2019 ANNUAL
FINANCIAL REPORT

SE (European Company) with a capital
of €121.810.000
11, avenue du Colonel Bonnet
75016 PARIS
www.synergie.com

CONTENTS

MANAGEMENT REPORT

MANAGEMENT REPORT

1. SYNERGIE GROUP'S ACTIVITY AND SIGNIFICANT EVENTS IN 2019

1.1 The SYNERGIE Group

SYNERGIE: A benchmark European player in Human Resources Management

Created 50 years ago, the SYNERGIE Group today is a major player and a benchmark in Human Resources Management. It is the fifth-largest player in its profession in Europe. International activity now accounts for nearly 52% of consolidated turnover.

With operations in 17 countries (Europe, Canada, Australia and China) and a network of 750 agencies, the Group is a player in specialised tertiary sectors, leading edge industries such as aeronautics and renewable energies, the construction and public works sector, retail, information technology and IT services and communication.

The SYNERGIE Group is therefore one of the leading specialists in temporary employment, recruitment, out-placement, social engineering, consultancy and training. Each of these businesses demands flexibility, effectiveness and competitiveness to meet the requirements of its clients, whether private companies or public institutions, whom it serves as a genuine, trusted partner.

With 4,400 permanent employees, we intervene on a day-to-day basis to place more than 70,000 full-time equivalent (FTE) staff in France and abroad.

Over the last five decades, the SYNERGIE Group has achieved steady growth in its results.

Recommendations by the European Union institutions designed to loosen up the employment market have opened up new growth prospects in the temporary employment market within the Union.

The European Union directive on temporary employment adopted by the European Parliament in October 2008 is designed to safeguard temporary workers through compliance with the principle of equal treatment, to guarantee a minimum effective level of protection for temporary workers, and to promote temporary employment more effectively in some States.

There are now much fewer restrictions around the use of temporary employees. The principle of equal treatment is applicable from the first day of the temporary employee's assignment. Obstacles hindering certain sectors and imposing tight restrictions in certain cases have been lifted.

The European legislative environment has thus evolved in favour of temporary employment agencies (TEAs). Given the ongoing labour revolution, marked by flexibility around career paths, we can look to the future of this sector with relative confidence.

Changes in French legislation

In France, several recent laws have had an impact on the labour market.

In the first place, the Tax Credit for Competitiveness and Employment (Crédit d'Impôt pour la Compétitivité et l'Emploi - CICE), which was designed to increase business competitiveness, will be replaced from 1 January 2019 with additional reductions in social security charges.

Secondly, the law of 14 June 2013, known as the Employment Security Act, resulted in the creation of open-ended employment contracts for temporary employees. This new mechanism led to 22,000 additional permanent contracts being created which were filled by employment agencies in 2019.

Finally, the French unemployment insurance reform introduced in 2019 brought in a bonus/malus system on short-term contracts which is applicable from 2021 to companies in seven activity sectors with 11 or more employees. It also provides for new methods of eligibility for unemployment benefit that are likely to boost a return to employment.

The strategic choices made over a period of several years are showing results:

- Our multi-sector and multi-client positioning offers a 360-degree perspective on the employment market. SYNERGIE has developed a strategy to win new clients, particularly in its core market of SMEs and SMIs, which represent nearly 60% of the Group's turnover, and is accelerating its partnerships with European "key account" clients. This deliberate strategy to achieve a balance between key accounts and SMEs/SMIs ensures the company remains strong in the face of economic changes;
- SYNERGIE has always laid emphasis on the importance of proximity. Its 750 agencies, its Open Centers and its various employment forums interlink the territories and employment pools. For our clients, we offer a stronger presence by our teams within their very companies. The presence of our personnel is a step further towards the full outsourcing of human resources;
- Our strong presence across all growth sectors guarantees a solid base: aeronautics, shipbuilding, automotive, construction and public works, renewable energies, tertiary sector, digital technology, etc.
    - SYNERGIE is a recognised leader in the aeronautics market. This sector offers long-term prospects in anticipation of which manufacturers and their partners are significantly increasing their teams. Consequently, SYNERGIE has enhanced its expertise considerably and stepped up regional fairs which have helped to attract the best candidate profiles.
    - In shipbuilding, SYNERGIE is a benchmark partner for builders and their sub-contractors in the Saint Nazaire region, one of the Group's traditional strongholds.
    - In the automotive and construction and building works sectors, SYNERGIE has a long history as a provider of expert personnel. The Grand Paris Express project to which the Group's name is linked, opens up prospects in terms of growth and jobs.
    - In renewable energies, SYNERGIE anticipated the development of marine energies and the establishment of wind turbine farms, and today is active in the Saint-Nazaire and Cherbourg projects.
- The launch at the end of 2018 of a new brand, S&You, specialised in the recruitment of middle management employees and experts, is a new advantage for the Group. Bringing together around one hundred consultants, S&You aims to establish a strong positioning on a constantly growing market. According to APEC, the recruitment of management staff is set to accelerate by 5% in 2020 with 296,600 new hirings anticipated versus 281,300 in 2019;
- The ongoing digitisation and dematerialisation of our recruitment procedures since 2015 has strengthened our performance among our clients and candidates. We have been able to speed up management, responsiveness, fluidity of information, and visibility on social networks.

1.2 Recent key events

Acquisition of ENTIRE RECRUITMENT

The Australian subsidiary SYNACO GLOBAL RECRUITMENT acquired ENTIRE RECRUITMENT in January 2019.

This company developed its activity in the east of the country, primarily in the regions of Brisbane (Queensland) and Sydney (New South Wales), generating turnover in the region of AUD28.2 million in 2019.

It mainly operated in the mining, logistics and construction sectors. The tie-up of these two networks has enabled SYNERGIE to operate across Australia and increase its capacity to respond to major national clients.

Acquisition of the TIGLOO Group

In June 2018, SYNERGIE decided to diversify its activity by acquiring a 66% stake in the French digital services company DCS EASYWARE.

Operating in France, Belgium, Spain and the UK, it employs more than 600 staff members who are experts in IT infrastructure management and support, and generated turnover in 2019 of €47 million.

In November 2019, DCS EASYWARE acquired 100% of the capital of the TIGLOO Group. Founded in Pamplona in 1985, TIGLOO mainly operates in Navarra and the Basque country, and has recently expanded to the Madrid region; geographically, therefore, it perfectly complements DCS EASYWARE, which is already present in Catalonia.

TIGLOO employs nearly 150 staff members with a broad range of qualifications and expertise and generated turnover in the region of €16 million in 2019 from around 500 clients.

This move confirms SYNERGIE's positioning on a growth market and rounds off its traditional activities by bolstering its digital services offering.

Commitments in favour of open-ended employment contracts for temporary employees

Launched in 2014, the use of this new type of contract, which combines flexibility and job security, has been gathering momentum. More than 82,000 open-ended employment contracts for temporary employees were signed at the end of December 2019 (source Prism'Emploi). According to the branch agreement of 25 January 2019, the goal is to reach 90,000 contracts by the end of 2021.

SYNERGIE is fully committed to promoting the use of open-ended employment contracts for temporary employees, with 4,000 contracts signed in 2019 and a target of 5,000 such contracts in 2020.

SYNERGIE rewarded for its policy of professional gender equality

In November 2019, SYNERGIE obtained the prestigious AFNOR label for professional gender equality. Only 82 structures in France have received this label, which commends exemplary policies and practices around professional gender equality.

SYNERGIE is one of only two companies in its activity sector to obtain AFNOR certification. This exacting and recognised label enhances our Group's profile among companies seeking to develop policies around equality.

Promoting the employment of people with disabilities

The law on the freedom to choose your career path ratified on 1 January 2019 includes the rights of disabled people to be hired as temporary personnel. SYNERGIE is at the forefront in this area, both internally and in relation to client companies which, according to the law of 11 February 2005, have an obligation to ensure that 6% of their workforce comprises disabled persons.

In April 2018, SYNERGIE and Mission Handicap launched the “Handi C'est Oui” label. Based on a demanding set of specifications, this label sets out four commitments: advice to companies on hiring and employing disabled persons, support for employees seeking to have their disability recognised, internal recruitment, and the fitting out of workstations.

In September 2019, in the company of the Labour Minister and the Secretary of State with responsibility for seniors, SYNERGIE organised the signature of a framework agreement for the recruitment and integration of disabled persons in the temporary employment sector, bringing together 12 major employment companies.

This agreement has given fresh impetus to the employment of disabled persons as temporary personnel.

2. CONSOLIDATED AND CORPORATE FINANCIAL STATEMENTS

The consolidated and corporate financial statements at 31 December 2019 were approved by the Executive Board on 30 March 2020.

Pursuant to EU Regulation 1606/2002 of 19 July 2002, companies listed on any regulated market in a Member State must present their consolidated financial statements using the IFRS (International Financial Reporting Standards) guidelines as adopted by the European Union.

2.1 Group consolidated financial statements

The scope of the consolidated entities is shown in Note 3 to the financial statements.

2.1.1 Income statement

Key figures (consolidated data)

In € million	2019	2018
Turnover	**2,642.3**	**2,551.1**
Ebitda (1)	138.5	137.2
Current operating profit (2)	121.7	128.4
Operating profit	**114.0**	**119.3**
Financial result	(1.4)	(1.7)
Profit before tax	112.6	117.6
Net profit of consolidated companies	**63.4**	**82.5**
of which Group share	60.1	79.3

(1) profit before interest, tax, depreciation and amortisation

(2) current operating profit before depreciation, amortisation and impairment of intangible assets

2.1.1.1 Activity and current operating profit

Group turnover

SYNERGIE, Europe's fifth largest Human Resources Management company, posted turnover of €2,642.3 million in 2019, up 3.6% in relation to 2018 (+2% on a like-for-like basis).

Placement, other Human Resources activities (e.g. training, outsourcing, etc.) and digital services contributed 3% of total turnover, with a higher margin potential than our traditional activities.

The diversification underway since June 2018 in high value added digital service activities gave rise to turnover of €47 million in 2019 (+82.4%).

Current operating profit before amortisation and impairment of intangible assets (EBITA)

In € million	2019 (H1)	2019 (H2)	2019	2018
Turnover	**1,295.6**	**1,346.7**	**2,642.3**	**2,551.1**
Current operating profit	52.1	69.5	121.7	128.4
As % of turnover	**4.0%**	**5.2%**	**4.6%**	**5.0%**

SYNERGIE posted consolidated current operating profit of €121.7 million compared with €128.4 million in 2018. The difference is mainly due to the impact of the conversion of the CICE into reductions in social security charges in France (resulting in employee profit-sharing of €6.7 million).

The margin on turnover increased to 5.2% in the second half of the year (versus 4% in the first half).

Investment (recruitment of consultants, digitisation and development of IT tools, etc.) was maintained but was strictly managed, as was the development of training for temporary personnel, a major attribute in meeting clients' needs.

The consolidation of DCS EASYWARE over a full year (versus 7 months in 2018) had a positive impact on operating profit.

The impairment of non-performing receivables remained at 0.2% of turnover, while client credit remained at 66 days.

Key consolidated data by region

In € million	Turnover		Current operating profit	
	2019	2018	2019	2018
France	**1,280.7**	**1,207.8**	**70.3**	**79.1**
Italy	450.7	420.9	21.6	19.8
Spain	191.8	191.2	2.8	3.6
Portugal	34.5	38.5	0.4	0.4
Southern Europe	**677.0**	**650.5**	**24.8**	**23.8**
Belgium, Luxembourg	286.8	291.5	18.9	17.1
The Netherlands	38.7	42.4	1.7	2.0
Germany	54.3	61.6	1.0	2.0
Austria	81.9	89.0	4.5	3.9
United kingdom	120.8	117.3	1.2	1.2
Switzerland	21.6	23.8	(0.5)	(0.4)
Eastern Europe	5.4	6.3	(0.4)	(0.1)
Northern and Eastern Europe	**609.5**	**631.8**	**26.5**	**25.7**
Canada / Australia	**75.2**	**61.0**	**0.1**	**(0.2)**
Total International	**1,361.6**	**1,343.3**	**51.4**	**49.3**
TOTAL	**2,642.3**	**2,551.1**	**121.7**	**128.4**

Ebita	2019	2018
	% of turnover	% of turnover
France	5.5%	6.5%
Southern Europe	3.7%	3.7%
Northern and Eastern Europe	4.3%	4.1%
Canada / Australia	0.1%	-0.3%
Consolidated SYNERGIE	**4.6%**	**5,0%**

France

Total turnover generated by temporary employment agencies (TEAs) in France decreased by 1.4% compared with 2018, with an average of around 700,000 FTE temporary workers (source: DARES).

According to data from PRISM'EMPLOI, the TEA trade union, these trends were seen across almost all French regions, albeit to varying degrees.

SYNERGIE generated turnover of €1,280.6 million, up 6.1% (4.6% on a like-for-like basis), with a very good performance in temporary employment (+4.7%) in a market that is in decline according to Prism'Emploi.

Outside France

International turnover reached €1,361.6 million (51.5% of consolidated turnover), an increase of 1.4% (-0.3% on like-for-like basis), with performances contrasting from region to region: Southern Europe +4.1%; Northern and Eastern Europe -3.6%.

These achievements have been further boosted by SYNERGIE's strong integration at European level, allowing it to capture new key accounts year after year.

The unit dedicated to the secondment of qualified personnel between European countries, "*Global Cross Sourcing by* SYNERGIE", the first of its kind for a French group, makes use of SYNERGIE's multi-category expertise to assign temporary workers transnationally, thus providing a response to an important challenge in the employment market: the need for skills and the need to increase fluidity in the assignment of qualified personnel from supply countries (chiefly Eastern and Southern Europe) to demand countries.

a) Southern Europe

Growth in activity and operating profit in Southern Europe was impacted by a significant contribution from Italy.

In € million	2019	2018
Turnover	**677.0**	**650.5**
Current operating profit	24.8	23.8
Financial result	(0.3)	(0.2)
Net profit of consolidated companies	**16.8**	**16.4**

Italy

Turnover, which was generated from a mixed client base of key accounts and SMEs/SMIs on the French model, increased by 7.1% during the year, to €450.7 million.

This performance can be attributed to a gradual expansion across the entire region by the SYNERGIE network and the diverse range of sectors in which it operates. The impact of legislative changes initiated by the previous government in limiting the duration of contracts was offset by strong growth in staff leasing.

Amid all of this, operating profitability was maintained at 4.8% of turnover.

Spain

The local subsidiary posted growth of 2.5%, underpinned by growth in in-house personnel, payrolling and the aeronautical division, which gave rise to turnover of €191.8 million and operating profit of €2.8 million.

Portugal

After several years of a net increase, the Portuguese activity posted turnover of €34.5 million versus €38.5 million in 2018, and maintained operating profit at €0.4 million, thanks to the gradual development of activities that generate higher revenue (outsourcing projects, training, secondment of higher-skilled employees).

b) Northern and Eastern Europe

The Group's turnover in Northern and Eastern Europe reached €609.5 million compared with €631.8 million in 2019, while situations differed.

In € million	2019	2018
Turnover	**609.5**	**631.8**
Current operating profit	26.5	25.7
Financial result	(1.0)	(0.9)
Net profit of consolidated companies (*)	**15.8**	**14.7**

(*) *excluding goodwill impairment*

Benelux

Turnover in the Benelux countries reached €325.5 million versus €333.9 million in 2018, with an improvement in operating profit which reached €20.6 million.
Belgium contributed significantly to this growth thanks to its in-house activity, which accounted for nearly 30% of clients, and a balanced breakdown of its client base with a mix of SME/SMI clients similar to that of the Group.

The Belgian network maintained a high level of current operating profit (€18.5 million, or 6% of turnover), with new amendments to social security subsidies cushioning the pressure from certain large accounts.

In an environment in which there is a shortage of labour in several sectors, the Dutch subsidiaries showed a decline in activity and operating profit in relation to 2018, with lower performances in logistics transportation, in which clients frequently decided to stick with in-house drivers.

United Kingdom

Turnover increased on a like-for-like basis in a highly competitive market (there are 14,000 temporary employment agencies in the UK) to €120.8 million, enabling current operating profit to remain at €1.2 million.

Uncertainties related to Brexit had an impact on the placement of permanent personnel, an area on which the subsidiary had previously focused by structuring its dedicated teams, while temporary employment offset this lower growth.

Germany

SYNERGIE PERSONAL DEUTSCHLAND generated turnover of €54.3 million, a decrease in relation to 2018, with current operating profit of €1 million versus €2 million in 2018.

Like 2018, 2019 was impacted by the consequences of legislative changes relating to temporary employment, with the application of the final stage of the equal pay measure (principle of equal treatment of employees) and the limit on assignments to 18 months, which led to a very high turnover of temporary employees and many cases where such employees were hired on a permanent basis by the client.

Austria

VÖLKER generated turnover of €81.9 million in 2019, a decrease in relation to 2018, but operating profit remained at a high level of €4.5 million.

Investments in a system for detecting and managing talented candidates, in training temporary personnel and, to a lesser degree, in the use of labour in neighbouring Eastern countries helped to meet clients’ demands.

Switzerland

SYNERGIE's local subsidiaries generated turnover of €21.6 million versus €23.8 million in 2018, a decrease that impacted the subsidiary's profitability.

In addition to further diversification of the client base, there was significant focus on developing quality services around the placement of highly-skilled candidates

A return to profit is expected in 2020.

Eastern Europe

The Czech and Slovakian subsidiaries generated total turnover of €5.4 million in 2019, a decrease in relation to 2018, with personnel turnover significantly impacting performances, in the Czech Republic in particular.

c) Markets outside Europe

Canada

In a tense economic environment, particularly in Quebec where the subsidiary mainly operates, turnover came out at €25.4 million (-18.4% like-for-like), with profitability impacted by pricing among certain key accounts, deferred payments relating to developments and the performances of certain profit centers.

The restructuring carried out in 2019 should enable the subsidiary to return to profitable growth.

Australia

The Australian subsidiary, which was created in 2012 and is active in both the placement of highly qualified personnel from Europe and the more traditional activity of temporary employment and the placement of permanent staff, saw growth in 2019 with turnover of €49.8 million, having benefited from the integration of the ENTIRE network; it is optimistic concerning its 2020 results.

2.1.1.2 Other consolidated income statement items

Operating profit

The following items explain the transition from current operating profit to operating profit in 2019:

- amortisation of intangible assets relating to acquisitions came to €5.9 million versus €5.3 million in 2018;
- goodwill impairment of €1 million related to the Canadian subsidiary;
- non-material non-recurring items (€0.8 million).

Financial income and expenses

The net cost of financial debt came to €1.9 million versus €1 million in 2018.

The sterling exchange rate had a positive effect of €0.5 million.

Profit before tax

All of this gave rise to earnings before tax of €112.6 million (versus €117.6 million in 2018).

Net profit

Taking into account the CVAE, the French value-added contribution for businesses (€18 million related to the French subsidiaries), on the one hand, the sharp increase in corporate income tax (+€15 million in France due to taxation on the social security reductions relating to the conversion of the CICE) and deferred tax, on the other hand, consolidated net profit came out at €63.4 million (of which Group share €60.1 million), versus €82.5 million in 2018.

2.1.2 Financial position

SYNERGIE's consolidated statement of financial position reads as follows:

In assets

- total goodwill and other intangible assets (client base, brand, etc.) of €157.9 million, with the change in relation to 2018 mainly related to the acquisitions of TIGLOO and ENTIRE RECRUITMENT;
- tangible assets underpinning the Group's activity of €68.3 million, with a new real estate asset justifying the increase recorded in 2019;
- rights-of-use of €40.5 million, mainly reflecting the impact of new assets due to the application of IFRS 16, in the amount of €35.1 million;
- non-current financial assets of €89.9 million (mainly CICE receivables due beyond one year);
- a slight increase in trade receivables (€566 million) linked to activity in the fourth quarter;
- the fact that other receivables remained relatively stable at €70.7 million;
- a high cash position of €162.2 million, which showed a sharp increase.

In liabilities

- an increase in shareholders' equity to €544.7 million (of which the Group share was €524.9 million);
- an increase in non-current liabilities mainly due to lease rights recognised in relation to the rights-of-use recorded under assets over the medium to long term (€30.3 million);
- an increase in total current liabilities of €45.3 million, largely linked to the increase in tax and social security liabilities (+€34.7 million) and the recognition of short-term leases under liabilities for €9.9 million (impact of IFRS16).

2.1.3 Financing of the Group

In € million	2019 before IFRS 16	IFRS 16	2019	2018
Consolidated shareholders' equity	**544.6**	**0.1**	**544.7**	**501.8**
Net cash position	127.0	-	127.0	45.2
Financial debt excluding IFRS 16	78.1	-	78.1	1.0
Leasing liabilities	(4.5)	(35.7)	(40.2)	-
Cash position net or any debt	**73.6**	**(35.7)**	**37.9**	**1.0**
Cash position including CICE	**196.8**	**(35.7)**	**161.1**	**125.6**
Self-financing capacity	76.2	10.2	86.4	60.3
Change in working capital requirement	50.9	-	50.9	(15.5)
"Industrial" investments	17.6	-	17.6	15.6
Cost of net debt/turnover	0.05%	0.6	0.07%	0.05%

Consolidated shareholders’ equity stands at €544.7 million (of which Group share of €525.9 million); net profit of €63.4 million and dividends (€21.4 million) explain the change in relation to the balance at the close of the previous period.

The sharp reduction in working capital requirement (versus an increase in previous years) can be explained firstly by the positive impact on cash of the conversion of the CICE to a reduction of social security charges, and to a lesser degree by the level of growth in the fourth quarter.

Cash net of bank debt stood at €127 million and net of all debt at €37.9 million (after leasing liabilities of €40.2 million).

After including payable CICE receivables (€123.2 million), cash stood at €161.1 million.

This very solid financial situation means the Group has the necessary resources to pursue its development and to carry out new acquisitions.

It also gives the Group a buffer during a more difficult period.

2.2 Corporate financial statements of SYNERGIE

2.2.1 Income statement

In € million	2019	2018
Turnover	**1,221.1**	**1,166.4**
Operating result	52.3	59.1
Financial result	17.4	15.3
Net profit	**44.9**	**67.7**

SYNERGIE SE made net profit of €44.9 million (versus €67.7 million) and turnover of €1,221.1 million, with the difference mainly due to the impact of the conversion of the CICE into reductions in social security charges (impact in the region of €16 million on corporate income tax and €5.8 million on employee profit-sharing).

SYNERGIE SE's contribution to the Group's activity, representing 44.4% of business volumes handled, remains significant although the balance is shifting year on year towards the foreign subsidiaries.

The following should be noted:

- the significant impact of the CICE in 2018 and of the reductions in social security contributions on operating profit, their respective applicable rates and changes in applicable legal rules;
- the impact of the key accounts/SME and SMI mix;
- the financial profit of €17.4 million mainly linked to dividends from foreign subsidiaries (€15.9 million);
- non-recurring items of -€0.4 million versus -€1 million in 2018.

2.2.2 Financial position

The statement of financial position at 31 December 2019 shows:

In assets

- fixed assets of €161.4 million, unchanged;
- a decrease in current assets with trade receivables remaining unchanged in relation to 2018;
- a very strong cash position of €110.9 million (versus €28.9 million in 2018).

In liabilities

- shareholders' equity at a high level of €427.7 million after the payment of dividends (€19.2 million);
- a decrease in provisions for risks and charges (€5.4 million including a provision for foreign exchange loss of €4.0 million);
- financial debt mainly comprising the current accounts of subsidiaries with surplus cash flow, since SYNERGIE SE acts as a central treasury department;
- an increase in current operating liabilities: significant increase in social security liabilities.

2.2.3 Financing of SYNERGIE

At 31 December 2019, SYNERGIE SE had a positive net cash position of €163.3 million (adjusted for current accounts vis-à-vis the Group's subsidiaries), a significant improvement in relation to December 2018 (€90.6 million).

SYNERGIE SE also provides part of the working capital requirements of some subsidiaries by making current account contributions, and also provides guarantees to local banks.

In accordance with the law, we would like to point out that supplier credit (excluding training and invoices not yet received) was 36 days on average in 2019 (versus 44 in 2018), with past due dates breaking down as follows at the year-end:

- Payables

	Article D. 441 I.-1e: Invoices *received* and in arrears on the reporting date					
In € thousand	**0 days *(indicative)***	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and over**	**Total (1 day and over)**
(A) Payments in arrears						
Number of invoices concerned	752	951	96	74	91	1,212
Total amount of invoices concerned in euros including tax	400	1,670	31	21	34	1,756
Percentage of total purchases over the period including tax	0.53%	1.94%	0.04%	0.03%	4.52%	2.05%
Percentage of turnover over the period excluding tax						
(B) Invoices excluded from (A) related to debts and receivables in litigation or not recognised in the accounts						
Number of invoices excluded					302	302
Total amount of invoices excluded					122	122
(C) Reference payment times used (contractual or legal payment times - Article L. 441-6 or Article L. 443-1 of the French Commercial Code)						
Payment times used to calculate late payments	☒ Contractual payment times ☐ Legal payment times					

- Receivables

	Article D. 441 I.-1e: Invoices *received* and in arrears on the reporting date					
In € thousand	**0 days *(indicative)***	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and over**	**Total (1 day and over)**
(A) Payments in arrears						
Number of invoices concerned	63,446	20,813	7,221	3,168	18,891	50,093
Total amount of invoices concerned in euros including tax	179,696	35,417	7,530	2,138	2,105	47,190
Percentage of total purchases over the period including tax						
Percentage of turnover over the period excluding tax	14.72%	2.90%	0.62%	1.75%	0.17%	3.86%
(B) Invoices excluded from (A) related to debts and receivables in litigation or not recognised in the accounts						
Number of invoices excluded						
Total amount of invoices excluded						
(C) Reference payment times used (contractual or legal payment times - Article L. 441-6 or Article L. 443-1 of the French Commercial Code)						
Payment times used to calculate late payments	☒ Contractual payment times ☐ Legal payment times					

2.2.4 Appropriation of earnings

Given the recommendations by the government, the Executive Board will meet shortly with a view to making an announcement in May on the dividend to be submitted for approval at the Shareholders' Meeting of 18 June 2020.

Distributable income is as follows:

Net profit for the year	€44,936,571.82
Retained earnings from previous years	€231,754,633.75
Available profit	€276,691,205.57
Reserve for treasury shares (reversal of appropriation)	€98,398.76
Distributable profit	**€276,789,604.33**

It should be remembered in this regard that:

- since 1 January 2018, the method of taxation on securities income and particularly dividends is selected by the shareholder in accordance with their personal situation (selected in their income tax return):
  - either at the single withholding tax rate (PFU) of 12.8% plus social security deductions of 17.2%, in which case dividends are taxed without taking the 40% allowance into account;
  - or based on the progressive income tax scale, in which case dividends are taxed according to the relevant scale but with a 40% reduction of the tax base and, where relevant, a non-definitive mandatory deduction of 12.8%.
- dividends and similar payments continue, nevertheless, to be subject, on payment, to social security deductions of 17.2% and a non-definitive flat-rate deduction at a rate aligned with that of the single withholding tax rate (PFU) of 12.8% (instead of 21% previously for dividends).
- taxpayers whose reference taxable income for the previous year falls below a certain amount (i.e. set at €50,000 for a person who is single, divorced or widowed and €75,000 for a person subject to joint taxation, for the non-definitive flat-rate deduction) retain the right to request exemption from the payment of this latter tax.

Distribution of dividends

Pursuant to the law, it should be noted that the respective dividends for the last three years were as follows:

Financial year	Overall dividend	Unit dividend
2016	€14,617,200	€0.60
2017	€19,489,600	€0.80
2018	€19,489,600	€0.80

3. EVENTS AFTER THE REPORTING PERIOD AND OUTLOOK

3.1 Significant events after the reporting period

The coronavirus epidemic, the business consequences of which are difficult to grasp for both SYNERGIE and our clients alike, adds a significant element of uncertainty. The company has hence decided not to give a business outlook, pending better visibility. The Group's clients are impacted differently depending on their sector of activity, which has an impact in terms of the allocation of resources.

The containment measures taken recently led the Group to make rapid organisational adjustments. The aim was to preserve its teams while providing a service to customers whose business is ongoing. Country-specific action plans have been set up, including the implementation of government measures aimed at preserving employment and supporting companies (partial unemployment, deferred payment, etc.).

With a very solid financial structure, reflected in its high cash position and the possibility of selling the CICE receivables on the assets side of its balance sheet (€123 million), SYNERGIE has considerable assets. It thus remains confident in its ability to weather this crisis.

3.2 Outlook in France and abroad

The first two months of the year show a level of activity similar to that observed at the end of February 2019.

Given the aforementioned tense environment caused by the pandemic, the Group has decided to focus its external growth on countries in which it already operates, with the exception of those countries that can meet SYNERGIE's needs (sourcing in Eastern European countries, locations based on the expectations of our clients).

4. RISK MANAGEMENT

Risk management, a major focus for Management

Information on risks and uncertainties relating to the Group's activities is provided below.

4.1 Management of financial risk

Interest rate risk

Loans requiring repayment at 31 December 2019 were more or less all taken out at a fixed rate.

The average interest rate on the Group's loans was 1.38% in 2019 (1.25% in 2018).

Currency risk

Activity outside of the eurozone accounted for 8.4% of consolidated turnover as at 31 December 2019 (compared with 8.1% as at 31 December 2018).

Our expansion in the UK through successive acquisitions, partly financed by current account contributions, and changes in the UK currency, have made the Group sensitive to exchange rate fluctuations.

