (France)	100.00	100.00
Sports et Loisirs SAS (France)	100.00	100.00
Papeteries Pichon SAS (France)	100.00	100.00
Rapid Racking Ltd (United Kingdom)	100.00	100.00
Trovatar a.s. (Czech Republic)	100.00	100.00
Witre A/S (Norway)	100.00	100.00
Witre AB (Sweden)	100.00	100.00
Witre Danmark A/S (Denmark)	100.00	100.00
Witre Oy (Finland)	100.00	100.00
Ikaros Cleantech AB (Sweden)	100.00	100.00
Ikaros Finland Oy (Finland)	100.00	100.00
Essex Electrical Wholesalers (United Kingdom)	100.00	100.00

(1) Key Industrial Equipment Ltd changed its name in July 2019 to Manutan UK Ltd.

Manutan International exercises exclusive control over all companies incorporated in the consolidation scope.

Group companies are consolidated using the full consolidation method.

Following the acquisition of Kruizinga, the following two dormant entities are not consolidated at 30 September 2019:

- Kruizinga Verhuur B.V;
- Kruizinga Verkoop B.V.

Note 10 Subsequent events

None.

Note 11 Summary of obligations and commitments

Off-Balance Sheet commitments

<i>In thousands of euros</i>	30/09/2019	30/09/2018
Unutilised confirmed lines of credit	20,200	20,517
Bank guarantees	905	1,217
Other guarantees given ⁽¹⁾	15,999	12,295
Linked to operating leases	20,980	12,307

(1) Basically concerns guarantees given to suppliers in the context of Manutan SA's project to extend the storage warehouse. As a reminder, a bank loan was taken and recognised in debts at 30/09/2018 in the context of this project.

Schedule of obligations and commitments

Pursuant to the AMF's recommendation of January 2003, the tables below summarise the obligations and commitments given and received by the Group. Commitments received are preceded by a minus sign (-).

Contractual obligations - commitments given and received <i>In thousands of euros</i>	Total at 30 Sept. 2019	Amount of commitments by period		
		Less than one year	From one to five years	Over 5 years
Lines of credit and authorised overdrafts	20,200	20,200		
TOTAL COMMITMENTS RECEIVED	20,200	20,200	0	0
Letters of credit	905	905		
Operating lease obligations	20,980	6,415	11,698	2,867
Other guarantees given ⁽¹⁾	15,999	15,920	78	0
TOTAL COMMITMENTS GIVEN	37,884	23,240	11,776	2,867

(1) Basically concerns guarantees given to suppliers in the context of Manutan SA's project to extend the storage warehouse. As a reminder, a bank loan was taken and recognised in debts at 30/09/2018 in the context of this project.

Note 12 Fees paid to the Statutory Auditors and members of their networks

<i>In thousands of euros</i>	KPMG				Mazars			
	Amount		%		Amount		%	
	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018
Audit								
Statutory audit and certification of consolidated and parent company financial statements ⁽¹⁾	425	484	85%	93%	405	418	73%	92%
Services other than the certification of the financial statements ⁽²⁾	74	36	15%	7%	150	35	27%	8%
TOTAL	499	520	100%	100%	555	453	100%	100%

— Statutory Auditors' Report on the financial statements

Financial year ended 30 September 2019

To the General Meeting of Shareholders of Manutan International S.A.,

Opinion

In performance of the assignment entrusted to us by your General Meeting of Shareholders, we have audited the financial statements of Manutan International S.A. for the financial year ended 30 September 2019 as enclosed herewith.

We hereby certify that the financial statements for the year are, as regards the French accounting rules and principles, regular and accurate and provide a true and fair view of the operating results for the past financial year and of the financial situation and assets of the Company at the end of the financial year.

The above opinion is consistent with the content of our report to the Audit Committee.

Basis of our opinion

Audit referential

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

The responsibilities incumbent upon us by virtue of these standards are indicated in the section headed "Responsibilities of the Statutory Auditor in respect of the audit of the financial statements" in this report.

Independence

We conducted our audit in accordance with the rules on independence applicable to us for the period 1 October 2018 to the date of this report, and in particular we did not provide any services prohibited by Article 5, paragraph 1, of Regulation (EU) No. 537/2014 or by the Code of Ethics of the Statutory Auditors profession.

The services other than certification of accounts that we provided during the financial year to your company and to entities that it controls and that are not mentioned in the management report or in the notes to the financial statements are as follows:

- independent third-party body assignment for the statement of extra-financial performance (KPMG);
- consultation assignment on the implementation of IFRS 16 (KPMG);
- due diligence assignment (Mazars);

Justification of our assessments - Key points of the audit

Pursuant to the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key points of the audit relating to the risks of material misstatement which in our professional judgement were of most significance in our audit of the financial statements for the year, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and of the forming of our above opinion. We do not express an opinion on items of these financial statements taken separately.

Valuation of equity investments

Risk identified

The equity investments are shown in the balance sheet of Manutan International SA at 30 September 2019 for a carrying amount of €373 million, and represent 78% of total assets. They are initially recognised at acquisition cost excluding ancillary costs or at their subscription value and adjusted for impairment if their estimated value in use at closing is less than the carrying amount.

The estimate of the value in use of each investment is determined by the management by a combination of various methods based on re-estimated net assets, future profitability and business prospects of the investee. This estimate requires the exercise of judgement by the Management, particularly when it is based on forecast elements.

Given the uncertainty inherent in the forecast elements used in these calculations, we took the view that the valuation of the equity investments constituted a key point of our audit.

Our response

We examined the methods applied by the management for estimating the value in use of the investments. Our work consisted mainly in:

- for valuations based on the re-estimated net assets, we reconciled the net situation used to determine the value in use of the investments with the accounting data extracted from the financial statements audited by the auditors of the companies concerned, checking to see that any adjustments made were appropriate;
- for valuations based on forecast elements, where there were indications of loss of value, we obtained cash flow projections for the activities of the entities concerned drawn up by their respective managements and assessed the consistency of the assumptions used by the management with our knowledge of the business;

We assessed the appropriateness of the information presented in Note 3.2 to the financial statements.

Specific verifications

We also carried out, in accordance with professional standards applicable in France, the specific verifications required by the legal and regulatory provisions.

Information given in the management report and in the other documents on the financial situation and the financial statements sent to shareholders

We have no comments to make on the fairness and consistency with the financial statements of the information included in the management report of the Board of Directors and in the other documents sent to shareholders regarding the financial situation and financial statements of the Company.

We attest to the fairness and consistency with the financial statements of the information relating to payment terms referred to in Article D. 441-4 of the French Commercial Code.

Information relating to corporate governance

We attest to the existence, in the section of the Board of Directors' management report dedicated to corporate governance, of the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

We have checked that the information provided pursuant to the provisions of Article L. 225-37-3 of the French Commercial Code on the remuneration paid, benefits awarded and commitments made to corporate officers is in line with the financial statements or with the data used to prepare the financial statements, and, where applicable, with the information that your Company has obtained from companies that control it or that it controls. Based on our work, we certify the accuracy and fairness of this information.

Concerning the information relating to elements that your Company considers likely to have an effect in the event of a public takeover or merger bid, provided in application of the provisions of Article L. 225-37-5 of the French Commercial Code, we have verified its consistency with the source documents provided to us. Based on this work, we have no observations to make on this information.

Other information

Pursuant to the law, we checked that the information relating to the acquisition of investments and controlling interests, and the identity of holders of stock (or voting rights) was communicated to you in the management report.

Information resulting from other legal and regulatory obligations

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Manutan International S.A. by the General Meetings of 4 March 2004 as regards KPMG Audit, a Division of KPMG S.A., and of 14 March 2003 as regards Mazars.

At 30 September 2019, KPMG Audit was in the fifteenth and Mazars in the sixteenth year of their respective uninterrupted terms.

Responsibilities of the management and the persons forming the corporate governance regarding the financial statements

The Management is responsible for the preparation of financial statements giving a true and fair view in accordance with French accounting rules and principles and for putting in place such internal controls as it deems necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In drawing up the financial statements, it is incumbent upon the Management to assess the Company's ability to continue as a going concern, to provide such information relating to the going concern assumption as may be necessary or appropriate and to apply the going concern accounting principle unless it intends to put the Company into liquidation or cease its activities.

It is incumbent on the Audit Committee to monitor the process of drawing up financial information and the effectiveness of the internal control and risk management systems and of the internal audit if applicable as regards the procedures for drawing up and processing accounting and financial information.

The financial statements have been prepared by the Board of Directors.

Responsibilities of the Statutory Auditor in respect of the audit of the financial statements

Audit objective and approach

It is for us to draw up a report on the financial statements. Our objective is to obtain reasonable assurance that financial statements taken as a whole do not contain material misstatements. Reasonable assurance means a high level of assurance, which does not however guarantee that an audit performed in accordance with professional standards will always detect every material misstatement. Misstatements may derive from fraud or from error and are considered material if, taken individually or together, they can reasonably be expected to be capable of influencing such economic decisions as users of the financial statements may take on the basis of those statements.

As specified by Article L.823-10-1 of the French Commercial Code, our certifying the financial statements does not imply assurance of the viability of your company or of the quality of its management.

Throughout the audit process carried out in accordance with professional standards applicable in France, the Statutory Auditor exercises its professional judgement. Furthermore:

- it identifies and assesses the risks of material misstatements being contained in the financial statements whether deriving from fraud or from error, defines and implements audit procedures to address these risks and collects such evidence as it considers sufficient and appropriate on which to base its opinion. The risk of non-detection of a material misstatement arising from fraud is higher than that of such misstatement arising from error, since fraud may involve collusion, forgery, wilful omissions, false declarations or bypassing of internal controls;
- it takes note of such internal controls as are pertinent for the audit in order to define the appropriate audit procedures in each situation, but not with a view to expressing an opinion on the effectiveness of the internal controls;
- it assesses the appropriateness of the accounting methods applied and the reasonableness of the accounting estimates made by the management body, as well as the related information provided in the financial statements;
- it assesses the appropriateness of the Management's application of the going concern accounting principle and, depending on the evidence collected, the existence or otherwise of significant uncertainty associated with events or situations likely to cast serious doubt on the company's ability to stay in business. This assessment is based on the evidence collected up until the date of the audit report. However, future situations or events could call into question the company's continued operation. If it reaches the conclusion that such significant uncertainty does exist, it draws the attention of readers of the audit report to the information provided in the financial statements regarding this uncertainty or, if this information is insufficient or inappropriate, it issues a qualified opinion or refuses to certify;
- it assesses the overall presentation of the financial statements and whether they give a true and fair view of the underlying transactions and events.

Report to the Audit Committee

We send a report to the Audit Committee presenting in particular the extent of the audit work and the work programme implemented as well as the conclusions drawn from our work. We also bring to its attention any significant weaknesses in internal controls that we may have detected as regards the procedures relating to the preparation and processing of accounting and financial information.

Among the elements contained in the report to the Audit Committee are the risks of material anomalies that we consider to have been the most significant for the audit of the financial statements for the year and which therefore constitute the key points of the audit, which it behoves us to describe in this report.

We also provide the Audit Committee with the declaration provided by Article 6 of Regulation (EU) No. 537-2014 confirming our independence within the meaning of the rules applicable in France as laid down in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the Code of Ethics of the Statutory Auditors profession. If necessary, we discuss with the Audit Committee any risks to our independence and the measures taken to safeguard it.

The Statutory Auditors

Nantes, le 31 janvier 2020

KPMG Audit
a Division of KPMG S.A.

