



# **2017 ANNUAL FINANCIAL REPORT**

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au capital de 121.810.000€  
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# MANAGEMENT REPORT

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# 1 SYNERGIE GROUP ACTIVITY AND SIGNIFICANT EVENTS IN 2017

## SYNERGIE: A benchmark European player in human resources management

The SYNERGIE Group is a benchmark player in human resources management and the fifth-largest company in this segment in Europe. International activity now accounts for more than 50% of its consolidated turnover.

A leader in France and operating in 16 countries (Europe, Canada and Australia) through a network of 665 agencies, the Group is increasingly active in specialised tertiary sectors, cutting-edge industries such as aeronautics and renewable energy, construction and public works, market research, retail, services and new information and communications technologies, drawing on its comprehensive knowledge of the needs of every user.

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, whom it serves as a genuine, trusted partner. Its 3,100 permanent employees work day-to-day to place more than 70,000 full-time equivalent (FTE) staff in France and abroad.

## Key figures (consolidated data)

In € million	2017	2016	change
<b>Turnover</b>	<b>2,323.3</b>	<b>1,991.8</b>	<b>16.6%</b>
Current operating profit <sup>(1)</sup>	127.5	100.2	27.3%
<b>Operating profit</b>	<b>116.2</b>	<b>96.0</b>	<b>21.0%</b>
Financial result	(1.1)	(2.8)	
Profit before tax	115.2	93.2	23.6%
<b>Net profit of consolidated companies</b>	<b>81.5</b>	<b>65.0</b>	<b>25.4%</b>
of which Group share	79.9	64.1	24.6%

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

## Changes in European legislation

The legislative environment continues to favour temporary employment agencies (TEAs), due to changes in legislation since the mid-2000s, meaning that we can be reasonably confident about the outlook for the sector in the medium and long term, as similar underlying trends are taking shape in Europe, leading TEAs to expand their services to all business sectors.

In particular, the European Directive on Temporary Agency Work was definitively adopted in October 2008 by the European Parliament and written into the Lisbon Treaty, with a deadline for transposition into national law by the Member States of 5 December 2011.

This directive is designed to safeguard temporary workers through compliance with the principle of equal treatment, to provide a minimum effective level of protection for temporary

workers, and to promote temporary employment more effectively in some States. Restrictions and prohibitions on the use of temporary workers are now very limited (see Article 4 of the Directive) and the principle of equal treatment is applied from day one of the assignment period (Article 5).

Although the directive has not yet been evenly implemented across the 28 countries of the European Union, several countries have benefited from its transposition and boosted growth in temporary employment.

Prohibitions on maximum assignment periods have been lifted, as have prohibitions on certain sectors and the over-limitation of the use of temporary employment, amongst other things.

The public sector in France was opened up to temporary employment under the law of 3 August 2009.

The law of 17 July 2015 modified Article L.1251-35 of the Labour Code to allow the option of renewing contracts twice instead of once.

Recommendations by the EU institutions, designed to loosen up the employment market whilst maintaining a fair balance between flexibility and security, have paved the way for a new outlook for growth in the temporary employment market within the Union.

## 1.1 Temporary employment activity of SYNERGIE and its French subsidiaries in France

### 1.1.1 Human resources management in France in 2017

Total turnover generated by temporary employment agencies (TEAs) in France increased by 10.9% compared with 2016, with an average of 650,000 FTE temporary workers (source: DARES). After adjustment for working days, the biggest increase was recorded in the fourth quarter.

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

However, temporary employment maintained its presence in all economic sectors, with agencies becoming "employment agencies" involved in all areas relating to flexible human resources management and thus embodying the gradual transferral of the mission of Pôle Emploi (the French government employment agency) towards the temporary sector.

#### **Legislative changes**

The importance of two legal provisions, effective from 2013, should also be emphasised.

Firstly, the implementation of the Tax Credit for Competitiveness and Employment (Crédit d'Impôt pour la Compétitivité et l'Emploi, or CICE):

This credit, which was designed to increase business competitiveness, amounted in 2017 to 7% of gross compensation not exceeding 2.5 times the French growth-linked guaranteed minimum wage (SMIC) (originally 4% in 2013 and 6% between 2014 and 2016). A rate of 6% applies to 2018.

The CICE applies to corporate income tax for the year in question and the three following years.

It must be used in line with competitiveness and employment objectives: investment, research and innovation, training, recruitment, prospecting new markets, environmental and energy transition and replenishment of working capital.