The impact of Brexit on the euro/pound sterling exchange rate gave rise to a significant financial expense in 2016, reflecting the impact of a change in provision in line with the exchange rate at the year-end; the impact of the changes in exchange rate observed in 2018 and 2019 was not material.

Currency hedges have been implemented since 2017 to limit exchange rate risks during certain periods.

Currency prices against the euro

1 euro = Price	reporting period		12 months average	
	2019	2018	2019	2018
Pound sterling	0.8508	0.8945	0.8759	0.8860
Canadian dollar	1.4598	1.5605	1.4822	1.5329
Swiss franc	1.0854	1.1269	1.1111	1.1516
Czech crown	25.4080	25.7240	25.6587	25.6784
Australian dollar	1.5995	1.6220	1.6079	1.5832

Liquidity and credit risks

As the cash position is positive and there is no debt, liquidity and credit risks are regarded as insignificant.

The option of obtaining financing through the transfer to a financial institution of CICE receivables that remain under assets in the balance sheet strengthens the Group's financial situation in respect of these risks.

Share and investment risks

SYNERGIE implements a very prudent policy in managing its financial investments.

The investments made by it are in very short-term money market SICAVs (open-end investment companies), mostly bought and sold within the same month, for which there is no risk, as well as forward accounts of up to three month. Only term accounts remained at 31 December 2019.

Treasury shares are managed under both the liquidity contract and the share buyback programme.

4.2 Management of non-financial risks

Client risk

The Group retains its independence vis-à-vis its clients, with only two clients contributing more than 1% to its consolidated turnover.

This means that work on optimising receivables management takes place daily. On this point, over the past number of years, all of our employees have been made aware of the notion of "client risk" and the management of payment delays.

Processes for freezing authorised amounts outstanding, relating to client risk as estimated by the Credit Management service, and incorporated into trade and sales force software, are effective aids in making decisions about and containing this risk.

By employing these methods, the Group ensures that its sales can grow in a secure environment.

Economic risk

The decision by the UK to leave the European Union ("Brexit"), taken by referendum on 23 June 2016, and the events that marked the transition period until October 2019, could have a negative impact on the economy, the financial markets and the international foreign exchange markets. Legal uncertainties have already emerged concerning the flow of European personnel into the United Kingdom.

Nevertheless, the UK subsidiary contributed just 4.6% of SYNERGIE Group's consolidated turnover in 2019 (the same as in 2018).

The financial risks have already been studied, with the economic risks set out in Note 5.2 of the notes to the consolidated financial statements (impact of changes in discount rates and of growth and Ebit on future cash flows).

Legal risk

Internal control, in legal terms, is based on the precautionary principle, which relies on a responsible attitude on the part of each employee and on upstream intervention on major issues, as well as active resolution of disputes downstream.

Insurance and risk coverage

Exceptional risks are covered by insurance programmes negotiated by Executive Management. These programmes ensure an appropriate level of coverage. They are taken out with insurers with international profiles.

The insurance programmes mainly cover the following operating risks:

- the financial consequences of any implication of the civil liability of Group companies;
- specific areas such as multiline premises insurance, insurance for car fleets and IT equipment, insurance for managers and corporate officers;
- cybersecurity.

Tax risk

Given the regulations governing transfer pricing in the OECD, their evolving nature and differing levels of application in the various states concerned, SYNERGIE has enhanced its vigilance around compliance with international and local standards.

Brand-related risk

As part of its branding policy, the Group may grant the use of its trademarks and graphic representations to its subsidiaries through negotiated licence agreements.

In line with our image policy, therefore, we regularly file new brands and slogans to adjust our identity to economic developments and our internationalisation.

In addition, the Group is required to conduct a policy of defending the "SYNERGIE" brand, when third parties in particular use the term "SYNERGIE" to refer to a part of the business which, without being similar or related, can target protected services or otherwise more directly competing activities relating to temporary work or Human Resources Management.

Corporate legislation specific to temporary employment

Most of the Group's turnover is generated from temporary employment, which is subject - in France and in the other eurozone countries in which it operates - to specific legislation. The main features of this, which is similar in the various States, enable the activity to be integrated into national economies to enhance flexibility in the labour market.

This context, illustrated by the significant progress made in recent years and the widespread increase in temporary employment legislation in the European Union, attests to the long-term nature of the activity.

It should also be remembered that French, Italian, Spanish, Portuguese, Swiss and Luxembourg legislation requires the submission of a guarantee from a financial institution as security for payment of the salaries of temporary workers and the associated social security contributions.

Given the structure of the income statement and the predominance of salary and social security contribution items within the operating accounts, all social measures and decisions with a direct impact on salaries (e.g. legislation on working hours and changes to the minimum wage in France) or social security contributions (various reductions and in particular the conversion of the CICE in 2019, changes in contribution rates, etc.) could affect the Company's financial statements.

The effects of the implementation of the European Union directive on temporary employment within each country are therefore being followed closely given the gradual harmonisation of the related legislation (last stage of implementation of the equal pay measure in Germany in 2018).

In a context of lower unemployment rates, if not full employment, in certain countries, some governments may have limited reductions in social security charges and other subsidies related to the recruitment of employees.

Moreover, increases in the minimum wage (+22% in Spain in 2019), if not all wage levels, can have consequences for negotiations with clients and the structural costs of the countries concerned.

Information technology risk

In a context in which digital technology has become a key factor in ensuring the Group's day-to-day operation, and to accompany its digital transformation, SYNERGIE has implemented a strategy to strengthen the security of its information systems.

A head and deputy-head of information system security have been appointed for this purpose.

After an analysis of the risks, a general information system security policy (PGSSI) was established along with a subsidiary-based information system policy.

Security audits are performed each year by specialised IT companies with PASSI certification to ensure continuous improvements in information system security at all of the Group's subsidiaries.

Environmental risk

As the Group's activity involves the provision of a service, it is not exposed to any major environmental risk; in particular, there are no financial risks linked to the impacts of climate change.

Nevertheless, all of the measures associated with the analysis of these risks are discussed in the declaration of extra-financial performance included in this report.

5. INTERNAL CONTROL

5.1. Internal control procedures established by the Company

5.1.1 Definition and objectives of the Company's internal control procedures

Internal control is defined within SYNERGIE Group as a group of measures designed to manage activity and risk and to ensure that its operations are legitimate, safe and effective.

The purpose of the internal control procedure in force within the Company and the Group as a whole is as follows:

- to ensure that management actions and employee conduct are in line with the guidelines issued to the Company's businesses by the management bodies, the applicable laws and regulations and the Company's internal rules;
- to verify that the accounting and financial information provided to the Company's management bodies presents a true reflection of the Company's activity and situation;
- to ensure that the Company's assets are properly safeguarded;
- to prevent and manage risks arising from the Company's activity and the risks of error and fraud.

The internal control system cannot provide an absolute guarantee that these risks are completely eliminated, but is designed to provide a reasonable assurance of this.

5.1.2 General organisation of internal control procedures

The Group's international development and the various regulations with which it must comply have led to an in-depth overhaul of its procedures manual, both generally and as implemented within the subsidiaries, outside of France in particular. Management is responsible for ensuring that these procedures are properly implemented.

It should be noted, moreover, that new employees are informed of the internal procedures from their initial orientation, partly through mandatory and tested knowledge of a certain number of internal documents and partly through the provision of training in the internal quality procedures.

The Executive Board relies on the work of the Risk Manager, the quality unit, internal audit, the management control team and the legal department, as well as the conclusions issued by the Statutory Auditors as part of their auditing activities.

The key players in this grouping form working groups to ensure that procedures to prevent the effects of risks intrinsic to the activity and operation of SYNERGIE are implemented and operational.

Due to the challenges of organising information systems, an IT Committee and a Strategic IT Security Committee have been created and meet regularly.

5.1.3 Description of the internal control procedures

5.1.3.1 Financial and accounting internal control procedures

a) Communicating Group information: the reporting system

SYNERGIE Group's financial reporting is structured as follows:

- weekly centralisation of delegated employees and clients undergoing change, the first indicator of a change in activity;
- weekly cash pooling;
- monthly management reporting in the form of a detailed income statement from the subsidiaries.

b) Recognition of turnover

As indicated in the notes to the annual and consolidated financial statements, revenue recognition methods have been developed as part of an integrated process, starting with completion of the service and ending with client billing. This procedure means that the accrual accounting rules can be strictly applied.

From a practical point of view, analysis of differences between hours paid and hours billed ensures that revenue realised is consistent, and enables the exceptions (hours paid but not billed) with a direct impact on margins to be analysed.

c) Recovery of trade receivables

The "Trade receivables" item, which represents 33.7% of the total financial position of SYNERGIE SE and 48.8% of the total consolidated financial position, is subject to advanced procedures and primarily central control, based on:

- a review of client risk before any service provision;
- authorisation granted to agencies for amounts outstanding for each client;
- monitoring of the correct recovery of receivables within contractual deadlines;
- litigation procedures.

This organisation is implemented for all of the temporary employment subsidiaries.

The Company's IT processes back up the system of freezing amounts outstanding according to the authorisations given.

5.1.3.2 Other internal control procedures

a) External growth

The study of any potential target is approved in advance by the members of the Executive Board, to uphold the principle of engagement in negotiations, as are the subsequent stages (issue of a letter of intent pursuant to Group standards, selection of auditors and consideration of their findings, establishment of the draft purchase agreement, etc.).

b) Corporate legislation

Dedicated units have been created to ensure compliance with corporate legislation, in order to manage the consequences of its complexity and to prevent related risks.

c) Maintenance and security of information systems

The main purpose of the internal control system is to ensure the permanence and the physical safety of its management tools, particularly its programmes and computer data, to guarantee operational continuity.

d) Delegation of powers

The delegation of power is restricted in both operational and banking matters, and account is taken of local legislation for foreign subsidiaries.

e) Human Resources Management policy

The Human Resources department pays particular attention to labour relations, hiring people with the knowledge and expertise needed to perform their duties, achievement of the Group's current and future goals, and the non-compete clauses established when employment contracts are drawn up.

5.1.3.3 External control procedures

a) Audit by the Statutory Auditors

The Statutory Auditors perform a limited review of the half-year financial statements and an audit of the financial statements at 31 December. They begin by reviewing the Group's procedures.

The opinions and recommendations formulated by the Statutory Auditors when performing their task, as well as by external entities, are reviewed by the employees concerned and are included in the consideration of corrective actions or measures to be established within the Group.

b) Auditing by specialised external entities

Specialised external entities (e.g. with ISO 9001 2008 certification) regularly audit the Group's activities.

5.2. Monitoring of internal control

5.2.1 Monitoring of priority actions defined for 2019

The work achieved in 2019 showed no notable failure or serious inadequacy in terms of the organisation of internal control.

The following actions were completed or continued in 2019:

- a review of the correct application of the processes established and disseminated in accordance with transparency laws, to help combat corruption and as part of the modernisation of the economy;
- finalisation of compliance with the new General Data Protection Regulation;
- updating of transfer pricing documentation in line with regulatory developments;
- examination of the possibility and benefits of using Group-wide insurance policies (civil liability, property and casualty, directors and senior management civil liability) and of implementing a cybersecurity policy;
- reinforcement of the systems used to produce data pursuant to IFRS 16, applicable from 2019.

5.2.2 Priority action defined in 2020

The following are regarded as priority areas of work for 2020:

- continued updating of guidelines for key Group processes, concomitant with the documentation overhaul;
- recurrent auditing of the correct application of group standards at the subsidiaries, with a focus on cost control;
- control of the smooth functioning of operational powers as part of the acceleration of the development of the foreign subsidiaries;
- implementation of reporting and the budget in the new software;
- continuation of the audit of the organisation and IT security processes outside of France, with a focus on the most significant subsidiaries, and related actions, incorporating a review of the international subsidiaries' IT backup and activity recovery plans.

5.3. Internal control relating to the preparation of accounting and financial information

5.3.1 Prior analysis of risks

The risk factors to which the Group could be exposed are described above.

The Finance department and Management Control pay special attention to reviewing the process of drawing up accounting and financial information, in four main stages (planning, reporting, consolidation, review and control), particularly when integrating a new subsidiary, implementing changes in the IT environment, or adding new employees to the overall process.

5.3.2 Planification

The Finance department uses a timeline that summarises the Group's periodical obligations, specifying the nature and maturity of every obligation.

This document is sent to the heads of accounting and finance at the Group's subsidiaries as well as their managers.

5.3.3 Reporting

A monthly income statement specific to each subsidiary, required to implement consolidation, is sent to the Finance department and Management Control.

This results in an analysis of changes in activity by subsidiary, gross margins and overheads, so that the necessary decisions for driving the business forward and preparing market communications can be made.
Accelerated production of the key income statement indicators, drawn up monthly (turnover, gross margin and profit before tax), is also required of the subsidiaries.

5.3.4 Consolidation process

The consolidation process is entirely carried out by a dedicated department within the Group Finance department, with each subsidiary inputting into the software system a package prepared in accordance with Group standards using the format and providing the level of detail instructed by the Group.

The accounting policies are reviewed annually in light of new regulatory changes. The Finance department sends appropriate instructions to the subsidiaries if they require accounting treatment in a package prepared locally.

The prepared financial statements are subject to in-depth controls and analysis, relating specifically to client credit, financial debt, changes in fixed assets and changes in operating expenses.

This analytical review, as well as consistency checks (changes in shareholders' equity, transition of corporate results to consolidated results, intercompany reciprocity, tax analysis, etc.), allow for justification of the financial statements and detection of material errors should these occur.

There is a particular focus on budgets and related updating, as well as the valuation of intangible assets.

The half-year and annual financial statements are drawn up using the same processes, with an additional package produced for subsidiaries when the half-year and annual financial statements are being prepared, so that all the consolidated data produced can be appended.

5.3.5 Review and control

The consolidated annual financial statements thus established are audited by the Statutory Auditors, or undergo a limited review in the case of the statements at 30 June, and are presented to the Executive Board for approval.

All information provided to the market ("regulated" information) is controlled by the Executive Board or by the Finance department, depending on its nature. Internal audit also reviews the financial statements that will be published.

6. REPORT ON EXTRA-FINANCIAL PERFORMANCE

6.1 Trademark of responsibility

Our ambitions and our challenges

6.1.1 Our challenge: combine flexibility and responsibility

At SYNERGIE, our biggest societal commitment is the contribution we make to the economies of the countries in which we operate. This year again we saw an increase in this contribution, with the placement of nearly 67,000 FTE temporary personnel. While we are aware that flexibility is a vital tool for companies when it comes to managing their Human Resources, we must also meet the challenge of assuming responsibility for the management of these resources.

Combining flexibility and responsibility is therefore a day-to-day challenge, our trademark of responsibility.

In concrete terms, this involves:

- all bodies working to combat all forms of discrimination during recruitment and ensuring that competence, development prospects and talent are the only factors at play in the selection of candidates and temporary and permanent personnel;
- a personalised approach to the professional development of our temporary personnel through the provision of training to enhance their employment prospects and job satisfaction;

- a comprehensive health and safety policy since temporary employment always carries higher risks. Prevention is always the best policy.

These are the three biggest priorities of SYNERGIE Group's CSR policy.

We firmly believe that the results are borne out over time, as demonstrated by all of the indicators shown.

Three strands complete this strategy of responsibility:

- promote responsible client-supplier relations, adhering to strict ethical standards;
- make a contribution to environmental issues not only through our own activities but also through our investment in training in related professions among our clients engaged in this domain;
- pursue and develop our urban projects through Lab'Synergie (patronage, sponsorship, solidarity projects).

We have a network of more than 4,400 permanent employees who adhere to, share and champion this ambition; they are also proud to make a contribution in promoting the SYNERGIE Group as "a benchmark in terms of responsible Human Resources Management".

Principles

The SYNERGIE Group is founded on the fundamental principles of transparency and integrity, instilled by its management and implemented by all of its employees in order to establish durable relationships of trust with public and private-sector clients, suppliers, partners and shareholders. It is with this spirit that the Group complies with:

- the United Nations Declaration of Human Rights;
- the principles of the United Nations Global Compact;
- various conventions of the International Labour Organisation, in particular those governing slave and forced labour and the minimum legal age;
- the OECD (Organisation for Economic Co-operation and Development) guidelines for multinational companies.

SYNERGIE signed up to the "Ensemble pour l'égalité dans les recrutements" Charter from the outset and systematically informs its recruitment agencies of these principles of equality which are compliant with human rights principles and state institutions, the two aims of which are to: "… defend people whose rights are not respected and enable equal rights for all, in particular with regard to employment and training …".

In a further demonstration of its engagement, at the start of 2017 SYNERGIE formally joined the United Nations Global Compact, which brings businesses, organisations, United Nations agencies, workers and the general public together around ten universally recognised principles to build societies that are more stable and inclusive. SYNERGIE published its second communication on progress in August 2019.

Values

Much more than a company, the SYNERGIE Group sees itself as a responsible and committed player with four key values: proximity, team spirit, diversity and ambition. From the outset, these values are upheld by the Group's permanent employees, who are bound by a responsibility towards all stakeholders, temporary personnel, partner companies and institutional clients.

These principles and values underlie the SYNERGIE Group's commitment to developing its activities in the strictest of compliance with national and international laws and regulations. They are formally set out and centralised in the SYNERGIE Group's Code of Ethics and Business Conduct.

Materiality matrix

The responsible recruitment of temporary personnel has always been a core purpose of the SYNERGIE Group. Led by its Chairman and the Executive Management, the Group's CSR policy has developed through cross-entity collaboration within the Group as well as through ongoing dialogue with its third parties. In 2019, the international CSR ratings provider Ecovadis ranked SYNERGIE in the top 2% of businesses in its sector, with a score of 71/100.

The GRI (Global Reporting Initiative) standards provide for the identification of priority themes in accordance with opinions issued by various stakeholders. SYNERGIE has selected six objectives, which break down into 13 items:

a) HR / Diversity and equal opportunity

- Promoting the employment of disabled people;
- Promoting the integration of people from project districts or of immigrant origin;
- Contributing to the recruitment of seniors;
- Promoting professional gender equality.

b) HR / skills development / helping to build professional and sustainable career paths

- Securing career paths (long-term assignments, open-ended employment contracts for temporary employees);
- Developing skills (training).

c) HR / Health and safety in the workplace

- Strengthening safety and wellbeing in the workplace;

d) Ethics / Promoting responsible client/supplier relations

- Implement responsible and transparent governance;
- Be an ethical company compliant with the provisions of the French Sapin 2 Law;
- Promote relationships that respect human rights and data protection regulations (GDPR).

e) Environment

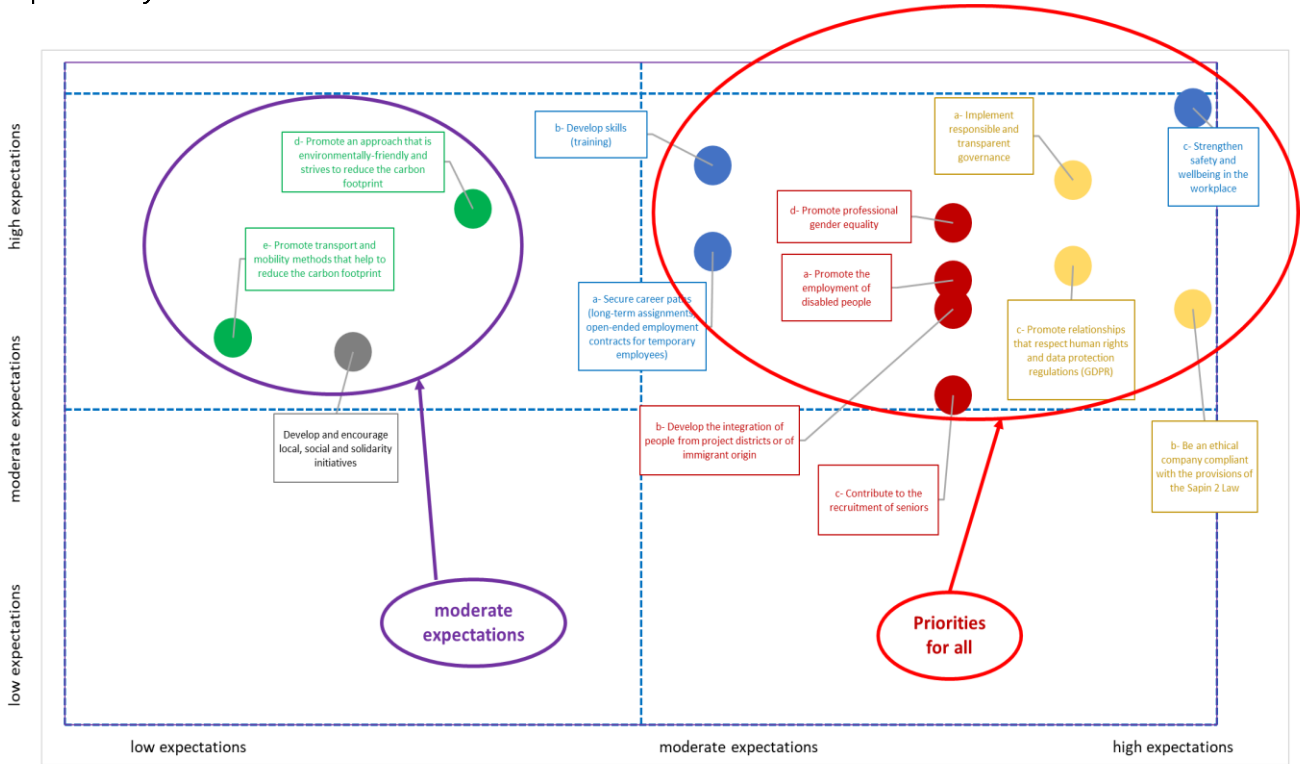
- Promote an approach that respects the environment and strives to reduce the carbon footprint;
- Promote transport and mobility methods that help to reduce the carbon footprint.

f) Contribute to community living

- Develop and encourage local, social and solidarity initiatives.

The materiality grid incorporates all responses received on the 13 items.

The most important objectives for all are identified on the right-hand side; additional items expected by stakeholders are indicated on the left.



The results show a large degree of convergence between SYNERGIE's priorities and those of its third parties, thus confirming the Group's approach and providing encouragement as it forges ahead with the measures identified for the selected items.

A strengthened code of ethics and business conduct

The SYNERGIE Group has always considered ethics in its business relationships as a factor underpinning its growth and sustainability.

In September 2019, the Group celebrated its 50th anniversary. Such longevity would not have been possible without rigorous adherence to standards of ethics and integrity.

Since 2018, the Chairman and the Executive Management have sought to enhance this approach through rigorous application of the criteria of compliance with the French Sapin 2 Law of 9 December 2016 on anti-corruption. This law applies to SYNERGIE France and by correlation to all of the Group's subsidiaries, both in France and outside of France.

Support was obtained from a specialised firm to ensure full compliance:

- a Chief Compliance Officer was added to the Group's management body; the Ethics Committee meets twice a year;
- a new code of ethics and business conduct was adopted in 2018 and distributed to every employee who must comply with it;
- a declaration of potential conflicts of interest was sent to all Group employees;
- Policies on gifts and patronage and sponsorship were implemented;
- a Group-wide procedure for monitoring third parties (clients/suppliers/intermediaries) was implemented, with prior training for each subsidiary's compliance officer and the use of the Thomson Reuters Refinitiv check platform, under the supervision of the Chief Compliance Officer.

Extensive attendance-based training was provided to all employees potentially at risk, while e-learning training is currently being rolled out aimed at all Group employees.

This system is controlled regularly by the Audit Committee, which guarantees its correct application.

Tax policy and vigilance plan

Group tax policy

In line with the Group's code of ethics, the tax policy applied by its management complies with the laws applicable in the countries in which SYNERGIE operates.

This policy is described in the transfer pricing documentation in use since 2010.

This documentation is in line with OECD rules and principles, in particular arm's length principles. The allocation of our profit, moreover, is based on the economic substance and real activities of the Group.

Transnational flows are limited both in terms of number and amount and geographical exposure is relatively low given the Group's European identity (97.2% of its activity is conducted in Europe and 2.8% in Canada and Australia)

Cross-border transactions mainly comprise the payment of royalties for the use of Group brands, management fees paid for services provided by the head office and financial expenses related to loans and current account advances.

The Group provides all necessary information to the tax authorities of each country. SYNERGIE therefore is transparent concerning its organisation, its entities, its structure and its operations.

Vigilance plan

Pursuant to Law No. 2017-399 of 27 March 2017 on the duty of vigilance of parent companies and client companies and Article L.225-102-4 of the French Commercial Code, any company that employs at least five thousand employees or that employees at least ten thousand employees when combined with its direct or indirect subsidiaries, whose registered office is located in France or outside of France, must maintain a vigilance plan.

SYNERGIE does not fall within these categories since only its permanent employees are included in the calculation of the thresholds. Accordingly, it is not required to meet this obligation.

Secure tripartite relations

Respect for the rights and the protection of the personal data of third parties

Since the nature of its activity places it in a situation of risk in relation to the protection of personal data given that on a day-to-day basis it collects personal, and sometimes sensitive, information from private individuals seeking employment as well as from temporary and permanent employees, the SYNERGIE Group applies the necessary tools and procedures to guarantee it is fully compliant with the applicable regulations governing personal data, in particular the law of 6 January 1978 relating to information technology and data protection, as amended by the law of 20 June 2018, and EU Regulation 2016/679, known as the General Data Protection Regulation, which came into force on 25 May 2018.

The SYNERGIE Group, whose DPO (Data Protection Officer) has been declared to the CNIL in accordance with the law, publishes its Personal Data Protection Policy and the forms for obtaining agreement on the use of personal data and on the rights of access and deletion of personal data, on all of the Group's websites, which are accessible to all.

The registers for processing personal data, relating to rights of access and relating to incidents are updated and reviewed based on implemented procedures. The contracts of permanent and temporary employees and of clients contain specific, adapted contractual clauses.

Information system security

In a world in which cybercrime is growing sharply and poses a real risk to the smooth operation of companies, SYNERGIE Group decided to look closely at the security of its IT systems in order to bring them up to standard and in line with best practices.

To this end, both the Director and Head of Information Systems Security oversee the security of the information systems with support from an internationally recognised company which has:

- PASSI certification by ANSSI, France's national cybersecurity agency;
- ISO27001 and ISO27002 certification.

All related operations are carried out in accordance with the security standards in force (ISO27001 and ISO27002).

6.1.2 Our ambition and objectives

Our ambition is to be a benchmark in responsible Human Resources Management by creating value in each key domain (economic, social, environmental and societal).

6.1.3 Our resources

The Group's biggest asset is its network of women and men who share the same goal and offer recognised know-how and expertise. Our resources also include our material, intellectual, operational and financial capital, which are optimised by rigorous process for which we have obtained ISO 9001 version 2015 certification in particular, as well since November 2019, as the Afnor label for professional gender equality.

All of this underpins a business model that each year creates value added which drives the Group's development.

2019 saw further growth in the headcount in line with growth in turnover, both organic (new hires) and external.

Today, therefore, there are 4,436 permanent employees, which includes the employees integrated from the digital services companies, i.e. nearly 1,000 additional employees in relation to the figure previously reported.

The network placed an average of 66,861 temporary employees in 2019 versus 67,236 in 2018.

Moreover, 2,120 additional open-ended contracts for temporary personnel were signed in France in 2019, bringing the total number of signatures at SYNERGIE since the measure was implemented to 5,068, representing an increase of 58% in these contracts in 2019 (around 6.5% of open-ended contracts for temporary personnel signed by the temporary employment branch since the measure was implemented).

6.1.4 A comprehensive and evolving offering

Meeting HR objectives

In all countries in which it operates, SYNERGIE Group works closely with employment professionals to be able to propose to all of its corporate and public sector clients a comprehensive offering which is constantly being extended to meet changing HR objectives: temporary employment, recruitment for fixed-term and permanent positions, training, security, diversity, integration, HR advice. Thanks to its expert teams and digitised systems, SYNERGIE offers high value added services based on in-depth knowledge of the HR needs of its clients.

Our recruitment services are mainly conducted by our recruitment officers who draw on a national base of 820,000 candidates selected internally but also through partnership with schools, public and private training partners, institutional players, job boards, CV libraries, social networks and job fairs and forums.

6.1.5 La vision du Groupe

The Group's priority areas of development

To maintain its status as a major player in the management of Human Resources, SYNERGIE Group decided on three clearly identified areas of progression:

- continue to develop its regional commercial network in France and internationally.
- strengthen its expertise and ramp-up activity in high value added sectors.
- continue its digital transformation to optimise its capacity to respond to all job search and job offer requests.

6.2 Management of corporate risks

6.2.1. Methodology

As part of the declaration of extra-financial performance, it is recommended that corporate risks are identified and a presentation given of the related action implemented to demonstrate that they are effectively managed. SYNERGIE Group's Executive Management therefore worked on a cross-entity basis with all stakeholders to define and set out a hierarchy of elements that could weaken the company's activity. These are presented below with the related action plans, based on which key performance indicators (KPI) are implemented.

The scope of companies covered by the extra-financial performance report includes the consolidated companies, excluding acquisitions during the year, holding companies and companies without an operating activity.

6.2.2. The main risks

Identification and performance indicators

Since our main business activity revolves around recruitment, the main risks are corporate risks.

At each stage, we identify the risks and manage them though deliberate and appropriate action:

- non-discrimination during recruitment;
- the health and physical integrity primarily of our placed employees;
- training for both temporary and permanent employees.