Franck Noël
Partner

Courbevoie, le 31 janvier 2020

Mazars

Anne Veaute
Partner

— Financial statements of the Parent company

Balance Sheet at 30 September 2019

ASSETS

<i>In euros</i>	Gross amount	Amort. prov.	Net 30/09/2019	Net 30/09/2018
Capital subscribed not called				
Intangible assets				
Start-up costs				
Development costs				
Concessions, patents and similar rights	372,935	372,935	0	0
Goodwill				
Other intangible assets	72,762,489	49,355,100	23,407,388	23,683,842
Advances and down payments on intangible assets				
Property, plant and equipment				
Land				
Buildings				
Technical installations, equipment and tools	919,410	813,463	105,947	203,911
Other property, plant and equipment	5,083,491	4,089,078	994,412	1,107,540
Fixed assets in progress				
Advances and down payments				
Non-current financial assets				
Investees accounted for using the equity method				
Other equity interests	386,542,751	13,727,039	372,815,712	343,806,553
Receivables associated with equity interests	4,203,838	3,200,000	1,003,838	1,224,939
Other non-current securities				
Loans				
Other non-current financial assets	1,349,769	165,358	1,184,412	1,234,249
NON-CURRENT ASSETS	471,234,683	71,722,973	399,511,711	371,261,034
Inventories of finished goods and WIP				
Raw materials, supplies				
Goods in course of production				
Services in course of production				
Intermediate and finished products				
Merchandise				
Advances and down payments on orders	20,877		20,877	116,053
Receivables				
Trade receivables and associated accounts	15,473,496		15,473,496	15,708,697
Other receivables	20,386,801		20,386,801	32,780,093
Capital subscribed and called but not paid up				
Miscellaneous				
Marketable securities	2,000,000		2,000,000	
(Of which treasury stock)				
Cash	40,032,996		40,032,996	21,976,014
Prepaid expenses, accrued income, etc.				
Prepaid expenses	2,856,104		2,856,104	2,974,557
CURRENT ASSETS	80,770,275		80,770,275	73,555,414
Issue costs to be spread over the term of borrowings				
Bond redemption premiums				
Conversion differences	217,631		217,631	40,104
GRAND TOTAL	552,222,589	71,722,973	480,499,616	444,856,552

LIABILITIES AND EQUITY

<i>In euros</i>	Financial year 2019	Financial year 2018
Company or individual capital (of which paid up: 15,226,582)	15,226,582	15,226,582
Issue, merger and contribution premiums	66,775,796	66,775,796
Revaluation differences (including equity method valuation difference)		
Legal reserve	1,522,658	1,522,658
Statutory or contractual reserves		
Regulated reserves (encl. res. fluct. exch. rates)		
Other reserves (encl. purchase of orig. artists' works)	83,510,737	83,510,737
Earnings carried forward	108,264,382	93,391,404
Profit/(loss) for the year	22,904,280	27,434,909
Investment grants		
Regulated provisions	3,648,791	3,369,513
EQUITY	301,853,226	291,231,598
Proceeds of issues of equity instruments		
Conditional advances		
OTHER EQUITY		
Provisions for risks	757,305	168,778
Provisions for charges	150,334	
PROVISIONS	907,639	168,778
Financial debts		
Convertible bond borrowings		
Other bond borrowings		
Borrowings from and debts to credit institutions	23,571,923	10,609,609
Miscellaneous borrowings and financial debts (encl. to investees)	142,219,497	129,770,168
Advances and down payments received on current orders		
Operating liabilities		
Supplier payables and related accounts	4,575,103	4,300,574
Tax and social security liabilities	6,947,098	8,311,201
Sundry debtors		
Debts in respect of fixed assets and related accounts	204,734	113,262
Other debts	4,354	10,384
Prepaid expenses, accrued income, etc.		
Prepaid expenses		
LIABILITIES	177,522,708	153,115,198
Conversion differences	216,043	340,978
GRAND TOTAL	480,499,616	444,856,552

Income statement for the financial year ended 30 September 2019

In euros	Financial year 2019			Financial year 2018
	France	Export	Total	
Sale of merchandise				
Goods produced and sold				
Goods produced and sold	29,321,134	1,542,795	30,863,929	29,782,346
Net revenues	29,321,134	1,542,795	30,863,929	29,782,346
Production transferred to inventories				
Production capitalised				
Operating grants				
Reversals of impmt., prov. (* deprec./amort.), transfer of charges			8,373,641	8,024,520
Other income			15,397,951	14,619,587
Operating income			54,635,521	52,426,453
Purchase of merchandise (including customs duties)				
Change in inventories (merchandise)				
Purchase of raw materials and other supplies				
Change in inventories (raw materials and supplies)				
Other external purchases and charges			20,970,214	23,090,389
Taxes, duties and similar			1,115,906	963,173
Employee benefits			12,736,164	10,384,876
Social security charges			5,660,342	4,566,641
Operating allocations:				
on non-current assets: additions to deprec./amort.			6,208,388	6,102,607
on non-current assets: additions to impairment allowances				
on current assets: additions to impairment allowances				
additions to provisions			650,334	128,674
other charges			162,803	96,667
Operating charges			47,504,150	45,333,027
OPERATING PROFIT/(LOSS)			7,131,370	7,093,426
Joint operations				
Profit attributed or loss transferred				
Loss borne or profit transferred			203,991	221,156
Financial income			29,848,419	26,194,527
Financial income from equity interests			28,371,400	24,144,101
Income from other transferable securities and receivables in respect of non-current assets				
Other interest and similar income			142,783	169,242
Releases of provisions and transfers of charges			894,716	1,330,433
Exchange differences			439,521	550,750
Net sales proceeds of transferable securities				
Financial expenses			10,583,011	4,292,473
Additions to depreciation, amortisation and provisions			4,087,968	476,648
Interest and similar charges			6,295,812	3,566,779
Exchange differences			199,231	249,047
Net charges on sale of transferable securities				
FINANCIAL RESULT			19,265,409	21,902,054
RECURRING PROFIT BEFORE TAX			26,192,788	28,774,324
Exceptional income			260,000	3,400
Exceptional income on management transactions			260,000	
Exceptional income on capital transactions				3,400
Releases of provisions and transfers of charges				
Exceptional charges			279,764	384,107
Exceptional charges on management transactions			486	10
Exceptional charges on capital transactions				1,795
Exceptional additions to depreciation, amortisation and provisions			279,278	382,302
NON-CURRENT ITEMS			(19,764)	(380,707)
Employee profit sharing			884,596	848,430
Tax on profits			2,384,148	110,278
Total income			84,743,940	78,624,380
Total expense			61,839,660	51,189,472
PROFIT OR LOSS			22,904,280	27,434,909

— Notes to the parent company financial statements

Note 1 Activity of the Company and significant events of the year

1.1 Significant events

The following financial statements cover the twelve-month period from 1 October 2018 to 30 September 2019.

In June 2019 the Group acquired 100% of the shares of Kruizinga for a total of €31.6 million excluding acquisition expenses.

Based in Wapenveld, in the centre of the Netherlands, Kruizinga was founded in 1960 and has succeeded in developing its business throughout the Netherlands and also in Belgium and Germany. Its position is based on the breadth of its offering, its digitised customer approach and

its modern logistics platform. It offers a very extensive catalogue of more than 15,000 items spread over 40,000 m² of storage space and land. It has a loyal customer base consisting mainly of businesses.

Kruizinga posted sales of approximately €25 million and operating profit of around 10% of sales for 2018.

With this acquisition the Manutan group aims to strengthen its positions in the Netherlands, a market in which Manutan is already present.

1.2 Accounting principles and methods

The financial year was of twelve months, from 1 October 2018 to 30 September 2019.

The financial statements have been drawn up on a going concern basis. They were prepared in accordance with current accounting rules, in compliance with the principle of prudence, independence of financial years and consistency of accounting methods.

Accounting principles and methods specifically applied to each financial statement item are set forth in the following pages.

The financial statements have been prepared in accordance with the provisions of Regulation **2016-07** of the ANC, the French Accounting Standards Authority approved by ministerial order of **4 November 2016** on the General Accounting Plan.

Note 2 Significant events after the reporting period

None

Note 3 Information on assets

3.1 Non-current assets

3.1.1 Intangible assets

Intangible assets are recognised at their acquisition cost.

Computer software licences are amortised on a straight-line basis over 3 to 7 years, depending on their purpose and how long the Company expects to use them.

Major computer software additions during the financial year concerned licences as well as capitalisable costs incurred at year-end for the implementation of the various

applications used by Group companies' operations (e-business sites, content and publication management, etc.) These software packages use the latest technology available and replace previous packages, which had been fully amortised and were therefore scrapped.

Fixed assets in progress consist mainly of the costs incurred in the context of the project to change the Group's ERP system for the part still in development.

3.1.2 Property, plant and equipment

Property, plant and equipment is measured at acquisition cost.

Depreciation is calculated using the straight-line method over the expected useful life of the asset concerned:

- Buildings 25 years
- Fixtures and fittings 10 years

- Computer hardware 3 or 5 years
- Other property, plant and equipment 3 to 6 years
 - motor vehicles;
 - equipment and tools;
 - office furniture and equipment.

The straight-line method best reflects the economic reality applicable to the life-cycle of an asset.

3.1.3 Table of acquisitions and disposals for the year

<i>In euros</i>	At 30/09/2018	Acquisitions	Transfers between B/S headings and corrections +/-	Disposals	At 30/09/2019
Start-up and development costs					
Other intangible assets	67,834,940	9,659,223	4,342,489	16,250	73,135,423
Total 1 Intangibles	67,834,940	9,659,223	4,342,489	16,250	73,135,423
Land					
Constructions on own land					
Constructions on third-party land					
Constructions, installations, fit-outs					
General installations, fixtures and fittings					
Technical installations, equipment and tools	909,881	9,530			919,410
Motor vehicles	9,800				9,800
Office and computer equipment, furniture	4,609,861	405,330			5,015,191
Recoverable packaging and miscellaneous	53,000	5,500			58,500
Total 2 Property, plant & equipment	5,582,542	420,359	0		6,002,901
Fixed assets in progress					
Total 3 Property, plant & equipment in progress	0	0	0	0	0
Advances					
TOTAL (1+2+3)	73,417,482	10,079,582	4,342,489	16,250	79,138,325

3.1.4 Depreciation table

Depreciation of property, plant and equipment and amortisation of intangible assets are calculated on a linear or degressive basis depending on the nature of the assets and their expected useful life.

TABLE OF TECHNICAL DEPRECIATION AND AMORTISATION

<i>In euros</i>	At 30/09/2018	Additions	Reductions or reversals	At 30/09/2019
Start-up and development costs				
Other intangible assets	44,151,098	5,576,936	0	49,728,035
Total 1	44,151,098	5,576,936	0	49,728,035
Land				
Buildings				
General installations, fixtures and fittings				
Technical installations, equipment and tools	705,970	107,494	1	813,463
Motor vehicles	129	1,960	0	2,089
Office and computer equipment, furniture	3,564,992	521,998	0	4,086,990
Total 2	4,271,091	631,451	0	4,902,542
TOTAL	48,422,189	6,208,388		54,630,576
Net value	24,995,293	3,871,195	16,250	24,507,748

3.2 Non-current financial assets

The gross value of the securities consists of their purchase cost excluding ancillary expenses or of the subscription value. The net asset value of the securities reflects their value in use. This value is determined by a combination of the following methods: re-estimated net assets, future profitability and business prospects of the company concerned.

If the net asset value is lower than the net carrying amount of the securities, a provision is set aside for the difference. A similar provision is established for receivables from associates, their net asset value being based on prospects of recovery.

TABLE OF MOVEMENTS DURING THE YEAR

<i>In euros</i>	Gross value at 30/09/2018	Acquisitions and transfers between balance sheet headings	Disposals and transfers between balance sheet headings	Gross value at 30/09/2019	Provision	Net value at 30/09/2019
Investees accounted for using the equity method						
Other equity interests	359,005,161	31,962,529	221,101	390,746,589	16,927,039	373,819,551
Other non-current securities						
Loans and other non-current financial assets	1,337,251	12,518		1,349,769	165,358	1,184,412
TOTAL	360,342,413	31,975,047	221,101	392,096,359	17,092,396	375,003,963

RECEIVABLES FROM AND LOANS TO SUBSIDIARIES

<i>In euros</i>	Gross value at 30/09/2018	Increases	Decreases	Gross value at 30/09/2019	of which at >1 year
Receivables associated with equity interests	4,424,939		221,101	4,203,838	3,982,738
Provisions for impairment	(3,200,000)			(3,200,000)	(3,200,000)
TOTAL	1,224,939	0	221,101	1,003,838	782,738

Investments in associates and related receivables

Details of associates are shown in the "Table of subsidiaries and associates" in the Notes to these financial statements.