Secondly, the law of 14 June 2013, known as the Employment Security Act, which resulted in the creation of 20,000 open-ended contracts within three years ("open-ended contracts for temporary workers"), has increased the appeal of temporary employment among managers and highly qualified technicians; open-ended contracts for temporary workers were effectively implemented only from 2015.

The minimum duration of part-time contracts was fixed at 24 hours a week as of 1 July 2014 (temporary work contracts were also excluded from this provision).

### 1.1.2 SYNERGIE in France

The Group maintained a high level of activity in France, generating annual turnover of €1,150.3 million, up 11.4% on 2016.

Strategic investments made over a period of several years continued to produce benefits,

- including accelerated expansion in the aeronautics market, which is growing rapidly and requires large numbers of highly qualified, specialised personnel.

Aeronautics has a long-term outlook that is prompting aircraft manufacturers and their partners to boost their workforces substantially. SYNERGIE has consequently strengthened its expertise, relaunching its regional jobs fairs and capturing hundreds of candidates.

- A stronger shipbuilding activity, galvanised by orders for builders and their sub-contractors in the Saint Nazaire region, one of the group's traditional strongholds.
- Development of Open Centers.

This innovative employment concept, mainly focused on tertiary-sector businesses, has led to:

- the optimisation of skills sourcing due to the sharing of sector expertise, enabling the potential of each candidate to be better exploited.
  - a broad-based response to all the needs of individual companies or public institutions, which can use it to conduct full recruitment sessions.
  - the extension of this model, which was first implemented in Paris in late 2008, to other major cities in France and abroad.
  - continued diversification of placement and training activities and training in professional gender equality.
- Services to the public sector were stepped up.

Positive responses to consultations on public procurement, for which a specialist unit was created, increased rapidly, generating turnover of more than €27 million in 2017.

#### **A client base of SMEs/SMIs and key accounts**

SYNERGIE has developed a highly proactive strategy to win new clients, particularly in its core market of SMEs and SMIs, which still represent nearly 60% of the Group's turnover, and has multiplied partnerships with European "key account" clients.

## Significant events:

### **SYNERGIE's digital transformation continues**

Since 2015, the digital transformation has been a strategic priority for SYNERGIE which is ramping up projects in this area in order to create value in respect of its temporary employees and candidates, its clients and also the general public.

For clients seeking to improve their productivity while at the same time reducing their costs, SYNERGIE created a proprietary web services platform on which clients can use a personalised portal to enter their personnel requirements, manage their placement contracts and the working hours of placed personnel, preview their invoices, and access a certain number of reports.

For the financial community, SYNERGIE created **synergie.com** in 2016 which presents key indicators for the Group.

In the same year, SYNERGIE developed its presence on social networks by creating "Entreprises" pages on the main platforms and providing guidance to its employees on ways to promote the group.

For applicants, 86% of whom use their smartphone to look for jobs, SYNERGIE invested in a revamp of **synergie.fr** in particular to set up the "Responsive" website. This new website which was launched in 2017 offers optimised features for job searches, with a powerful search engine, online job application in just a few clicks, the option to receive automatic alerts on offers that correspond to the candidate's search details, and the geolocation of job offers proposed by SYNERGIE. It is also aimed at private and public companies, providing details of SYNERGIE's Le Cube offering and the possibility of issuing requests online. SYNERGIE's corporate culture and business lines are set out in the website's Group page.

Also in 2017, SYNERGIE pursued improvements in the management of job applicants and clients via a new tool that, on the one hand, rapidly matches the skills of registered candidates with companies' requirements and, on the other, carries out searches for external candidates. Technical developments were carried out over a period of six months, after which a change management process was implemented to help employees appropriate this new tool and to remove any obstacles to change. A seminar was held with the management and 16 trainers oversaw training for all SYNERGIE employees throughout France over four weeks, after which the tool was successfully rolled out.

### **Comprehensive service provision**

The new services offering which was launched in 2015 and upgraded to include open-ended contracts for temporary personnel was designed to provide an innovative response to the dematerialisation requirements of some clients; work on diversity continued, and services proposals were made to support young people, seniors and people with disabilities, amongst others.

Similarly, the HR consultancy services range was expanded, mainly in the area of skills management, training and job interviews, after the latest training reform.

This global offering, enhanced by the recruitment of around fifty consultants, has yielded results, with beneficial effects on the group's activity and profitability.

## 1.2 The Group's international activity: now present in 16 countries

SYNERGIE registered a positive performance across all of the Group's markets, enabling it to generate record turnover of €1,172 million in international markets, surpassing the one-million-euro threshold for the first time.