We respond to these risks by implementing policies, tools and processes to control them, the efficiency of which is measured by the following indicators:

- KPI No. 1: Ratio of the average number of permanent disabled employees to the total number of permanent employees.
- KPI No. 2: Ratio of the average number of hours worked by temporary disabled employees to the overall number of hours worked by temporary employees.
- KPI No. 3a: Security: frequency index (vs. Y-1).
- KPI No. 3b: Security: average level of investment per temporary employee (vs. Y-1).
- KPI No. 4: Average number of training hours per permanent employee (vs. Y-1).
- KPI No. 5: Average number of training hours per temporary employee (vs. Y-1).

The general policies applied are set out below.

Objectives in relation to non-discrimination during recruitment

The Human Resources department responsible for managing permanent personnel and the Diversity division responsible for temporary employees have implemented processes guaranteeing the application of principles to prevent discrimination. The main areas covered are:

- the integration of disabled persons;
- the rehabilitation of persons in difficulty;
- maintaining seniors in employment;
- the integration of young people;
- professional gender equality.

Committed to applying these five policies, SYNERGIE Group opted to identify the integration of disabled persons in the workplace as a first priority, both among permanent personnel and for its clients.

Commitment in favour of the employment of disabled persons

a) Permanent personnel

The Executive Management of SYNERGIE Group has raised awareness among all of its subsidiaries around the integration of disabled persons within the workforce. Each subsidiary must draw up a progress report in this regard, which can be consolidated at Group level and the results of which can be measured.

In France, SYNERGIE signed a company agreement with all of its trade unions on 6 February 2018, which was approved by DIRECCTE, containing strong commitments around the recruitment of employees on permanent and fixed-term contracts, work-study candidates, interns, maintaining people in employment and training. A target employment rate of 4.5% was set for the end of the three-year agreement period (2020).

This KPI primarily concerns the French scope and is gradually being extended to the foreign subsidiaries required to make a declaration.

KPI No. 1a - Employment & Disability: permanent personnel – SYNERGIE & Aile Médicale France

French perimeter	2017	2018	2019
Number of permanent disabled personnel	34	53	68
Average FTE	1,289	1,261	1,409
Number of permanent disabled personnel/FTE	**2.64%**	**4.20%**	**4.82%**

The initial results obtained for SYNERGIE in France are promising: the employment rate has increased from 2.64% in 2017 to 4.82% in 2019.

KPI No. 1b - Employment & Disability: permanent personnel – France & Europe
Ratio of the average number of permanent disabled employees to the total number of employees

France & Europe perimeter	2018	2019
Number of permanent disabled personnel /FTE	97	112
Average FTE	3,070	3,989
Number of permanent disabled personnel /FTE	**3.16%**	**2.81%**

The overall decrease in the rate of disabled employees, despite the very good results of SYNERGIE France, can mainly be attributed to an increase in the total headcount and the integration of new entities within the scope. Also worth noting is the fact that in most European countries there is no legal obligation in this regard.

b) Temporary personnel

With regard to temporary personnel, SYNERGIE Group has been developing Mission Handicap (a disability assignment policy) over the last 15 years under which it supports agencies that place disabled persons with our clients.

In a step further, SYNERGIE decided to upskill some of its agency network on a voluntary basis. As a result, 60 expert agencies will be receiving the “Handi C’est Oui” label in 2020. 44 agencies obtained the label at the end of 2019. A total of nearly 200 people received training in the specific criteria involved in the inclusion of disabled persons.

SYNERGIE also participates each year in various operations organised by our institutional partners, such as Duodays (the number of registered agencies increased five-fold in relation to 2018) and European Disability Employment Week (for which there was an 85% increase in the number of participating agencies in 2019).

2019 also saw the introduction of legislative changes with a specific new employment situation applicable for disabled employees from 1st January 2020.

The Group implemented new tools to roll out its clients’ Employment & Disability policy:

- “1001 Missions pour aller plus loin” is an information campaign aimed at companies to raise awareness of the new employment situation for disabled persons;
- Handi’Matinales© events help companies establish targeted sourcing for their recruitment drives in conjunction with the Group's public, private and non-profit partners;
- Handi’Sensib© events encourage voluntary declaration by company employees of their status as a worker with a disability (RQTH initiative).

In 2019, therefore, nearly 10,000 assignments (an increase of +3% versus 2018) were offered to 1,760 individuals (an increase of +10% over the previous three years), corresponding to 459 FTE for an average assignment duration of 12 days (19% longer than a standard assignment). 70 temporary employees who benefited from the obligation to employ disabled workers also obtained an open-ended employment contract for temporary employees, an increase of 1.55 times in relation to 2018.

SYNERGIE is helping a growing number of companies in their recruitment and maintenance in employment of disabled persons; it helped a total of 1,834 companies in 2019, an increase of more than 24% in three years.

Thanks to these results, SYNERGIE France achieved a rate of 1.56% hours worked by disabled temporary employees versus 1.3% for the profession, an increase of 4%; it is also one year ahead of the target set out in its company agreement.

KPI No. 2 mainly concerns the France scope: it was not possible to do a calculation for the foreign subsidiaries given that there is no obligation to hire disabled workers in the countries in which we operate in Northern and Eastern Europe or outside of Europe (Australia and Canada).

KPI 2 – France : Emploi & Handicap : temporary personnel in France

French perimeter	2018	2019
Number of hours invoiced for persons with a disability	799,137	841,370
Total number of hours invoiced for Temporay workers	53,337,932	54,052,110
Total number of hours for Temporay workers with a disability/ Total numbers Temporary workers	**1.50%**	**1.56%**

A commitment to include long-term unemployed

Mechanisms in favour of integrating long-term unemployed are deployed across the Group. In France, Mission Insertion (the Inclusion Mission) has been working since 2012 supporting companies that must meet social integration provisions on public or private markets and those seeking to bolster their responsible recruitment policies.

a) Commitments involving partner cities

In France, SYNERGIE is involved in local inclusion partnerships with 142 cities, including 13 new partnerships implemented in 2019 alone. The support services provided by the inclusion officers in 2019 primarily covered personalised support, evaluation of expertise, help in defining a professional project, individual interviews, social monitoring, training, inclusion monitoring, assessment of inclusion activities and the prospects envisaged for the beneficiaries.

The number of delegated people eligible for inclusion support services in 2019 decreased in the automotive sector but increased by +27% in other sectors, particularly in construction and public works. This is an encouraging indicator in relation to our target of +20%, thanks to the work of the Inclusion Mission in collaboration with our partners and our entire network of agencies.

In November 2019, the SYNERGIE recruitment agency based in the priority district of the city of Epinal, embedded in the Vosges region, became our first social integration temporary employment agency (Entreprise de Travail Temporaire d'Insertion - ETTI), Synergie Insertion.

b) Renewal of the partnership with the Ministry of Urban Affairs

Following on from the Companies and Districts Charter (Charte Entreprises & Quartiers) signed in 2013, we committed alongside the Ministry for Urban Affairs, having signed the "PAQTE avec les Quartiers pour toutes les Entreprises" to facilitate professional inclusion in districts that are considered priority areas for seven departments to place people living in these priority districts.

c) Strong commitment in favour of integrating refugees in France

Since 2018, Synergie has been participating in the Hope programme in partnership with the government, Pôle Emploi, Afpa, AKTO (previously Faftt) and local companies, to offer training to refugees in job sectors in which there is high demand, and supporting them in finding long-term employment.

Demonstrating the commitment by all stakeholders, both in-house and external, Synergie recorded an increase in recruitment under this scheme from 31 in 2018/2019 to 64 in 2019/2020.

d) A partnership with the Missions Locales to promote the integration of young people

As part of the Garantie Jeunes initiative, we signed nearly 100 agreements alongside the Mission Locales to help prepare young people for job interviews, present the temporary employment industry, the sectors that recruit, and help them find long-term employment.

In December 2018, we signed a national three-year agreement with the association “100 Chances 100 Emplois” to promote the integration of unemployed young people. In 2019, 17 of our agencies provided support under this scheme in finding long-term employment as part of a three-stage process: meeting and simulation of interview with companies and recruitment officers; help in formally defining a professional project through the proposal of a trainee position, fixed-term contract, internship or permanent employment contract; and training.

Maintaining seniors in employment

a) Permanent personnel

In its GPEC (workforce and skills management) company agreement signed in June 2018 with all of its unions, SYNERGIE confirmed its commitment to maintaining seniors in employment and supporting them in retirement.

From age 57 each employee can have a career meeting with a specialised firm to organise their final years in the company and help them plan for a retirement project. Moreover, depending on the employee's specific needs, they may also receive support in the organisation of their working time. In 2019, 29 invitations were sent and 23 meetings were held.

b) Temporary personnel

Through our action across the Group, in 2019 we placed more than 8,500 seniors, accounting once again for 13% of total placements (excluding Canada).

Mission for senior workers in France

Since its creation, the mission for seniors has been drawing on solid partnerships such as the “Les entreprises pour la Cité” network, APEC, DIRECCTE, Force Femmes, Fondation FACE, MDE, CNAM, and others.

The mission has been rolled out in all regions through regional contact points. Thanks to this substantial work we have received the Diversity Charter Award on two occasions.

In 2019, the mission for seniors organised and coordinated the sixth Matinées SYNERGIE and Force Femmes event, job dating for seniors, a “skills 45+” master class in partnership with FACE Paris, coffee networking meetings for seniors and employment fairs.

In 2019, senior workers accounted for 12% of placed personnel in France (more than 14,000 seniors).

Promoting professional gender equality

a) Permanent personnel

In 2018, SYNERGIE Group took stock of the 2015 agreement and the related amendment in 2017 and set out the groundwork for a new agreement covering 2019-2021 which was signed on 22 February 2019, notably covering the following subjects:

- equal treatment for male and female candidates;
- access for women to positions of responsibility;
- training;
- working conditions;
- work/life balance;
- remuneration;
- diversity within staff representative bodies.

The action taken up to 2018 and the signature of a new agreement for 2019-2021 put SYNERGIE France on course to achieving gender equality certification and continued progress in all of these domains.

Indicators:

<u>Increase in women in management roles</u>

- 66.2% women in management roles
    - +16.66% women in management roles;
    - +19.60% women in supervisory roles;

<u>Increase in the promotion of female employees</u>

- 15.7% of female employees promoted (versus 14.7% of male employees)

<u>Equal pay for the same job</u>

- +0.77% in favour of male employees (versus national average of +23.7%)

<u>Increase in female temporary employees</u>

- +22% between 2016 and 2018

The policy applied by the Executive Management and our HR teams over the last ten years was rewarded on 22 November 2019 when SYNERGIE obtained the AFNOR professional gender equality label.

The gender equality index implemented by the French Labour Ministry gave SYNERGIE a score of 94/100, a heartening result that inspires us to forge ahead with our initiatives.

At the third “movers and shakers” business awards organised by the Barcelona International Business Club, the Director of SYNERGIE Spain was shortlisted among the finalists in the “Leader of the Year” category.

b) Temporary personnel

The SYNERGIE Group has committed to implementing an innovative mission that is entirely dedicated to professional gender equality, working daily to ensure that men and women have equal access to all business professions and qualification levels on the sole basis of their skills.

The professional gender equality mission provides assistance to companies in implementing their policy in this area and particularly in the area of diversity of professions. Such diversity is a key condition to attaining real gender equality.

This year our teams deployed specific innovative incentives nationwide, such as:

- organisation of the fourth edition of the “Mix&Métiers” diversity of profession forum in Nantes aimed at women;
- deployment of the first “Mix&Métiers” diversity of profession forum in Lyon and Toulouse;
- coordination of conferences and discussions on the subject of diversity in the workplace;
- recruitment at the SYNERGIE aeronautical fairs;
- creation and development of the “Aéronautique déploie ses Elles” programme;
- organisation of information meetings and company visits.

Employee health and physical wellbeing

Safety and security remains one of the three priorities of SYNERGIE Group because it affects the physical wellbeing of our temporary and permanent employees. Our primary objective is to protect temporary personnel on assignment in activities that are traditionally considered risky: construction and public works, logistics, transport and industry.

Reducing the number and seriousness of accidents in the workplace remains a key goal.

In this regard, we have implemented closely-managed measures and rigorous procedures at each of our subsidiaries, particularly in France where new indicators are being applied to help measure progress in this area: more than 100 talks with temporary employees, and more than 1,000 accidents in the workplace analysed for clients in 2019.

SYNERGIE Group's Safety Quality Division is responsible for these audits.

Annual audits by the agencies were initiated and have been systematic for several years on the basis of 14 procedures applied to real accidents recorded by the agencies.

Based on the results, the agencies that require assistance are prioritised and offered support in assessing risks at our clients through the creation of job information sheets covering health and safety in the workplace. Training is provided for personnel in workplace accident analysis and to increase awareness of the safety resources implemented by the Division.

In 2019, 219 safety audits were carried out. One agency received a score lower than 5, representing less than 1% of our agencies, while 85% of agencies obtained a score higher than 6.

Raising awareness among temporary and permanent employees

Every year, security objectives are defined as part of a management review of our quality system. They are deployed nationally and adapted according to each agency's activity structure.

In 2019, 124 permanent employees received specific training in safety measures through workshops on workplace accident analysis and health and safety information sheets, 2.5 times more than in 2018.

On a day-to-day basis, a team of seven people ensure that all workplace accidents of over four days have been analysed, and provide all necessary assistance to the agency teams. Guidelines indicating the questions to be asked during analysis of the accidents were created for this purpose.

SYNERGIE France's safety policy action plan for 2020 includes a national health and safety audit to be performed by a firm specialised in the prevention of workplace risks. Following this audit, a roadmap will be drawn up setting out an appropriate risk prevention programme.

The Safety Quality Division established a safety drive involving 13 posters on risk prevention specifically at the premises of concerned companies.

SYNERGIE and all of its subsidiaries implement a dynamic and proactive policy of raising safety awareness among temporary personnel.

In each country, SYNERGIE also intends to play a role in supporting temporary workers within client companies, to help them better understand the positions they are assigned and to encourage compliance with the required safety instructions.

Thanks to the health and safety management systems implemented by SYNERGIE in Spain and Italy, these entities had their ISO 45001:2018 certification renewed, while Acorn in the UK had its Safety Management Advisory Services Worksafe accreditation renewed.

Partners

Partnerships with workplace accident prevention bodies continued throughout 2019, with CARSAT in France, SUVA in Switzerland involving the Safety Passport, and Berufsgenossenschaft in Germany.

Indicators

While there was an increase in the number of workplace accidents in 2019, the data should be seen in light of the growth in our activity and therefore an increase in the number of temporary staff placed on assignments.

Thanks to these sector and company-based workplace accident indicators, we have been able to record that investment in personal protection equipment for the building sector is starting to show results, with the rates of frequency and seriousness in decline.

The KPI used for safety is the frequency index, the calculation of which enables us to control the evolution of workplace accidents as objectively as possible.

It is calculated as follows: the number of accidents involving leave from work x 1,000 divided by FTE. This indicator is deemed to be positive if it is lower than 8.

In France, it is 7.70, deemed stable in relation to the last three years and consistent with the frequency index target of less than 8.

In 2019, the indicator was rolled out to all of our subsidiaries (excluding Canada) and stood at 6.51.

KPI No. 3a: Workplace accident: frequency indicator < 8.

Work accident	2018	2019	France	Northern and Eastern Europe	Southern Europe	Australia
Frequency index: number of accident of work per year with stop x 1000/number of workers in FTE)	NA	6.5	7.7	5.2	7.2	0.7

NB: excluding Canada – France, in FTE on a month-on-month basis

In addition, the new indicator (KPI No. 3b) made it possible in 2019 to highlight the work done by the company in terms of prevention and safety in favour of employees on assignment, for which investment increased in four years from €119 per employee per year to €180.

KPI No. 3b – Safety: average investment per employee (France & Europe)

France & Europe perimeter	Unit	2018	2019	France	Northern and Eastern Europe	Southern Europe
Average investment per employee	Euro	130	180	264	194	41

Regulatory training and equipment

A national Workplace Accident Unit, which was implemented in 2007, works together with the agencies to approve all declarations. This means that serious accidents can be reported almost in real time to the Social and Economic Council (CSE) through the workplace health and safety committee (CSSCT) or local representatives and to the auditors associated with the agencies concerned. This rigorous process helps to identify clients with a high rate of accidents and subsequently implement specific measures.

As it does every year, SYNERGIE consulted its national workplace health and safety committee (CSSCT) and the national Social and Economic Council (CSE) to obtain a general overview of hygiene, safety and working conditions in 2019 and to set out the annual prevention programme for 2020. The Social and Economic Council issued a positive opinion on these subjects.

Objectives around career-long skills development

Permanent employees

As part of its three-year company agreement on workforce and skills management, SYNERGIE continued to support the teams in all key areas of its HR policy.

a) Recruitment and integration

After distribution on the internal employment exchange to benefit the career development of permanent employees already in the company, the HR department centralises the external distribution of all vacancies and systematically evaluates all candidates in commercial and management roles. A support period over the first three weeks at the agency is proposed to all managers integrating a new employee, who also benefits from the support of a designated officer for a period of two months.

The HR department systematically contacts new recruits after their first few weeks at the company. The managers are also contacted. The organisation of integration days at regional level, which is jointly managed by the HR Department, was continued in 2019.

b) Performance evaluation meetings

These meetings were held in 2019 by all managers for employees who have been with them for at least one year. They give employees an opportunity to assess their performance in relation to the expectations of the manager and the manager to assess the employee's skills and identify key areas of improvement. Expressed wishes around training during this meeting are analysed and dealt with in 2020.

c) Training

The French structures saw their training investment reach €839,678 in 2019, representing nearly 2% of payroll, versus a mandatory level of 0.6%. The Synergie Academy (digitisation of training courses) now offers more user-friendly, flexible and effective training methods with participation by line managers fully integrated.

d) Career management of permanent personnel

SYNERGIE has the necessary tools to promote internal mobility, at both hierarchical and functional level. The organisation of training, coaching, promotional meetings, personnel reviews, etc. are all part of a HR approach by SYNERGIE to promote the professional development of its employees in line with its strategy.

In 2019, the Synergie Academy enabled an increase in the training offer and standardisation of awareness levels around the organisation of attendance-based training.

In France, the number of training participants increased from 1,672 in 2018 to 3,295 in 2019, of which 2,176 participated in e-learning courses.

The sharp decrease in the average training time per permanent employee for attendance-based modules can be directly attributed to the development of e-learning, which, in fact, has helped to reduce overall training costs and has led to a doubling of the total number of training participants in one year.

KPI No. 4: Average number of training hours per permanent employee (vs. Y-1)

Permanent staff training	Unit	Total 2018	Total 2019	France	Northern and Eastern Europe	Southern Europe	Australia
Permanent headcount concerned at 31 December		3,477	4,114	2,182	956	933	43
Total number of training hours (out of individual training leave)	Hour	77,002	72,477	20,719	19,516	32,146	96
Average number of training hours per permanent person	Hour	22.15	17.58	9.49	20.41	34.45	2.23

NB: excluding Canada, Switzerland and DCS Iberica

By applying directly for vacancies via the internal employment exchange, employees, regardless of the type of employment contract they have signed, get the opportunity to actively develop their career.

In 2019, at SYNERGIE:

- 88 people on fixed-term employment contracts and sandwich courses had the opportunity to apply for an open-ended employment contract;
- 121 people on an open-ended employment contract received a promotion.

Temporary personnel

Ensuring sustainable employment is a genuine concern for a company whose main activity is the delegation of temporary personnel on work assignments. Flexicurity is the main vector used by our recruiters, who are aware of the economic benefits offered by each specific area of employment. Through permanent close monitoring, follow-up interviews and end-of-assignment reviews of temporary personnel can be conducted in order to:

- identify new training requirements for the employee on assignment;
- assist the employee in changing career direction;
- offer opportunities for geographical mobility.

This “employment sustainability” is measurable using statistical indicators:

- increase in the number of long-dated assignments;
- number of training courses to enable adaptation for jobs;
- number of training courses to enhance professional profile.

Every day, SYNERGIE Group's teams apply all of their know-how to ensure this sustainable employment objective is achieved.

All new temporary workers undergo an initial interview to ascertain their skills (training, experience, etc.) and set out their professional objectives and how they can be achieved. The goal of this interview is to establish whether this path involves the use of temporary assignments as a springboard into more long-term work or as a professional path in itself thanks to demand for the employee's specialised skills.

SYNERGIE Group's agencies pay particular attention to periods of inactivity between two assignments: employees are systematically offered personalised meetings to establish an update of their situation and look at opportunities for further training, with or without the AKTO (formerly the Fonds d’Assurance Formation du Travail Temporaire - training fund for temporary employees), or a different type of assignment.

a) Better training to meet the needs of companies

Training is one of the three mainstays of SYNERGIE Group’s CSR policy.

Fulfilling the equation for success: “an employee who is good at their job means a satisfied company manager” is our daily challenge. To achieve this, our recruitment managers held more than 230,000 business profession tests in 2019 among candidates in France (versus 63,509 in 2018) thanks to the new tools available online.

The Group also invested more than €23.6 million in training in 2019, enabling 60,000 temporary employees to benefit from training.

This deliberate approach is particularly evident in France, where the training provided to all temporary personnel reached a total of €21.4 million in 2019, i.e. 2.74% of its payroll costs, versus a mandatory proportion of 1.90% pursuant to the new branch agreement signed in November 2019 (once again SYNERGIE largely surpassed its regulatory obligation by €6.6 million).

Under this policy, 771 temporary employees participated in a professional training course in 2019, which alone represented an additional investment of €4.8 million.

The average number of training hours per participant increased slightly in 2019 in respect of the entire Group.

KPI No. 5: Average number of training hours per temporary employee (vs Y-1).

Temporary workers training	Unit	Total 2018	Total 2019	France	Northern and Eastern Europe	Southern Europe
Total number of training hours	Hour	1,481,707	1,368,569	527,415	17,539	823,615
Temporary workers average headcount (FTE) concerned		67,236	60,527	31,217	9,601	19,709
Average duration of training actions per participant	Hour	22.04	22.61	16.9	1.83	41.79

NOTE: No hours declared for temporary employees in the UK, Switzerland, Slovakia, Netherlands. In France, the method used since 2016 has included expenditure on FSPI, PFE, professionalism and FPE-TT (consolidated data presented)

b) *Guaranteeing a quality social status for temporary employees*

A secure status enhances appeal and development

SYNERGIE Group plays a fundamental social role on the labour market as a private employment agency. It operates in accordance with the rules of convention n° 181, as adopted by the World Employment Confederation (WEC), particularly with regard to the prevention of discrimination. Temporary employees also have rights that go beyond those of employees on fixed-term contracts. Their status is set out in the regulations, as negotiated by the social partners for more than 25 years, the main characteristics of which are stability, transferability and readability. The status of temporary employees in France is one of the most protective in Europe.

A branch agreement allowing temporary employees to obtain supplementary group cover for their medical expenses was signed and can be accessed from 414 hours of work.

Professional security: open-ended contracts for temporary employees

Set up in 2013, the open-ended contract for temporary employees was established to provide professional security and strengthen the employability of temporary workers. As at end-2019, SYNERGIE had enabled 5,068 employees (including 2,120 in 2019 alone) to benefit from job security between two assignments. This constitutes genuine social progress in this profession.

The open-ended contract offering for temporary personnel has already been established by SYNERGIE's subsidiaries in Germany, the Netherlands and Switzerland.

The creation of the fund for safeguarding temporary employee career paths (Fonds de sécurisation des parcours des intérimaires - FSPI) also represents a major step forward in the development of flexicurity in France. In 2019, 479 temporary personnel benefited from personalised support through our subsidiary, Dialogue & Compétences, enabling them to increase their annual assignment time by at least 5%.

In France, the recruitment activity saw continued growth with 4,702 placements under fixed-term or open-ended employment contracts, of which 12% seniors

c) *Guaranteeing quality social dialogue*

In 2019, SYNERGIE organised the annual European Company Council meeting, which is pursuing social dialogue at European level between the different representatives of the countries in which SYNERGIE operates. In France, the social dialogue stakeholders meet very regularly to discuss mandatory subjects as well as matters agreed between the social partners: salaries, working hours, time savings accounts for temporary personnel, quality of work life, trade unionism, disability, provisional job and skills management, equal opportunity and health and welfare are all topics that were monitored and discussed in 2019.

The following agreements or amendments were signed:

- a professional gender equality agreement;
- an agreement on a plan for the reimbursement of healthcare expenses for permanent management level employees - contributors to AGIRC;
- an agreement on a plan for the reimbursement of healthcare expenses for permanent non-management level employees - not contributors to AGIRC;
- an amendment to the agreement on the supplementary disability and accidental death insurance plan;
- an agreement on union rights.

Social dialogue continued through meetings of the Central Works Council, which since 5 April 2019 has been renamed the Social and Economic Council, pursuant to the reform arising from the merging of staff representative bodies, and at the regional level through meetings of the works committees, staff representatives and regional workplace health and safety officers (CHSCT), for which local representatives have been appointed since 5 April 2019.

- 1 European Company Council meeting;
- 2 Central Works Council meetings and 7 Social and Economic Council meetings;
- 12 works committee meetings;
- 12 DP meetings;
- 8 CHSCT meetings;
- 8 local representative meetings.

6.3 The Group's Social and Environmental Contribution

6.3.1 Environmental policy

Controlling environmental impacts

Unlike certain sectors, the services activity that SYNERGIE Group carries out has relatively little direct impact on the environment. Nevertheless, SYNERGIE decided to roll out an environmental campaign on the basis that in our everyday professional activities respect for the planet is everybody's concern.

Main thrusts

The SYNERGIE Group set itself a twin objective: develop environmental ethics and greater environmental awareness, thus empowering all employees and managers across all of the subsidiaries.

In this regard, SYNERGIE Group:

- prepares and regularly reviews its environmental policy;
- informs and raises the awareness of all of its personnel;
- seeks feedback from personnel on environmental objectives and procedures;
- implements sustainable development policies with its clients and suppliers;
- works to reduce its impacts on the environment by controlling water and energy consumption, reducing and recycling waste, and limiting CO2 emissions and work travel.

Evaluation and certification policies

SYNERGIE's environmental policy is based first and foremost on the endeavours of its managers and employees in this area. However, external recognised and independent bodies may support, enhance and validate this policy.

Several subsidiaries have already received environmental certification:

- SYNERGIE in Spain received ISO 14001 certification for its head office in 2012, which was renewed in December 2018 for three years and is gradually being rolled out to all of its premises;
- SYNERGIE in Switzerland has received certification in this area from Swissstaffing and is looking to make further progress in achieving ISO certification.

Responsible purchasing

The Responsible Purchasing Charter, which was established in France in 2012, is one of the main components used to raise suppliers' and subcontractors' awareness of CSR issues. From 2013, SYNERGIE proposed the signature of this charter when signing every new purchasing contract. The main suppliers (excluding property leasing) have already made a commitment to comply with this charter: adherence to the principles of the Global Compact, the eight fundamental conventions of the International Labour Organisation, and the relevant environmental and social regulations; implementation of the necessary resources to ensure compliance with these principles.

Guaranteeing compliance by reducing environmental impacts

Pollution and waste management

Measures to prevent, recycle and eliminate waste are an integral part of SYNERGIE Group's Progress Plan. The data collected on specific indicators are used to measure its progress. The SYNERGIE Group also increasingly participates in recycling operations.

This action is based on two key areas:

- upstream use of consumables from recycling operations (paper, cardboard, ink cartridges, etc.);
- downstream, the inclusion of end-of-life consumables in recycling operations (furniture, IT equipment, paper, cardboard, etc.).

The SYNERGIE Group is thus making efforts to mainly use responsibly sourced paper, i.e. paper that is recycled or from sustainably managed forests. Similarly, the ink cartridges used are all recyclable.

a) Sustainable use of resources

All the Group's subsidiaries have begun the process of moving to electronic invoices, contracts, pay slips and payments, which has led to a reduction of 8% in paper consumption per employee (-3.13kg per year), which is consistent with our target of -5% over three years.

The volume of recycled paper is now an indicator used by the subsidiaries, and reached 53 tonnes in 2019.

Our provider in France has recovered an average of 36 tonnes of paper per year since the implementation of the indicator in 2014. The scheme to recover office furniture in 2019 gave rise to the recycling of 48 tonnes of material. Through the recycling of IT and office equipment we were able to dispose of a total of 4.8 tonnes of Waste Electrical and Electronic Equipment (WEEE) according to environmentally-friendly standards, an increase of 58% in relation to 2018.

This indicator was gradually deployed in Europe in 2019 and will be used to measure the impact over the coming years.

b) Greenhouse gas emissions

Fuel consumption increased across the entire Group primarily because of the increase in the number of our permanent employees. To reduce this, in 2018 SYNERGIE introduced monitoring tools in all new vehicles in France to help improve sustainable driving by drivers. CO2 emissions per vehicle have fallen markedly, due to the ongoing replacement of the car fleet with less polluting vehicles. The average rate per vehicle fell by 16% in 2019, having been stable over the two previous years.

In addition, SYNERGIE Group's transport plan is based on two key pillars:

- reduction in the number of work trips by providing rooms for videoconferencing. 570 meetings were held in this way in 2019;
- implementation of a mobility plan at its administrative headquarters in Orvault in partnership with the city and urban community of Nantes.