During the year, Manutan International wrote off receivables on:

- EEW (UK) for £2,200,000, valued at €2,403,058.44;
- Manutan GmbH (Germany) for €950,000.

Provisions for shares in associates and related receivables

A reversal of €841,137.78 was recognised per 30 September 2019 in respect of the provision for shares in Manutan Italy.

A provision of €3,794,507.16 was also recognised in respect of the shares in EEW.

The provision in respect of treasury stock amounted to €165,358 at 30 September 2019. During the year an addition of €75,830 was made to the provision in respect of the half-year closing.

The other movements in receivables related to associates resulted from the revaluation of these foreign currency denominated receivables.

3.3 Maturity schedule of receivables

The Company's receivables amounted to €44,270,010 in gross value at 30 September 2019, which breaks down as follows:

<i>In euros</i>	Gross amount	One year or less	Over one year
Non-current assets	5,553,608	221,101	5,332,507
Receivables associated with equity interests	4,203,838	221,101	3,982,737
Loans			
Other non-current financial assets	1,349,769		1,349,769
Current assets	38,716,402	38,716,402	
Customers	15,473,496	15,473,496	
Doubtful accounts			
Personnel and related accounts	800	800	
Social bodies	17,302	17,302	
State: sundry taxes and duties	234,291	234,291	
Group and shareholders	20,042,543	20,042,543	
Sundry debtors	91,866	91,866	
Prepaid expenses	2,856,104	2,856,104	
TOTAL	44,270,010	38,937,503	5,332,507
Amounts of loans granted during the year			
Amounts of repayments received during the year			
Loans and advances granted to shareholders (natural persons)			

3.4 Trade and other receivables and associated accounts

<i>In euros</i>	Gross amount	Deprec. & Amort. Prov.	Net 30/09/2019	Net 30/09/2018
Trade receivables and associated accounts	15,473,496		15,473,496	15,708,697
Other receivables	20,386,801		20,386,801	32,780,093
Capital subscribed and called but not paid up				
TOTAL	35,860,297		35,860,297	48,488,790

Other receivables include €20,042,000 in loans granted to subsidiaries and related accrued interest in the context of Manutan International's centralised management of the Group's treasury function.

3.5 Prepaid expenses, accrued income, etc.

3.5.1 Prepaid expenses

Prepaid expenses amount to €2,856,104.

<i>In euros</i>	At 30/09/2019	at 30/09/2018
Operating charges	2,856,104	2,974,557
Financial expenses		
Exceptional charges		
TOTAL	2,856,104	2,974,557

3.5.2 Conversion differences**Negative differences***In euros*

Decrease in receivables	217,631
Increase in payables	
TOTAL	217,631

Positive differences*In euros*

Decrease in payables	
Increase in receivables	216,043
TOTAL	216,043

Note 4 Information on liabilities**4.1 Equity****Composition of the share capital**

The Company's share capital at 30 September 2019 amounted to €15,226,582, comprising 7,613,291 shares with a par value each of €2. At that date, the portion of the share capital listed on Euronext Paris and publicly held was 26.50%.

Appropriation of profit for the 2018 financial year

The accounts for the financial year 2018 showed a profit of €27,434,908. In accordance with a resolution of the Ordinary General Meeting of Shareholders voting on the financial statements, this profit was appropriated as follows:

<i>In euros</i>	At 30/09/2019
Opening equity	291,231,598
Allocation to retained earnings	
Profit for 2019	22,904,280
Distributions of dividends (bt. fwd.)	
Distribution of dividends (profit)	12,561,930
Regulated provisions	279,278
CLOSING EQUITY	301,853,226

The number of treasury shares held at year-end was 13,062, with a value of €965,468.

4.2 Statement of provisions

Details of provisions by type are as follows:

4.2.1 Provisions for risks

<i>In euros</i>	At 30/09/2018	Additions	Reversals	At 30/09/2019
Provisions for arbitration disputes				
Provisions for customer warranties				
Provisions for losses on futures markets				
Provisions for fines and penalties				
Provision for exchange losses	40,104	217,631	40,104	217,631
TOTAL	40,104	217,631	40,104	217,631

4.2.2 Provisions for charges

<i>In euros</i>	At 30/09/2018	Additions	Reversals	At 30/09/2019
Provisions for pensions		150,334		150,334
Provision for taxes				
Provisions for renovation of fixed assets				
Provisions for major maintenance				
Provisions for social and tax charges payable on leave				
Other provisions for risks and charges	128,674	500,000	89,000	539,674
TOTAL	128,674	650,334	89,000	690,008

End-of-service indemnities due to the French employees are valued on the basis of an actuarial simulation.

The commitments are valued in accordance with the projected unit credit method. With this method, each period of service gives rise to an additional unit of benefit entitlement, and each of these units is valued separately to obtain the final obligation. This final obligation is then discounted to its present value.

These calculations mainly involve:

- an assumed retirement date;
- a DCF rate;
- an inflation rate;
- assumptions on salary increases and personnel turnover rates.

The cost of the update and the expected return on the assets are recognised in charges.

The following assumptions were used for the valuation at 30 September 2019:

- inflation rate: 1.60%;
- average annual salary increase: 1.60%;
- discount rate: 0.53%;
- systematic assumption re voluntary retirement;
- retirement age between 62 and 65 years;
- flat rate of social charges: 47.7%;
- departure rate (resignations): note that this year we excluded lay-offs from our departure rate in accordance with the new recommendations of the ANC (French accounting standards authority).

	Technicians and supervisors	Executives	Employees/workers
40 years old or less	8.4%	11.4%	1.8%
41 to 50 years	0.6%	9.4%	1.0%
51 years old or more	0.0%	3.6%	0.0%

The Company's commitments in respect of end-of-service indemnities is covered by an insurance policy. The provision of €150,000 recognised at 30 September 2019 corresponds to the portion of the commitment that is not covered.

At 30 September 2018, the funds placed in the context of this insurance entirely covered the commitment. Therefore no provision was recognised at 30 September 2018.

4.2.3 Provision for impairment of fixed assets

<i>In euros</i>	At 30/09/2018	Additions	Reversals	At 30/09/2019
Provisions for intangible assets				
Provisions for pty, plant & eqmnt.				
Provisions for equity-accounted investments				
Provisions for investments in associates	10,773,669	3,794,507	841,138	13,727,039
Provisions for other financial non-current assets	3,303,002	62,356		3,365,358
TOTAL	14,076,672	3,856,863	841,138	17,092,396

4.2.4 Provision for exceptional deprec./amort.

<i>In euros</i>	At 30/09/2018	Additions	Reversals	At 30/09/2019
Exceptional deprec./amort.	3,369,513	279,278		3,648,791
TOTAL	3,369,513	279,278		3,648,791

4.3 Maturity schedule of payables

<i>Debts</i>	Gross amount at year-end	<1 year	1 to 5 years	>5 years
Convertible bond borrowings				
Other bond borrowings				
Borrowings from and debts to credit institutions:				
• original maturity up to 1 yr.				
• original maturity over 1 yr.	23,571,923	8,530,772	15,041,151	
Miscellaneous borrowings and financial debts	2,835,106	2,835,106		
Suppliers and related accounts	4,575,103	4,575,103		
Personnel and related accounts	3,673,961	3,673,961		
Social security and other social bodies	2,532,111	2,532,111		
State and other public bodies:				
• tax on income	29,361	29,361		
• Value Added Tax	507,487	507,487		
Guaranteed tax payment bonds				
Other taxes and associated accounts	204,178	204,178		
Debts in respect of fixed assets and related accounts	204,734	204,734		
Group and shareholders	139,384,391	139,384,391		
Other debts	4,354	4,354		
Debt representing securities borrowed or pledged				
Unearned income				
TOTAL	177,522,709	162,481,558	15,041,151	
Borrowings entered into during the financial year	20,000,000			
Borrowings repaid during the financial year	7,037,686			

4.4 Supplier payables and related accounts

<i>In euros</i>	At 30/09/2019	At 30/09/2018
Group suppliers	991,142	1,047,983
Suppliers France	1,938,530	1,549,837
Suppliers of fixed assets	204,734	113,262
Bills payable other than Group		
Bills payable, Group		
Supplier invoices not received	1,645,431	1,702,754
CARRYING AMOUNTS	4,779,837	4,413,836

4.5 Charges payable

Charges payable included in the following balance sheet items amounted to:

<i>In euros</i>	Financial year 2019	Financial year 2018
Operating liabilities		
Supplier payables and related accounts	4,575,103	4,300,574
Tax and social security liabilities	6,947,098	8,311,201
Financial debts		
Convertible bond borrowings		
Other bond borrowings		
Borrowings from and debts to credit institutions	23,571,923	10,609,609
Miscellaneous borrowings and financial debts (of which to investees)	142,219,497	129,770,168
Advances and down payments received on current orders		
Sundry debtors		
Debts in respect of fixed assets and related accounts	204,734	113,262
Other debts	4,354	10,384
Prepaid expenses, accrued income, etc.		
Prepaid expenses		
LIABILITIES	177,522,708	153,115,198

4.6 Prepaid expenses, accrued income, etc.

4.6.1 Conversion differences

Non-euro transactions are translated into euros at the transaction date exchange rate. At year-end, payables and receivables in foreign currencies shown in the balance sheet are measured at their equivalent in euros at the rate

of 30 September 2019. The difference resulting from the comparison of the two valuations is recognised in the balance sheet as a conversion difference of €216,043 on the liabilities side and **€217,631** on the assets side.

Note 5 Information on the income statement

5.1 Breakdown of net turnover

Turnover for 2017/2019 breaks down as follows:

<i>In euros</i>	Financial year 2019			Financial year 2018
	France	EU + Export	Total	Total
Sale of merchandise				
Sale of finished products				
Goods produced and sold	29,321,134	1,542,795	30,863,929	29,782,346
TOTAL REVENUES	29,321,134	1,542,795	30,863,929	29,782,346
%	95.00%	5.00%	100.00%	

This amount includes €3,072,491 in management fees and €27,610,605 in intra-group services.

5.2 Other operating income

<i>In euros</i>	At 30/09/2019	At 30/09/2018
Production transferred to inventories		
Production capitalised		
Other miscellaneous operating income and grants		
Releases of deprec/amort & provisions, transfer of charges	23,771,592	22,644,107
TOTAL	23,771,592	22,644,107

This item includes brand royalty payments of €15,394,527.

5.3 Remuneration of the Statutory Auditor

For the year 2018/2019 our Statutory Auditors' fees amounted to 180,000 excl. tax. These were the fees invoiced in respect of the legal audit of the accounts.