This latter activity accounts for more than 50% of the Group's total operations in 2017, and represents a real driver of growth and profits.

In 2017, most of the Group's subsidiaries based outside of France outperformed their respective markets.

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 detachment 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 (northern Europe, as well as Australia, Africa and Asia).

### 1.2.1 In Southern Europe

Activity in southern Europe increased as follows:

- sharp growth throughout the region;
- particularly high growth in Italy throughout the year.

In this context, activity grew again, by more than 30%, even though the penetration rate for temporary work remained below 2% of the working population in the three countries that make up "southern Europe", suggesting strong prospects for growth in the short term.

In € million	2017	2016
<b>Turnover</b>	<b>569.5</b>	<b>433.9</b>
Current operating profit	21.5	13.1
Financial result	(0.1)	(0.4)
<b>Net profit of consolidated companies</b>	<b>15.2</b>	<b>8.7</b>

### Italy

Turnover, which was generated from a mixed client base of key accounts and SMIs/SMEs based on the French model, increased by 41.9% during the year, to €352.4 million. It benefited from legislative changes initiated by the Italian government from 2015, which were completed with new provisions in 2016 that will also have a positive effect, with open-ended temporary contracts becoming more widespread.

This trend, also boosted by a steady increase in new agencies and thus the creation of a national network, helped to generate an increase in operating profitability to 4.8% of turnover (versus 3.6% in 2016).



## Spain

This subsidiary recorded double-digit growth in turnover for the fourth year, reaching €181.7 million, and a sharp increase in operating profitability in absolute value to €4.0 million.

## Portugal

Like Spain, Portugal saw continued growth despite a high comparison base. Operating profitability came out at €0.5 million (compared with €0.4 million in 2016).

### 1.2.2 In Northern and Eastern Europe

The Group saw growth of +12.5% in northern and eastern Europe in 2017, underpinned by contrasting trends.

In € million	2017	2016
<b>Turnover</b>	<b>542.4</b>	<b>482.2</b>
Current operating profit	26.7	22.1
Financial result	(0.3)	(0.4)
<b>Net profit of consolidated companies</b>	<b>15.2</b>	<b>12.4</b>

<sup>(\*)</sup> excluding goodwill impairment

## Benelux

Turnover in the Benelux countries reached a new record of €319.4 million (+12.6%) with strong growth in all three countries: +11.7% in Belgium, +18.2% in the Netherlands and +13.2% in Luxembourg, confirming the growing strength of this region with each passing year.

In Belgium, the recruitment of consultants to develop high value added activities showed results.

Current operating profit also increased sharply to €18.8 million.

In the Netherlands, all our activities benefited, with the Dutch subsidiaries seeing a sharp increase in operating profit, and a very positive environment for the transport and logistics segments and for the secondment of personnel from Eastern Europe.

## United Kingdom

Turnover increased on a like-for-like basis in a highly competitive market, reaching €113.5 million, giving rise to current operating profit of €1.4 million compared with €1.1 million in 2016.

The anticipated developments in personnel assignment in the rail sector did not materialise in 2017, leading to a restructuring of the subsidiary concerned.

The enhancement of the sales team in 2017 for the entire UK group should start producing results in 2018.

## Germany

SYNERGIE PERSONAL DEUTSCHLAND generated turnover of €62.4 million, up slightly in relation to 2016, with current operating profit of €2.5 million.

In 2017, the company absorbed its subsidiary CAVALLO, which it acquired in February 2016.

SYNERGIE is primarily present in southern Germany but aims to broaden its coverage of the entire country through successive acquisitions in the northern part of the country, particularly in Hamburg, the cradle of the aerospace industry, and through organic growth in certain central regions, starting in 2018.

## Austria

SYNERGIE acquired 80% of Austrian company VÖLKER.

Created in 2006, VÖLKER operates a network of 15 agencies located in Austria's most dynamic economic regions and has become a major player in the industrial services and high value added service segments.

With Austria boasting one of the highest GDP rates in Europe, VÖLKER generated turnover of around €73 million for 2017 (+27% compare to 2016).

## Switzerland

SYNERGIE generated turnover in Switzerland of €27 million, up sharply in relation to 2016 and giving rise to an operating profit.

This ramp-up was achieved by diversifying its client base and acquiring large accounts, which helped to limit the contribution by the building and public works/structural works segment, historically the biggest contributor.

## Eastern Europe

The Czech and Slovakian subsidiaries generated total turnover of €6.3 million in 2017, higher than that of 2016, with consolidated operating profit for the region turning positive.