The Group aims to reduce the average CO2 emissions per vehicle by 10% over three years.

c) Works carried out at our premises

SYNERGIE conducted a regulatory energy audit in December 2015, which enabled it to reduce its energy bill, even as the Group continued to grow. Its energy bill decreased from €440,338 in 2015 to €434,850 in 2018 and €408,043 in 2019.

Another audit was conducted in 2019 giving rise to action plans being set out in fact sheets with the goal of generating energy savings of 20.5% within three years.

This audit also recommended areas of improvement in relation to the Group's vehicle fleet, ranging from the introduction of a more energy efficient fleet to monthly monitoring of tyre pressure and performance labelling every time a vehicle is renewed (change from E or C to B).

The use of vehicles that are more suited to employees' real needs is also recommended. The gradual shift to electric or hybrid vehicles pursuant to the French Mobility Orientation Law will mean that the vehicle fleet will be required to comply with a maxim CO2 emission rate of 60g by 2030.

Irrelevant data

As the following data was not relevant, SYNERGIE Group decided to exclude it from the extra-financial report:

- the circular economy;
- the combating of food waste;
- the combating of food insecurity;
- respect for animal rights;
- responsible, equitable and sustainable food.

6.3.2 Societal policy

A corporate citizen in touch with its territories

Lab'SYNERGIE, commitments that anchor the Group in its territories

From the perspective that a company cannot ignore the appeals of players in its territory, SYNERGIE Group created Lab'Synergie in 2014 to structure its partnership and sponsorship activities. Lab'Synergie operates in an original and flexible manner, serving as a platform for experimentation, and territorial and societal commitment. Nevertheless, it applies specific procedures to comply always with the laws preventing corruption. There are several tools that facilitate citizen engagement in the various regions and employment pools: apprenticeship tax, patronage, sponsorship, etc.

Apprenticeship tax

SYNERGIE France has set a target €5.5 million again for 2019 in respect of 500 local establishments.

Over and above amounts that are traditionally paid under the apprenticeship tax to trade and vocational training schools, SYNERGIE also directs significant amounts to secondary schools, adult training centres, and craftspeople and artisan bodies, using it as a veritable CSR tool and to contribute to urban incentives.

Patronage, sponsoring and solidarity projects

The SYNERGIE Group also demonstrates its social commitment by developing specific partnerships and supporting the following solidarity projects, which continued in 2019:

- charities combating discrimination and helping excluded people back into work (sponsorship of armchair football for the 14th year, a French cancer centre, CARITAS in Portugal) and children's charities (combating violence, e.g. the National Society for the Prevention of Cruelty to Children in the UK, Hänsel + Gretel and Strahlemännchen in Germany; and supporting education for the disadvantaged, e.g. the Legiao Da Boa Vontade in Portugal);
- suppliers that employ people with disabilities in jobs such as document printing, packaging, meal and buffet preparation, maintenance of green spaces, window cleaning and general cleaning;
- employees of our agencies and those located in Belgium, through the corporate StreetWize project, which was adopted by several Group subsidiaries in 2019. And more generally the participation of our employees in sports events or fun events organised to strengthen team spirit, such as that held every year in Germany.

Lab SYNERGIE also firmly anchors SYNERGIE Group in its surrounding territory, providing substantial sports sponsorship to both high level teams like FC NANTES and amateur clubs.

Launched in 2017 by SYNERGIE Belgium, the Streetwize Challenge came about as part of a drive to increase performance, motivation, professional and personal wellbeing and to promote healthy lifestyles. It involves broad participation in sports events to achieve a shared goal.

Every kilometre contributed by SYNERGIE employees is recorded on the EnergyLab platform and every kilometre completed is transformed into euros and used to subsidise a new mobile school. This initiative has been very successful internationally with nine other countries in which the Group operates having joined: the Czech Republic, Switzerland, Italy, Spain, the UK, Australia, Slovakia, Netherlands and Luxembourg. In 2019, nearly 42,000 kilometres were completed, which meant a new mobile school could be established in Togo.

In 2019, SYNERGIE developed its presence on social networks to highlight and share its CSR successes.

6.4 Conclusion & Outlook

Our commitments are broadly recognised

Thanks to the identification of these risks and the action taken to ensure the strictest possible control around them, SYNERGIE Group saw its ECOVADIS Gold rating for advanced sustainability performance increase by 4 points in July 2019, placing it among the top 2% of companies rated in its sector.

Societal engagement of this type is increasingly being analysed and included as an investment criterion by investors. To this end, SYNERGIE Group participates each year in the Gaïa Rating. In 2019, the Company confirmed its position as a major player, remaining in the top 20 for this rating.

This work is communicated annually as part of the reporting of progress under membership of the UN Global Compact, serving as a CSR report.

These excellent results are but one stage and serve to encourage all our employees in taking further steps as they work to guarantee the durability and growth of the company.

6.5 REPORT BY THE INDEPENDENT THIRD PARTY ON THE CONSOLIDATED DECLARATION OF EXTRA-FINANCIAL PERFORMANCE INCLUDED IN THE GROUP'S MANAGEMENT REPORT

SYNERGIE S.E.

11, avenue du Colonel Bonnet

75016 PARIS

Trade and Companies Registry No. 329 925 010

REPORT BY THE INDEPENDENT THIRD PARTY ON THE CONSOLIDATED DECLARATION OF EXTRA-FINANCIAL PERFORMANCE INCLUDED IN THE GROUP'S MANAGEMENT REPORT

Financial year ended 31/12/2019

To the Shareholders' Meeting.

In our capacity as independent third party body accredited by COFRAC under the number 3-1077 (scope of accreditation available on www.cofrac.fr), we hereby report on the declaration of consolidated extra-financial performance for the year ended 31 December 2019 (hereafter the "declaration"), presented in the Group's management report pursuant to the provisions of Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code.

Responsibility of the entity

It is the responsibility of the Executive Board to prepare a declaration in accordance with the legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies applied in relation to these risks and the results of these policies, including key performance indicators.

The declaration was prepared in accordance with the entity's procedures (hereafter the "guidelines"), the main elements of which are presented in the declaration and are available on request from the Company's head office.

Independence and quality control

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

Responsibility of the independent third party

It is our responsibility, based on our work, to formulate an expert opinion and draw a conclusion expressing a moderate assurance on:

- the compliance of the declaration with the provisions of Article R. 225-105 of the French Commercial Code;
- the truthfulness of the information provided pursuant to paragraph 3 of Section I and Section II of Article R.225-105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the action taken in relation to the main risks, hereafter the "information".

It is not our responsibility to express a view on:

- the entity's compliance with other applicable legal and regulatory provisions, notably in relation to the vigilance plan and the prevention of corruption and tax evasion;
- the compliance of the products and services with the applicable regulations.

Nature and extent of works

We carried out the work described below in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code determining the procedures according to which the independent third party performs its tasks and in accordance with Afnor document FD X 30-02 "Guidelines for the performance of verifications as stipulated in Article L.225-102-1 of the French Commercial Code".

We conducted our work to assess the compliance of the declaration with the regulatory provisions and the truthfulness of the information:

- we took due note of the activity of all of the companies included in the scope of consolidation, of the exposure to the main social and environmental risks as a result of this activity and its effects in relation to compliance with human rights and the prevention of corruption and tax evasion, as well as the related policies and their results;
- we assessed the appropriateness of the guidelines with respect to relevance, completeness, reliability, neutrality and ease of comprehension, taking into account, where appropriate, industry best practices;
- we verified that the declaration covers every category of social and environmental information stipulated in Section III of Article L. 225-102-1 and compliance with human rights and the rules for the prevention of fraud and tax evasion;
- we verified that the declaration includes an explanation of the reasons for the lack of information required under paragraph 2, Section III of Article L.225-102-1;
- we verified that the declaration includes a presentation of the business model and the main risks related to the activity of all the entities included in the consolidation scope, including, where relevant and proportionate, the risks created by its business relationships, products or services and the related policies, action and results, including key performance indicators;
- we verified, where relevant to the main risks or policies presented, that the declaration includes the information stipulated in Section II of Article R. 225-105;
- we evaluated the procedures for selecting and validating the main risks;
- we asked about the internal control and risk management procedures implemented by the entity;

- we assessed the consistency of the results and key performance indicators with the main risks and policies presented;
- we verified that the declaration includes a clear and detailed explanation in the event of the lack of policy for one or more of these risks;
- we verified that the declaration covers all of the companies included in the consolidation scope in accordance with Article L.233-16 and sets out the limit of the scope;
- we assessed the process implemented by the entity for the collection of information and to ensure its exhaustiveness and truthfulness;
- we carried out the following for the key performance indicators and other quantitative results[1] we deemed most important:
    - analytical procedures to verify the correct consolidation of the data collected and the consistency of related changes;
    - detailed sample-based tests to check the correct application of the definitions and procedures and to reconcile the data contained in supporting documents. This work was carried out on a selection of contributing entities[2] and covers 56% of the consolidated temporary employees and 58% of the consolidated permanent employees of the key performance indicators and results selected for the tests;
- we consulted the source documents and held interviews to corroborate the qualitative information (action and results) we deemed most important[3];
- we checked the coherence between the declaration and our knowledge of all the companies included in the consolidation scope.

We believe that the work we carried out by exercising our professional judgement allows us to provide a conclusion with moderate assurance; a higher level of assurance would have required more extensive work.

Methods and resources

Our work required the services of two people and took place between March 2020 and April 2020, over a total period of three weeks.

We conducted four interviews with individuals responsible for the preparation of the declaration, representing the Executive Management, the Human Resources department, the CSR officers in Belgium, and the administrative and financial management.

---

[1] **Social indicators:** number of permanent and temporary employees, proportion of disabled employees with permanent and temporary employment contracts in France, frequency index for workplace accidents in France, number of hours of training for permanent and temporary employees, average level of investment in safety per temporary employee

Environmental indicators: volume of paper recycled, average CO2 emissions per vehicle, expenditure on electricity consumption

[2] France and Belgium scopes

[3] Ecovadis rating, training in relation to the SAPIN II law, Afnor professional gender equality label, Agencies that received the “Handi c’est Oui” label

Conclusion

Based on our work, we did not identify any material misstatements likely to call into question the fact that the declaration of extra-financial information complies with the applicable regulatory provisions and the information, taken as a whole, is presented in a truthful manner in accordance with the guidelines.

Paris, 27 April 2020

Independent third-party body,

DAUGE FIDELIANCE

Sarah GUEREAU

7. LIFE OF SYNERGIE STOCK

7.1 General information and changes in the stock

Share capital

The share capital of SYNERGIE SE is €121,810,000, divided into 24,362,000 shares with a par value of €5.

There are no transferable securities likely to give direct or indirect access to the Company's capital.

Listing

SYNERGIE is listed on Compartment B of Euronext Paris under ticker SDG and ISIN code FR0000032658.

During the year, the share price moved between a low of €22.60 (3 January 2019) and a high of €35.90 (30 April 2019). The closing share price on 31 December 2019 was €29.20, compared with €24.45 on 31 December 2018.

On average, 4,834 securities were traded per session in 2019, compared with 7,811 in 2018.

The Company's market capitalisation was €660,109 thousand at 31 December 2019, based on the average share price over the last 60 sessions of the year.

Liquidity of the stock

A liquidity contract was signed on 28 January 2007 between the Company (issuer) and Oddo Midcap (market maker); it was subject to an amendment during the first quarter of 2019 to take account of new regulatory provisions.

The share's liquidity stood at an average of €141 thousand per day (versus €326 thousand in 2018).

Trading of shares and voting rights

SYNERGIE shares may be freely traded and there are no statutory limitations on the exercise of voting rights.

Double voting rights are assigned, in respect of the percentage of share capital they represent, to all shares that are fully paid up and are proven to have been registered in the name of the same shareholder for a period of at least two years, as well as registered shares granted free of charge to shareholders in the event of a capital increase through incorporation of reserves, profits or share premiums, by virtue of old shares for which they have this right.

Free share awards

No free shares were awarded by the company during the reporting period.

Stock option plans

There are no stock option plans in place within the company.

Shareholders' agreement

To the best of the Company's knowledge, no shareholders' agreement exists.

Schedule of financial announcements

PUBLICATION OF FINANCIAL INFORMATION	ANNUAL PROVISIONAL	QUARTERLY (Q1)	HALF-YEAR	QUARTERLY (Q3)
Provisional date (*)	1st April 2020	29 April 2020	16 September 2020	28 October 2020
PUBLICATION OF TURNOVER	**QUARTERLY (Q1)**	**QUARTERLY (Q2)**	**QUARTERLY (Q3)**	**QUARTERLY (Q4)**
Provisional date (*)	29 April 2020	29 July 2020	28 October 2020	3 February 2021
INVESTOR INFORMATIONS	**Ordinary Shareholders' Meeting**	**ANALYSTS' MEETING 1**	**ANALYSTS' MEETING 2**	**DIVIDEND PAYMENT**
Provisional date	18 June 2020	2 April 2020	17 September 2020	26 June 2020

(*) *after market*

7.2 Shareholder structure

Percentage of share capital held by shareholders with a significant interest

Pursuant to the law, we hereby inform you that HB COLLECTOR, controlled by Henri BARANDE, held 69.08% of the share capital and 82.21% of the exercisable voting rights at 31 December 2019. During the financial year, HB COLLECTOR absorbed the holding company SYNERGIE INVESTMENT, which previously wholly-owned and controlled SYNERGIE SE.

To the best of the Company's knowledge, no other public shareholder holds more than 5% of the share capital.

Treasury stock

At 31 December 2019, 373,787 treasury shares were held, including 21,212 under the liquidity contract and 352,463 as part of the share buyback programme as approved by the Combined Shareholders' Meeting of 13 June 2019.

7.3 Share buyback programme

It should be noted that, pursuant to Article L.225-209 of the French Commercial Code, SYNERGIE has set up a share buyback programme.

At the Combined Shareholders' Meeting of 18 June 2020, a proposal will be submitted to renew, for a period of 18 months, the necessary powers granted to the Executive Board to purchase, on one or more occasions and at times that it deems appropriate, shares of the Company up to a limit of 4% of the number of shares making up the share capital, i.e. 974,480 shares based on the current share capital.

This authorisation will render null and void the authorisation granted to the Executive Board by the Combined Shareholders' Meeting of 13 June 2019.

It will enable the Company to:

- ensure stimulation of the secondary market or the liquidity of SYNERGIE stock through an independent investment services provider under a liquidity contract, pursuant to the ethical charter of the AMAFI (French financial markets association), recognised by the AMF (French financial markets authority);
- hold on to the shares acquired for use at a later stage as part of an exchange or payment in the context of potential external growth transactions;
- reduce the Company's share capital by cancelling shares, within the limits of the law.

The Company has also undertaken never to exceed ownership of 4% of its share capital, either directly or indirectly. Shares already held by the Company will be taken into account when calculating this threshold.

The acquisition, sale, transfer or exchange of shares may be carried out by any means, including on the market or over the counter, and at any time (except in case of a public exchange offer), in compliance with the regulations in force. The part of the buyback programme conducted through block trading may represent the entire programme.

Number of securities and percentage of the share capital held by SYNERGIE at 31 March 2020

At 31 March 2020, the share capital of SYNERGIE comprised 24,362,000 shares; the Company held 383,609 treasury shares at that date, representing 1.57% of the share capital.

Breakdown by purpose of equity securities held directly or indirectly

At 31 March 2020, the treasury shares held by SYNERGIE broke down as follows:

- 31,146 shares purchased to stimulate the market;
- 352,463 shares purchased with the aim of utilising them later for payment or exchange as part of external growth operations.

Maximum percentage of the Company's capital that can be repurchased - characteristics of the equity securities

The maximum percentage is 4% of the share capital, i.e. 974,480 ordinary shares. As the treasury shares held at 31 March 2020 numbered 383,609, the remaining number of shares that can be bought back is 590,871, i.e. 2.43% of the share capital.

Maximum purchase price and maximum authorised amount of funds

The maximum purchase price proposed is €50 per share.

The maximum amount allocated to acquisitions may not exceed €29,543,550, on the basis of 590,871 shares.

These terms, which are subject to approval by the Combined Ordinary and Extraordinary Shareholders' Meeting, will be authorised until the date of renewal by the Annual Shareholders' Meeting and for a maximum period of 18 months as of the aforementioned Shareholders' Meeting.

The Executive Board will be authorised during this period to buy and/or sell shares of the Company under the conditions established. It may cancel the shares within a maximum period of 24 months.

Share buybacks are usually financed using the Company's own resources, or through debt for additional requirements exceeding its self-financing capacity.

Report on previous buyback programme

Pursuant to Article L.225-209 of the French Commercial Code, we would like to report on the buyback operations carried out.

The Combined Ordinary and Extraordinary Shareholders' Meeting of 13 June 2019 authorised the Executive Board, with the power of delegation, to implement a share buyback programme for a period of 18 months, i.e. until 14 December 2020.

The following tables provide details of the operations carried out under this buyback programme.

Summary table

Declaration by the issuer on transactions carried out on its own securities: from 1st April 2019 to 31 March 2020	
Percentage of own share capital held, directly or indirectly	1.57%
Number of shares cancelled in previous 24 months	-
Number of securities in the portfolio	383,609
Carrying value of the portfolio	€4,077,988
Market value of the portfolio (1)	€5,869,218

(1 based on the closing share price at 31 March 2020

Cumulative gross flows			**Open positions on date of issue of programme details**					
	Purchases	**Sales**	**call**			**put**		
Number of securities	84,266	78,839	Calls purchased	Puts sold	Forward purchases	Calls sold	Puts purchased	Forward sales
of which under liquidity contract	84,266	78,839						
Average transaction price	27.42	28.30					**NONE**	
Amount	2.310.584 €	2.231.379 €						

The flows mentioned took place under the liquidity contract with the aim of stimulating the market.

7.4 Employee savings schemes

Pursuant to Article L.225-102 of the French Commercial Code, we hereby specify that no employee of the Company holds shares of our Company as part of the collective securities management schemes governed by the Code.

8. OTHER INFORMATION AND LEGAL REMINDERS

Corporate, social and environmental information

This information is presented in the declaration of extra-financial performance.

Acquisitions of equity interests during the year

The table of subsidiaries and equity affiliates of SYNERGIE SE is presented in Note 32 to the corporate financial statements.

Non-tax-deductible expenses

Non-tax-deductible expenses pursuant to Article 39-4 of the French General Tax Code came to €194 thousand and the corresponding tax to €64 thousand.

Breakdown of profit in the corporate financial statements of SYNERGIE SE over the last five years

In € thousand	2015	2016	2017	2018	2019 (**)
Net profit after tax	50,392	51,793	71,362	67,653	44,937
Initial retained earnings (*)	58,615	94,101	131,628	183,620	231,755
Available profit	109,006	145,894	202,990	251,273	276,691
Reserves	509	(137)	170	330	(98)
Dividends	14,617	14,617	19,490	19,490	-
Retained earnings after appropriation	93,881	131,413	183,331	231,453	-

(*) the "Initial retained earnings" item for financial years 2015 to 2019 includes undistributed dividends attached to treasury shares.
(**) the Executive Board will decide in May 2020 on the appropriation of profit to be proposed to the Combined Shareholders' Meeting of 18 June 2020.

Research and development

In order to pursue and develop their activities, SYNERGIE and its subsidiaries may independently carry out development and innovation projects to adapt to regulatory change, respond to client expectations, optimise the management of CV libraries and the performance of the temporary employment payroll/invoicing application, by incorporating new modules.

It should be highlighted that these are experimental developments using new technologies and do not constitute fundamental applied research.

Paris, 30 March 2020

The Executive Board

CONSOLIDATED FINANCIAL STATEMENTS
OF THE SYNERGIE GROUP

FINANCIAL DATA

1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets In € thousand	**Note No**	**31/12/2019**	**31/12/2018**
Goodwill	5	112,636	102,429
Other intangible assets	6	45,222	44,993
Property, plant and equipment	7	68,257	63,086
Right of use relating to lease contracts	7.2	40,451	-
Non-current financial assets	8	89,872	105,239
Deferred tax assets	9	5,638	3,337
Non-current Assets		**362,076**	**319,084**
Trade receivables	10	565,974	558,529
Other receivables	11	70,723	76,044
Cash and cash equivalents	12	162,166	85,322
Current Assets		**798,863**	**719,895**
Total Assets		**1,160,940**	**1,038,980**

Liabilities In € thousand	**Note No**	**31/12/2019**	**31/12/2018**
Share capital	13	121,810	121,810
Reserves and carryforwards		342,967	282,315
Consolidated net profit		60,098	79,292
Non-controling interests		19,797	18,348
Shareholders' equity		**544,672**	**501,765**
Provisions and payables for employee benefits	14	6,304	5,238
Non-current borrowings	16.1	38,641	34,054
Medium and Long-term lease debt		30,320	-
Deferred tax liabilities	9	12,060	14,323
Non-current Liabilities		**87,325**	**53,615**
Provisions	15	1,907	1,751
Current borrowings	16.2	10,312	10,177
Short-term lease debt		9,920	-
Current bank debt	16.3	35,148	40,143
Trade payables	17	26,125	20,163
Tax and social security payables	18	424,238	389,553
Other payables	18	18,043	21,813
Current Liabilities		**528,943**	**483,600**
Total Liabilities		**1,160,940**	**1,038,980**

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

2.1 Consolidated income statement

In € thousand	Note No	2019	2018
Turnover	**19**	**2,642,339**	2,551,095
Other income		5,871	6,314
Purchases		(29)	(158)
Personnel costs	20.1	(2,370,882)	(2,280,025)
External expenses		(85,213)	(85,136)
Taxes and similar levies		(49,358)	(50,931)
Depreciation and amortisation		(16,828)	(8,798)
Provisions	20.3	(3,194)	(3,733)
Inventory change of goods		(245)	-
Other expenses		(781)	(224)
Current operating profit before amortisation and impairment of intangible assets		**121,680**	**128,405**
Amortisation of intangible assets related to acquisitions	5.2	(5,896)	(5,267)
Impairment of intangible assets related to acquisitions	5.2	-	(3,000)
Current operating profit		**114,783**	**120,138**
Other operating income and expenses	20.4	(802)	(796)
Operating profit		**113,982**	**119,342**
Income from cash and cash equivalents		809	841
Cost of gross financial debt		(2,695)	(1,889)
Cost of net financial debt	**21**	**(1,886)**	**(1,048)**
Other financial income and expenses	21	516	(676)
Net profit before tax		**112,612**	**117,618**
Tax expense	22	(49,251)	(35,136)
Consolidated net profit		**63,360**	**82,482**
Group share		**60,098**	**79,292**
Non-controlling interests		**3,262**	**3,190**
Earnings per share (in €) (*)	23	**2.47**	**3.25**
Diluted earnings per share (in €) (*)	**23**	**2.47**	**3.25**

(*) Group net profit divided betw een 24,362,000 shares.

2.2 Statement of net profit and gains and losses recognised directly in shareholders' equity

In € thousand	31/12/2019	31/12/2018
Net profit	**63,360**	**82,482**
Gains and losses resulting from translation of the financial statements of foreign subsidiaries	563	(175)
Liquidity contract	88	(336)
Subtotal of recyclable gains and losses	**651**	**(511)**
Actuarial differences net of tax	(421)	(152)
Subtotal of non-recyclable gains and losses	**(421)**	**(152)**
Total gains and losses recognised directly in shareholders' equity	**230**	**(663)**
Net comprehensive income	**63,590**	81,819
Group share of total comprehensive income	**60,435**	78,554
Non-controlling interests' share of total comprehensive income	**3,155**	3,265

3. CONSOLIDATED STATEMENT OF CASH FLOWS

In € thousand	Note No	31/12/2019	31/12/2018
Consolidated net profit		**63,360**	82,482
Derecognition of expenses and income without an impact on cash or not related to business activity		203	585
Depreciation, amortisation and provisions	25.2	14,000	14,030
Cost of financial debt	21	1 277	1,048
Deferred tax position	9	(3,030)	(1,829)
IFRS 16 rents restatement		10,583	-
Other expenses and income not generating short-term flows [1]		-	(36,085)
Self-financing capacity		**86,392**	**60,231**
Change in working capital requirement	25.1	50,950	(15,479)
Net cash flow from operating activities		**137,342**	**44,752**
Purchases of fixed assets		(17,632)	(15,573)
Sales of fixed assets		69	2,667
Sales of non-current financial assets		(8)	28,011
Impact of changes in scope (and price supplements) [2]		(15,431)	(47,868)
Cash flow from investments activities		**(33,002)**	**(32,763)**
Dividends paid out to shareholders of the Parent Company		(19,188)	(19,200)
Dividends paid out to minority shareholders of the consolidated companies		(2,208)	(1,404)
Purchase of treasury shares		187	(666)
Loan issues		18,189	10,501
Loan repayments		(7,622)	(5,024)
Lease liabilities repayments		(9,973)	-
Net interests paid on lease liabilities		(610)	-
Cost of net financial debt	21	(1,277)	(1,048)
Net cash flow from financing activities		**(22,501)**	**(16,841)**
Change in net cash position		**81,839**	**(4,852)**
Opening cash position	16.3	45,179	50,031
Closing cash position	16.3	127,018	45,179

[1] *CICE product of the non-flow generating year*

[2] *including:*

Disbursing price on acquisition	*(15,088)*	*(48,600)*
Acquired cash	*(343)*	*732*
Impact of changes in scope	***(15,431)***	***(47,868)***

4. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In € thousand	Capital	Capital reserves	Treasury securities	Consoli-dated reserves	Gains and losses recognised directly in shareholders' equity	Total Group share	Non-controlling interests	Total
Position at 01/01/2018	**121,810**	**12,181**	**(3,653)**	**294,010**	**1,438**	**425,786**	**9,925**	**435,712**
Appropriation of earnings n-1		-	-	-	-	-	-	-
Adjustments IFRS 9		-	-	(1,583)	-	(1,583)	(71)	(1,654)
Dividends		-	-	(19,200)	-	(19,200)	(1,404)	(20,605)
Transactions on treasury shares		-	(330)	-	(336)	(666)	-	(666)
Overall net profit for the year		-	-	79,292	-	79,292	3,190	82,482
Currency translation adjustment		-	-	-	(157)	(157)	(2)	(159)
Change in scope		-	-	97	(152)	(55)	6,710	6,656
Position at 31/12/2018	**121,810**	**12,181**	**(3,983)**	**352,616**	**792**	**483,417**	**18,348**	**501,766**
Position at 01/01/2019	**121,810**	**12,181**	**(3,983)**	**352,616**	**792**	**483,417**	**18,348**	**501,766**
Appropriation of earnings n-1		-	-	-	-	-	-	-
Dividends		-	-	(19,188)	-	(19,188)	(2,208)	(21,396)
Transactions on treasury shares		-	98	-	88	187	-	187
Overall net profit for the year		-	-	60,098	-	60,098	3,262	63,360
Currency translation adjustment		-	-	-	559	559	4	563
Change in scope		-	-	112	(310)	(198)	391	193
Position at 31/12/2019	**121,810**	**12,181**	**(3,885)**	**393,638**	**1,130**	**524,875**	**19,797**	**544,673**

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Key events

The reduced contributions as part of the conversion of the CICE were recognised as a deduction of personnel costs.

Until 30 September 2019, they are calculated in the same way as the CICE with the application of a 6% reduction for wages up to 2.5 times the statutory minimum wage in France (SMIC), and are also reflected under social security contributions.

From 1st October 2019, an additional reduction taking into account the payment of unemployment insurance premiums was recorded in the amount of €2,329 thousand.

These reductions recognised in 2019 and included in the basis for calculating corporate income tax generated an additional corporate income tax charge of €13,773 thousand and an employee profit-sharing charge of €6,693 thousand.

Unrecovered CICE receivables are booked under assets in the balance sheet: under non-current financial assets for the receivables in respect of 2017 and 2018 and under current assets for the receivable due in 2020 (in respect of 2016).

Note 1 Accounting principles and methods

1.1 Basis for preparation of the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2019 and the related notes were approved by the Executive Board on 30 March 2020.

Pursuant to EU Regulation 1606/2002 of 19 July 2002, companies listed on a regulated market in a Member State must present their consolidated financial statements using the IFRS (International Financial Reporting Standards) guidelines as adopted by the European Union.

In France, the reduced social security contributions as part of the conversion of the CICE were recognised as a deduction of personnel costs; the resulting employee profit-sharing, which was also recognised under personnel costs, therefore had an impact on operating profit of €6,693 thousand.

1.2 Changes in the published standards, amendments and interpretations and adaptation to SYNERGIE

1.2.1 Standards, interpretations and amendments that are mandatory for financial years beginning on or after 1 January 2019

1.2.1.1 IFRS 16 "Leases"

On 13 January 2016, the IASB published its new standard on leases, IFRS 16. Application of this standard, which has been adopted by the European Union, will be mandatory for financial years beginning on or after 1st January 2019. It requires that lessees recognise all leases on the balance sheet, with only a few exceptions. Given the numerous leases taken out by the Group as lessee, this standard has a significant impact on the structure of the consolidated statement of financial position and, to a small extent, on that of the consolidated statement of comprehensive income.

The Group has opted for the simplified method thus far, with no impact on opening shareholders' equity. It opted to exclude open-ended lease contracts with a notice period of less than one year.