5.4 Financial income and expense

Net financial income for the year came to €19,265,409 and breaks down as follows:

<i>In euros</i>	Financial year 2019	Financial year 2018
Financial income	29,848,419	26,194,527
Financial income from equity interests	28,371,400	24,144,101
Income from other transferable securities and receivables in respect of non-current assets		
Other interest and similar income	142,783	169,242
Releases of provisions and transfers of charges	894,716	1,330,433
Exchange differences	439,521	550,750
Net sales proceeds of transferable securities		
Financial expenses	10,583,011	4,292,473
Additions to depreciation, amortisation and provisions	4,087,968	476,648
Interest and similar charges	6,295,812	3,566,779
Exchange differences	199,231	249,047
Net charges on sale of transferable securities		
FINANCIAL RESULT	19,265,409	21,902,054

Financial income from equity interests breaks down as follows:

<i>In euros</i>	Amount
Group dividends	28,235,961
Non-Group dividends	
TOTAL	28,235,961

Companies concerned	Dividends received (in euros)
Manutan Collectivités SAS	2,721,600.00
Manutan SA	7,534,217.20
Manutan Hungária Kft	141,044.86
Manutan s.r.o	350,077.64
Manovert BV	6,136,000.00
Manutan Italia Spa	290,258.70
Manutan Unipessoal Lda	450,684.30
Manutan Slovakia s.r.o	110,511.00
IronmongeryDirect Ltd	3,810,436.17
Manutan NV	468,455.00
Ikaros Cleantech AB	181,200.00
Rapid Racking Ltd	871,204.04
Witre AB	732,671.36
Manutan Ltd	807,600.89
Papeteries Pichon SAS	3,630,000.00

5.5 Non-recurring items

Net exceptional expense for the year of €19,764 breaks down as follows:

<i>In euros</i>	Financial year 2019	Financial year 2018
Exceptional income	260,000	3,400
Exceptional income on management transactions	260,000	
Exceptional income on capital transactions		3,400
Releases of provisions and transfers of charges		
Exceptional charges	279,764	384,107
Exceptional charges on management transactions	486	10
Exceptional charges on capital transactions		1,795
Exceptional additions to depreciation, amortisation and provisions	279,278	382,302
NON-RECURRING ITEMS	(19,764)	(380,707)

Income and expense on assets disposed of break down as follows:

<i>In euros</i>	Gross value	Net carrying amount	Sale price	Gain or loss on disposal
Sales of property, plant and equipment				
Sales of intangible assets				
Sales of other non-current financial assets				
Write-offs of intangible assets				
Write-offs of property, plant and equipment				
TOTAL	0	0	0	0

5.6 Tax on income

Manutan International is a member of a consolidated tax group whose parent company is Manutan International.

5.6.1 Breakdown of tax on income linked to activity

Profit/(loss) <i>In euros</i>	Accounting profit before tax	Add-backs and deductions	Profit for tax purposes	Theoretical amount of tax	Corp. tax credit/refund	Taxes on dividends	Due	Profit after tax
Total	25,288,428	(18,219,654)	7,068,775	2,406,468	22,320		2,384,148	22,904,280

5.6.2 Deferred taxation

BASES

<i>In euros</i>	At the beginning of the financial year	Changes in profit/(loss) for the year	At the end of the financial year
Exceptional valuations for tax abatement			
Regulated provisions	(1,943,933)	(279,278)	(2,223,211)
Acquisition costs	0	322,888	322,888
Differences between the tax and accounting treatment of certain items of revenue or expense			
Investment in construction	43,090	12,460	55,550
Profit sharing	908,000	7,000	915,000
"Social solidarity contribution"	18,666	10,787	29,450
Conversion differences	0	0	0
Other provisions for risks Pensions	0	150,334	150,334
TOTAL	(974,177)	224,191	(749,989)

TAXES

<i>In euros</i>	At the beginning of the financial year	Changes in profit/ (loss) for the year	At the end of the financial year
Exceptional valuations for tax abatement			
Regulated provisions	(562,185)	(12,070)	(574,255)
Acquisition costs	0	83,402	83,402
Differences between the tax and accounting treatment of certain items of revenue or expense			
Investment in construction	14,834	4,290	19,127
Profit sharing	312,624	2,411	315,035
"Social solidarity contribution"	6,427	3,714	10,141
Conversion differences	0	0	0
Other provisions for risks pensions	0	38,831	38,831
TOTAL	(228,297)	120,577	(107,720)

5.6.3 Effect of application of the tax provisions on profit/(loss)

Impact on profit/(loss) for the year	2019
Profit/(loss) for the year	22,904,280
• Tax on income	2,406,468
• Tax credits:	
• tax credit for training managers	
• family tax credit	
• tax reduction for sponsorship	(22,320)
• tax credit for investment in Corsica	
• tax credit for apprenticeship	
• tax credit relating to transferable securities ("BIC" industrial and commercial category)	
• other allocations	
Reimbursement of corp. tax / dividend tax - corp. tax prov.	
Profit/(loss) before tax (or tax credit)	22,904,280
+ Additions to regulated provisions during the year	279,278
- Released from regulated provisions during the year	
Change in regulated provisions: - exceptional depreciation/amortisation	279,278
PROFIT/(LOSS) WITHOUT TAX PROVISIONS	23,183,558

Note 6 Miscellaneous information**6.1 Average workforce, salaried personnel**

The average workforce in financial year 2019 breaks down as follows:

Financial year 2019	Workforce
Executives	156
Supervisors, technicians and employees	21
Workers	
TOTAL	177

6.2 Identity of the consolidating parent company

The accounts of the parent company are fully consolidated in the accounts of SA Manutan International, avenue du XXI^e-Siècle, 95506 Gonesse Cedex, France.

6.3 Remuneration of the governing bodies

Attendance fees allocated to members of the Board of Directors in respect of financial year 2018/2019 amounted to €130,000.

Remuneration paid to Corporate Officers during financial year 2018/2019 amounted to €2,001,399.

6.4 Off-balance sheet commitments

6.4.1 Commitments given

<i>In euros</i>	Total	Management	Subsidiaries	Other
Linked to treasury				
• Bank overdraft	0		0	
• Security bond	505,295		505,295	
Letter of credit	400,000		400,000	
TOTAL	905,295	0	905,295	0

6.4.2 Commitments received

<i>In euros</i>	Total	Management	Subsidiaries	Other
Linked to treasury				
• CIC	0			0
• BNP Paribas				
SG				
TOTAL	0	0		0

6.4.3 CICE

The company had recorded a French tax credit for encouraging competitiveness and jobs (CICE) of €23,495 at 30 September 2019. This tax credit was used to provide training for employees following the installation of our new information system.

— Information relating to subsidiaries and associates

Financial information	In thousands of local currency units		In thousands of euros			In %	
	Capital	Equity other than capital before appropriation of profit	Capital	Equity other than capital before appropriation of profit	Total equity	Proportion of capital held	Equity
Subsidiaries and associates							Carrying amount of securities
Manutan SA (EUR)	16,073	71,518	16,073	71,518	103,696	100.00	
Manutan Collectivités (EUR)	7,560	8,157	7,560	8,157	19,786	100.00	
Sports & Loisirs SAS (EUR)	1,000	9,909	1,000	9,909	11,229	100.00	
SCI Philippe Auguste (EUR)	345	21,450	345	21,450	22,355	100.00	
Papeteries Pichon SAS	1,000	38,480	1,000	38,480	43,079	100.00	
Manutan Italia Spa (EUR)	500	1,836	500	1,836	3,456	100.00	
Manutan Portugal Unipessoal Lda (EUR)	100	1,853	100	1,853	2,682	100.00	
Manutan Spain SL (EUR)	3	(2,099)	3	(2,099)	(1,980)	100.00	
Manovert BV (EUR)	18	45,405	18	45,405	51,591	100.00	
Manutan Deutschland GmbH (EUR)	1,788	(923)	1,788	(923)	968	70.00	
Manutan Czk S.r.o. (CZK) ⁽¹⁾	19,300	105,972	709	3,895	134,392	100.00	
Trovatar a.s. (CZK) ⁽¹⁾	71,000	(51,796)	2,610	(1,904)	3,316	100.00	
Manutan Polska Sp z o.o. (PLN) ⁽¹⁾	850	154	203	37	2,131	100.00	
Manutan Hungaria Kft (HUF) ⁽¹⁾	3,000	91,068	10	297	147,713	100.00	
Manutan Slovakia S.r.o. (EUR)	7	525	7	525	635	100.00	
Manutan Ltd (GBP) ⁽¹⁾	5,825	6,559	7,109	8,006	12,868	100.00	
Rapid Racking Ltd (GBP) ⁽¹⁾	153	6,570	186	8,020	7,563	100.00	
IronmongeryDirect Limited (GBP)	1	7,872	1	9,609	12,102	100.00	
Witre Sweden A/B (SEK) ⁽¹⁾	8,000	49,907	893	5,571	57,513	100.00	
Ikaros Cleantech A/B (SEK) ⁽¹⁾	1,362	23,641	0	2,639	8,920	100.00	
Essex Electrical Wholesalers Ltd (GBP) ⁽¹⁾	2	(941)	340	(1,149)	406	100.00	
Kruizinga BV (EUR)	18	5,204	18	5,204	5,815	100.00	
Manutan Belgium NV (EUR)	966	11,599	966	11,599	17,494	15.00	

(1) Closing rate at 30/09/2019: GBP: 0.8193; HUF: 306.22; SEK: 8.959; PLN: 4.1894; CZK: 27.2045.

(2) Confidential data not released.

In thousands of euros						In thousands of local currency units				
Carrying amount of securities held			Loans and advances granted and not yet repaid			Security and guarantees given by the Company	Turnover excl. taxes for the last financial year	Profit/(Loss) for the last financial year	Dividends received by the Company during the financial year	Notes
Gross	Provision	Net	Gross	Provision	Net					
75,237	0	75,237	0	0	0		287,976	13,393	(2)	
5,246	0	5,246	0	0	0		(2)	(2)	(2)	
17,627	0	17,627	0	0	0		(2)	(2)	(2)	
345	0	345	0	0	0		(2)	(2)	(2)	
78,277	0	78,277	0	0	0		(2)	(2)	(2)	
6,207	2,771	3,436	0	0	0		(2)	(2)	(2)	
100	0	100	0	0	0		(2)	(2)	(2)	
106	0	106	3,200	3,200	0		(2)	(2)	(2)	
72,071	0	72,071	0	0	0		(2)	(2)	(2)	
4,769	3,860	909	0	0	0		(2)	(2)	(2)	
5,138	0	5,138	0	0	0		441,353	9,120	(2)	
8,737	3,302	5,435	620	0	0		(2)	(2)	(2)	
110	0	110	0	0	0		(2)	(2)	(2)	
56	0	56	0	0	0		(2)	(2)	(2)	
22	0	22	0	0	0		(2)	(2)	(2)	
14,393	0	14,393	0	0	0		(2)	484	(2)	
27,801	0	28,014	0	0	0		(2)	(2)	(2)	
20,951	0	20,951	0	0	0		(2)	(2)	(2)	
1,236	0	1,236	0	0	0		214,380	(395)	(2)	
11,606	0	11,606	0	0	0		(2)	(2)	(2)	
3,915	3,795	120	0	0	0		(2)	(2)	(2)	
31,640	0	31,640	0	0	0		(2)	(2)	(2)	
140	0	140	0	0	0		46,311	4,929	(2)	

— Five-year review of Company's results and other key figures

DESCRIPTION	30/09/2019	30/09/2018	30/09/2017	30/09/2016	30/09/2015
I. Capital at year-end <i>(in thousands of euros)</i>					
a) Capital	15,227	15,227	15,227	15,227	15,227
b) Number of shares	7,613,291 at €2	7,613,291 at €2	7,613,291 at €2	7,613,291 at €2	7,613,291 at €2
c) Number of shares with preferred dividend (with no voting rights)					
d) Maximum number of future shares to be created:					
• by bond conversion	-	-	-	-	-
• by exercise of subscription rights	-	-	-	-	-
II. Operations and results for the year <i>(in thousands of euros)</i>					
a) Total revenues excl. tax	30,864	29,782	25,999	21,265	19,809
b) Profit before tax, employee profit sharing, depreciation and amortisation charges and additions to provisions	36,415	34,082	26,172	17,763	25,052
c) Tax on income	2,384	110	(746)	764	819
d) Employee profit sharing for the year	885	848	836	381	454
e) Profit after tax, employee profit sharing, depreciation and amortisation charges and additions to provisions	22,904	27,435	21,028	11,028	18,204
f) Dividend distributions	12,562 ⁽¹⁾	12,562	12,562	11,420	9,517
III. Earnings per share <i>(in euros)</i>					
a) Profit after tax and employee profit sharing but before depreciation and amortisation charges and additions to provisions	4.35	4.35	3.43	2.18	3.12
b) Profit after tax, employee profit sharing and depreciation and amortisation charges and additions to provisions	3.01	3.60	2.76	1.45	2.39
c) Dividend per share.	1.65 ⁽¹⁾	1.65	1.65	1.50	1.25
IV. Personnel					
a) Average workforce during the year	152	152	126	101	96
b) Payroll for the year <i>(in thousands of euros)</i>	12,736	10,385	10,297	7,271	6,919
c) Amounts paid in respect of social benefits during the year (Social Security, social works, etc.) <i>(in thousands of euros)</i>	5,660	4,567	4,583	3,266	3,201

(1) Decision to be submitted to vote by the General Meeting of Shareholders resolving on the financial statements for the year ended 30 September 2019 (AGM to be held before 31 March 2020).