The share of temporary employment, which again showed substantial growth, benefits from a strong outlook.

### 1.2.3 International activity excluding Europe

## Canada

Against a tense economic backdrop, notably in Quebec where the bulk of the subsidiary's activity is generated, turnover came out at €32.9 million (+4.7%), with a sharp improvement in profitability in relation to 2016.

The correlated ramp-up of large accounts covered by SYNERGIE HUNT INTERNATIONAL thanks to its nationwide presence, and the development of niche markets and targeted activities suggest there will be an improvement in profitability in 2018.

## 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 strong growth in 2017 with turnover reaching €27.8 million compared with €11.1 million in 2016, thanks to the contribution from large accounts. This gave rise to a sharp increase in profit.

## 2 CONSOLIDATED FINANCIAL STATEMENTS AND CORPORATE FINANCIAL STATEMENTS

The consolidated and corporate financial statements at 31 December 2017 were approved by the Board of Directors on 4 April 2018.

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

#### 2.1.1 2017 scope

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

The Austrian holding company VÖLKER BETEILIGUNG GmbH, which owns 80% of the operating company VÖLKER GmbH, was acquired in full and included in the consolidation scope from 1 November 2017.

#### 2.1.2 Financial position

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

##### Under assets

- goodwill remained moderate (€78.0 million) with the change concerning 2016 essentially related to the acquisition of the Austrian company and the goodwill impairment on the UK activities;
- intangible assets decreased slightly (amortisation of acquired client bases);
- property, plant and equipment underpinning the Group activity amounted to €51.3 million, with two acquisitions of property assets carried out in 2017;
- non-current financial assets rose by €18 million, reflecting the impact of the CICE in 2017 which is reimbursable in 2021, after deduction of the CICE for 2014 which is reimbursable in the short term;
- an increase in the "clients" item linked to the sharp increase in activity over the last two months of the year;
- other receivables rose by €42 million (of which the CICE for 2014 of €30.8 million which matures in 2018);
- a very high cash position of €78.3 million (compared with €59.5 million in 2016).

## Under liabilities

- shareholders' equity increased to €435.7 million (of which the Group share was €425.8 million);
- non-current liabilities relating to borrowings for investments increased (external growth and property);
- current liabilities increased in relation to activity.

## 2.1.3 Income statement

Current operating profit before amortisation and impairment of intangible assets (Ebita) is used as a performance indicator.

## Consolidated highlights by region

In € million	Turnover		Current operating profit <sup>(1)</sup>	
	2017	2016	2017	2016
<b>France</b>	<b>1,150.6</b>	<b>1,033.1</b>	<b>78.2</b>	<b>64.7</b>
Italy	352.4	248.4	17.0	8.9
Spain	181.7	155.8	4.0	3.7
Portugal	35.4	29.7	0.5	0.4
<b>Southern Europe</b>	<b>569.5</b>	<b>433.9</b>	<b>21.5</b>	<b>13.1</b>
Belgium, Luxembourg	275.8	246.8	19.4	16.4
The Netherlands	43.6	36.9	3.1	1.8
Germany	62.4	59.0	2.5	3.2
Austria	13.7	-	0.1	-
United Kingdom	113.5	115.5	1.4	1.1
Switzerland	27.1	20.0	0.1	(0.4)
Eastern Europe	6.3	4.1	0.0	(0.1)
<b>Northern and Eastern Europe</b>	<b>542.4</b>	<b>482.2</b>	<b>26.7</b>	<b>22.1</b>
<b>Canada / Australia</b>	<b>60.7</b>	<b>42.6</b>	<b>1.2</b>	<b>0.4</b>
<b>Total International</b>	<b>1,172.7</b>	<b>958.6</b>	<b>49.3</b>	<b>35.5</b>
<b>TOTAL</b>	<b>2,323.3</b>	<b>1,991.8</b>	<b>127.5</b>	<b>100.2</b>

## Turnover

SYNERGIE registered a positive performance in all of its markets, enabling it to generate record turnover of €2.3 billion, with a network that now stands at 665 establishments, split as follows:

France	309
Northern and Eastern Europe	190
Southern Europe	141
Canada/Australia	25

Placement and other human resources activities (e.g. training, outsourcing, etc.) contributed 1.4% of total turnover, with a higher margin potential than our traditional activities.