The main impacts on the consolidated income statement at 31 December 2019 are as follows:

In € thousand	Notes N°	31/12/2019 excluding IFRS 16	IFRS 16	31/12/2019
Turnover	**19**	**2,642,339**	**-**	**2,642,339**
Other income		5,871	-	5,871
Purchases		(29)	-	(29)
Personnel costs	20.1	(2,370,882)	-	(2,370,882)
External expenses		(95,806)	10,593	(85,213)
Taxes and similar levies		(49,358)	-	(49,358)
Depreciation and amortisation		(6,933)	(9,895)	(16,828)
Provisions	20.3	(3,194)	-	(3,194)
Inventory change of goods		(245)	-	(245)
Other expenses		(781)	-	(781)
Current operating profit before amortisation and impairment of intangible assets		**120,982**	**698**	**121,680**
Amortisation of intangible assets related to acquisitions		(5,896)	-	(5,896)
Impairment of intangible assets related to acquisitions	5.2	(1,000)	-	(1,000)
Current operating profit	**5.2**	**114,085**	**698**	**114,783**
Other operating income and expenses		(802)	-	(802)
Operating profit	**20.4**	**113,284**	**698**	**113,982**
Income from cash and cash equivalents		809	-	809
Cost of gross financial debt		(2,695)	-	(2,695)
Cost of net financial debt		**(1,886)**	**-**	**(1,886)**
Other financial income and expenses	21	1,126	(610)	516
Net profit before tax	**21**	**112,523**	**89**	**112,612**
Tax expense		(49,251)	-	(49,251)
Consolidated net profit	**22**	**61,385**	**89**	**63,360**

Reconciliation of the liability under IFRS 16 as at 1st January 2019 with the off-balance sheet commitments for operating leases as at 31 December 2018:

Off-balance sheet commitments relating to operating leases in thousands of euros	27,080
Commitments relating to exemptions under IFRS 16:	
- Assets with a low value	-
- Contracts of less than 12 months	-
Impact of contract renewals and extensions on liabilities under IFRS 16	8,244
Commitments relating to IT contracts not identified as at 31/12/18	37
Commitments relating to other contracts not identified as at 31/12/18	68
Discounting effect	(1,009)
Lease liabilities relating to contracts previously recognised as operating leases	34,419
Finance lease liabilities as at 31 December 2018	7,401
Of which finance leases reclassified under financial liabilities as at 01/01/2019	(1,634)
Of which finance leases excluded as at 01/01/2019 due to short duration or low value	(2,073)
Lease liabilities as at 1 January 2019	38,113

Information on rights of use relating to lease contracts and lease liabilities are communicated in Notes 7.2 and 16.8 respectively.

1.2.1.2 IFRIC 23 "Uncertainty over Income Tax Treatments"

IFRIC 23 “Uncertainty over Income Tax Treatments” clarifies how uncertain tax positions in relation to corporate income tax are to be identified, measured and recognised. This interpretation had no impact on the measurement of corporate income tax liabilities or on their presentation in the group's consolidated financial statements.

1.2.1.3 Other amendments and improvements under standards that are mandatory for financial years beginning on or after 1st January 2019

The following amendments had no significant impact on SYNERGIE’s 2019 consolidated financial statements:

- Amendments to IFRS 9 “Prepayment Features with Negative Compensation” published on 12 October 2017;
- Amendments to IAS 28 “Investments in Associates and Joint Ventures” published on 12 October 2017;
- Annual improvements to IFRS (2015-2017 cycle) published on 12 December 2017;
- Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement” published on 7 February 2018.

1.2.2 Standards, interpretations and amendments adopted by the European Union whose application is optional in 2019

The following amendments, the application of which is optional, had no significant impact on SYNERGIE’s 2019 consolidated financial statements:

- Amendments to IAS 1 and IAS 8 “Definition of material” published on 31 October 2018;
- Amendments to references to the conceptual framework in IFRS published on 29 March 2018.

1.2.3 Standards, interpretations and amendments not yet adopted by the European Union

The standards and amendments not yet adopted by the European Union are unlikely to have a significant impact on SYNERGIE’s consolidated financial statements in the future:

- Amendments to IFRS 3 “Definition of a business” published on 22 October 2018;
- IFRS 17 “Insurance Contracts” published on 18 May 2017.

1.3 Disclosure of interests in other entities pursuant to IFRS 10, 11 and 12

All entities within the scope of consolidation are controlled by SYNERGIE SE, with a percentage of voting rights of no less than 66% held by the parent company.

In the absence of any agreement, contract or local legal measure limiting the exercise of control, all of these companies have been regarded as controlled within the meaning of IFRS 10 and have been fully consolidated.

The Group is not party to any joint arrangement likely to be accounted for under the provisions of IFRS 11. SYNERGIE is not a stakeholder in any structured entity and does not meet the criteria for investment companies under the regulatory provisions.

Barring DCS EASYWARE (34%), there is no significant percentage of non-controlling interests (equity interests that do not confer control) in any subsidiary.

1.4 Use of estimates

The preparation of financial statements in accordance with the IFRS conceptual framework requires the use of estimates and assumptions that affect the amounts reported in these financial statements.

This mainly concerns the measurement of the recoverable value of intangible assets, and the calculation of provisions for risks and charges, retirement provisions and lease liabilities (IFRS 16).

Actual results may differ from these assumptions and estimates.

1.5 Accounting principles and methods applicable to the financial statements

1.5.1 General principles of consolidation

All the financial statements of the consolidated companies were closed at 31 December.

The financial statements are presented in thousands of euro unless otherwise specified.

1.5.2 Consolidation methods

SYNERGIE SE owns, directly or indirectly, more than 50% of the voting rights of all of its fully-consolidated subsidiaries.

In the absence of any agreement, contract or local legal measure limiting the exercise of control, all of these companies have been regarded as controlled within the meaning of IFRS 10 and have been fully consolidated.

The Group is not party to any joint arrangement likely to be accounted for under the provisions of IFRS 11.

During this financial year, SYNERGIE has not sold any equity interest entailing a loss of control of a subsidiary or a reduction in its influence on a subsidiary.

Inter-company transactions, receivables and payables, income and expenses are eliminated from the consolidated financial statements. The consolidated reserves are not affected in the event of a merger between Group companies or a deconsolidation.

1.5.3 Goodwill

Business combinations are recognised using the acquisition method.

The "Goodwill" item includes the intangible assets recognised under "Business intangibles" in the corporate financial statements and the goodwill recognised as part of the consolidation process.

It represents the unallocated difference between the purchase price and the Group share of the fair value of the identifiable assets acquired and liabilities assumed on the date it takes control.

In the case of an acquisition conferring control with the existence of non-controlling interests, the Group may choose to either recognise goodwill on the entire revalued net assets, including on the share attributable to the non-controlling interests (full goodwill method), or to recognise goodwill on the share acquired (partial goodwill method). This choice is made on a transaction-by-transaction basis.

When a business combination with non-controlling interests includes a right to sell those non-controlling interests, a liability is recognised in the consolidated statement of financial position for the amount of the estimated price of the option, with a corresponding reduction in shareholders' equity. Subsequent changes in this liability linked to possible changes in estimates are recognised in consolidated reserves. All acquisitions of non-controlling interests are regarded as transactions between shareholders and are not subject to remeasurement of the identifiable assets or to recognition of additional goodwill.

The measurement of identifiable assets and liabilities, and therefore of goodwill, takes place at the date of first consolidation. However, on the basis of additional analysis and expert opinion, the Group may revise these valuations in the 12 months following the acquisition. All revisions must be based only on elements identified at the close of the last financial year.

The goodwill is allocated to the various cash-generating units, which are mainly defined according to the country in which the Group operates.

Pursuant to IFRS 3 "Business Combinations", goodwill is not amortised, but it is tested for impairment if there are indications of impairment, and at least once a year, pursuant to IAS 36. In accordance with the same standard, acquisition costs arising from the purchase of a company are recognised in expenses.

1.5.4 Other intangible assets

Intangible assets are recognised using the historical cost model.

Research costs

In accordance with IAS 38 "Intangible Assets", research costs are expensed in the year in which they are incurred.

Development costs

In order to pursue and develop their activities, each subsidiary must independently carry out development and innovation projects in order to adapt to regulatory changes, meet client expectations, and optimise the management of CV libraries and the performance of the temporary employment payroll/invoicing application.

It should be highlighted that these are experimental developments using new technologies and do not constitute fundamental applied research.

Development costs relate to software created in-house and must be capitalised as intangible assets when the company can demonstrate:

- Its intention and financial and technical capacity to complete the development project;
- Its ability to use the intangible asset;
- The availability of adequate technical and financial resources to complete and sell the asset;
- That it is probable that the future economic benefits associated with the development expenditure will flow to the entity;
- And that the cost of this asset can be reliably determined.

Other development costs (creation of a non-commercial website, expansion of client base, etc.) are expensed in the year in which they are incurred.

Software is amortised on a straight-line basis over its estimated useful life. Systems design and programming costs, and the costs of establishing user documentation, are regarded as development costs.

Other intangible assets acquired

According to IAS 38 “Intangible Assets”, an asset is a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.

An acquired fixed asset is recognised as soon as it is identifiable and its cost can be reliably measured.

In accordance with IFRS 3 “Business Combinations”, the client bases of acquired companies are valued using the discounted cash flow method; certain brands are valued using the same method, while others are valued using the royalties method.

As client bases have a definite useful life, they are amortised. Brands may or may not be amortised, depending on whether or not they have a definite useful life.

1.5.5 Property, plant and equipment

Pursuant to IAS 16 “Property, Plant and Equipment”, the gross value of property, plant and equipment corresponds to the acquisition or production cost, including the cost of acquiring buildings.

Property, plant and equipment are recognised using the historical cost model. Fixed assets acquired under leasing arrangements are accounted for in the same way (Note 7.1).

Depreciation is mainly calculated on a straight-line basis according to useful life; the depreciable bases reflect the residual amounts confirmed by expert opinion.

The useful lives used are generally as follows:

Type of asset	Straight-line duration
Intangible assets	
Concessions, patents and similar rights	1 to 5 years
Client base	10 years
Property, plant and equipment	
Buildings	20 to 80 years
Fixtures and fittings	7 to 10 years
Equipment and tools	5 years
General facilities	7 years
Transport equipment	5 years
Office equipment	5 years
Computer equipment	5 years
Furniture	10 years

Given the Group's activity and the tangible assets held, no significant components were identified, except for those relating to the property subsidiary SYNERGIE PROPERTY and DCS EASYWARE.

1.5.6 Impairment of fixed assets

Pursuant to IAS 36 “Impairment of Assets”, the value-in-use of property, plant and equipment and intangible assets with a definite useful life is tested as soon as there is any indication of impairment. This test is performed at least once a year for assets with an indefinite useful life.

The value-in-use of each of these assets is calculated by reference to the present value of the net future cash flows of the cash-generating units (CGUs) to which they belong.

Net cash flows are estimated using the methods described in Note 5.

When this amount is lower than the net carrying amount of the asset, an impairment loss is recorded in operating profit.

CGUs are homogeneous groups of assets, the continuous use of which generates cash inflows that are substantially independent of those generated by other groups of assets. They are mainly determined on a geographical basis (country), according to the markets in which our Group operates.

1.5.7 Other non-current financial assets

Non-current financial assets mainly comprise receivables in respect of the French tax credit for competitiveness and employment (CICE). These receivables are discounted in accordance with the utilisation prospects and the bank refinancing rate for this type of receivable.

1.5.8 Trade receivables and revenue recognition

Trade receivables are recognised at their nominal value.

When events in progress make the recovery of these receivables uncertain, varying levels of impairment are booked according to the nature of the risk (delayed settlement or disputed debt, receivership or liquidation of assets), normal settlement differences in the various countries in which the Group operates, each client's situation and the portion covered by insurance.

IFRS 9, which requires measurement of the impairment of performing trade receivables based on expected non-incurred losses, prompted the Group to measure additional impairment on trade receivables relating to performing receivables.

Income is recorded as and when the Group provides its service of making staff available. This procedure means that the accrual accounting rules can be strictly applied.

Services relating to recruitment, excluding temporary employment, are recognised in advance. This activity is still not significant at Group level.

1.5.9 Tax expense

Tax expense includes income tax payable and deferred tax on temporary differences between the values for tax purposes and consolidated values, as well as on adjustments made as part of the consolidation process.

It also includes CVAE, the French value-added contribution for businesses, and various similar taxes (e.g. IRAP in Italy).

When the short-term outlook of Group companies permits, deferred tax assets whose recovery is probable are recognised.

Deferred tax relating to the capitalisation of tax losses has been restated by applying to the companies the tax rate applicable to the companies governed by common law known at the reporting date. For the French companies, deferred tax assets and liabilities arising from temporary differences are recognised using the liability method, also including the social security contribution of 3.3%.

They correspond to the impact of differences between the accounting recognition of certain income and expenses and their recognition for the purpose of determining taxable profit.

Tax losses are taken into account in determining unrealised tax assets only when they are very likely to be offset against future taxable profits.

Deferred tax assets and liabilities are not discounted, pursuant to IAS 12.

The tax credit for competitiveness and employment (CICE) was analysed in relation to IAS 19 and IAS 20 and was consequently booked as a deduction from personnel costs in 2018.

1.5.10 Cash and cash equivalents

Cash and cash equivalents mainly consist of liquid items whose fair value does not change significantly, such as cash in bank current accounts and units in money market UCITS, provided that they meet the conditions established by the AFTE and AFG and validated by the AMF.

1.5.11 Provisions

In accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, a provision is recognised when the Company has a current obligation resulting from a past event, when it is probable that an outflow of resources representing economic benefits will be required to settle the obligation, and the amount thereof can be reliably estimated.

When the expected maturity of the provision is more than one year, the provision amount is discounted.

1.5.12 Pensions and similar commitments

In accordance with IAS 19 “Employee Benefits”, pensions and similar commitments under defined benefit plans are measured using a calculation that takes into account assumptions regarding wage growth, life expectancy and personnel turnover.

These measurements, which relate to severance payments in France, are carried out at least once a year.

1.5.13 Treasury shares

All treasury shares held by the Group are recorded at acquisition cost and deducted from shareholders' equity, pursuant to IAS 32. Any profit or loss from the sale of treasury shares is reflected directly in changes in shareholders' equity.

1.5.14 Segment information

Pursuant to IFRS 8, information on operating segments has been organised according to the reporting elements presented to the chief operating decision maker. This distinction is based on the Group's internal organisational systems and management structure. This information is provided in Note 24.

1.5.15 Methods used to translate the financial statements of foreign subsidiaries

The currency used to prepare the consolidated financial statements is the euro.

The financial statements of foreign subsidiaries prepared in foreign currencies are translated using the closing rate method, which entails translating statement of financial position items, excluding shareholders' equity, at the closing rate and the income statement at the average rate for the period.

Resulting translation gains and losses are recorded in shareholders' equity.

1.5.16 Financial instruments

In connection with the financial information required by IFRS 7, and pursuant to IAS 39, the Group's financial instruments are recognised on their transaction date as follows:

In € thousand	IAS 39 category	Note No.	2018 carrying amount	Amortised cost	Fair value by income	Fair value by shareholders' equity	2018 fair value
ASSETS							
Trade receivables		**10**					
Client receivables and related accounts	Loans & receivables		565,974	X			565,974
Other financial assets				X			
Held-to-maturity assets	Loans & receivables						
Cash and cash equivalents	Fair value by income	**12**	162,166		X		162,166
LIABILITIES							
Financial borrowings		**16**					
Loans and other borrowings	Financial liabilities at amortised cost		84,101	X			84,101
Trade payables		**17**					
Trade payables and related accounts	Financial liabilities at amortised cost		26,125	X			26,125
Payable on equity investments						X	
Other financial liabilities	Financial liabilities at amortised cost			X			

There are no money market UCITS listed on an active market (Level 1) recorded in cash equivalents.

Except for cash and cash equivalents, financial instruments are regarded as Level 3 data under IFRS 7; they mainly comprise trade receivables, loans and financial debt.

Due to the short payment deadlines for receivables, the fair value of trade receivables is similar to their nominal value.
Cash equivalents are short-term investments with a low risk of a change in value. These cash investments are measured at fair value, and unrealised or realised gains or losses are recognised in the financial result; fair value is measured using the market price at the year end.

The statement of changes in the impairment of financial assets is as follows:

In € thousand	2018	Allocations	Reversals	2019
Non-current financial assets	7	295	-	302
Client receivables	17,544	3,225	6,280	14,489
Other receivables	1,081	2	11	1,072
Cash and cash intruments	-	-	-	-
Other current financial assets	-	-	-	-
Total	**18,631**	**3,522**	**6,291**	**15,863**

Note 2 Changes in the consolidation scope

Acquisition of Australian company ENTIRE RECRUITMENT

SYNERGIE acquired all shares in the Australian company ENTIRE RECRUITMENT SYNACO on 14 January 2019, which itself acquired the business of ENTIRE RECRUITMENT on the same date.

The impact of this acquisition on the consolidated income statement for the year ended 31 December 2019 was €17,546 thousand on turnover and €415 thousand on net profit before amortisation of intangible assets.

A cash outflow of €4,511 thousand was recognised in 2019 corresponding to the initial payment on this acquisition. An additional amount payable in three years and conditional on the achievement of Ebitda targets is incorporated into the goodwill assigned in full to the client base.

Acquisition of the TIGLOO Group

SYNERGIE acquired 100% of the capital of the three Spanish companies that make up the TIGLOO Group through its subsidiary DCS EASYWARE, a French digital services firm based in Lyon, in which SYNERGIE acquired a majority stake in June 2018.

TIGLOO Group is consolidated from 1st November 2019.

Goodwill on the acquisition amounted to €11,771 thousand at 31 December 2019.

The impact of this acquisition on the consolidated income statement at 31 December 2019 is €2,883 thousand on turnover and €75 thousand on net profit.

A cash outflow of €10,577 thousand was recorded for this acquisition.

Merger

During the second half of 2019, DCS EASYWARE absorbed its wholly-owned French subsidiary DCS IT SUPPORT.

This operation had no effect on the consolidated financial statements.

Amicable liquidations

The UK company DCS UK and Swiss company CAVALLO INVEST AG were the subject of amicable liquidations during the 2019 financial year, leading to their deconsolidation.

These operations had no effect on the consolidated financial statements.

Note 3 Information on the consolidated companies

Information on the consolidated companies is provided in the table below, with the understanding that the ISGSY economic interest grouping, which is fully controlled by Group companies, covers general-interest administrative services.

CONSOLIDATED COMPANIES	REGISTERED OFFICE	SIREN No (1)	% CONTROL HELD BY SYNERGIE		% INTEREST HELD BY SYNERGIE		CONSOLIDATION METHOD (2)	
			dec-19	dec-18	dec-19	dec-18	dec-19	dec-18
PARENT COMPANY								
SYNERGIE S.E.	Paris 75016	329 925 010						
FRENCH SUBSIDIARIES								
AILE MEDICALE	Paris 75016	303 411 458	100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE CONSULTANTS	Paris 75016	335 276 390	100.00	100.00	100.00	100.00	FULL	FULL
DIALOGUE & COMPETENCES	Paris 75016	309 044 543	100.00	100.00	100.00	100.00	FULL	FULL
INTERSEARCH France	Paris 75016	343 592 051	100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE INSERTION	Paris 75016	534 041 355	100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE PROPERTY	Paris 75016	493 689 509	100.00	100.00	100.00	100.00	FULL	FULL
JOINT SUBSIDIARY								
I.S.G.S.Y.	Paris 75016	382 988 076	100.00	100.00	100.00	100.00	FULL	FULL
FOREIGN SUBSIDIARIES								
SYNERGIE ITALIA SPA	Turin ITALY		85.00	85.00	85.00	85.00	FULL	FULL
SYNERGIE BELGIUM	Anvers BELGIUM		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE s.r.o	Prague CZECH REPUBLIC		98.85	98.85	98.85	98.85	FULL	FULL
SYNERGIE TEMPORARY HELP	Prague CZECH REPUBLIC		98.00	98.00	98.00	98.00	FULL	FULL
SYNERGIE TEMPORARY HELP SLOVAKIA	Bratislava SLOVAKIA		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (SIES)	Barcelona SPAIN		100.00	100.00	100.00	100.00	FULL	FULL
SIES SUBSIDIARIES								
DCS EASYWARE	Lyon FRANCE	797 080 397	66.00	66.00	66.00	66.00	FULL	FULL
SYNERGIE TT	Barcelona SPAIN		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE E.T.T.	Porto PORTUGAL		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE Travail Temporaire	Esch/Alzette LUXEMBOURG		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE PARTNERS	Esch/Alzette LUXEMBOURG		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE HUNT INTERNATIONAL	Montréal CANADA		100.00	100.00	100.00	100.00	FULL	FULL
ACORN (SYNERGIE) UK	New port UNITED KINGDOM		94.67	94.67	94.67	94.67	FULL	FULL
SYNERGIE PERSONAL DEUTSCHLAND	Karlsruhe GERMANY		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE (SUISSE)	Lausanne SWITZERLAND		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE HUMAN RESOURCES	Schijndel NETHERLANDS		100.00	100.00	100.00	100.00	FULL	FULL
VÖLKER BETEILIGUNGS	St. Pölten AUSTRIA		100.00	100.00	100.00	100.00	FULL	FULL

(1) SIREN no.: ID number on the French national companies register
(2) Consolidation method: full consolidation, abbreviated to FULL, or equity method, abbreviated to EM

CONSOLIDATED COMPANIES	REGISTERED OFFICE	SIREN No (1)	% CONTROL HELD BY SYNERGIE		% INTEREST HELD BY SYNERGIE		CONSOLIDATION METHOD (2)	
			dec-19	dec-18	dec-19	dec-18	dec-19	dec-18
SYNERGIE PRAGUE SUBSIDIARY								
SYNERGIE SLOVAKIA	Bratislava SLOVAKIA		78.00	78.00	77.10	77.10	FULL	FULL
SYNERGIE ITALIA SPA SUBSIDIARY								
SYNERGIE HR SOLUTIONS	Turin ITALY		100.00	100.00	85.00	85.00	FULL	FULL
SYNERGIE TT SUBSIDIARY								
SYNERGIE HUMAN RESOURCE SOLUTIONS	Barcelona SPAIN		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE HRS SUBSIDIARY								
SYNERGIE OUTSOURCING	Barcelona SPAIN		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE ETT SUBSIDIARY								
SYNERGIE OUTSOURCING	Porto PORTUGAL		100.00	100.00	100.00	100.00	FULL	FULL
ACORN (SYNERGIE) UK SUBSIDIARIES								
ACORN RECRUITMENT	Newport UNITED KINGDOM		100.00	100.00	94.67	94.67	FULL	FULL
ACORN RAIL	"		100.00	100.00	94.67	94.67	FULL	FULL
ACORN GLOBAL RECRUITMENT	"		75.00	75.00	71.00	71.00	FULL	FULL
CONCEPT STAFFING	"		100.00	100.00	94.67	94.67	FULL	FULL
S H R BV SUBSIDIARIES								
SYNERGIE LOGISTIEK BV	Schijndel NETHERLANDS		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE INTERNATIONAL RECRUITMENT BV	Schijndel NETHERLANDS		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE BELGIUM SUBSIDIARY								
SYNERGIE SERVICES	Anvers BELGIUM		100.00	100.00	100.00	100.00	FULL	FULL
ACORN GLOBAL RECRUITMENT SUBSIDIARY								
SYNACO GLOBAL RECRUITMENT PTY	Adelaïde AUSTRALIA		90.00	90.00	63.90	63.90	FULL	FULL
SYNACO GLOBAL RECRUITMENT PTY SUBSIDIARIES								
SYNERGIE RESOURCES PTY	Adelaïde AUSTRALIA		100.00	100.00	63.90	63.90	FULL	FULL
ENTIRE RECRUITMENT SYNACO PTY	Brisbane AUSTRALIA		100.00	-	63.90	-	FULL	-
SYNERGIE PERSONAL DEUTSCHLAND SUBSIDIARY								
CAVALLO SUISSE INVEST AG	Ermatingen SWITZERLAND		-	100.00	-	100.00	-	FULL
SYNERGIE SUISSE SUBSIDIARY								
SYNERGIE INDUSTRIE & SERVICES	Milvignes SWITZERLAND		100.00	100.00	100.00	100.00	FULL	FULL
VÖLKER BETEILIGUNGS SUBSIDIARY								
VÖLKER	St. Pölten AUSTRIA		80.00	80.00	80.00	80.00	FULL	FULL
DCS EASYWARE SUBSIDIARIES								
DCS BELGIUM	Brussels BELGIUM		100.00	100.00	66.00	66.00	FULL	FULL
DCS IT IBERICA	St Cugat del Valles SPAIN		-	100.00	-	66.00	-	FULL
DCS IT SUPPORT	Lyon FRANCE		-	100.00	-	66.00	-	FULL
DCS UK	London UNITED KINGDOM		100.00	100.00	66.00	66.00	FULL	FULL
DCS IBERICA SUBSIDIARIES								
SEIN	Pamplona SPAIN		100.00	-	66.00	-	FULL	-
CONTIGO	"		100.00	-	66.00	-	FULL	-
TRES60	"		100.00	-	66.00	-	FULL	-

(1) *SIREN no.: ID number on the French national companies register*
(2) *Consolidation method: full consolidation, abbreviated to FULL, or equity method, abbreviated to EM*

Note 4 Non-consolidated companies

Chinese company SYNERGIE QINGDAO, which is 75% owned by SYNERGIE SE and which did not have operations to contribute during the year, was not consolidated on 31 December 2019.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

Note 5 Goodwill and other intangible assets relating to acquisitions

5.1 Change in net goodwill

In € thousand	31/12/2018	Increase	Decrease	31/12/2019
Goodwill on securities	97,238	12,101	1,992	107,347
Business	5,191	98	-	5,289
Net goodwill	**102,429**	**12,199**	**1,992**	**112,636**

(*) of which translation losses of €70 thousand

The increase in goodwill mainly concerns the TIGLOO Group; the appropriation of this goodwill as required under revised IFRS 3 is underway and will be finalised within a year of the acquisition.

The reduction in goodwill corresponds to a revision of goodwill dated less than one year.

Net goodwill is analysed as follows:

CGU - In € thousand	Goodwill
France	41,519
Germany	18,018
Austria	11,573
Netherlands	11,001
Belgium	6,493
United-Kingdom	4,730
Italy	2,773
Canada	1,054
Switzerland	1,733
Spain	12,292
Other	1,450
Total	**112,636**

5.2 Amortisation and impairment of intangible assets related to acquisitions

The methods used to measure brands and client bases are described in Note 1.5.4. The recoverable value of the CGUs used, i.e. the countries in which SYNERGIE is located, was calculated on the basis of their value-in-use.

5.2.1 Methodology

The following method was used to calculate value-in-use:

- Projected growth flows for 2020 based on the operational budgets of the various management-approved CGUs which were established by local management;
- Projected cash flows over the next four years based on the financial budgets approved by management, taking account of the economic outlook in the regions concerned;
- Beyond four years, future cash flow projections are extrapolated using a constant growth rate of 2%;
- The cash flows are then discounted using different rates for different CGUs. The Group discount rates used are determined on the basis of a rate that takes account of a risk-free rate (10-year OAT rate) and a market risk premium; an additional risk premium may be applied if a significant inflation differential with the French rate is observed or for certain small subsidiaries with more concentrated client bases.

Post-tax discount rates are applied to post-tax cash flows. Their use results in the determination of recoverable amounts comparable to those obtained using a pre-tax rate on pre-tax cash flows, as required by IAS 36.

The various parameters used are summarised in the following table:

CGU	Rate at 3 and 4 years	Rate beyond 4 years	Discount rate	EBIT
France Temporary Employment	5%	2%	7.92%	change according to country and year
France HRM	5%	2%	7.92%	
United Kingdom	5%	2%	9.20%	
Belgium	5%	2%	8.27%	
Netherlands	5%	2%	10.15%	
Germany	5%	2%	9.28%	
Austria	5%	2%	8.57%	
Switzerland	5%	2%	9.10%	
Italy	5%	2%	9.57%	
Spain	5%	2%	8.48%	
Portugal	5%	2%	8.09%	
Australia	5%	2%	9.86%	
Canada	5%	2%	8.82%	
Other	5%	2%	9.28%	

5.2.2 Impairment of goodwill on the Canadian subsidiary

An impairment of €1 million was recognised in respect of goodwill on the Canadian subsidiary following impairment testing.

5.2.3 Sensibility

A sensitivity analysis was performed to establish the consequences of changing the above parameters on goodwill impairment, testing:

- A 1% reduction in the growth rate;
- A 0.5% increase in the discount rate.

A 0.5% increase in the discount rate together with a 1% decrease in the perpetual growth rate would result in additional impairment of €7,240 thousand, which breaks down as follows:

In € thousand	2019
France	-
Southern Europe	682
Northern and Eastern Europe	5,769
Canada / Australia	789
Total	**7,240**

- A decrease in the EBIT rate

Additional impairment of €513 thousand would be recorded if the EBIT rate declined by 5%; it would break down as follows:

In € thousand	2019
France	-
Southern Europe	319
Northern and Eastern Europe	-
Canada / Australia	194
Total	**513**

The impact of impairment following a decrease in the discount rate, growth rate or EBIT rate concerns the German, UK and Canadian activities.

The following changes in key assumptions underlying turnover projections would have the effect of matching the value-in-use with the net book value:

Country	headroom (In € thousand)	Cumulated increase in turnover projected (*)	Cumulated increase in turnover required (**)
United Kingdom	1,300	30%	29%
Canada	-	46%	46%
Switzerland	700	45%	43%
Germany	1,700	22%	20%
Portugal	-	34%	33%

(*) the cumulated increase in turnover entered in the budget projections for 2020 to 2024 (used for the terminal value)
(**) the cumulated increase in turnover required for the recoverable value to be equal to the book value of the CGU.