INFORMATION ABOUT THE COMPANY AND THE CAPITAL

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— General information concerning the issuer

Name and registered office *(Articles 2 and 4 of the Articles of Association)*

Name: Manutan International SA

Trading name: Manutan

Registered office: ZAC du parc des Tulipes –
Avenue du XXI^e-Siècle – 95506 Gonesse Cedex

Tel. switchboard: +33 (0)1 34 53 35 00

Legal Department: **contact.legal@manutan.com**

www.manutan.com

The information included on the website are not part of the prospectus.

Legal structure

Société Anonyme (French public limited company) with a Board of Directors.

The Combined General Meeting, held on 30 November 2011, adopted the change in the mode of Administration and Management of the Company by adopting the form with a Board of Directors.

Applicable law

Manutan International SA is a company under French law, governed by the French Commercial Code (*Code de commerce*).

Date of constitution and duration of incorporation

The Company was incorporated for a duration of 60 years. Unless extended or dissolved, it shall be terminated on 24 April 2025.

Corporate object *(Article 3 of the Articles of Association)*

The Company's objects in France and internationally are:

- the acquisition and management of portfolios of marketable securities and other investments;
- the acquisition of shareholdings in existing or new companies, and the management and disposal of these holdings;
- the purchase, sale and production of all equipment for businesses and local authorities;
- and, more generally, all commercial transactions in movable assets or real estate, financial or other, directly or indirectly related, in full or in part, to the Company's object or any other object that is similar or connected and that may assist in the conduct of the business and its development.

Trade and Companies Register number, APE and LEI code

662 049 840 RCS Pontoise.

APE Code: 4791B. Distance selling from a specialist catalogue. The LEI code for Manutan International SA is 969500DMA54G9G33MK42.

Consultation of legal documents and regulated information

Company documents, in particular the Articles of Association and the accounts, may be consulted at the registered office address: ZAC du parc des Tulipes, avenue du XXI^e-Siècle, 95500 Gonesse, under the terms provided by law.

The permanent or temporary regulated information can be viewed on the Company website: **www.manutan.com**, in the section: "Our Investors/Regulated Information".

Fiscal year

The Company's financial year starts on 1 October and ends on 30 September of the following calendar year. It lasts for 12 months.

Appropriation of profits *(Article 19 of the Articles of Association)*

The profit available for distribution shall be made up of the profit for the financial year, less any losses carried forward and the allocation to the legal reserve, plus any profits carried forward.

This profit is available to the General Meeting of Shareholders, which may, at the Board of Directors' proposal, carry it forward, allocate it to general or special reserves, or distribute it to shareholders in the form of a dividend.

Furthermore, the General Meeting may decide to distribute amounts withdrawn from reserves at its disposal; in this

case, the decision must expressly indicate the reserve accounts from which these withdrawals are made. However, in the first instance, the dividend shall be deducted from the profit for the financial year that is available for distribution.

The General Meeting voting on the financial statements for the period may grant to each shareholder, for all or part of the dividend to be distributed or the interim dividend payments, an option between payment in cash or in the form of shares.

General Meeting of Shareholders *(Article 16 of the Articles of Association)*

16-1 The Ordinary General Meetings, Extraordinary General Meetings and Special Meetings have the competences granted to them by French Law.

16-2 Shareholders' Meetings are called and deliberate under the legal and regulatory conditions. They are held at the registered office or in another location indicated on the invitation.

All shareholders have the right to attend General Meetings, to be represented or to vote by correspondence, regardless of the number of shares in the capital that they hold, on the condition that the shares are fully paid and registered in their name on the second working day before the meeting at midnight, Paris time, either in the registered securities ledgers kept by the Company, or in bearer accounts kept by authorised intermediaries.

Any shareholder with shares in a determined category can take part in special Shareholders' Meetings for this category, under the same conditions.

16-3 Any shareholders who attend the Meeting by video conference or by telecommunications means that allow for them to be identified and pursuant to the regulations in force, wherein the Board of Directors has decided to use such means of participation prior to the General Meeting, are considered to be present for the calculation of the quorum.

16-4 A shareholder may be represented by another shareholder, their spouse or by their civil partner. They can also be represented by any other natural or legal person of their choice.

Notification of the appointment of a Proxy can be sent by electronic means.

16-5 Any shareholder can vote by correspondence using the form that shall only be taken into account if received by the Company at least three days before the Meeting is held. This form may, where necessary, be on the same document as the form for assigning voting authority.

16-6 The correspondence voting form and the voting authority form submitted by a shareholder are signed by them, where appropriate, by a secure electronic signature procedure as provided for in French Decree No. 2001-272 of 30 March 2001 as applied by Article 1367 of the French Civil Code or by an electronic signature procedure decided by the Board of Directors consisting of using a reliable identification procedure ensuring a link with the instrument to which it relates.

16-7 The shareholder may use the electronic distance voting or voting authority form on the Company's website for this purpose, if it reaches the Company on the day before the General Meeting no later than 3 pm, Paris time. This electronic form includes an electronic signature as provided for in the conditions of this article.

16-8 Votes are cast either by raising hands or by any appropriate technical means chosen by the Board of Directors. A secret ballot, for which the Meeting shall fix the terms, may only be held at the request of the represented members, by themselves or as Proxies, at the majority required to vote on the resolution in question.

Transfer of equity securities and of marketable securities granting access to the share capital *(Article 12 of the Articles of Association)*

The shares in the capital and the securities giving access to the capital are transferred from account to account under the conditions provided for by the regulations in force.

They are freely assignable and transferable. The same applies to rights to subscribe to these shares and securities.

Rights and obligations attaching to ordinary shares – Vote

(Article 13 of the Articles of Association)

13-1 Possession of an ordinary share shall entail ipso jure acceptance of the Articles of Association and of the resolutions duly adopted by all General Meetings of Shareholders.

13-2 Shareholders shall be required to bear losses only to the extent of their contributions.

Each ordinary share shall confer on the holder the right to a share in the profits, corporate assets and liquidation surplus in proportion to the percentage of the capital that it represents.

If applicable, and subject to any imperative prescriptions, all ordinary shares shall be grouped together, regardless of any tax exemptions or credits, and any taxation payable by the Company, before making any redemption payments during the life-time of the Company or during the course of its liquidation, such that, given their respective face value, all ordinary shares existing at that time shall receive the same net sum of money, regardless of their origin and creation date.

13-3 The voting right attached to shares is proportional to the quotient of the share capital that they represent and each share gives its holder at least one vote, without prejudice to the exceptions provided for by French Law and the Articles of Association.

If the ownership of a share becomes split among different parties, the voting right shall be allocated as follows:

- where the beneficial owner and/or the bare owner benefit from the provisions relating to the partial exemption

specified in Article 787-B of the French General Tax Code for their shares, and that they ensure that this attribute is mentioned on the account where their rights are registered, the beneficial owner shall have the right to vote on decisions regarding the allocation of earnings, and the bare owner shall have the right to vote on all other decisions;

- in other cases, the voting right attached to the share belongs to the beneficial owner at Ordinary General Meetings and to the bare owner at Extraordinary General Meetings.

A double voting right to that granted to other ordinary shares, with regard to the proportion of the capital that they represent, is granted to any fully paid shares that are proven to be registered in the name of the same shareholder for at least two (2) years.

This right is also granted from their issue in the case of an increase in capital by incorporation of the reserves, profits or issue premiums, to registered shares granted freely to a shareholder due to previous shares on which they benefit from this right.

The registered shares benefiting from a double voting right converted to bearer shares or transferred to another holder lose the double voting right other than in any cases provided for by French Law.

Form of equity securities and other marketable securities – Identification of shareholders – Crossing of disclosure thresholds

(Article 9 of the Articles of Association)

9-1 Unless otherwise provided for in the contract of issue or by French Law, capital shares and any other securities that may be issued by the Company are held in registered form or by the bearer at the discretion of their holder. They can only be held by the bearer after they paid in full.

9-2 The Company at any time, may request the main depositary which keeps the registers relating to issues of its securities to provide it with the information provided for by French Law regarding the holders of bearer shares immediately or ultimately granting the right to vote in Shareholders' Meetings. The Company may also request, in accordance with the Law, the identity of holders of securities where it considers that certain holders, whose identity has been revealed, are holding the securities on behalf of third parties.

The Company may ask any legal entity holding more than 2.5% of the capital or the voting rights to reveal to it the identities of persons directly or indirectly holding more than one third of the share capital of said legal person or the voting rights at its General Meetings.

9-3 Any natural or legal person, acting alone or in collaboration, which comes to hold a greater number of shares or voting rights than the thresholds set by French Law, must comply with the information obligations provided for by the Law within the given deadline. The same information is also given when the shareholding or the voting rights fall below the legal thresholds.

Crossing the statutory threshold

No declaration for crossing the statutory threshold is provided for.

Board of Directors *(Article 14 of the Articles of Association)*

14-1 The Company is administered by a Board of Directors composed of at least three members and no more than eighteen; however, this maximum number is increased to twenty-four in the event of a merger under the conditions set by French Law.

In the event that the capital held by the Company's employees and companies that are bound to it under the terms of an Employee Savings Scheme represent more than 3% of the share capital, a Director is appointed under the conditions set by French Law and regulations from amongst the shareholding employees or from amongst the employees on the Supervisory Board of the mutual trust that holds the shares. This Director shall not be included when determining the minimum and maximum number of Directors.

14-2 Directors are appointed for a term of two (2) years.

The number of Directors who have reached the age of 75 may not exceed one third of the members of the Board of Directors. When this threshold is crossed, the oldest Director is considered to be resigning at the next General Meeting.

14-3 The Board of Directors is convened by the Chairman at his/her initiative and, if he/she is not the General Manager, at the request of the General Manager or, if the Board has not met for more than two months, at the request of two thirds of the Directors. The Board is convened by any means with a lead-time of eight (8) days, except in case of emergency. The agenda is set by the author of the notification.

Meetings are held at the registered office or in another location indicated on the invitation.

The Board only acts validly if at least half of its members are present. The Internal Rules of Procedure may provide that Directors are considered to be present for the calculation of the quorum and the majority if they attend by means of video conference or telecommunication under the limits set by legislation and the regulations in force.

The Board makes decisions by the majority of members present or represented. In the event of a split vote, the vote of the Chairman shall be the deciding vote.

The Board may name a secretary at each session who may be chosen from outside the Directors.

14-4 The Board of Directors determines the business angles for the Company and monitors that they are correctly implemented. The Board is responsible for any issues relating to the correct operation of the Company and governs the business concerning it through its decisions, subject to the powers expressly attributed to the Shareholders' Meeting and whilst remaining within the corporate object. It shall perform such controls and checks as it deems appropriate.

14-5 The Board of Directors elects a Chairman from amongst its members. It determines their remuneration. The age limit for the functions of the Chairman is 80 years.

The Chairman of the Board of Directors shall organise and direct the work undertaken by the Board, and report it to the General Meeting of Shareholders. He/she supervises the proper running of the Company's bodies and ensures, in particular, that the Directors are capable of performing their roles.

14-6 The Board of Directors may appoint an Honorary Chairman, a natural person chosen from amongst the former Chairmen of the Company's Board of Directors.

His/her duties end after two (2) years; they cease at the end of the General Meeting approving the accounts for the previous financial year, which is held in the year in which his/her term of office comes to an end.

The Honorary Chairman can be re-elected indefinitely, his/her title can be revoked at any time without compensation by a decision of the Board of Directors.