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

In € million	2017 (H1)	2017 (H2)	2017	2016
<b>Turnover</b>	<b>1,098.7</b>	<b>1,224.6</b>	<b>2,323.3</b>	<b>1,991.8</b>
Current operating profit	59.2	68.3	127.5	100.2
<b>As % of revenue</b>	<b>5.4%</b>	<b>5.6%</b>	<b>5.5%</b>	<b>5.0%</b>

<b>Ebita</b>	<b>2017 % of revenue</b>	<b>2016 % of revenue</b>
France	6.8%	6.2%
Southern Europe	3.8%	3.0%
Northern and Eastern Europe	4.9%	4.6%
Canada / Australia	2.0%	0.8%
<b>Consolidated SYNERGIE</b>	<b>5.5%</b>	<b>5.0%</b>

SYNERGIE posted consolidated current operating profit of €127.5 million, up 27.3% (+21.1% in France and 39% outside France) with a strong improvement in the margin on turnover from 5% in 2016 to 5.5% in 2017.

Investments carried out within France over the past two years (recruitment of consultants, digitisation and development of IT tools) and the increase in the CICE competitiveness and employment tax rate contributed to this increase. Particular emphasis was placed on the development of training for temporary employees over the course of the year, as a key attribute in meeting client needs.

Internationally, the strong growth achieved in southern Europe and the Benelux countries contributed to the improvement in the Group's profitability, with most countries posting a higher gross margin than that of France.

The consolidation of the Austrian subsidiary VÖLKER over the last two months of the year had little impact on the various income components.

Impairment for bad debt rose to 0.2% of turnover.

Depreciation and amortisation (€7.6 million) increased by 13% in relation to 2016 due to significant investment by the Group over the last few years in IT in order to improve the efficiency of its processes and speed up the Group's digitisation.

## Operating profit

The following items explain the transition from current operating profit to operating profit in 2017:

- amortisation of intangible assets relating to acquisitions came to €2.6 million, stable in relation to 2016;
- goodwill impairment related to the UK subsidiary in the amount of €8.6 million following an impairment test;
- non-recurring items for a non-material amount (€0.1 million).

## Financial result

The cost of financial debt was €0.6 million, similar to 2016.

The impact of Brexit on the euro pound sterling exchange rate led to a translation loss of €2.3 million in 2016. In 2017, there was a translation loss of just €0.5 million.

## Profit before tax

All of this gave rise to a sharp increase in earnings before tax to €115.2 million (versus €93.2 million in 2016).

## Net profit

Due to the CVAE (company value added contribution), i.e. €15.3 million related to the French subsidiaries, on the one hand and corporate income tax and deferred tax on the other, the consolidated net earnings reached a record €81.5 million (Group share of €79.9 million), confirming the relevance of the strategic choices made in France and in the other countries in which the Group operates.

## 2.2 Corporate financial statements of SYNERGIE

### 2.2.1 Financial position

The statement of financial position at 31 December 2017 shows:

#### Under assets

- fixed assets of €107.8 million, a slight increase;
- an increase in current assets, with trade receivables remaining stable, and incorporating the CICE for 2014 (€30.8m) which was previously recorded under long-term assets but is now recoverable in the short term;
- a substantially surplus cash position (€31.7 million), which increased in relation to 2016 (€29.1 million).

#### Under liabilities

- a high level of shareholders' equity at €353.4 million after dividend payments (€14.6 million);
- an increase in the provision for risks, including currency risk (€4.7 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 long-term operating payables relating to activity in the final months of the year.

In accordance with the law, we would like to point out that supplier credit (excluding training and invoices not yet received) was 43 days on average in 2017 (compared with 39 in 2016), with past due dates breaking down as follows at the year-end:

- for suppliers

Article D. 441 I.-1e: Invoices <u>received</u> and in arrears on the reporting date						
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
<b>(A) Payments in arrears</b>						
Number of invoices concerned		543	51	11	32	637
Total amount of invoices concerned in euros including tax	716.081	944.385	179.644	2.864	34.342	1.161.235
Percentage of total purchases over the period including tax	1.20%	1.59%	0.30%	0.00%	0.06%	1.95%
Percentage of turnover over the period excluding tax						
<b>(B) Invoices excluded from (A) related to debts and receivables in litigation or not recognised in the accounts</b>						
Number of invoices excluded					127	127
Total amount of invoices excluded					89.196	89.196
<b>(C) Reference payment times used (contractual or legal payment times - Article L. 441-6 or Article L. 443-1 of the French Commercial Code)</b>						
Payment times used to calculate late payments	<input checked="" type="checkbox"/> Contractual payment times <input type="checkbox"/> Legal payment times					