Note 6 Other intangible assets

The changes in the gross values are analysed as follows:

In € thousand	31/12/2018	Scope entries	Increase (*)	Decrease	31/12/2019
Software and licences	11,509	118	1,762	93	13,295
Client base	59,492	5,803	501	-	65,797
Brands	13,914	-	162	-	14,076
Rights to leases	464	-	80	99	446
Total	**85,380**	**5,921**	**2,505**	**191**	**93,614**

(*) of which translation gains of €715 thousand

The changes in amortisation are analysed as follows:

In € thousand	31/12/2018	Scope entries	Increase (*)	Decrease	31/12/2019
Software and licences	7,409	26	1,610	166	8,879
Client base	25,096	1,112	4,722	-	30,930
Brands	1,763	-	495	-	2,258
Rights to leases	-	-	-	-	-
Total	**34,268**	**1,138**	**6,827**	**166**	**42,068**

(*) of which translation gains of €380 thousand

The increases mainly concern the amortisation of client bases linked to business combinations in the amount of €5,417 thousand.

The changes in impairment are analysed as follows:

In € thousand	31/12/2018	Scope entries	Increase (*)	Decrease	31/12/2019
Software and licences	-	-	-	-	-
Client base	4,496	-	151	-	4,646
Brands	1,623	-	56	-	1,678
Rights to leases	-	-	-	-	-
Total	**6,119**	**-**	**207**		**6,324**

(*) of which translation gains of €206 thousand

The net values are analysed as follows:

In € thousand	31/12/2019	31/12/2018
Software and licences	4,416	4,100
Client base	30,220	29,901
Brands	10,139	10,528
Rights to leases	446	464
Total	**45,222**	**44,993**

The "Brands" item represents the brands identified by the Group.

The client bases and brands of acquired companies are likely to be amortised on a straight-line basis over their estimated useful life, under the conditions described in Note 1.5.4.

Note 7 Property, plant and equipment

7.1 Breakdown by category

The changes include translation gains or losses and are analysed as follows:

Gross values

In € thousand	31/12/2018	Scope entries	Increase	Decrease	31/12/2019
Land, buildings and technical facilities	43,209	31	7,392	-	50,633
Fixtures, furniture, office equipment & computer equipment	54,388	779	8,696	16,483	47,379
Total	**97,597**	**810**	**16,088**	**16,483**	**98,012**
of which leasing arrangements	15,016	-	-	12,716	2.300

Depreciation and amortisation

In € thousand	31/12/2018	Scope entries	Increase	Decrease	31/12/2019
Land, buildings and technical facilities	2,942	28	897	3	3,864
Fixtures, furniture, office equipment & computer equipment	31,569	470	4,072	10,219	25,891
Total	**34,511**	**498**	**4,969**	**10,222**	**29,755**
of which leasing arrangements	7,255	-	23	7,184	94

Net values

In € thousand	31/12/2019	31/12/2018
Land, buildings and technical facilities	46,769	40,267
Fixtures, furniture, office equipment & computer equipment	21,488	22,819
Total	**68,257**	**63,086**
of which leasing arrangements	2,207	7,761

7.2 Rights of use relating to lease contracts

The changes in gross values are analysed as follows:

In € thousand	01/01/2019	Increase	Decrease	Revaluations	31/12/2019
Real estate	35,324	11,202	-	(24)	46,502
Vehicules and other property	2,788	884	-	(7)	3,666
Total	**38,113**	**12,086**	**-**	**(31)**	**50,168**

The changes in amortisation are analysed as follows:

In € thousand	01/01/2019	Increase of Depreciation costs	Reversal/ Assets sales	31/12/2019
Real estate	-	(8,556)	-	(8,556)
Vehicules and other property	-	(1,161)	-	(1,161)
Total	**-**	**(9,717)**	**-**	**(9,717)**

The net values are analysed as follows:

In € thousand	31/12/2018	Reclassification (*)	Change in the period	31/12/2019
Gross value	-	12,716	37,452	50,168
Amortisation	-	7,184	2,533	9,717
Net value	**-**	**5,532**	**34,919**	**40,451**

(*) fixed assets under finance lease at 01/01/19 in accordance with IAS17

7.3 Breakdown of net property, plant and equipment by currency area

In € thousand	2019	2018
Eurozone	63,651	58,947
Outside	4,606	4,139
Total	**68,257**	**63,086**

Note 8 Non-current financial assets

8.1 Breakdown of statement of financial position

In € thousand	2019 gross amounts	Provisions	2019 net amounts	2018 net amounts
Investments in associates	-	-	-	-
Other equity investments	225	-	225	-
Other fixed investments	69	7	62	94
Loans	180	1	179	14
Other financial assets	89,701	295	89,406	105,131
Total	**90,175**	**302**	**89,872**	**105,239**

Other equity investments correspond to the Chinese subsidiary SYNERGIE QINGDAO.

Other long-term investments relate to equity interests of less than 20%.

Other financial assets consist mainly of estimated 2017 and 2018 CICE (tax credit for competitiveness and employment) receivables not liable to corporate income tax in 2020, i.e. €86,930 thousand, as well as security deposits on commercial rents.

These receivables are discounted in accordance with the utilisation prospects and the bank refinancing rate for this type of receivable.

8.2 Change in non-current financial assets (gross value)

In € thousand	31/12/2018	Scope entries	Increase	Decrease	31/12/2019
Investments in associates	-	-	-	-	-
Other equity investments	-	-	225	-	225
Other fixed investments	101	-	2	34	69
Loans	14	-	200	34	180
Other financial assets	105,131	-	1,693	17,123	89,701
Total	**105,246**	**-**	**2,120**	**17,191**	**90,175**

The decrease in other non-current financial assets in 2019 mainly relates to the CICE receivable in respect of 2016 which is recoverable in less than one year.

Note 9 Deferred tax

In € thousand	31/12/2019	31/12/2018	Change
Deferred tax assets created for:			
Tax loss carry forwards	294	38	256
Temporary differences	5,344	3,299	2.045
Total deferred tax	5,638	3,337	**2,301**
Deferred tax liability	12,060	14,323	(2,263)
Total	**(6,421)**	**(10,986)**	**4,565**

Capitalised tax losses amounting to €294 thousand have the following respective horizons:

In € thousand	2020	2021	Total
Australia	202	-	202
Switzerland	76	-	76
Slovakia	17	-	17
Total	**294**	**-**	**294**

For the sake of prudence, some tax losses that could be carried forward at the standard rate have not been used. The corresponding tax saving would have amounted to €2,573 thousand, including €786 thousand relating to 2019.

Analysis of non-capitalised losses by expiry date:

In € thousand	2019
2020	75
1 year << 5 years	511
> 5 years	1,536
Unlimited	451
Total	**2,573**

Deferred tax liabilities totalling €12,060 thousand mainly relate to brands and client bases net of amortisation since acquisition (€9,090 thousand), accelerated depreciation (€804 thousand) and the fair value adjustment on a property asset (€752 thousand).

Note 10 Trade receivables

Trade receivables and related accounts are analysed as follows:

In € thousand	31/12/2019	31/12/2018
Clients	573,337	570,319
Unbilled revenue	9,332	7,796
Impairment	(16,695)	(19,586)
Total	**565,974**	**558,529**

The methods used to measure trade receivables are described in Note 1.5.8.

The assignment of receivables and factoring aimed at financing client credit are not deconsolidated.

Client risk is limited as only two clients represent more than 1% of Group turnover.

Trade receivables are broken down by payment delay as follows:

In € thousand	2019	2018
Amount of client receivables due, not impaired		
Past due, less than 90 days	110,567	109,594
Past due, between 90 and 180 days	6,689	8,222
Past due, more than 180 days	7,467	6,513
Total	**124,723**	124,329

The impact of IFRS 9 is as follows:

At 1st January 2019 €2,058 thousand
At 31 December 2019 €2,206 thousand
Additional impairment €148 thousand recognised in profit or loss

Note 11 Maturity analysis of current assets at the year end

En milliers d'euros	Montants nets		< 1 an		> 1 an	
	2019	2018	2019	2018	2019	2018
Actif courant						
Clients douteux ou litigieux	2.187	2.705	-	-	2.187	2.705
Autres créances clients	563.787	555.824	563.787	555.824	-	-
Sous-Total 1	**565 974**	**558.529**	**563.787**	**555.824**	**2.187**	**2.705**
Personnel et comptes rattachés	271	826	271	826	-	
Sécurité sociale et autres organismes sociaux	31.866	34.067	31.866	34.067	-	-
Impôts sur les bénéfices (1)	27.123	28.347	27.123	28.347	-	-
Autres impôts et taxes	220	2.772	220	2.772	-	-
Débiteurs divers	5.629	5.065	5.625	5.061	4	4
Charges constatées d'avance	5.613	4.967	5.613	4.967	-	-
Sous-Total 2	**70.723**	**76.044**	**70.719**	**76.040**	**4**	**4**
Totaux	**636.697**	**634.573**	**634.506**	**631.864**	**2.191**	**2.709**

(1) Corporate income tax mainly corresponds to the 2016 CICE receivable taxable in 2019.

Changes in the impairment of financial assets are covered in Note 1.5.16.

Note 12 Current financial assets and cash

In € thousand	2019	2018
Term deposits	13,745	13,352
Available cash	148,421	71,971
Cash recorded as assets	**162,166**	**85,322**

Pursuant to IAS 7, term deposits (€13.7 million) have been classified in cash and cash equivalents due to their liquidity (can be sold at any time) and the lack of an impairment risk.

They are measured at fair value at the year end.

Note 13 Shareholders’ equity

13.1 Share capital

At 31 December 2019, the share capital was made up of 24,362,000 shares with a nominal value of €5 each.

The shares have double voting rights attached when they are maintained in registered form for at least two years.

13.2 Appropriation of 2019 profit or loss

The Combined Shareholders’ Meeting of 13 June 2019 (3rd resolution) approved the proposed dividend payment of €19,490 thousand, but since treasury shares held on the payment date were not eligible for this dividend, there was an effective payment of €19,188 thousand.

13.3 Treasury shares

The stock's liquidity is managed by an investment services provider under a liquidity contract, pursuant to the ethical charter of the AFEI (French Association of Investment Firms) recognised by the AMF.

At 31 December 2019, SYNERGIE held two categories of treasury shares:

- shares purchased under the liquidity contract (21,212 shares, or 0.09% of the share capital);
- shares acquired under the share buyback programme approved by the Combined Shareholders' Meeting of 14 June 2018 (352,463 shares, or 1.45% of the share capital).

Sales in 2019 generated a capital gain of €88 thousand, which was entered in reserves.

The value of treasury shares deducted from shareholders' equity was €3,884 thousand at 31 December 2019.

Note 14 Provisions and payables for employee benefits

14.1 Breakdown of provisions

In € thousand	31/12/2019	31/12/2018	Change
Retirement severance payment (France)	5,626	4,611	1,015
Severance payments in Germany and Austria	447	423	24
Severance payments (trattamento di fine rapporto) in Italy	220	194	26
Total provisions for employee benefits	**6,293**	**5,228**	**1,065**
Employee profit-sharing + 1 year	12	10	2
Total	**6,304**	**5,238**	**1,066**

All provisions and payables for employee benefits above were discounted.

In € thousand	2019	2018
Present value of rights	5,630	4,614
Rights covered by financial assets	(3)	(3)
Net commitment recognised	**5,627**	**4,611**

14.2 Information on employee benefits

The pension commitments of permanent personnel in relation to their defined benefit schemes are measured according to the projected unit credit method, pursuant to IAS 19; the following assumptions were used as at 31 December 2019:

- Salary increase rate: 2%;
- Personnel turnover rate: calculated by age bracket;
- Social security contribution rate: 45%;
- Life expectancy table: TU-TD2011-2013;
- Discount rate (based on iBoxx indices): 0.8%;
- Estimate based on average retirement age of 65 years;
- Departure at the employee's initiative
- Retroactive application.

The retirement benefits paid out in 2019 amounted to €50 thousand, compared with €148 thousand in 2018.

Due to legislative changes in France, the provision has been estimated with effect from 2010 based on an average retirement age of 65 years.

At 31 December 2019, the change in the provision for retirement benefits in France is analysed as follows:

In € thousand	Gross
Cost of services rendered	377
Financial cost	70
Actuarial difference (1)	568
Change in retirement savings coverage	-
Entries into scope	-
Subtotal	**1,015**
Other changes (Germany, Italy)	50
Total	**1,065**

(1) The actuarial difference net of tax was -€421 thousand.

A change of +0.5% in the discount rate has an effect of -€219 thousand on the provision estimate and a change of -0.5% has an effect of +€237 thousand. Employee benefits for foreign subsidiaries, other than those covered by provisions, are not material.

Note 15 Provisions for current risks and charges

15.1 Breakdown of provisions

In € thousand	2018	Change in scope	Increase	Decrease	2019
Provisions for litigation	390	-	348	269	469
Other provisions for risks	1,357	-	347	270	1,434
Total provisions for risks	**1,747**	**-**	**696**	**539**	**1,903**
Other provisions for charges	4	-	-	-	4
Total	**1,751**	**-**	**696**	**539**	**1,907**

15.2 Use of provisions

The share of provision reversals used corresponds to €166 thousand.

Note 16 Loans and borrowings

16.1 Non-current loans and borrowings

Breakdown by category and repayment date

In € thousand	Total		1 year << 5 years		> 5 years	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Lending institutions	37,387	29,515	30,465	25,616	6,922	3,900
Other loans and borrowings	1,254	7	629	7	625	-
Finance lease debts	-	4,532	-	3,724	-	808
Non-current financial debts	**38,641**	**34,054**	**31,094**	**29,346**	**7,547**	**4,708**
Medium and long-term rental debts	30,320					
Total	**68,961**	**34,054**				

At 31 December 2019, total gross borrowings were recognised at amortised cost using the effective interest rate, calculated by taking into account the issuance costs and issuance premiums identified and associated with each liability.

16.2 Current loans and borrowings

In € thousand	31/12/2019	31/12/2018
Lending institutions	10,024	7,290
Other loans and borrowings	288	18
Finance lease debts	-	2,869
Current financial debts	**10,312**	**10,177**
Short-term rental debts	9,920	-
Total	**20,232**	**10,177**

16.3 Current bank debt and net cash

In € thousand	31/12/2019	31/12/2018
Bank debt	35,096	40,093
Accrued interest	52	50
Total	**35,148**	**40,143**
Cash and cash equivalents	162,166	85,322
Net cash position	**127,018**	**45,179**

16.4 Breakdown by currency area and maturity of loan agreements and other borrowings

In € thousand	Amounts				< 1 year		1 year << 5 years		> 5 years	
	2019	%	2018	%	2019	2018	2019	2018	2019	2018
Euro	41,330	87%	36,971	84%	8,461	8,729	25,948	23,534	6,922	4,708
Other	5,987	13%	7,236	16%	1,469	1,430	4,518	5,806	-	-
Total	**47,317**	**100%**	**44,207**	**100%**	**9,930**	**10,159**	**30,465**	**29,340**	**6,922**	**4,708**

16.5 Breakdown by interest rate type and maturity of loan agreements and other borrowings

In € thousand	Amounts				< 1 year		1 year << 5 years		> 5 years	
	2019	%	2018	%	2019	2018	2019	2018	2019	2018
Fixed	47,317	100%	38,418	87%	9,930	6,723	30,465	26,987	6,922	4,708
Other	-		5,789	13%	-	3,436	-	2,353	-	-
Total	**47,317**	**100%**	**44,207**	**100%**	**9,930**	**10,159**	**30,465**	**29,340**	**6,922**	**4,708**

16.6 Breakdown of interest-bearing loans and borrowings

Nominal amount			Interest rate		Due date	Remaining principal due	
			at issue /nominal	actual		2019 (€ thousand)	2018 (€ thousand)
Loan	€1.0 M	(12/2010)	2.93%	2.93%	dec-25	457	525
"	€1.7 M	(02/2011)	1.75%	1.75%	dec-25	765	885
"	€4.3 M	(09/2012)	1.45%	1.45%	sept-22	1,292	1,749
"	€1.57 M	(05/2014)	2.60%	2.60%	may-24	744	901
"	€1.5 M	(12/2014)	2.00%	2.00%	dec-24	786	935
"	€4.0 M	(02/2017)	0.65%	0.65%	feb-24	2,403	2,970
"	€10.8 M	(10/2017)	0.71%	0.71%	oct-22	6,506	8,645
"	€7.5 M	(12/2017)	1.35%	1.35%	dec-27	6,116	6,835
"	€1.7 M	(12/2015)	3.90%	3.90%	june-22	1,125	1,525
"	€2.4 M	(10/2018)	0.90%	0.90%	nov-23	1,928	2,400
"	£2.6 M	(09/2018)	1.40%	1.40%	oct-23	2,474	2,920
"	7.0 MAUD	(12/2018)	4.85%	4.85%	dec-23	3,513	4,316
"	€6.5 M€	(06/2019)	1.32%	1.32%	june-29	6,195	-
"	€4.5 M€	(11/2019)	0.60%	0.60%	oct-26	4,500	-
"	€4.5 M€	(11/2019)	0.50%	0.50%	dec-24	4,426	-
"	€2.5 M€	(12/2019)	0.85%	0.85%	dec-24	2,500	-
Other property loans						1,587	2,199
Total property loans						**47,317**	**36,805**
Finance leases (cumulative)							7,402
Miscellaneous						20	18
Total (*)						**47,337**	**44,225**

(*) Loan balances are shown before interest.

The majority of the loans outstanding at 31 December 2019 were intended to finance real estate acquisitions (duration of 7-15 years) and related works (duration of seven years), or to finance the acquisition of new subsidiaries.

The total amount of loan maturities repaid during the 2019 financial year was €7,488 thousand.

16.7 Exposure to interest rate, foreign exchange and liquidity risks

The Group's Finance department centralises the financing and management of exchange rates, interest rates and counterparty risk.

16.7.1 Interest rate risk

The analysis of sensitivity to interest rate risk carried out at 31 December 2019 highlights the following points:

- The Group's fixed-rate financing has not been affected by changes in interest rates. Other short-term financial assets and liabilities are seldom sensitive to interest rate changes (usually short-term maturities);
- In the absence of material cash flow hedging using interest rate instruments or net investment in a foreign entity, interest rate fluctuations have no direct effect on Group shareholders' equity.

Foreign exchange risk

SYNERGIE had financial debt denominated mainly in euros at 31 December 2019, except for current bank facilities in the UK, Switzerland and Australia.

Closing rates against the euro were as follows:

Currency	2019	2018
Pound sterling	0.8508	0.8945
Canadian dollar	1.4598	1.5605
Swiss franc	1.0854	1.1269
Australian dollar	1.5995	1.6220
Czech crown	25.4080	25.7240

The final exposure to foreign exchange risk in the consolidated financial statements relating to current account advances in foreign currency provided to the foreign subsidiaries breaks down as follows at 31 December:

In € thousand	Amounts	Zone		Other
		Pound sterling	Australian dollar	currencies
2019 monetary assets	22,076	17,213	3,148	1,715
2018 monetary assets	20,870	16,372	2,885	1,613

The analysis of sensitivity to foreign exchange risk at 31 December 2019 resulted in the observation that the short-term impact of a +/- 10% change in all respective currencies compared with the euro came to +/- €2,208 thousand, based on market data at the reporting date.

16.7.2 Liquidity risk

The Group's financing policy is based on the pooling of external financing and a net cash surplus at 31 December 2019.
This results in insignificant liquidity risk.

The Group is subject to banking covenants all conditions of which were complied with at the end of the 2019 financial year.

16.8 Dettes de location

The maturity schedule for lease liabilities at 31 December 2019 is as follows:

In € thousand	Debt due within 1 year	Debt due from 1 to 5 years	Debt due over 5 years	Total debt
Property rentals	8,746	22,226	7,011	37,983
Leases on vehicules and other	1,174	1,083	-	2,257
Total	**9,920**	**23,309**	**7,011**	**40,240**

The changes in lease liabilities are analysed as follows:

In € thousand	01/01/2019 (*)	Increase	Decrease	Revaluations	31/12/2019
Property rentals	35,324	11,225	8,604	38	37,983
Leases on vehicules and other	2,788	884	1,418	2	2,257
Total	**38,113**	**12,110**	**10,022**	**40**	**40,240**

(*) Initial recognition of rights of use, including reversal of the balance under IAS 17 at 31/12/18: €5,768 thousand

The following are the marginal debt rates used by the Group to discount rents on the transition date and at 31 December 2019:

- Property: 1.88%
- Vehicles: 1.20%

The resulting weighted average rate is 1.81%.

Note 17 Trade payables and related accounts

Trade payables and related accounts break down as follows:

In € thousand	31/12/2019	31/12/2018
Suppliers	16,058	11,900
Invoices to be received	10,067	8,263
Total	**26,125**	**20,163**

Note 18 Maturity analysis of other current liabilities

In € thousand	Amounts		< 1 year		1 year << 5 years		> 5 years	
	2019	2018	2019	2018	2019	2018	2019	2018
Suppliers	26,125	20,163	26,093	20,108	32	55	-	-
Personnel	190,366	157,698	190,366	157,698	-	-	-	
Social bodies	124,250	105,016	124,214	105,016	36		-	-
Income taxe	8,740	7,188	8,730	7,188	10	-	-	-
Other levies	100,881	119,651	100,870	119,613	11	38	-	-
Subtotal 1	**450,363**	**409,716**	**450,273**	**409,622**	**90**	**93**	**-**	
Payables on fixed assets	11,674	8,867	8,424	8,867	3,250	-	-	-
Other payables	9,118	12,816	9,088	12,762	30	54	-	-
Prepaid income	501	130	501	130	-	-	-	-
Subtotal 2	**21,293**	**21,813**	**18,013**	**21,760**	**3,280**	**54**	**-**	**-**
Total	**471,656**	**431,529**	**468,286**	**431,382**	**3,370**	**147**	**-**	

Commitments to purchase non-controlling interests are recognised in payables on fixed assets in the amount of €5,822 thousand at 31 December 2019, with a corresponding entry in non-controlling interests, the difference being recognised in goodwill.

Deferred payments on subsidiaries acquired are also included in payables on fixed assets in the amount of €3,869 thousand, as well as additional amounts payable for €1,331 thousand.

NOTES TO THE INCOME STATEMENT

Note 19 Turnover

Turnover comprises billing for Human Resources Management services and for services provided by the digital services group DCS, whose holding company is DCS EASYWARE.

At 31 December 2019, it included billing for business activities other than temporary employment (placement of permanent employees, outsourcing, training, digital services, etc.) of €79,800 thousand, or 3% of consolidated turnover.

For the time being, these activities are still being developed by the Group, are not yet material and do not represent a distinct business segment.

Note 20 Operating expenses

20.1 Personnel costs

Personnel costs included in current operating profit comprise the following elements:

In € thousand	2019	2018
Wages and salaries	1,866,184	1,800,898
Social security contributions	498,005	479,127
Employee profit-sharing	6,693	-
Total	**2,370,882**	**2,280,025**

20.2 Impact of IFRS 16

The rental amount arising from contracts eligible for exemption due to a low value or a duration of less than 12 months in financial year 2019 is €7,978 thousand.

20.3 Other information on operating expenses

Allocations to provisions are shown with irrecoverable expenses added and reversals of provisions deducted.

Transfers of expenses have been allocated to income statement items according to the type of expenses concerned.

20.4 Other information on operating profit

Non-recurring income and expenses are shown in other operating income and expenses.

Note 21 Financial income and expenses

The financial result breaks down as follows:

In € thousand	2019	2018
Income from transferable securities	-	-
Income from receivables	800	841
Net revenue/disposal of marketable securities	9	-
Financial income	**809**	**841**
Interests on finance leases	(665)	(216)
Bank and miscellaneous charges	(1,631)	(1,295)
Interest on loans	(399)	(378)
Interests on employee profit sharing	-	(0)
Cost of gross financial debt	**(2,695)**	**(1,889)**
Cost of net financial debt	**(1,886)**	**(1,048)**
Translation gains or losses	(379)	(679)
Other income and expenses	895	3
Other income and expenses	**516**	**(676)**
Total	**(1,370)**	**(1,724)**

Note 22 Corporate income tax

22.1 Tax expense

The tax expense recognised in the income statement breaks down as follows:

In € thousand	2019	2018
Income tax	28,358	20,028
Deferred tax	2,658	(2,026)
Total Income tax	**31,016**	18,002
CVAE (France)	16,970	15,994
IRAP (Italy)	1,265	1,140
Tax on profit	**49,251**	**35,136**
of which corporation tax payable	**28,358**	**20,028**

22.2 Effective tax rate and tax proof

The variance between the amount of corporate income tax calculated at the normal tax rate in France and the effective tax amount is explained as follows:

In € thousand	2019	2018
Profit before tax expense	**112,612**	**117,618**
Profit before tax after CVAE and IRAP	**94,377**	**100,484**
Tax rate in force (in France)	34.43%	34.43%
Theoretical tax	**32,494**	**34,597**
CICE	-	(14,520)
Differences in tax rates abroad	(3,418)	(1,995)
Goodwill impairment	269	1,033
Non-activated tax losses	786	364
Consolidation entries without tax and miscellaneous	885	(1,476)
Total Income tax (note 22.1)	**31,016**	**18,002**
Effective tax rate	**32.9%**	**19.9%**

Note 23 Earnings per share

Earnings per share are determined by dividing the annual consolidated net profit, Group share, by the number of corresponding shares at 31 December.

There are no dilutive instruments that could change the net profit and number of shares used, except for the share buyback programme, whose impact was not material in 2018 or 2019.

	2019	2018
Net profit (Group share)	€60,098 thousand	€79,292 thousand
Number of share	24,362,000	24,362,000
Number of treasury share	373,675	378,564
Number of basic share	23,988,325	23,983,436
Earning per share (*)	€2.47	€3.25
Diluted earnings per share (*)	€2.47	€3.25

(*) divided by 24,362,000 shares

Note 24 Segment information

24.1 Information by region

The reports used by management for its monthly reviews mainly cover turnover and current operating income, which explains the compilation of segment information on these main aggregates by geographical area.

24.1.1 Income statement items

In € thousand	Turnover		Current operating profit	
	2019	2018	2019	2018
France	1,280,700	1,207,782	70,303	79,058
Belgium	277,153	281,652	18,505	16,560
Others Northern and Eastern	332,318	350,170	8,003	9,139
Italy	450,672	420,852	21,608	19,811
Spain, Portugal	226,283	229,677	3,181	4,037
Canada, Australia	75,213	60,962	80	(200)
Total	**2,642,339**	2,551,095	**121,680**	128,405

(*) Before amortisation and impairment of goodwill and client bases and brands acquired

In € thousand	Depreciations		Impairments	
	2019	2018	2019	2018
France	7,991	5,450	1.682	1,493
Belgium	1,779	1 759	72	115
Others Northern and Eastern	2,651	5,185	(292)	389
Italy	2,377	461	769	1,248
Spain, Portugal	727	761	766	538
Canada, Australia	1 303	448	51	(61)
Total	**16,828**	14,065	**3,048**	2,575

For France:

In € thousand	Turnover		Current operating profit	
	2019	2018	2019	2018
South East	232,562	243,186	17,570	13,111
South West	207,093	201,305	17,204	11,767
North West	568,049	520,615	54,274	40,536
Greater Paris region, Centre, East	227,679	218,965	15,150	10,565
Digital Services	43,131	24,824	4,630	2,626
Unallocated	2.187	(1,112)	(38,525)	453
Total	**1,280,700**	1,207,782	**70,303**	79,058

In € thousand	Depreciations		Impairment	
	2019	2018	2019	2018
South East	437	205	39	8
South West	402	141	32	3
North West	724	297	105	39
Greater Paris region, Centre, East	7	390	8	5
Digital Services	742	1,080	-	-
Unallocated	5,679	3,337	1,499	1,438
Total	**7,991**	5,450	**1,682**	1,493

24.1.2 Assets

In € thousand	Fixed assets (*)		Total assets	
	2019	2018	2019	2018
France	305,170	215,312	796,270	696,432
Belgium	621	11,534	84,059	79,031
Others Northern and Eastern	676	71,165	72,538	77,416
Italy	2,735	6,360	137,998	114,878
Spain, Portugal	2,611	7,476	50,427	55,153
Canada, Australia	4,174	3,901	19,647	16,069
Total	**315,987**	**315,747**	**1,160,940**	**1,038,980**

(*) excluding deferred tax assets and excluding rights of use relating to lease contracts

For France:

In € thousand	Fixed assets (*)		Total assets	
	2019	2018	2019	2018
South East	3,311	2,673	55,984	60,012
South West	2,728	2,445	51,132	49,413
North West	5,137	3,638	140,320	125,328
Greater Paris region, Centre,	3,712	3,357	57,987	61,354
Digital Services	21,961	15,565	38,081	29,952
Unallocated (**)	268,321	187,633	452,766	370,373
Total	**305,170**	**215,312**	**796,270**	**696,432**

(*) excluding deferred tax assets
(**) the unallocated amount corresponds mainly to CICE receivables not broken down between the various geographical areas

Note 25 Notes to the statement of cash flows

25.1 Change in the working capital requirement

The change in the operating working capital requirement breaks down as follows:

In € thousand	Change	
	2019	**2018**
Clients	(7,446)	(25,608)
Other receivables	22,987	25,524
Increase in working capital	**15,542**	**(84)**
Suppliers	5,962	1,379
Tax and social security payables	34,543	(20,343)
Other payables	(5,096)	3,569
Increase in current liabilities	**35,409**	**(15,395)**
Total	**50,950**	**(15,479)**

The decrease in the working capital requirement is mainly linked to the immediate recovery of reductions in social security contributions as part of the conversion of the CICE.