The Honorary Chairman is invited to all the meetings of the Board and attends the meetings of the Board of Directors in a consultative capacity. He/she must still abide by the Internal Rules of Procedure of the Board of Directors. He/she has an identical right to information and communication as the members of the Board of Directors.

The Honorary Chairman may in no event interfere with the management of the Company or generally substitute themselves for the legal bodies of the Company.

14-7 Pursuant to the provisions of article L. 225-27 of the French Commercial Code, one or two directors representing the employees may be elected by the salaried employees of the Company, it being specified that the other provisions of Article 14 do not apply to the Director representing the employees.

The number of members of the Board of Directors elected by the employees is at least two when the number of members of the Board of Directors appointed under the methods referred to in article L. 225-27-1 is higher than eight and one if it is equal to or less than eight, it being specified that the number of Directors representing the employees may not be greater than one third of the number of other Directors.

This Director is not taken into account in determining the minimum and maximum number of Directors or for determining the rule for parity on the board.

The term of office is two (2) years. They may be re-elected.

However, their term of office ends automatically when they no longer fulfil the conditions for eligibility provided for by article L. 225-28 of the French Commercial Code or in the event of the termination of their employment contract pursuant to article L. 225-32 of said Code.

The Director elected by the salaried employees shall start their role at the meeting of the Board of Directors held after the full result of the first elections is announced.

The following Director shall start their role upon the expiry of the term of office of the outgoing Director.

The status and the procedures for electing this Director are set by the provisions of articles L. 225-28 to L. 225-34 of the French Commercial Code and these Articles of Association.

The candidates are presented by a twentieth of the employees with voting rights for the Company.

Each candidature must include, in addition to the name of the candidate, the name of a potential replacement. The candidate and the replacement must not be of the same gender.

The Director representing the employees is elected by a single electoral college by two rounds of secret ballot.

In the first round, the candidate is elected by an absolute majority of the votes cast. In the second round they are elected by a relative majority.

In the event of an equal number of votes, the candidate with the oldest employment contract is declared to have been elected.

In the event that a position as Director elected by the employees, pursuant to article L. 225-27 of the French Commercial Code, is vacant, for whatever reason (death, resignation, revocation, termination of the employment contract, etc.), the vacant position shall be allocated to the replacement.

In order to be eligible, the candidates must have held an employment contract with the Company for at least two years on the day when they start their term of office, subject to the election and corresponding to an actual job.

The electors shall be all of the Company's employees with an employment contract dating back at least three months on the date of the election.

The list of electors shall mention the surname and first name of each elector, their gender, their date of birth, how long they have been with the company and the roles they perform.

There are three scrutineers who are electors that have accepted this role. They are chaired by the eldest amongst them. The scrutineers ensure the secrecy of the ballot and announce the results. They are responsible for supervising the room and are bound, in this regard, to report any incident or any complaints that are made. The scrutineers are responsible for ensuring that the vote is held correctly.

Counting takes place in the polling station immediately after the end of voting; the report is drafted as soon as counting is completed.

The voting slips are printed and provided by Top Management and made available with envelopes.

During counting, any slips with any writing added by the elector, any slips with a distinguishing mark, any insults, any slips with names other than those on the list, any illegible slips or any slips that are in the urn without an envelope shall be invalid.

the following lead-times must be adhered to for the electoral operations:

- the date of the election must be displayed for at least thirty calendar days before the first round of voting;
- the list of electors must be displayed for at least fifteen calendar days before the first round of voting;
- candidatures must be filed at least fifteen calendar days before the first round of voting;
- the list of candidates must be displayed two days after the filing of candidatures;
- the second round of voting shall be held eight calendar days after the first round. The list of electors displayed for the first round and the list of candidates filed for the first round are automatically carried over for the second round.

The dates and times for voting shall be decided by the Executive Management according to the aforementioned provisions.

Executive Management *(Article 15 of the Articles of Association)*

The role of CEO shall be assumed either by the Chairman of the Board of Directors, under his responsibility, or by another natural person chosen from among the Board members or from outside those members.

The Board of Directors chooses between the two modes of Executive Management. It can change its choice at any time. In which case, it informs the shareholders and third parties pursuant to the regulations in force.

In the event that the Chairman assumes the role of General Manager, the provisions of these Articles of Association regarding the latter apply.

Wherein the role of General Manager is not assumed by the Chairman of the Board of Directors, the Board of Directors appoints a General Manager to whom the same age limits apply as for the Chairman.

The General Manager is invested with the most extensive powers to act on behalf of the Company, in all circumstances. He/she exercises these powers within the limit of the corporate purpose and subject to the powers expressly granted to him/her by law at General Meetings and at the meetings of the Board of Directors.

At the proposition of the General Manager the Board of Directors may appoint one or up to five Deputy General Managers. The age limit set for the role of Chairman also applies to Deputy General Managers.

With respect to third parties, the Deputy Managing Directors have the same powers as the Managing Director.

Within the framework of the organisation of the Company, the powers of the General Manager and the Deputy General Managers may be limited by the Board of Directors without this limitation being enforceable for third parties.

Related party transactions

- Role of the parent Company vis-à-vis its subsidiaries – see page 76 of this document.
- Group subsidiaries and legal jurisdictions – see page 96 of this document.
- Legal organisational structure of the Group and positions held by parent company executives in the main subsidiaries – see page 96 and pages 38 to 39 of this document.
- Presentation of movements in subsidiaries' significant intermediate management balances and indication of strategic business assets held by them – see pages 98 to 100 of this document and the notes to the consolidated financial statements presented on page 101 *et seq.* of this document.
- Financial flows and nature of these flows between the Parent Company and subsidiaries – see page 74 *et seq.* of this document.
- See the Statutory Auditors' special report on regulated agreements and commitments:
 - page 67 of this document for the 2018/2019 financial period;
 - page 62 of the reference document for the Company for the 2017/2018 financial period;
 - page 62 of the reference document for the Company for the 2016/2017 financial period.

These documents are available on www.manutan.com.

Crossing of thresholds

- Over the financial periods ended on 30 September 2017 and 30 September 2018, no crossing of thresholds was declared.
- Over the financial year ended 30 September 2019, the company Lazard Frères Gestion SAS declared a crossing under the threshold in the context of its activity of third party asset management.

Agreements among shareholders

The collective commitments to hold shares are presented in the chapter entitled "General information concerning the issuer" on page 168 of this document.

Employees *(Article L. 225-102 of the French Commercial Code)*

At the end of the 2018/2019 financial year, employee share ownership, as defined by Article L. 225-102 of the French Commercial Code, represented 0% of the share capital of the Company.

Information disclosed pursuant to Article L. 225-100-3 of the French Commercial Code

Pursuant to Article L. 225-100-3 of the French Commercial Code, we inform you of the following matters, which are likely to have an impact in the event of a public offering:

- the structure of the share capital and the direct or indirect shareholdings known to the Company and any information on the subject are presented in the chapter entitled "Distribution of share capital and voting rights" on page 167 of this document;
- there are no statutory restrictions on the exercise of voting rights and transfers of shares;
- seven shareholders of the Company have signed two agreements to retain shares in the Company in the framework of the tax allowances instituted by the so-called "Dutheil Law" of 1 August 2003, presented in the chapter headed "General information concerning the issuer" on page 156 of this document;
- as far as the Company is aware, there are no other commitments or pacts signed among shareholders;
- there are no shares in the Company conferring special rights of control, with the exception of a double voting right instituted by Article 13-3 of the Company's Articles of Association for shareholders who have held nominative shares for at least two (2) years;
- no control mechanisms are provided for in any shareholding system for the staff with control rights that are not exercised by the latter;
- the rules governing the appointment and removal of members of the Board of Directors are the legal and statutory rules provided by Article 14 of the Company's Articles of Association;
- as regards the powers of the Board of Directors, current delegations are detailed in the table of existing delegations shown on page 163 of this document. The powers of the Board of Directors to buy back the Company's own shares are described on page 165 of this document;
- amendments to the Company's Articles of Association are implemented in accordance with legal and regulatory provisions;
- agreements on Executive Directors' indemnities upon resigning their positions are detailed on page 49 of this document;
- no agreements entered into by the Company have been modified or have expired in the event of a change in control of the Company.

— General information concerning the share capital

Changes to the share capital and equity rights

Any change to the share capital or the rights attached to the securities that constitute it is subject to legal provisions. The Articles of Association do not make these changes subject to any greater restrictions than the legal obligations.

Share capital

As at 30 September 2019 and on the date on which this document was drafted, the share capital amounted to €15,226,582.00, consisting of 7,613,291 fully paid-up shares, each with a par value of €2.

Form of shares

Shares are either registered or bearer at the discretion of the shareholder.

Table of current authorisations and delegations regarding an increase in share capital

Type of delegation or authorisation	Extraordinary General Meeting	Due dates	Amount authorised	Uses over the previous periods	Uses over the financial year ended 30/09/2019	Remaining amount on 01/10/2019
1 Authorisation in order to award free shares (28 th resolution)	14 March 2019	13 May 2021	1% of the registered capital	N/A	0	1% of the share capital
2 Delegation of authority to increase the Company's share capital via the capitalisation of reserves, profits and/or share premiums (21 st resolution)	14 March 2019	13 May 2021	€5 million	N/A	0	€5 million
3 Delegation of authority to issue ordinary shares and/or marketable securities carrying rights to shares in the Company or carrying a right to the allocation of debt securities and/or other marketable securities giving rights to shares (in the Company or of another Group company) whilst maintaining preferential subscription rights (22 nd resolution)	14 March 2019	13 May 2021	Shares: €4 million Debt securities: €4 million	N/A	0	Shares: €4 million Debt securities: €4 million
4 Delegation of authority to issue ordinary shares and/or marketable securities carrying rights to shares in the Company or carrying a right to the allocation of debt securities and/or other marketable securities giving rights to shares (in the Company or of another Group company) with waiver of preferential subscription rights for existing shareholders via a public offering and/or in consideration for securities as part of a public exchange offer (23 rd resolution)	14 March 2019	13 May 2021	Shares: €1,520,000 ⁽¹⁾ Debt securities: €4 million ⁽¹⁾	N/A	0	Shares: €1,520,000 ⁽¹⁾ Debt securities: €4 million ⁽¹⁾
5 Delegation of authority to issue ordinary shares and/or marketable securities carrying rights to shares in the Company or carrying a right to the allocation of debt securities and/or other marketable securities giving rights to shares (in the Company or of another Group company) with waiver of preferential subscription rights by an offer referred to in II of article L. 411-2 of the French Monetary and Financial Code (24 th resolution)	14 March 2019	13 May 2021	Shares: €1,520,000 ⁽¹⁾ 20% of the share capital Debt securities: €4 million ⁽¹⁾	N/A	0	Shares: €1,520,000 ⁽¹⁾ 20% of the share capital Debt securities: €4 million ⁽¹⁾
6 Authorisation to set the issue price in accordance with the conditions determined by the Meeting, in the event of an issue with waiver of preferential subscription rights, within an annual limit of 10% of the share capital (25 th resolution)	14 March 2019	13 May 2021	10% of the registered capital	N/A	0	10% of the registered capital
7 Authorisation to increase the size of issues in the event of excess demand (26 th resolution)	14 March 2019	13 May 2021		N/A	0	-
8 Delegation of authority to increase the share capital by issuing ordinary shares and/or marketable securities carrying rights to Company shares, within a limit of 10% of the share capital, in order to pay for contributions in kind of equity securities or marketable securities carrying rights to Company shares (27 th resolution)	14 March 2019	13 May 2021	10% of the registered capital	N/A	0	10% of the registered capital
9 Delegation of authority to increase the share capital by issuing ordinary shares and/or marketable securities carrying rights to Company shares with waiver of preferential subscription rights reserved for the members of an Employee Savings Scheme (PEE), in application of Articles L. 3332-18 et seq. of the French Labour Code (28 th resolution)	14 March 2019	13 May 2021	€160,000	N/A	0	€160,000

(1) Same maximum limit.