- for clients

Article D. 441 I.-1e: Invoices <u>issued</u> and in arrears on the reporting date						
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
<b>(A) Payments in arrears</b>						
Number of invoices concerned	58.125					12.841
Total amount of invoices concerned in euros including tax	190.727.116	25.959.716	7.344.962	1.723.354	1.460.780	36.488.812
Percentage of total purchases over the period including tax						
Percentage of turnover over the period excluding tax	15.37%	1.85%	0.52%	0.12%	0.1%	2.6%
<b>(B) Invoices excluded from (A) related to debts and receivables in litigation or not recognised in the accounts</b>						
Number of invoices excluded						
Total amount of invoices excluded						
<b>(C) Reference payment times used (contractual or legal payment times - Article L. 441-6 or Article L. 443-1 of the French Commercial Code)</b>						
Payment times used to calculate late payments	<input checked="" type="checkbox"/> Contractual payment times <input type="checkbox"/> Legal payment times					

## 2.2.2 Income statement

In € million	2017	2016
<b>Turnover</b>	<b>1,134.4</b>	<b>1,013.8</b>
Operating result	61.9	49.7
Financial result	12.5	5.2
<b>Net profit</b>	<b>71.4</b>	<b>51.8</b>

SYNERGIE SA recorded net profit of €71.4 million for turnover of €1,134 million, representing an increase of 11.9% and outperforming the market. SYNERGIE SE's contribution to the Group's activity, representing 49.5% of business volumes handled, remains very high, although the balance is shifting year on year towards the foreign subsidiaries.

The following should be noted:

- the significant impact of the CICE competitiveness and employment tax credit on operating profit and the impact retention rate, which remained the same in 2017;
- the impact of the key accounts/SMEs and SMLs mix;
- a financial profit of €12.5 million, including dividends in the same amount;
- an insignificant exceptional profit of €0.4 million.

Dividend payouts by some subsidiaries to SYNERGIE SE of €12.5 million in 2017, compared with €7.5 million in 2016, had no effect on the consolidated financial statements.

## 2.2.3 Appropriation of earnings

**In view of the results set out below and given that SYNERGIE's financial structure has been further strengthened, the projected appropriation of earnings is as follows:**

Net profit for the year	€71,362,354.13
Retained earnings from previous years	€131,627,569.49
Available profit	€202,989,923.62
<b>Distributable profit</b>	<b>€202,989,923.62</b>
Reserve for treasury shares	(€169,622.71)
Dividends	€19,489,600.00
<b>Retained earnings</b>	<b>€183,330,700.91</b>

A dividend of €0.80 will be distributed for each of the 24,362,000 shares that make up the share capital. This dividend will be paid out on 22 June 2018.

Treasury shares held by the Company on the date of payment of the dividend do not confer entitlement to the dividend payment. The amounts corresponding to the unpaid dividends attached to these shares will be allocated to the "retained earnings" account.

It is worth noting in this regard that:

- Since 1 January 2018, taxation applicable to income from investments and in particular dividends is payable by the shareholder according to their personal situation (specified in their tax return):



- either at the single withholding tax rate (PFU), which corresponds to a flat-rate of 12.8%, in addition to social security deductions of 17.2%, in which case the dividends are taxed without taking the 40% allowance into account;
  - or based on the progressive income tax scale, in which case the dividends are taxed according to the relevant scale but with a 40% reduction in the tax base and, where relevant, a non-definitive compulsory levy of 12.8%.
- dividends and similar payments continue to be subject, on payment, to social security deductions at a rate of 17.2% and a non-definitive flat-rate deduction at a rate aligned to that of the single withholding tax rate (PFU) of 12.8% (instead of 21% previously for dividends).

Tax payers whose reference taxable income in the second-last year is lower than certain amounts - set at €50,000 (single, divorced, or widowed) and €75,000 (tax payers subject to joint taxation) for the non-definitive flat-rate deduction on dividends, 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
2014	€9,744,800	€0.40
2015	€14,617,200	€0.60
2016	€14,617,200	€0.60

## 2.3 Financing

### 2.3.1 Financing of SYNERGIE

At 31 December 2017, SYNERGIE SE had a positive net cash position of €88.4 million (adjusted for current accounts vis-à-vis the Group's subsidiaries) compared with €83.3 million at the end of 2016.

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.