25.2 Depreciation, amortisation and provisions

Depreciation, amortisation and provisions do not include current operating provisions.

OTHER INFORMATION

Note 26 Group workforce

26.1 Workforce in 2019

	2019	2018
Permanent employees:		
- Managers	712	675
- White collar	3,724	3,455
Total	**4,436**	**4,130**
Temporary employees seconded to placements by the Group	66,861	67,236
Grand Total	**71,297**	**71,366**

Permanent personnel are those present at the year end, all categories combined.

Temporary personnel are shown as full-time equivalent.

26.2 Comparison

Managers		White collar		Blue collar		Total	
2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
1,103	1,047	18,933	18,244	51,261	52,075	71,297	71,366

Note 27 Information on related parties

Information relating to the members of the administrative and management bodies of the consolidating company, according to their roles in the consolidated companies, is provided below.

27.1 Overall remuneration

The overall gross remuneration of the members of the Group's administrative and management bodies in 2019 was €2,297 thousand, and breaks down as follows:

In € thousand	Gross	Social security contribution
Wages and short-term benefits	2,105	835
Directors' fee	100	-
Post-employment benefits	92	-
Other long-term benefits	-	-
Share-based payments	-	-
Total	2,297	**835**

27.2 Pension commitments

There is no commitment of this kind for the benefit of the administrative and management bodies, apart from the indemnities provided for under the collective agreement for salaried directors, i.e. €92 thousand and subject to a provision as described in Note 14.2.

27.3 Loans and advances

At the end of 2019, no loans and advances had been granted to members of the administrative and management bodies.

27.4 Other information

Relationships between Group companies are concluded under arm's length conditions.

Note 28 Contingent commitments and liabilities

28.1 Commitments received and contingent assets

Banks had guaranteed SYNERGIE and some of its temporary employment subsidiaries in respect of their clients for €94,200 thousand in France and €54,289 thousand for the foreign subsidiaries at 31 December 2019.

28.2 Commitments given and contingent liabilities

Provision is made for retirement benefits and for other post-employment benefits granted to personnel.

Pending discounted bills

There were no pending discounted bills as at 31 December 2019.

Assets pledged as collateral

The collateral supporting the loans taken out by the Group with banks is negligible.

Pledge of Company shares

No shares of the Company have been pledged.

At the end of the financial years shown, no other significant commitments had been entered into, and no contingent liabilities existed (other than those provisioned or covered in Note 15) that are likely to significantly affect the assessment of the financial statements.

Note 29 Events after 31 December 2019

The coronavirus epidemic, the business consequences of which are difficult to grasp for both SYNERGIE and our clients alike, adds a significant element of uncertainty. The company has hence decided not to give a business outlook, pending better visibility. The Group's clients are impacted differently depending on their sector of activity, which has an impact in terms of the allocation of resources.

The containment measures taken recently led the Group to make rapid organisational adjustments. The aim was to preserve its teams while providing a service to customers whose business is ongoing. Country-specific action plans have been set up, including the implementation of government measures aimed at preserving employment and supporting companies (partial unemployment, deferred payment, etc.).

With a very solid financial structure, reflected in its high cash position and the possibility of selling the CICE receivables on the assets side of its balance sheet (€123 million), SYNERGIE has considerable assets. It thus remains confident in its ability to weather this crisis.

Note 30 Statutory Auditors' fees

The Statutory Auditors' fees borne by the Group are as follows:

In € thousand	APLITEC AUDIT ET CONSEIL				SAINT-HONORE		JM AUDIT & CONSEILS	
	Amount (pre-tax)		%		Amount (pre-tax)	%	Amount (pre-tax)	%
	2019	2018	2019	2018	2019	2019	2018	2018
Audit								
Statutory audit, certification, review of individual and consolidated accounts								
- Issuer	225	237	69%	84	180	100%	237	100%
- Fully consolidated subsidiaries	101	45	31%	16				
Other work and services directly related to the task of the Statutory Auditor								
- Issuer								
- Fully consolidated subsidiaries	1	1	31%	0				
Subtotal 1	**327**	**283**	**100%**	**100**	**180**	**100%**	**237**	**100%**
Other services rendered by the networks to the fully consolidated subsidiaries								
- Legal, fiscal, social, other								
Subtotal 2	**-**	**-**	**-**	**-**	**-**		**-**	
Total	**327**	**283**	**100%**	**100**	**180**	**100%**	**237**	**100%**

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

SYNERGIE

A European Company (SE) with share capital of €121,810,000

Registered office: 11, avenue du Colonel Bonnet
75016 PARIS

PARIS TRADE AND COMPANIES REGISTER (RCS) NO. 329 925 010

Statutory Auditors' report
on the consolidated financial statements

Financial year ended 31 December 2019

To the Shareholders' Meeting of SYNERGIE,

OPINION

Under the terms of the assignment entrusted to us by your Shareholders' Meeting, we conducted an audit of the accompanying consolidated financial statements of SYNERGIE SE for the financial year ended 31 December 2019. These financial statements were approved by the Executive Board on 30 March 2020 based on the information available at that date, in a context of ongoing change as a result of the Covid-19 health crisis.

We hereby certify that, with regard to the IFRS framework as adopted in the European Union, the consolidated financial statements give a true and fair view of the assets, financial position and results of the grouping formed by the consolidated entities.

The opinion formulated above is consistent with the contents of our report to the Audit Committee.

BASIS OF OUR OPINION

Audit standards

We conducted our audit in accordance with the professional standards applicable in France.

We believe that the audit evidence we have obtained forms a sufficient and appropriate basis for our opinion.

Our responsibilities by virtue of these standards are set out in the section of this report entitled "Statutory Auditors' responsibilities concerning the audit of the consolidated financial statements".

Independence

We conducted our audit in accordance with the independence rules applicable to us, for the period from 1 January 2019 to the date of issuance of our report, and in particular we provided no services that are prohibited under Article 5, paragraph 1, of EU Regulation no. 537/2014 or the code of ethics applicable to the statutory audit profession.

Observation

Without calling into question the opinion expressed above, we draw your attention to *Note 1.2.1.1 – IFRS 16 "Leases"* in the notes to the consolidated financial statements, which sets out the impacts of the application from 1 January 2019 of IFRS 16 "Leases" and the related procedures used by the Group.

JUSTIFICATION OF OUR ASSESSMENTS - KEY AUDIT POINTS

In accordance with the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code concerning the justification of our assessments, we draw your attention to the main audit points concerning the risks of material misstatement that, in our professional opinion, were the most significant for the audit of the consolidated financial statements for the year, together with our responses to these risks.

The assessments were made in the context of our audit of the consolidated financial statements taken as a whole, approved under aforementioned conditions, and the formation of our opinion expressed in the first part of this report. We express no opinion on any elements of the consolidated financial statements taken in isolation.

EVALUATION OF GOODWILL AND OTHER INTANGIBLE ASSETS RELATING TO ACQUISITIONS (CLIENT BASES AND BRANDS)

Risk identified

At 31 December 2019, goodwill and other intangible assets relating to acquisitions (client bases and brands) represented €112,636 thousand and €40,359 thousand respectively.

Goodwill is the difference, that is unallocated or awaiting allocation, between the acquisition price and the Group's share in the fair value of the assets and liabilities identifiable on the date it assumes control, while the client bases and brands account for the portion allocated during the 12 months following the business combinations concerned.

It is tested for impairment based on the cash flows of the relevant cash-generating units as soon as there are indications of impairment, and at least once a year (Note 1.5.3 of the notes to the consolidated financial statements).

Note 5.2 (Goodwill and other intangibles relating to acquisitions) of the notes to the consolidated financial statements defines the methodology used to determine the value-in-use of the cash-generating units and describes the sensitivity of the tests to the various criteria, i.e. discount rate, perpetual growth rate and EBIT rate.

We deem the measurement of goodwill to be a key audit point because of the significant amount of goodwill in the consolidated financial statements and the nature of the items to be taken into consideration by the management for their valuation.

Audit procedures implemented to deal with this risk

Our audit procedures entailed controlling the value-in-use applied in relation to the main cash generating units.

Our work consisted of:

- taking note of and assessing the process followed by management to carry out the impairment tests;
- checking that an appropriate model was used for the calculation of value-in-use;
- analysing the consistency of flows with the budgets established by local management and approved by management in a context that does not factor in Covid-19;
- comparing the projected cash flows for 2020 to 2024 with those used in the previous year's tests;
- comparing the actual 2019 data with the 2019 projections used in the previous year's tests;
- analysing the methodology followed for the calculation of the discount rate for each country;
- analysing the tests on the sensitivity of values-in-use to a change in the discount rate, perpetual growth rate and EBIT rate used by management in the budgets;
- assessing the appropriateness of the financial information provided in Note 5 of the notes to the consolidated financial statements.

SPECIFIC VERIFICATIONS

In accordance with the professional standards applicable in France, we also carried out the specific verifications stipulated by law and the regulations of the information relating to the Group, as provided in the Executive Board's management report approved on 30 March 2020. With regard to the events that arose and the information to hand after the year-end closing date concerning the effects of the Covid-19 crisis, the management indicated that it would discuss these subjects at the Shareholders' Meeting convened to approve the financial statements.

We have no observations to make as to its accuracy and consistency with the consolidated financial statements.

We certify that the consolidated declaration of non-financial performance stipulated by Article L. 225-102-1 of the French Commercial Code appears in the Group's management report, with the understanding that, in accordance with the provisions of Article L. 823-10 of this code, we have not verified that the information contained in this declaration is accurate or consistent with the consolidated financial statements.

INFORMATION ARISING FROM OTHER STATUTORY AND REGULATORY OBLIGATIONS

Appointment of the Statutory Auditors

We have been appointed as Statutory Auditors for SYNERGIE by the Shareholders' Meeting of 21 December 1983 in the case of APLITEC AUDIT & CONSEIL and of 13 June 2019 in the case of SAINT HONORE BK&A. Due to the changes that were made to the capital structure of APLITEC AUDIT & CONSEIL at 31 December 2010, APLITEC AUDIT & CONSEIL was, on 31 December 2019, in the 9th consecutive year of its assignment and SAINT HONORE BK&A in the 1st year, it being the 9th and 1st year respectively since the Company's shares were admitted for trading on a regulated market.

RESPONSIBILITIES OF MANAGEMENT AND INDIVIDUALS INVOLVED IN CORPORATE GOVERNANCE WITH REGARD TO THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for drawing up consolidated financial statements providing a true and fair view in accordance with the IFRS framework as adopted in the European Union and also for implementing the internal controls it deems necessary to establish consolidated financial statements that are free of material misstatement, whether arising from fraud or error.

When drawing up the consolidated financial statements, management is responsible for assessing the Company's capacity to operate as a going concern, for presenting in these financial statements, where applicable, the necessary information on operation as a going concern and for applying the going concern accounting policy, unless there are plans for the Company to be liquidated or cease activity.

The Audit Committee is responsible for monitoring the process for preparing the financial information and the efficiency of the internal control and risk management systems, and, where applicable, the internal audit system, with respect to the procedures relating to the preparation and treatment of the accounting and financial information.

The consolidated financial statements were approved by the Executive Board.

RESPONSIBILITIES OF THE STATUTORY AUDITORS CONCERNING THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Audit purpose and process

Our role is to prepare 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 any material misstatements. While reasonable assurance corresponds to a high level of assurance, it does not guarantee that an audit performed in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or errors and are considered material when it can be reasonably expected that, when taken individually or combined, they may influence the economic decisions that the users of the accounts may take based on these misstatements.

As stipulated in Article L.823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not include guaranteeing the viability or quality of your Company's management.

In the case of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises his professional judgement throughout the audit. Moreover, the auditor:

- identifies and assesses the risks of the consolidated financial statements containing material misstatements, whether as a result of fraud or error, defines and implements audit procedures faced with these risks, and gathers the information deemed necessary and appropriate in order to form an opinion. The risk of failing to detect a material misstatement arising from fraud is greater than that of failing to detect a material misstatement resulting from error because the fraud may involve collusion, falsification, deliberate omissions, false statements or circumvention of internal controls;
- takes note of the internal controls that are relevant for the audit in order to define audit procedures that are appropriate to the circumstances, and not with the aim of expressing an opinion on the effectiveness of the internal controls;
- assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information on these items provided in the consolidated financial statements;

- assesses the appropriateness of the application by management of the going concern principle and, based on the information gathered, whether or not there is significant uncertainty surrounding events or circumstances that are likely to undermine the Company's capacity to continue to operate. This assessment draws on the information gathered up to the date of his report, bearing in mind nevertheless that subsequent circumstances or events could undermine the Company's continued operation. If the Statutory Auditor concludes that significant uncertainty exists, he will draw the attention of the readers of his report to the information provided on this uncertainty in the consolidated financial statements or, if this information is not provided or is not relevant, he will issue a qualified certificate or refuse to certify;
- considers the overall presentation of the consolidated financial statements and assesses if these consolidated financial statements reflect the underlying transactions and events in such a manner as to give a true and fair view thereof;
- concerning the financial information of persons or entities included in the consolidation scope, he gathers the information he deems sufficient and appropriate to express an opinion on the consolidated financial statements. He is responsible for the management, supervision and completion of the audit of the consolidated financial statements and the opinion expressed thereon.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee that notably presents the scope of the audit work, the schedule of tasks carried out and the resulting conclusions. Where applicable, we also bring to its attention any significant internal control weaknesses that we have identified concerning the procedures relating to the preparation and treatment of the accounting and financial information.

In our report to the Audit Committee, we also communicate what we deem to be the greatest risks of material misstatement impacting the audit of the consolidated financial statements for the year and, as such, those that constitute the key audit points. These points are described in this report.

We also provide the Audit Committee with the declaration stipulated by Article 6 of EU Regulation no. 537-2014 confirming our independence, within the meaning of the rules applicable in France, as set out notably by Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of ethics of the statutory audit profession. Where applicable, we discuss with the Audit Committee any risks to our independence and any safety measures applied.

Signed in PARIS on 30 April 2020

SAINT HONORE BK&A	**APLITEC AUDIT & CONSEIL**	
Frédéric BURBAND	Marie-Françoise BARITAUX-IDIR	Laurent GUEZ

CORPORATE FINANCIAL STATEMENTS

OF SYNERGIE SE

FINANCIAL DATA

1. STATEMENT OF FINANCIAL POSITION OF SYNERGIE SE

ASSET In € thousand	NOTE No.	2019 GROSS	 IMPNT	 NET	2018 NET
FIXED ASSETS					
Intangible assets					
Concessions, patents, licences and brands		9,157	5,766	3,391	3,759
Business intangibles, rights to leases		3,412	195	3,217	3,235
Assets under construction		1,477	-	1,477	1,121
TOTAL INTANGIBLE ASSETS	3/4	**14,047**	**5,961**	**8,085**	**8,115**
Property, plant and equipment					
Land		1 603	-	1 603	
Buildings		658	607	50	90
Other property, plant and equipment		25,457	12,910	12,547	9,846
TOTAL PROPERTY, PLANT AND EQUIPMENT	3	**26,115**	**13,517**	**12,598**	**9,936**
Long-term investments					
Equity interests		86,523	2,601	83,923	83,700
Receivables related to equity interests		51,082	69	51,014	50,944
Other fixed investments		12	7	5	5
Loans		14	-	14	14
Other long-term investments		5,741	-	5,741	5,526
TOTAL LONG-TERM INVESTMENTS	5	**143,372**	**2,676**	**140,696**	**140,189**
TOTAL FIXED ASSETS	9	**183,533**	**22,155**	**161,379**	**158,239**
WORKING CAPITAL					
Advances, downpayments made on orders		1,603	-	1,603	1,557
Client receivables and related accounts	6/10	250,735	7,142	243,593	241,990
Other receivables	10/11	199,665	257	199,408	223,980
Investments in securities	12	9,565	-	9,565	9,489
Available cash		101,338	-	101,338	19,458
TOTAL WORKING CAPITAL		**562,906**	**7,398**	**555,508**	**496,474**
PREPAYMENTS AND ACCRUED INCOME					
Prepaid expenses		1 146	-	1 146	1 477
Unrealised exchange loss	8/18	3,988	-	3,988	4,856
Deferred charges		-	-	-	-
TOTAL ASSETS		**751,574**	**29,553**	**722,021**	**661,046**

LIABILITIES In € thousand	NOTE No.	2019	2018
EQUITY			
Capital	13.1	121,810	121,810
Issue, merger and contribution premiums		-	-
Legal reserve	13.2	12,181	12,181
Regulated reserves		3,983	3,653
Other reserves		11,000	11,000
Retained earnings	13.2	231,755	183,620
PROFIT FOR THE YEAR		**44,937**	**67,653**
Regulated provisions		2,015	1,794
SHAREHOLDERS' EQUITY	13	**427,681**	**401,711**
PROVISIONS FOR RISKS AND CHARGES			
Provisions for risks		5,399	6,242
Provisions for charges		-	-
TOTAL PROVISIONS FOR RISKS AND CHARGES	7/14	**5,399**	**6,242**
PAYABLES			
Bank loans and other bank borrowings	15	49	49
Other loans and borrowings	15	17,259	10,366
Supplier payables and related accounts		7,517	7,637
Tax and social security payables		259,373	225,682
Payables on fixed assets and related accounts	17	597	660
Other payables		4,029	8,625
TOTAL PAYABLES	16	**288,824**	**253,020**
PREPAYMENTS AND ACCRUED INCOME			
Prepaid income		19	29
Unrealised exchange gain	8/18	98	44
TOTAL LIABILITIES		**722,021**	**661,046**

2. INCOME STATEMENT OF SYNERGIE SE

In € thousand	NOTE No.	2019	2018
Operating result			
Output of services		1,221,090	1,166,418
Operating subsidies		237	109
Reversals of depreciation and amortisation, transfers of expenses		15,697	12,940
Other income		4,800	6,326
TOTAL OPERATING INCOME	**19/20**	**1,241,824**	**1,185,793**
Operating expenses			
Other purchases and external expenses		47,183	47,988
Taxes and similar levies		49,260	51,546
Wages and salaries	21	860,186	814,128
Social security contributions	21	223,643	208,389
Depreciation and amortisation of fixed assets		3,344	2,592
Provisions for impairment of current assets		1,598	1,856
Provisions for risks and charges		-	-
Other expenses		4 359	175
TOTAL OPERATING EXPENSES		**1,189,572**	**1,126,675**
OPERATING RESULT		**52,252**	**59,119**
Financial income			
From equity interests	22	16,640	15,941
From other transferable securities and receivables on fixed assets		122	94
From other interest and similar income		84	71
Reversals of provisions and transfers of expenses		905	-
Positive exchange rate differences		4	-
Net income from the sale of investments in securities		-	-
TOTAL FINANCIAL INCOME		**17,756**	**16,106**
Financial expenses			
Depreciation, amortisation and provisions		-	198
Interest and similar expenses		278	280
Negative exchange rate differences		77	301
TOTAL FINANCIAL EXPENSES		**354**	**779**
FINANCIAL RESULT	**22**	**17,401**	**15,328**
OPERATING RESULT BEFORE TAX		**69,653**	**74,446**
Extraordinary income			
On management operations		1	5
On capital operations		278	111
Reversals of provisions and transfers of expenses		801	1,123
TOTAL EXTRAORDINARY INCOME		**1,080**	**1,238**
Extraordinary expenses			
On management operations		20	14
On capital operations		434	1,196
Extraordinary depreciation, amortisation and provisions		1,046	1,024
TOTAL EXTRAORDINARY EXPENSES		**1,500**	**2,234**
EXTRAORDINARY PROFIT	**23**	**(421)**	**(996)**
Income tax	24	18,521	5,798
Employee profit-sharing		5,775	-
Total income		**1,260,660**	**1,203,138**
Total expenses		**1,215,723**	**1,135,485**
NET PROFIT		**44,937**	**67,653**

3. STATEMENT OF CASH FLOWS OF SYNERGIE SE

In € thousands		
Net profit	**44,937**	**67,653**
Derecognition of expenses and income without an impact on cash or not related to		
- Capital gains from sales	157	293
- Depreciation, amortisation and provisions (net of reversals)	3,498	4,236
- Other income and expenses that do not generate short-term cash flows (1)	-	(35,850)
SELF-FINANCING CAPACITY	**48,592**	**36,332**
Change in the working capital requirement relating to business activity	43,412	(10,032)
NET CASH FLOWS GENERATED BY BUSINESS ACTIVITY	**92,004**	**26,300**
Purchases of property, plant and equipment and intangible assets	(6,236)	(6,235)
Sales of property, plant and equipment and intangible assets	-	-
Purchases of long-term investments	(489)	(49,191)
Sales of long-term investments	17	2,393
Sale of non-current financial asset (2)	-	28,011
NET CASH FLOWS RELATING TO INVESTMENT OPERATIONS	**(6,709)**	**(25,022)**
Dividends paid out to shareholders	(19,188)	(19,200)
Capital increase in cash	15,850	15,170
Loan issues	-	-
Loan repayments	-	-
NET CASH FLOWS RELATING TO FINANCING OPERATIONS	**(3,338)**	**(4,030)**
CHANGE IN CASH POSITION	**81,957**	**(2,752)**
Opening cash position	28,897	31,649
Closing cash position	110,854	28,897

(1) Portion of the 2018 CICE non imputable in 2018

(2) Sale of 2015 CICE to finance an investment

4. NOTES TO THE STATEMENT OF FINANCIAL POSITION AND THE INCOME STATEMENT OF SYNERGIE SE

SIGNIFICANT EVENTS

The reduced contributions as part of the conversion of the CICE were recognised as a deduction of personnel costs.

Until 30 September 2019, they are calculated in the same way as the CICE, with the application of a 6% reduction for wages up to 2.5 times the statutory minimum wage in France (SMIC), and are also reflected under social security contributions. From 1st October 2019, an additional reduction taking into account the payment of unemployment insurance premiums was recorded in the amount of €2,300 thousand.

These reductions recognised in 2019 and included in the basis for calculating corporate income tax generated an additional corporate income tax charge of €15,548 thousand and an employee profit-sharing charge of €5,775 thousand.

Unrecovered CICE receivables in respect of 2016, 2017 and 2018 are booked under assets in the balance sheet and under corporate income tax (“Other receivables”). Amounts not used in 2020 are allocated beyond one year.

ACCOUNTING PRINCIPLES, RULES AND METHODS

Note 1 Application of general principles

The annual financial statements are prepared in accordance with French accounting rules, pursuant to the provisions of ANC Regulation No. 2016-07 of 4 November 2016, amending Regulation No. 2014-03 of 5 June 2014 relating to French GAAP and approved by the decree of 26 December 2016 (and published in the Journal Officiel on 28 December).

General accounting principles were applied in accordance with the prudence principle and the following basic assumptions:

- operation as a going concern;
- consistency of accounting methods;
- separation of accounting periods;

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

The basic method used to value the items recorded in the financial statements is the historical cost method.

Regulation 2015-05 of 2 July 2015 on forward financial instruments and hedging operations has been applied to financial years beginning on or after 1 January 2017; it notably provides that foreign exchange gains or losses on trade receivables and trade payables be recorded under operating result.

This new rule does not have a material impact on the Company insofar as the exchange rate differences recognised concern the impact of the conversion of current accounts and continue to be recorded under financial income and expenses.

The annual financial statements were approved by the Executive Board on 30 March 2020.

Main estimates and judgements used in the preparation of the annual financial statements

The main estimates and judgements used in the preparation of the financial statements for the financial year ended 31 December 2019 concern the valuation of equity investments, related receivables and current accounts, the businesses and pension commitments.

Note 2 Valuation of fixed assets

2.1 Options taken by the Company

Property, plant and equipment and intangible assets are valued at their acquisition cost (purchase price and ancillary costs). The Company took the option of incorporating acquisition expenses into the acquisition costs of equity investments acquired. However, it opted to recognise acquisition expenses relating to intangible assets and property, plant and equipment under expenses.

The Company opted not to capitalise borrowing costs under eligible assets.

2.2 Fixed assets by component

In view of the nature of the fixed assets held by the Company, no component was regarded as significant enough to justify separate accounting and a specific depreciation and amortisation schedule.

Note 3 Useful life of fixed assets

TYPE OF ASSET	Useful life	Conventional useful life
Intangible assets		
Concessions, patents and similar rights	5 years	1 to 3 years
Business intangibles	-	-
Property, plant and equipment		
Buildings	20 to 30 years	20 to 30 years
Fixtures and fittings	-	-
Technical facilities	-	-
Equipment and tools	5 years	5 years
General facilities	7 years	5 to 7 years
Transport equipment	5 years	5 years
Office equipment	5 years	4 years
Computer equipment	5 years	3 years
Furniture	10 years	10 years

The difference between the accounting duration and the fiscal duration was subject to accelerated depreciation and recorded as a regulated provision.

Note 4 Intangible assets

The item "Concessions, patents, licences and brands" comprises the SYNERGIE brand and software.

The item "Business intangibles, leasehold rights" comprises the business in its strictest sense and the leasehold rights associated with the agencies under operation.

Intangible assets that indicate a loss in value are tested for impairment.

Business intangibles are assumed to have an unlimited duration and consequently are not amortised; pursuant to Article 214-5 of French GAAP, impairment tests are performed at the year-end, as a result of which no impairment was recognised.

Note 5 Long-term investments

The gross value of equity investments and related receivables corresponds to their acquisition cost. This cost does not include any commitments given.

Equity investments and related receivables are valued pursuant to Article 221-3 of the French GAAP, according to their value-in-use. This value, which corresponds to what the Company would be willing to pay to obtain the investment if it were to acquire it, is determined primarily on the basis of:

- future cash flows;
- a market price and the benefit of a presence in the territory or the business activity controlled by the subsidiary;
- the portion of the shareholders' equity of the subsidiary held.

An impairment is recorded, where necessary, if the value-in-use of the equity investments and related receivables calculated in this manner falls below their book value; at 31 December 2019 no impairment was required under this approach.

Note 32 shows the table of subsidiaries and equity interests.

Purchase of treasury shares

Under a liquidity contract, SYNERGIE SE:

- purchased 76,982 shares at an average price of €28.541
- sold 81,871 shares at an average price of €29.116

At 31 December 2019, SYNERGIE SE held:

- through this contract, 21,212 treasury shares purchased at an average price of €27.12, i.e. €575 thousand;
- 352,463 shares purchased, not as part of the liquidity contract, at an average price of €9.39, i.e. €3,309 thousand, representing 1.45% of the share capital.

These shares are registered as long-term investments, as stipulated by the French GAAP (Article 221-6).

The share price at 31 December 2019 was €29.20.

Note 6 Receivables and recognition of income

6.1 Trade receivables

Trade receivables are recognised at their nominal value.

When current events make the recovery of these receivables uncertain, they are impaired according to the nature of the risk (delayed settlement or disputed debt, compulsory administration or liquidation of assets).

The Company's income is registered as and when its service of providing personnel is carried out. This procedure means that the rules of separation for financial years can be strictly applied.

6.2 Other receivables

Subsidiary current accounts

When the gross value of receivables from subsidiaries is challenged by a significant existing gap between the value of the equity investments and the portion of the shareholders' equity of the subsidiary held by SYNERGIE SE, impairment may be recognised if the subsidiary concerned does not meet one or other of the conditions mentioned above in Note 5.

Note 7 Provisions

In accordance with Article 214-25 of the French GAAP, a provision is recognised when the Company has an obligation towards a third party which will probably or definitely require an outflow of resources to this third party with no, at least equivalent, compensation expected in return. The amount of the provision is approved after the Company's Boards have been consulted.

Note 8 Foreign currency operations

Expenses and income in foreign currencies are recorded at their exchange value at the date of the transaction. Payables, receivables and cash in foreign currencies are recorded in the statement of financial position at their exchange value based on the rate applicable at the year-end closure date.

The difference arising from the discounting of payables and receivables in foreign currencies to this year-end price is taken to the statement of financial position under "Translation gains or losses". A full provision is made for unrealised exchange losses that are not offset.

NOTES TO THE STATEMENT OF FINANCIAL POSITION OF SYNERGIE SE

Note 9 Fixed assets

In € thousand	Amounts at 01/01/2019	Increase	Decrease	Amounts at 31/12/2019
Intangible assets				
Concessions, patents, licences and brands	8,541	616	-	9,157
Business intangible rights to leases	3,430	80	98	3,412
Assets under construction	1,121	1,338	981	1,477
Total intangible assets	**13,092**	**2,034**	**1,079**	**14,047**
Property, plant and equipment				
Land	-	-	-	-
Buildings	658	-	-	658
Facilities, equipment and tools	9	-	-	9
Other property, plant and equipment	21,355	5,121	1,028	25,448
Total property, plant and equipment	**22,022**	**5,121**	**1,028**	**26,115**
Long-term investments				
Loans to subsidiaries and associates	137,313	295	3	137,606
Other fixed investments	12	-	-	12
Loans	14	-	-	14
Other financial assets	5,563	2,519	2,341	5,741
Total financial assets	**142,902**	**2,814**	**2,344**	**143,372**
TOTAL	**178,016**	**9,969**	**4,451**	**183,533**

Intangible assets

The €616 thousand increase in “Concessions, patents, licences and brands” corresponds solely to the purchase of software.