Securities not carrying the right to Company shares

None.

Potential share capital

No stock options or new free shares have been granted. There are no other financial instruments that dilute the share capital.

Buyback programmes

The General Meeting of Shareholders of 14 March 2019 authorised the Board of Directors, for a period of eighteen months, to trade in the Company's own shares on the stock market.

In addition, the Combined General Meeting of Shareholders of 14 March 2019 authorised the Board of Directors, for twenty-four months, to reduce the share capital by cancelling shares purchased under its buyback programme, under the terms provided by the Law.

The Company only used this authorisation as part of the liquidity contract signed with ODDO BHF SCA, the contract does not include the negotiating fees.

The shares purchased on behalf of the Company during the financial period ended on 30 September 2019, under the terms of the buyback programme, are indicated in the table below.

<i>In euros</i>	Total gross flows 2018/2019	
	purchasing	sales
Number of shares	11,299	11,383
Average price for the transaction <i>(in euros)</i>	64.3739	64.8603
AMOUNT <i>(in euros)</i>	727,360.64	738,304.56

- Number of treasury shares held at 30 September 2019: 1,628 or approximately 0.02% of the share capital.
- Value assessed at the average purchase price at 30 September 2019: $€66.60 \times 1,628 = €108,425.00$.
- Overall par value: $€2 \times 1,628 = €3,256.00$.

The shares held by the Company were not subject to any use, or reallocation for other purposes during the 2018/2019 financial year.

The monthly declarations of trading in the Company's shares, carried out under the liquidity contract with ODDO BHF SCA, were filed with the AMF (Autorité des Marchés Financiers—the French securities regulator) during the 2018/2019 financial year.

Authorisation for a new share buyback programme

The next General Meeting of Shareholders will be asked to renew the Company's share buyback programme, as referred to in the reports of the Board to the Meeting.

Liquidity agreement

In the context of its share buyback programme, Manutan International renewed a liquidity contract with Oddo Corporate Finance in accordance with the professional ethics charter of the AMAFI (Association Française des Marchés Financiers, the French Financial Markets Association).

The transactions carried out under this liquidity contract during the 2018/2019 financial year are listed above, in the paragraph entitled "Share buyback programme".

The Company did not have recourse to derivatives.

Description of the share buyback programme

In accordance with the provisions of Article 241-2 of the AMF's General Regulations and European Commission Regulation (EC) No. 2273/2003 of 22 December 2003, the purpose of this description is to set out the purpose of and methods of the Company's share buyback programme.

This programme was authorised and its renewal will be submitted for authorisation to the General Meeting of Shareholders of 12 March 2020. The prior notice will be published in the Bulletin d'Annonces Légales Obligatoires (BALO—French official gazette) on 5 February 2020, and the call notice will be published in the BALO and in a legal notices gazette on 26 February 2020.

Objectives

- To encourage trading in the secondary market or the share liquidity via an investment services provider, through a liquidity contract in accordance with the professional ethics charter of AMAFI, the French Financial Markets Association, as approved by the AMF, the French securities regulator.
- To ensure coverage of share purchase option plans and/or free share plans (or similar plans) for the benefit of employees and/or of the Group's Corporate Officers, and of any share awards as part of a Company or Group Savings Scheme (or similar scheme), in connection with profit-sharing and/or any other forms of share awards to employees and/or to the Group's Corporate Officers.
- To retain the shares acquired and subsequently exchange them or use them as payment in the context of any external growth transactions.
- To provide cover for marketable securities that confer the right to acquire shares in the Company in accordance with regulations in force.
- To cancel any shares acquired, subject to authorisation granted by the General Meeting of Shareholders of 14 March 2019 in its twentieth (20th) resolution (in extraordinary session).

Duration of the current programme

Eighteen (18) months from the General Meeting of Shareholders of 14 March 2019, i.e. until 13 September 2021.

1 Breakdown of treasury shares held as at 28 January 2020 (after the stock market closes) - the closest date to the publishing approval for this document

Number of shares held directly and indirectly: 1,989 shares, representing 0.02% of the Company's share capital.

Number of shares held according to their purpose:

- coordination of the share price by means of an AMAFI liquidity contract: 1,989;
- covering share purchase options or other forms of employee share ownership: N/A;
- external growth transactions: N/A;
- covering marketable securities that entitle the holder to the allocation of shares: N/A;
- cancellation: N/A.

2 New share buyback programme

- Authorisation of the programme: Annual General Meeting of 12 March 2020.
- Securities concerned: ordinary shares.
- Maximum percentage of the share capital for which buyback is authorised: 5% (i.e. 380,664 as of today), it being specified that this limit shall be reviewed at the buyback date in order to take into account any potential transactions involving an increase or decrease in the share capital that may take place during the programme. The number of shares taken into account to calculate this limit shall correspond to the number of shares bought back, less the number of shares resold during the programme in the interests of liquidity.
- Maximum purchase price: €150.00.
- Maximum amount of the programme: €57,099,600.00.
- Buyback methods: these share buybacks may be undertaken by any means, including block purchases, and at such times as the Board of Directors shall determine; the Company does not intend to use options or financial instruments.

Summary of transactions in Company shares by Corporate Officers and senior management and their close relatives during the financial year last ended

(articles L. 621-18-2 of the French Monetary and Financial Code and Article 223-26 of the General Regulations of the AMF)

To the best of the Company's knowledge, no transactions involving securities were undertaken during the 2018/2019 financial year by Corporate Officers or senior management of Manutan International SA or by persons connected to them.

Movements in share capital *(in euros and in French francs)*

Year	Transaction		Variation in capital	Issue, merger premiums	New capital amount	Accumulated number of shares	Par value of the share
Position as at 1 October 1993		In euros			2,750,952	1,804,506	
		In francs			18,045,060		10
1993/1994	Capital increase via the capitalisation of reserves	In euros	2,750,952		5,501,903	3,609,012	
		In francs	18,045,060		36,090,120		10
1995/1996	Capital increase in cash and via the capitalisation of reserves	In euros	5,672,921	1,387,341	11,174,824	7,330,204	
		In francs	37,211,920	9,100,360	73,302,040		10
1996/1997	Cash capital increase	In euros	131,381	1,011,630	11,306,205	7,416,384	
		In francs	861,800	6,635,860	74,163,840		10
1997/1998	Cash capital increase, merger	In euros	98,127	3,060,737	11,404,332	7,480,751	
		In francs	643,670	20,077,118	74,807,510		10
8 January 1999	Capital increase via the capitalisation of reserves	In euros	3,557,171		14,961,503	7,480,751	2
30 September 1999	Cash capital increase	In euros	46,000	259,011	15,007,503	7,503,751	2
30 September 2000	Cash capital increase ⁽¹⁾	In euros	219,080	1,233,756	15,226,582	7,613,291	2

(1) As part of the exercise of an option.

There have been no movements in share capital since 30 September 2000.

Distribution of share capital and voting rights

As at 30 September 2019, the Company's share capital amounted to €15,226,582.00, divided into 7,613,291 shares. The gross number of voting rights⁽¹⁾ totals 11,381,333 and the net number of voting rights⁽²⁾ totals 11,366,643.

To the best of the Company's knowledge, as at 30 September 2019, and in addition to the information that is given in the following table regarding the distribution of shares and voting rights of the Guichard family ("Guichard family subtotal"), the main named shareholders or those that sent a declaration to the Company, where applicable, are:

Main shareholders	Number of shares	Percentage of the share capital	Number of voting rights	Percentage of voting rights
Jean-Pierre Guichard	2,928,873	38.47	4,037,886	35.52
Claudine Guichard	37,114	0.49	74,228	0.65
Hervé Guichard	97,886	1.29	195,772	1.72
Xavier Guichard	97,886	1.29	195,772	1.72
MT Finance ⁽³⁾	2,417,581	31.75	4,835,162	42.54
Subtotal Guichard family	5,579,340	73.28	9,338,820	82.16
Lazard Frères Gestion	348,042	4.57	348,042	3.06
Financière de l'Échiquier	28,269	0.37	28,269	0.25
Treasury shares ⁽⁴⁾	13,062	0.17	0	0.00
ODDO Agreement	1,628	0.02	0	0.00
Public registered	10,428	0.14	18,990	0.17
Public	1,632,522	21.44	1,632,522	14.36
Subtotal Public	2,033,951	26.72	2,027,823	17.84
TOTAL	7,613,291	100.00	11,366,643	100.00

(1) After taking into account the number of shares with a double voting right.

(2) Total number of voting rights attached to the total number of shares, from which the number of shares without voting rights is deducted.

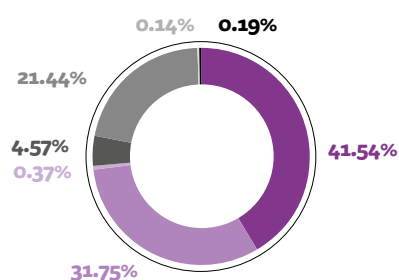
(3) Shares indirectly owned by the Guichard family.

(4) Shares held by Lazard Frères Gestion on behalf of investment funds and SICAV: 13,062 direct registered shares.

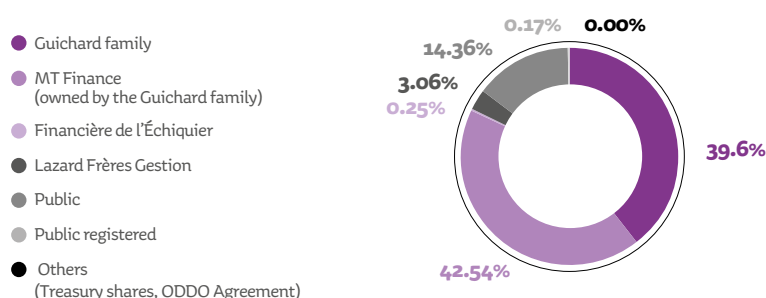
To the best of the Company's knowledge, there are no other shareholders that, directly or indirectly, alone or in collaboration, hold more than 5% of the capital or the voting rights in the Company.

CAPITAL AS AT 30 SEPTEMBER 2019

Main shareholders



Voting rights



Company Audit

According to the information in the table regarding the distribution of shares and voting rights, the Company is controlled by the Guichard family.

Nonetheless, the Company has taken a certain number of measures aimed at ensuring that control is not exercised improperly, notably:

- the presence of four independent members among the nine members forming the Board of Directors (position as at 31 January 2020);

- the splitting of the roles of Chairman of the Board and General Manager;
- the Audit Committee and the Appointments and Remuneration Committee are composed almost entirely of independent members.

Shareholders' agreement

No shareholders' agreement or any clause in an agreement envisaging preferential conditions for the sale or purchase of shares has been notified to the AMF (Autorité des Marchés Financiers, the French securities regulator).

Group personnel hold no shares in the Company's share capital by way of special investment funds.

Changes in share capital ownership in the past three years

%	30/09/2019	30/09/2018	30/09/2017
Guichard family	73.28	73.28	73.28
Public and other registered shares	26.55	26.55	26.55
Direct registered treasury shares	0.17	0.17	0.17
	100.00	100.00	100.00

Collective agreements to retain securities of Manutan International

On 28 August 2006 the members of the Guichard family, the Company's shareholders, signed a collective agreement to retain securities, pursuant to Article 787-B of the French General Tax Code, whereby they undertook to retain collectively 1,812,898 shares of Manutan International, representing at the date of signing of the collective agreement 23.81% of the financial rights and 31.94% of the voting rights attached to shares issued by the Company.

This commitment was entered into for a period of twenty-four months, which started to run from its registration, i.e. from 28 August 2006. At its expiry, it would be extended year by year by tacit agreement.

Each member shall have the option to withdraw from the agreement on the condition that they notify the others of their decision one month before the end of the current period.

The collective agreement to retain was signed by:

- André Guichard⁽¹⁾;
- Hélène Julliard⁽²⁾, wife of André Guichard;
- Jean-Pierre Guichard, Chairman of the Board of Directors;
- Claudine Laffont, wife of Jean-Pierre Guichard;
- Hervé Guichard, son of Jean-Pierre Guichard;
- Xavier Guichard, son of Jean-Pierre Guichard General Manager - Director;
- MT Finances, whose share capital is wholly owned by the members of the Guichard family referred to above.