### 2.3.2 Financing of the Group

In € million	2017	2016
<b>Consolidated shareholder's equity</b>	<b>435.7</b>	<b>370.4</b>
Net cash position	50.0	33.3
Financial debt	(38.1)	(16.2)
<b>Cash position net of any debt</b>	<b>11.9</b>	<b>17.1</b>
<b>Cash position including CICE</b>	<b>153.6</b>	<b>111.8</b>
Self-financing capacity	50.7	38.8
Change in working capital requirement	(11.2)	(43.5)
"Industrial" investments excluding changes in scope	21.3	6.0
Cost of net debt/revenue	0.02%	0.03%

The working capital requirement relating to activity increased by €11.2 million due to sharp growth in activity over the last two months of the year, although this increase was contained by an improvement in client loans.

Available cash covered current investments and dividend payouts (€14.6 million).

The Group took out loans to acquire VÖLKER and two significant property assets.

As shown in the consolidated statement of cash flows, the combined effects of these factors resulted in a very strong net cash position of €50 million.

The cash position net of any debt plus payable CICE stood at €153.6 million.

Shareholders' equity stood at €435.7 million, demonstrating the soundness of the SYNERGIE Group and ensuring its financial independence and European status. In the absence of debt, it also allows for the planning of new acquisitions, both in France and outside of France, without risk.

## 3 EVENTS AFTER THE REPORTING PERIOD AND OUTLOOK

### 3.1 Significant events after the reporting period

No significant events likely to affect the financial statements took place after the end of the 2017 reporting period.

### 3.2 Outlook in France and abroad

#### **Legislative environment**

The change of government in France in May 2017 suggests there will be a certain number of changes in the labour law that may have an impact on the activity and performance of temporary employment companies.

The laws that came into force in 2017 and early 2018 did not have a significant impact, although the CICE rate changes to 6% in 2018 (the same rate as in 2014-2016); other changes are planned but we will have to wait until the final texts are available before we can assess their impact on our activities, notably the ratification of the 2019 Finance Law.

#### **Macroeconomic context**

Converging monetary policies, low interest rates and the fall in energy prices are all positive factors that should put the global economy back on a more secure footing in terms of growth.

With GDP in the eurozone growing at around 2.1% in 2018, according to OECD forecasts, the economic recovery should continue in Europe.

Once again, this bodes well for the development of a flexible workforce and offerings in human resources management: double-digit growth and a marked improvement are expected in 2018 in the majority of the European subsidiaries.

### **The SYNERGIE Group**

SYNERGIE once again confirmed its strength across all its markets during the first few months of the year, with consolidated growth at end-February surpassing 15%, underpinning its turnover target for the current year of €2.6 billion.

Against this backdrop, the Group continued to roll out activity outside of France, while at the same time actively pursuing its targets in northern Europe mainly, both in countries where it already operates (Germany, Netherlands, Belgium, etc.) and in new countries (Nordic countries and Eastern Europe to optimise sourcing).

It also plans to acquire a 66% stake in a French IT services company specialised in digital services (facilities management, service centre, advisory, technical assistance).

Its aim in this regard is to position itself in the IT market with a view to filling out, like its rivals, its traditional temporary employment and recruitment activities by diversifying in the areas of control, facilities management and technical assistance, and thus the assignment of highly specialised engineers.

## **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**

All the loans being repaid as at 31 December 2017 were taken out at fixed rates of interest. In view of the significant fall in rates in 2016, the interest rates on the largest loans were renegotiated in early 2017.

The average interest rate on the Group's loans fell to 1.88% in 2017.

##### **Currency risk**

Activity outside the eurozone accounted for 8.9% of consolidated turnover as at 31 December 2017 (compared with 9.1% as at 31 December 2016).

Our expansion in the UK through successive acquisitions since December 2005, partly financed by current account contributions, and changes in the UK currency, have made the Group more sensitive to exchange rate fluctuations.

The impact of Brexit on the euro/pound sterling exchange rate gave rise to a material financial expense in 2016, reflecting the impact of a change in provision in line with the exchange rate at the year-end.

A forex hedging position was established during the second half of 2017 to limit foreign exchange risk.

### Currency prices against the euro

1 euro = Price	reporting period		12 months average	
	2017	2016	2017	2016
Pound sterling	0.8872	0.8562	0.8757	0.8227
Canadian dollar	1.5039	1.4188	1.4725	1.4589
Swiss franc	1.1702	1.0739	1.1163	1.0909
Czech crown	25.5350	27.0210	26.2891	27.0423
Australian dollar	1.5346	1.4596	1.4795	1.4852

### Liquidity and credit risks

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

The option of making use of CICE financing by transferring debt to a financial institution strengthens the Group's financial situation in respect of these risks.

### Equity and investment risks

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

The investments made are in very short-term money market SICAVs (open-end investment companies), most bought and sold within the same month, for which there is no risk, as well as forward accounts of up to three months. Only term accounts remained at 31 December 2017.