The €98 thousand decrease in intangible assets concerns a sale without the transfer of leasehold rights.

Property, plant and equipment

The increase in the "Other property, plant and equipment" item includes:

- €4,191 thousand in fixtures and fittings relating to openings, transfers and refurbishments of agencies or Open Centers;
- €113 thousand in purchases of new IT and office automation equipment;
- €817 thousand in purchases of new office furniture.

The decrease in the "Other property, plant and equipment" item results from:

- €1,017 thousand in fixtures and fittings relating to openings, transfers and refurbishments of agencies or Open Centers;
- €11 thousand in office equipment and furniture.

Assets under construction

“Assets under construction” in the amount of €1,477 thousand correspond to fixtures and fittings of €1,006 thousand, capitalised production of €402 thousand and software developments of €69 thousand.

Long-term investments

The increase in the gross value of “Equity investments and related receivables” corresponds to the 75% stake in the capital of SYNERGIE QUINGDAO (China) in the amount of €225 thousand and a receivable related to SYNACO GLOBAL RECRUITMENT in the amount of €70 thousand.

Depreciation, amortisation and impairment

In € thousand	Amounts at 01/01/2019	Increase	Decrease	Amounts at 31/12/2019
Intangible assets				
Concessions, patents, licences and brands	4,784	984	-	5,766
Business intangible rights to leases	195	-	-	195
Total intangible assets	**4,979**	**984**		**5,961**
Property, plant and equipment				
Buildings	568	40	-	607
Facilities, equipment and tools	4	2	-	6
Other property, plant and equipment	11,515	2,318	929	12,904
Total property, plant and equipment	**12,086**	**2,360**	**929**	**13,517**
TOTAL	**17,065**	**3,344**	**929**	**19,478**
Financial assets				
Loans to subsidiaries and associates	2,669	-	-	2,669
Other fixed investments	7	-		7
Other financial assets	37	-	37	-
Total financial assets	**2,713**	**-**	**37**	**2,676**
TOTAL	**19,778**	**3,344**	**966**	**22,154**

Pursuant to the rules mentioned in Notes 4 and 5, no impairment recognition is required at the year-end.

Note 10 Receivables

In € thousand	2019 Gross amounts	Provisions depreciation & amortisation	2019 net amounts	2018 net amounts
Client receivables and related accounts	250,735	7,142	243,593	241,990
Other receivables	199,665	257	199,408	223,980
TOTAL	**450,400**	**7,398**	**443,002**	**465,970**

Receivables from training organisations account for €21,605 thousand of the "Other receivables" item.

Receivables in foreign currencies are valued at the closing price, with the difference compared with the initial price allocated to translation gains or losses (Note 18).

Current account advances granted to subsidiaries are considered short-term amounts insofar as they are given under a cash management agreement or current account advance agreements which are payable at any time.

Note 11 Statement of maturities of receivables at year-end

In € thousand	Gross amount		Up to one year		Beyond one year	
	2019	2018	2019	2018	2019	2018
Fixed assets						
Receivables related to equity interests	51,082	51,013	-	-	51,082	51,013
Loans	14	14	14	14	-	-
Other long-term investments	5,741	5,563	-	-	5,741	5,563
Total fixed assets	**56,836**	**56,589**	**14**	**14**	**56,823**	**56,576**
Working capital						
Bad and doubtful debts	9,328	12,414	-	-	9,328	12,414
Other client receivables	241,407	239,456	241,407	239,456	-	-
Personnel	106	95	100	88	7	7
Social bodies	23,927	25,999	23,902	25,974	25	25
Income tax	104,963	124,635	17,666	1,448	87,297	123,187
Value-added tax	747	1,205	747	1,205	-	-
Other tax	-	-	-	-	-	-
Group and associates	69,675	72,057	69,659	72,041	16	16
Sundry debtors	246	246	31	31	215	215
Total working capital	**450,400**	**476,107**	**353,512**	**340,242**	**96,888**	**135,865**
Prepaid expenses	1,146	1,477	1,146	1,477	-	-
TOTAL	**508,383**	**534,173**	**354,672**	**341,733**	**153,711**	**192,441**

Under receivables, accrued income amounted to €33,048 thousand as at 31 December 2019, breaking down as follows:

In € thousand	2019	
Client receivables and related accounts, of which:		**9,289**
Clients - unbilled revenue outside Group	3,192	
Clients - unbilled revenue within Group	6,097	
Other receivables, of which:		**23,759**
Suppliers - assets to be received outside Group	12	
Suppliers - assets to be received within Group	13	
Personnel - income to be received	-	
Social bodies - income to be received	287	
Training bodies - income to be received	22,814	
State - Levies	623	
Other receivables	11	

Note 12 Investments

In € thousand	2019	2018
Investments in securities		
Deposits and term accounts	9,565	9,489
TOTAL	**9,565**	**9,489**

Deposits and term accounts have terms of up to three months.

Note 13 Shareholders' equity

13.1 Share capital

The share capital is €121,810 thousand, comprising 24,362,000 shares worth €5 each.

13.2 Changes in shareholders' equity

In € thousand	Capital	Premiums	Reserves and carry-forward	Result	Regulated provisions	2019 TOTAL	2018 TOTAL
Opening shareholders' equity	121,810	-	210,454	67,653	1,794	401,711	353,374
Capital reduction	-	-	-	-	-	-	-
Appropriation of earnings of the previous year	-	-	48,465	(67,653)	-	(19,188)	(19,200)
Profit of the year	-	-	-	44,937	-	44,937	67,653
Changes in regulated provisions	-	-	-	-	221	221	(115)
Closing shareholders' equity	**121,810**	**-**	**258,919**	**44,937**	**2,015**	**427,681**	**401,711**

During 2019, dividends amounting to €19,490 thousand were paid out while undistributed dividends attached to treasury shares were carried forward in the amount of €302 thousand, giving a net pay-out of €19,188 thousand.

The item "Reserves and carryforwards" includes a "Regulated reserve" of €3,983 thousand, corresponding to the reserve for treasury shares.

The regulated provisions correspond to accelerated depreciation.

Note 14 Provisions for risks and charges

In € thousand	2018	Increase	Decrease	2019
Social and tax risks	1,370	331	307	1,395
Other risks	4,872	16	883	4,004
TOTAL	**6,242**	**347**	**1,190**	**5,399**

At 31 December 2019, the provision for foreign exchange risk was €3,988 thousand, which was included under "Other risks".

Reversals of provisions include €143 thousand of provisions used.

Note 15 Loans and borrowings

In € thousand	2019	2018
Long-term bank loans and other bank borrowings	-	-
Current bank debt and bank overdrafts	49	49
Miscellaneous borrowings	17,259	10,366
TOTAL	**17,308**	**10,416**

The Company has not held bank debt since October 2013.

Note 16 Statement of maturities of payables at year-end

In € thousand	Gross amounts		<1 yr		1 ayr <<5 yrs		>5 yrs	
	2019	2018	2019	2018	2019	2018	2019	2018
Other bank borrowings:								
Borrowings - up to 1 yr	49	49	49	49	-	-	-	-
Borrowings - more than 1 yr	-	-	-	-	-	-	-	-
Miscellaneous borrowings	9	9	-	-	9	9	-	-
Group and associates	17,250	10,358	17,250	10,358	-	-	-	-
Trade payables and related accounts	7,517	7,637	7,517	7,637	-	-	-	-
Tax and social security payables	259,373	225,682	259,373	225,682	-	-	-	-
Payables on fixed assets and related accounts	597	660	597	660	-	-	-	-
Other payables	4,029	8,624	4,029	8,624	-	-	-	-
Subtotal	**288,824**	**253,020**	**288,815**	**253,011**	**9**	**9**		
Prepaid income	19	29	19	29	-	-	-	-
TOTAL	**288,843**	**253,049**	**288,834**	**253,040**	**9**	**9**		

The accrued charges for 2019 under payables represent €69,951 thousand, breaking down as follows:

In € thousand	2019	
Bank loans and other bank borrowings		**49**
Of which interest accrued on loans	-	
Bank charges	49	
Loans and borrowings		**-**
Of which interest accrued on employee profit-sharing	-	
Trade payables		**6,037**
Of which suppliers - invoices not yet received outside the Group	5,298	
Suppliers - invoices not yet received within the Group	739	
Tax and social security payables		**63,780**
Of which personnel and related accounts	27,869	
Social bodies	17,847	
State - Levies	18,065	
Other payables		**85**
Clients - accrued credit notes outside Group	80	
Clients - accrued credit notes within Group	5	

Note 17 Payables on fixed assets

In € thousand	2019	2018
Payables on equity investments	-	-
Payables to suppliers (property, plant and equipment)	597	660
TOTAL	**597**	**660**

Note 18 Unrealised translation gains and losses

Unrealised translation gains and losses correspond to exchange rate differences between the euro and local currencies, calculated at the date of approval of the balance of the current accounts of the UK, Canadian and Swiss subsidiaries.

Full provision was made for the unrealised exchange loss of €3,988 thousand. It concerns ACORN (SYNERGIE) UK and ACORN RECRUITMENT in the amount of €3,986 thousand. The unrealised exchange gain of €98 thousand concerns SYNERGIE HUNT INTERNATIONAL and SYNERGIE SUISSE.

NOTES TO THE INCOME STATEMENT OF SYNERGIE SE

Note 19 Breakdown of turnover

In € thousand	2019	2018
Revenue France	1,218,176	1,163,536
Revenue exported	2,914	2,881
TOTAL	**1,221,090**	**1,166,418**

Production from services includes the invoicing of temporary employment in the amount of €1,214,491 thousand, employee placement in the amount of €4,915 thousand and other services in the amount of €1,685 thousand.

Note 20 Other income, reversals of provisions and transfers of expenses

In € thousand	2019	2018
Capitalised production costs	440	1,623
Operating subsidies	237	109
Reversals on depreciation, amortisation and provisions	4,336	269
Transfers of expenses	11,361	12,671
Brand royalties	4,311	4,301
Other income from ordinary operations	48	403
TOTAL	**20,734**	**19,376**

The "Transfers of expenses" item breaks down as follows:

In € thousand	2019	2018
Transfers of expenses on compensation	9,538	10,036
Transfers of expenses on insurance	637	618
Transfers of expenses on purchases not held in inventory	24	21
Transfers of expenses on leases	417	361
Transfers of expenses on other services	743	1,634
TOTAL	**11,361**	**12,671**

Transfers of expenses on remuneration mainly correspond to remuneration financed by training bodies.

Note 21 Personnel costs

In € thousand	2019	2018
Wages and benefits	860,186	814,128
Social security contributions	223,643	208,389
Employee profit-sharing	5,775	-
TOTAL	**1,089,604**	**1,022,518**

Note 22 Financial income and expenses

In € thousand	2019	2018
Dividends	15,850	15,170
Interest on current accounts of subsidiaries	594	636
Interest on long/medium-term bank loans	(0)	(74)
Income from investments in securities	122	94
Other financial income	84	51
Allocations and reversals of provisions on securities	37	(37)
Allocations and reversals on translation gains or losses	868	(160)
Foreign exchange gains (losses)	(72)	(301)
Discounts granted	(81)	(51)
Financial Result	**17,401**	**15,328**

Note 23 Non-recurring income and expenses

In € thousand	2019	2018
Extraordinary expenses		
On management operations	(20)	(14)
On capital operations	(434)	(1,196)
Extraordinary depreciation, amortisation and provisions	(1,046)	(1,024)
Total extraordinary expenses	**(1,500)**	**(2,234)**
Extraordinary income		
On management operations	1	5
On capital operations	278	111
Reversals of provisions and transfers of expenses	801	1,123
Total extraordinary income	**1,080**	**1,238**
Extraordinary profit	**(421)**	**(996)**

Note 24 Corporate income tax

In € thousand	2019	2018
On profit from ordinary operations	18,818	6,113
On extraordinary profit	(139)	(332)
On profit-sharing	-	-
Tax consolidation result	(158)	17
TOTAL	**18,521**	**5,798**

The increase in current corporate income tax relates to the conversion of the CICE to reductions in social security charges.

Note 25 Deferred tax position

An unrealised receivable of €2,421 thousand is shown temporarily (social solidarity contribution, profit-sharing and unrealised exchange gain for the year), corresponding to tax credits on expenses that are not deductible in the year in which they are recognised.

An unrealised payable of €625 thousand also exists, relating to regulated provisions.

OTHER INFORMATION ON SYNERGIE SE

Note 26 Information relating to the members of the administrative and management bodies

Information relating to the members of the administrative and management bodies of SYNERGIE SE is provided below.

26.1 Compensation

The compensation of directors is €541 thousand.

26.2 Pension commitments

At the end of 2019, no commitment had been made by SYNERGIE SE in relation to pensions and related benefits for members of the administrative and management bodies.

26.3 Loans and advances

At the end of 2019, no loans and advances had been granted to members of the administrative and management bodies.

Note 27 Information on related parties

Relationships with subsidiaries are concluded under arm's length conditions.

Note 28 Company workforce at year-end

	Permanent employees	Temporary employees	2019	2018
Manager and similar	403	359	762	715
White collar	980	7,022	8,002	7,410
Blue collar	-	23,495	23,495	23,078
TOTAL	**1,383**	**30,877**	**32,260**	**31,203**

Permanent employees are those present at the year end, all categories combined.

Temporary employees are shown as full-time equivalent. The “Employees” heading refers solely to those seconded to the tertiary sector.

Note 29 Tax consolidation

SYNERGIE SE opted for the tax consolidation regime with some of its subsidiaries as of 1st January 1991 and renewed this option in 2000 for an indefinite period.

Tax consolidation scope in 2019

- SYNERGIE SE (representing the only company liable for tax vis-à-vis the tax authorities)
- DIALOGUE & COMPETENCES (included from 1993)
- AILE MÉDICALE (included from 2000)
- SYNERGIE CONSULTANTS (included from 2000)
- INTERSEARCH FRANCE (included from 2012)
- SYNERGIE PROPERTY (included from 2012)

The tax consolidation agreement applied provides for the taxation of subsidiaries as if they were taxed separately.

Under tax consolidation, tax savings associated with losses are regarded as an immediate gain.

Given the tax position of the consolidated subsidiaries, tax consolidation profits likely to be reversed at year-end are negligible.

Note 30 Off-balance sheet commitments

In € thousand	2019	2018
Commitments given		
Discounted bills	-	-
Counterparty guarantees for temporary employment	55,595	30,751
Supplementary commitments on securities purchases	21,573	15,360
Guarantees on mortgages	22,349	19,216
Commercial leases (rents to expiry)	7,297	8,066
TOTAL	**106,814**	**73,393**
Commitments received		
BNP guarantee	92,767	90,265
of INTERSEARCH if return to better fortunes after 2009, 2010 and 2011 debt waiver	715	715
of DIALOGUE & COMPETENCES if return to better fortunes after 2011 debt waiver	1,724	1,724
TOTAL	**95,206**	**92,704**

The 2020/2021 temporary employment guarantee, based on turnover of €1,214,491 thousand, should amount to €97,159 thousand.

In € thousand	2019	2018
Commitments relating to finance leases		
Gross fixed assets	3,820	5,349
Accumulated depreciation and amortisation	3,740	3,581
Allocations in the year	842	1,308
Reversals in the year	683	851
Increase in commitments in the year	-	1,293
Decrease in commitments in the year	1,837	1,467
Outstanding charges	109	1,946

In 2019, commitments relating to leasing and finance lease arrangements are for less than one year and amount to €109 thousand.

Pension commitments

The pension commitments of permanent personnel in relation to their defined benefit schemes are measured according to the projected unit credit method, pursuant to ANC Recommendation No. 2013-02; the following assumptions were used as at 31 December 2019:

- Salary increase rate: 2%;
- Personnel turnover rate: calculated by age bracket;
- Social security contribution rate: 45%;
- Life expectancy table: TU-TD2011-2013;
- Discount rate (based on iBoxx indices): 0.80%;
- Estimate based on average retirement age of 65 years;
- Departure at the employee's initiative;
- Retroactive application.

Based on the assumptions and the method outlined above, the retirement benefits in respect of the Company's personnel were estimated at €3,795 thousand including social security charges. The capital represented with an insurance company covered €3 thousand of this commitment at 31 December 2019.

The retirement benefits paid out in 2019 amounted to €50 thousand, compared with €261 thousand in 2018.

Note 31 Contingent commitments and liabilities

At the end of the financial years shown, no other significant commitment had been entered into, and no contingent liabilities existed (other than those provisioned or mentioned in Note 14) likely to significantly affect the assessment of the financial statements.

Note 32 Table of subsidiaries and equity affiliates of SYNERGIE SE as at year-end 31 December 2019

SYNERGIE SE is the consolidating company of the Group in which the subsidiaries mentioned below are consolidated.

In € thousand COMPANIES	Capital	Shareholders' equity other than capital	% of capital held	Gross inventory value	Net inventory value
1/ French subsidiaries					
AILE MÉDICALE	72	5,503	100%	1,886	1,886
SYNERGIE PROPERTY	5,000	1,422	100%	5,000	5,000
2/ Foreign subsidiaries					
SYNERGIE ITALIA (Italy)	2,500	40,993	85%	3,437	3,437
SYNERGIE BELGIUM (Belgium)	250	45,888	99%	7,911	7,911
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain) (1)	40,000	73,577	100%	64,561	64,561
3/ Comprehensive information on other securities whose gross value does not exceed 1 % of SYNERGIE's CAPITAL					
Other subsidiaries and equity interests				3,728	1,128
TOTAL				**86,523**	**83,923**

(1) SIES is a holding company with equity interests in the Group's other foreign subsidiaries

In € thousand COMPANIES	Loans and advance	Guarantees given	2019 turnover	2019 net profit	Dividends received by SYNERGIE in 2019
1/ French subsidiaries					
AILE MÉDICALE	-	-	18,020	521	-
SYNERGIE PROPERTY	5 632	17,162	1,945	102	-
2/ Foreign subsidiaries					
SYNERGIE ITALIA (Italy)	7,608	38,586	449,712	14,795	5,950
SYNERGIE BELGIUM (Belgium)		765	261,425	10,909	9,900
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain)	50,815	11,886		859	-
3/ Comprehensive information on other securities whose gross value does not exceed 1 % of SYNERGIE's CAPITAL					
Other subsidiaries and equity interests	62,702	-			
TOTAL	**126,757**	**68,399**			**15,850**

Note 33 Events after the reporting period

The coronavirus epidemic, the business consequences of which are difficult to grasp for both SYNERGIE and our clients alike, adds a significant element of uncertainty. The company has hence decided not to give a business outlook, pending better visibility. The Group's clients are impacted differently depending on their sector of activity, which has an impact in terms of the allocation of resources.

The containment measures taken recently led the Group to make rapid organisational adjustments. The aim was to preserve its teams while providing a service to customers whose business is ongoing. Country-specific action plans have been set up, including the implementation of government measures aimed at preserving employment and supporting companies (partial unemployment, deferred payment, etc.).

With a very solid financial structure, reflected in its high cash position and the possibility of selling the CICE receivables on the assets side of its balance sheet (€123 million), SYNERGIE has considerable assets. It thus remains confident in its ability to weather this crisis.

STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS OF SYNERGIE SE

SYNERGIE

A European Company (SE) with share capital of €121,810,000

Registered office: 11, avenue du Colonel Bonnet

75016 PARIS

PARIS TRADE AND COMPANIES REGISTER (RCS) NO. 329 925 010

STATUTORY AUDITORS' REPORT

ON THE ANNUAL FINANCIAL STATEMENTS

Financial year ended 31 December 2019

To the Shareholders' Meeting of SYNERGIE SE,

OPINION

Under the terms of the assignment entrusted to us by your Shareholders' Meeting, we conducted an audit of the accompanying annual financial statements of SYNERGIE SE for the financial year ended 31 December 2019. These financial statements were approved by the Executive Board on 30 March 2020 based on the information available at that date, in a context of ongoing change as a result of the Covid-19 health crisis.

We hereby certify that the financial statements are, in respect of French accounting rules and principles, honest and sincere and provide a fair representation of the results of operations in the past year and the financial position and assets of the company at the end of that year.

The opinion formulated above is consistent with that provided in our report to the Audit Committee.

BASIS OF OUR OPINION

Audit standards

We conducted our audit in accordance with the professional standards applicable in France.

We believe that the audit evidence we have obtained forms a sufficient and appropriate basis for our opinion.

Our responsibilities by virtue of these standards are set out in the section of this report entitled "Statutory Auditors' responsibilities concerning the audit of the annual financial statements".

Independence

We conducted our audit in accordance with the independence rules applicable to us, for the period from 1 January 2019 to the date of issuance of our report, and in particular we provided no services that are prohibited under Article 5, paragraph 1, of EU Regulation no. 537/2014 or the code of ethics applicable to the statutory audit profession.

JUSTIFICATION OF OUR ASSESSMENTS - KEY AUDIT POINTS

In accordance with the provisions of 823-9 and R.823-7 of the French Commercial Code concerning the justification of our assessments, we draw your attention to the main audit points that, in our professional opinion, were the most significant for the audit of the annual financial statements for the year, together with our responses to these risks.

The assessments were made in the context of our audit of the annual financial statements taken as a whole, approved under aforementioned conditions, and the formation of our opinion expressed in the first part of this report. We express no opinion on any elements of the annual financial statements taken in isolation.

Evaluation of equity investments, related receivables and current accounts

Risk identified

Notes 5 and 6.2 to the annual financial statements specify that these assets are recognised at their acquisition cost and that an impairment is recorded if the value-in-use falls below their net book value.

At 31 December 2019, the net book value of equity investments, related receivables and current accounts recorded under assets was €204,612 thousand.

Estimation of the value-in-use of these securities, related receivables and current accounts requires the exercise of judgement by the management in determining the future cash flow projections and the main assumptions used.

We deem the measurement of securities, related receivables and current accounts to be a key audit point because of the significant related amount in the annual financial statements and the nature of the items to be taken into consideration by the management for their valuation.

Audit procedures implemented to deal with this risk

Our work consisted of:

- Taking note of and assessing the process followed by management to estimate the value-in-use of the equity investments, related receivables and current accounts;
- Comparing the portion of shareholders' equity held with the accounting data extracted from the audited annual financial statements of the subsidiaries concerned;
- Ensuring the consistency of projected future cash flows;
  - Checking that an appropriate model was used for the calculation of value-in-use;
  - Analysing the consistency of cash flows with the budgets established by local management and approved by management in a context that does not factor in Covid-19;
  - Comparing the projected cash flows for 2020 to 2024 with those used in the previous year's tests;
  - Checking that the value resulting from the cash flow projections was adjusted to take account of the net debt of the entity under consideration;
  - Comparing the actual 2019 data with the 2019 projections used in the previous year's tests;
  - Analysing the methodology followed for the calculation of the discount rate for each country;
- Assessing the appropriateness of the financial information provided in Notes 5 and 6.2 to the corporate financial statements.

SPECIFIC VERIFICATIONS

We also carried out specific verifications required by the laws and regulations, in accordance with the professional standards applicable in France.

Information provided in the management report and the other documents on the financial position and in the annual financial statements sent to the shareholders

We have no observations to make as to the sincerity and consistency with the annual financial statements of the information provided in the management report of the Executive Board approved on 30 March 2020 and in the other documents on the financial position and the annual financial statements sent to the Shareholders. With regard to the events that arose and the information to hand after the year-end closing date concerning the effects of the Covid-19 crisis, the management indicated that it would discuss these subjects at the Shareholders' Meeting convened to approve the financial statements.

We certify that the information on payment delays, as set out in Article D.441-4 of the French Commercial Code, is accurate and consistent with the annual financial statements.

We certify that the declaration of extra-financial performance stipulated by Article L. 225-102-1 of the French Commercial Code appears in the management report, and specify that, in accordance with the provisions of Article L. 823-10 of this code, we have not verified that the information contained in this declaration is accurate or consistent with the annual financial statements and is covered by a report by an independent third-party body.

Report on corporate governance

We certify that the report of the Executive Board on corporate governance contains the information required pursuant to Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

We verified the consistency of the information provided pursuant to Article L.225-37-3 of the French Commercial Code on compensation and benefits paid to corporate officers and any commitments made in their favour, with the financial statements or with the data used to prepare the financial statements, and, where appropriate, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we hereby certify that this information is accurate and fair.

We verified the consistency of the information that your Company deemed likely to have an impact in the event of a public takeover or public exchange offer, provided pursuant to the provisions of Article L. 225-37-5 of the French Commercial Code, with the documents from which they derive and which were communicated to us. Based on this work, we have no observations to make on this information.

INFORMATION ARISING FROM OTHER STATUTORY AND REGULATORY OBLIGATIONS

Appointment of the Statutory Auditors

We have been appointed as Statutory Auditors for SYNERGIE by the Shareholders' Meeting of 21 December 1983 in the case of APLITEC AUDIT & CONSEIL and of 13 June 2019 in the case of SAINT HONORE BK&A. Due to the changes that were made to the capital structure of APLITEC AUDIT & CONSEIL at 31 December 2010, APLITEC AUDIT & CONSEIL was, on 31 December 2019, in the ninth consecutive year of its assignment and SAINT HONORE BK&A in the first year, it being the ninth and first year respectively since the Company's shares were admitted for trading on a regulated market.

Responsibilities of management and individuals involved in corporate governance with regard to the annual financial statements

Management is responsible for drawing up annual financial statements providing a true and fair view in accordance with French accounting standards and principles and also for implementing the internal controls it deems necessary to establish annual financial statements that are free of material misstatement, whether arising from fraud or error.

When drawing up the annual financial statements, management is responsible for assessing the Company's capacity to operate as a going concern, for presenting in these financial statements, where applicable, the necessary information on operation as a going concern and for applying the going concern accounting policy, unless there are plans for the Company to be liquidated or cease activity.

The Audit Committee is responsible for monitoring the process for preparing the financial information and the efficiency of the internal control and risk management systems, and, where applicable, the internal audit system, with respect to the procedures relating to the preparation and treatment of the accounting and financial information.

The annual financial statements were approved by the Executive Board.

Responsibilities of the Statutory Auditors concerning the audit of the annual financial statements

Audit purpose and process

Our role is to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole do not contain any material misstatements. While reasonable assurance corresponds to a high level of assurance, it does not guarantee that an audit performed in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or errors and are considered material when it can be reasonably expected that, when taken individually or combined, they may influence the economic decisions that the users of the accounts may take based on these misstatements.

As stipulated in Article L.823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not include guaranteeing the viability or quality of your Company's management.

In the case of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises his professional judgement throughout the audit. Moreover, the auditor:

- Identifies and assesses the risks of the annual financial statements containing material misstatements, whether as a result of fraud or error, defines and implements audit procedures faced with these risks, and gathers the information deemed necessary and appropriate in order to form an opinion. The risk of failing to detect a material misstatement arising from fraud is greater than that of failing to detect a material misstatement resulting from error because the fraud may involve collusion, falsification, deliberate omissions, false statements or circumvention of internal controls;
- Takes note of the internal controls that are relevant for the audit in order to define audit procedures that are appropriate to the circumstances, and not with the aim of expressing an opinion on the effectiveness of the internal controls;
- Assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information on these items provided in the annual financial statements;
- Assesses the appropriateness of the application by management of the going concern principle and, based on the information gathered, whether or not there is significant uncertainty surrounding events or circumstances that are likely to undermine the Company's capacity to continue to operate. This assessment draws on the information gathered up to the date of his report, bearing in mind nevertheless that subsequent circumstances or events could undermine the Company's continued operation. If the Statutory Auditor concludes that significant uncertainty exists, he will draw the attention of the readers of his report to the information provided on this uncertainty in the annual financial statements or, if this information is not provided or is not relevant, he will issue a qualified certificate or refuse to certify;
- Considers the overall presentation of the annual financial statements and assesses if these annual financial statements reflect the underlying transactions and events in such a manner as to give a true and fair view thereof.

Report to the Audit Committee

We submit a report to the Audit Committee that notably presents the scope of the audit work, the schedule of tasks carried out and the resulting conclusions. Where applicable, we also bring to its attention any significant internal control weaknesses that we have identified concerning the procedures relating to the preparation and treatment of the accounting and financial information.

In our report to the Audit Committee, we also communicate what we deem to be the greatest risks of material misstatement impacting the audit of the annual financial statements for the year and, as such, those that constitute the key audit points. These points are described in this report.

We also provide the Audit Committee with the declaration stipulated by Article 6 of EU Regulation no. 537-2014 confirming our independence, within the meaning of the rules applicable in France, as set out notably by Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of ethics of the statutory audit profession. Where applicable, we discuss with the Audit Committee any risks to our independence and any safety measures applied.

Signed in Paris on 30 April 2020
The Statutory Auditors
Registered members of the Compagnie Régionale de Paris

SAINT HONORE BK&A	**APLITEC AUDIT & CONSEIL**	
Frédéric BURBAND	Marie-Françoise BARITAUX-IDIR	Laurent GUEZ

DECLARATION FROM THE PERSON IN CHARGE OF THE ANNUAL FINANCIAL STATEMENT

Paris, 30 April 2020

I certify that, to my knowledge, the annual financial statements were prepared in compliance with the applicable accounting standards and provide a fair view of the assets, financial position and results of the Company and of all companies included in the consolidation. The management report therefore includes a fair picture of business developments, results and financial position of the Company and of all companies included in the consolidation, as well as a description of the principal risks and uncertainties they face.

Daniel AUGEREAU
Chairman of the Executive Board