On 15 November 2012 the members of the Guichard family, the Company's shareholders, signed a second collective agreement to retain securities, pursuant to Article 787-B of the French General Tax Code, whereby they undertook to retain collectively 3,661,759 shares of Manutan International, representing at the date of signing of the collective agreement, 48.09% of the share capital, 48.22% of the financial rights and 48.01% of the theoretical voting rights attached to shares issued by the Company.

This commitment was entered into for a period of twenty-four months, which started to run from its registration. At its expiry, it would be extended year by year by tacit agreement.

Each member shall have the option to withdraw from the agreement on the condition that they notify the others of their decision three months before the end of the current period.

These two undertakings, with the same signatories, are intended to coexist. The only difference is the scope of the shares covered by the undertakings, as the second undertaking includes a higher number of financial and voting rights than the first.

— Market in the securities

Main Index	CAC All-Tradable
Other indices	CAC Small and CAC Mid & Small
Market	Euronext Paris – Compartiment B
Listed on	Euronext Paris
Code or symbol	MANUTAN INTL
ISIN Code	FR0000032302
Reuters	MATP.PA
Bloomberg	MAN FP

Stock market data

Five-year data	30/09/2019	30/09/2018	30/09/2017	30/09/2016	30/09/2015
Number of shares	7,613,291	7,613,291	7,613,291	7,613,291	7,613,291
Closing balance	66.60	73.40	80.49	53.90	43.00
Market capitalisation (in millions of euros)	507	559	613	410	327
Highest price (in euros)	74.00	100.00	87.9	55.80	50.53
Lowest price (in euros)	56.80	67.80	54.01	42.50	34.85
Average daily volume (in number of shares)	952	1,343	1,921	1,968	1,869
Average daily capital (in euros)	61,632	113,463	138,934	96,029	80,103

As at 30 September 2019, shares in Manutan (Manutan Intl) stood at €66.60, down by 9.26% compared with the closing price at 30 September 2018. On the date closest to printing approval for this document, that is to say 28 January 2020, after the markets closed, the shares were quoted at €64.4.

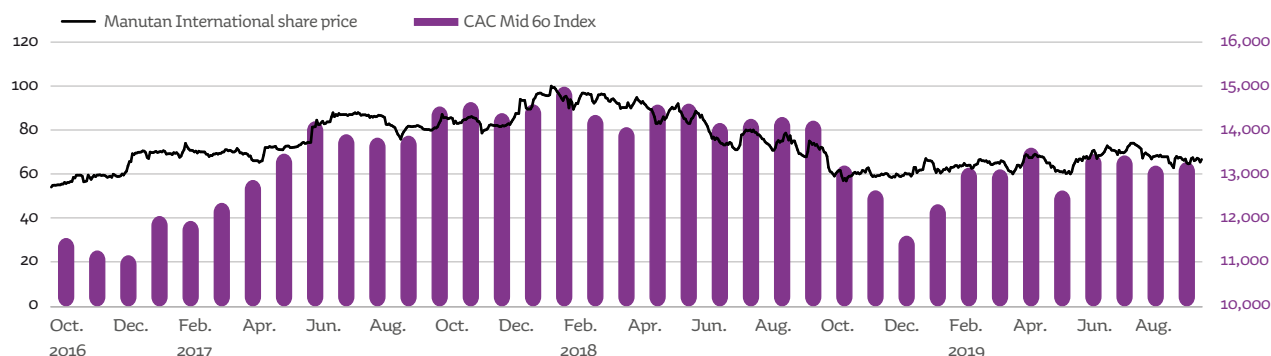
(1) André Guichard died on 28 April 2019.

(2) Mrs Hélène Guichard died on 5 December 2015.

Change in share price

Relative to the CAC Mid 60 index

From 1 October 2016 to 30 September 2019



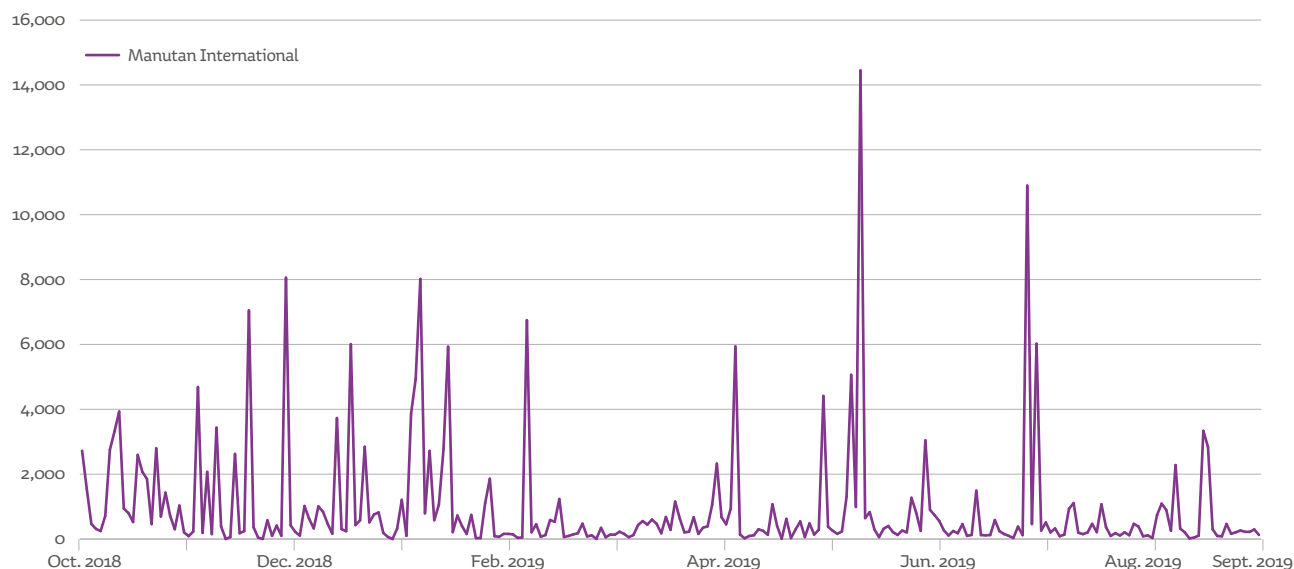
Change in listed price

During the financial year, the share price reached its highest closing price (€74.00) on 24 July 2019, and its lowest closing price (€56.80) on 26 October 2018. On 30 September 2019 the closing price was €66.60 (€73.40 in September 2018). PER amounted to 11.99 on the basis of the Group consolidated net income at 30 September 2019.

Volume traded

From 1 October 2018 to 30 September 2019, 242,674 shares in Manutan International were traded, representing capital of €15.6 million (compared with 341,039 shares representing capital of €28.8 million from 1 October 2017 to 30 September 2018).

AVERAGE DAILY TRADING VOLUME OCTOBER 2018 TO SEPTEMBER 2019



— Dividends

<i>In euros</i>					
For the financial year ended	30/09/2019	30/09/2018	30/09/2017	30/09/2016	30/09/2015
Net profit	42,301,663	41,213,600	39,113,819	34,078,891	25,821,905
Number of shares	7,613,291	7,613,291	7,613,291	7,613,291	7,613,291
Dividend in amount distributed	12,561,930	12,561,930	12,561,930	11,419,936.5	9,516,614
Price	66.60	73.40	80.49	53.90	43.00
Basic earnings per share ⁽¹⁾	5.56	5.41	5.14	4.48	3.39
Basic dividend per share	1.65	1.65	1.65	1.50	1.25
40% reduction ⁽²⁾	0.66	0.66	0.66	0.60	0.50
Dividend payout ratio (%)	29.70	30.48	32.12	33.51	37
Total gross yield ⁽³⁾ (%)	3.47	3.15	2.87	3.90	4.07

(1) Earnings per share on a net result basis are calculated using the average number of shares in issue during said year.

(2) Reduction of 40% provided for by Article 158-3-2 of the French Tax Code (Code général des impôts) for individuals who are tax resident in France.

(3) Calculated using share price on 30 September in each financial year.

Over the last five years, the distributed dividend has been between 30% and 37% of consolidated net income. At the General Meeting of Shareholders of 12 March 2020, the Board of Directors will propose a distribution rate of 29.70% of consolidated net income, i.e. €1.65 per share in respect of the financial year ended 30 September 2019.

Prescription period of dividends: 5 years.

Allocation of unclaimed dividends:

Direction nationale d'interventions domaniales – Service des curatelles – Les Ellipses – 3, avenue du Chemin-de-Presles – 94417 Saint-Maurice Cedex.

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— Manager of the Universal Registration Document

Xavier Guichard, General Manager of Manutan International, located at: ZAC du parc des Tulipes – Avenue du XXI^e-Siècle – 95500 Gonesse.

— Declaration of the Manager of the Universal Registration Document containing the annual financial report

"I declare that to the best of my knowledge, after having taken all reasonable measures for this purpose, the information contained in this Universal Registration Document reflects reality and there are no omissions such as might alter its import.

I declare that to the best of my knowledge, the financial statements were prepared in accordance with applicable

accounting standards and fairly present the assets, financial position and result of the Company and all the companies included in the consolidation, and that the Management Report presented in this Universal Registration Document presents a fair view of the operations, results and financial position of the Company and Companies included in the consolidation, as well as a description of the major risks and uncertainties they face.

— Persons responsible for the Statutory Audit

Principal Statutory Auditors

Mazars SA

Represented by Anne Veaute

Tour Exaltis

61, rue Henri-Regnault – 92400 Courbevoie

Initial appointment date: 14 March 2003

Duration of office: expires at the end of the Ordinary General Meeting of Shareholders convened to consider the accounts for the financial year ended 30 September 2020.

KPMG SA

Represented by Franck Noël

3, cours du Triangle – 92939 Paris-La Défense Cedex

Initial appointment date: 4 March 2004

Duration of office: expires at the end of the Ordinary General Meeting of Shareholders convened to consider the accounts for the financial year ended 30 September 2021.

Alternate Statutory Auditors

Mr. Dominique Muller

61, rue Henri-Regnault – 92400 Courbevoie

Initial appointment date: 12 March 2015

Duration of office: expires at the end of the Ordinary General Meeting of Shareholders convened to consider the accounts for the financial year ended 30 September 2020.

Salustro Reydel SA

2, avenue Gambetta, Tour Eqho – 92066 Paris-La Défense Cedex

Initial appointment date: 17 March 2016

Duration of office: expires at the end of the Ordinary General Meeting of Shareholders convened to consider the accounts for the financial year ended 30 September 2021.

— Shareholder relations and documents accessible to the public

Financial Information Manager

Brigitte Auffret - Deputy General Manager

Tel. secretariat: +33 (0)1 34 53 18 33

E-mail: **brigitte.auffret@manutan.fr**

Investor contact

Yassine Soumari – Corporate Finance

Tel.: +33 (0)1 34 53 35 55

E-mail: **contact.investors@manutan.com**

The deed of incorporation and the Company's Articles of Association, as well as all reports, letters and other documents, historical financial information of the Company and its subsidiaries over the past two financial years, valuations and statements prepared by an expert when such documents are required by the Law, and any other document required by the Law may be consulted at the Company's office address: Manutan International – ZAC du parc des Tulipes – Avenue du XXI^e-Siècle – 95506 Gonesse Cedex – France.

The major press releases and documents published by the Company are available to the public on the Company's website at: **www.manutan.com**.

— Cross-reference table for the universal registration document

This Cross-reference table covers the sections provided for by Annexes I and II of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 and indicates the pages of this Universal Registration Document where the information for each of these sections is provided.

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This Universal Registration Document includes all of the items of the management report required under the terms of articles L. 225-100 et seq., L. 232-1, II and R. 225-102 et seq. of the French Commercial Code.

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All you need. **With love.**

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