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

## 4.2 Management of non-financial risks

The reputation of SYNERGIE and its subsidiaries, their positioning as generalist players and the business volumes they handle mean they can respond to calls for tenders from national and international clients (key accounts) to continue their development and steadily increase their market share.

The Group has market share of around 5% in France and between 1% and 3% in the many European countries in which it has a strong presence (Belgium, Italy, Spain and Portugal).

For practical purposes, we emphasise that the Group has not been subject to sanction by the Competition Council for anti-competitive practices.

## **Client risk**

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

This means that work on optimising receivables management takes place daily. On this point, we have been raising awareness among our employees for several years about the notion of "client risk" and managing 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 victory of the UK referendum to leave the European Union ("Brexit") on 23 June 2016 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 4.9% of SYNERGIE Group's consolidated turnover in 2017 (5.8% in 2016).

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).

## **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.

Our image policy has thus caused us regularly to file new brands and slogans to adjust our identity to economic developments and our internationalisation.

In addition, the Group is required to conduct an active 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.

Sponsorship of various sports is a media channel that has enhanced awareness of the brand.

Lastly, it should be specified that most of the European temporary employment subsidiaries are developing the SYNERGIE brand.

## **Legal and tax-related 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 resolutions of disputes downstream.

The Group's external consultants and lawyers are selected according to qualitative criteria and the optimum cost/time ratio. The implementation of these criteria is regularly reviewed.

### **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 we operate - to specific legislation. The main features of this legislation, which is similar in the various States, enable our 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.

The opening of temporary employment agencies and other HR service companies in the key areas concerned (France, Italy and Belgium) has strengthened this position.

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 SMIC in France) or social security contributions (various reductions and the CICE in particular, changes in contribution rates, etc.) could affect the Company's financial statements.

Therefore, the effects of the implementation of the European Directive on Temporary Agency Work in each country are carefully monitored, as legislation is harmonised progressively.

We are not aware of any other legislative changes in our key areas of operation in Europe that could have a significant impact on the Group's financial statements.

### **Information technology risk**

In a context in which IT and new technologies represent a major support for business development, the Group constantly adapts its software and architectures to accommodate requests from governments and clients.

Moreover, significant changes in the administrative computer system have prompted the Group to pay particular attention to the centralisation and preservation of the information collected; accordingly, there is an ongoing focus on assessing IT risks that could affect information and accounting data, and the associated procedures are continually updated.

To ensure the permanence and physical safety of its management tools, particularly its programmes and computer data, the Company has completed a rescue and information recovery plan for SYNERGIE SE's administrative headquarters.

The foreign subsidiaries have data backup procedures and operating systems in place to ensure the longevity of their computer systems.

## Technological risk

The Group's activity is not exposed to any technological risk pursuant to Article L.225-102-2 of the French Commercial Code.

## Environmental risk

Given its services activity, the Group is not exposed to major environmental risk; in particular, there are no financial risks linked to the impacts of climate change.

However, as part of the provisions of Article R.225-105 *et seq.* of the French Commercial Code, the Group presents to the Shareholders' Meeting a Report on Social and Environmental Responsibility, including, in particular, its complete environmental policy, in accordance with the provisions of Article L.225-102-1 of the French Commercial Code.

## 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 subscribed through first-rate international insurance companies that benefit in turn from reinsurance coverage.

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.

# 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 present 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

All of the Group's employees are made aware of internal control by Executive Management. Each agency and each support service has its own specific written procedures in place. These procedures have been centralised and a manual listing all procedures has been created and is regularly updated. Management is responsible for ensuring that these procedures are properly implemented.

It should also be emphasised that special attention is paid to internal procedures during induction and quality policy training.

The Board of Directors 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 a working group to ensure that procedures to prevent the effects of risks intrinsic to the activity and functioning of SYNERGIE are implemented and operational.

Due to the challenges of organising information systems, an IT Committee has been created and meets regularly.

Lastly, the Chairman has developed a corporate culture based on the values of honesty, competence, responsiveness, quality and respect for clients.

### 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**

The SYNERGIE Group's reporting system 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 and then by profit centre.

##### **b) Recognition of revenue**

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 rules of separation for financial years 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 client receivables**

The "Client receivables" item, which represents 37% of the total financial position of SYNERGIE SE and 56.5% of the total consolidated financial position, is subject to advanced procedures and primarily central control, based on:



- reviewing client risk before any service provision;
- authorising agencies for amounts outstanding for each client;
- monitoring the correct recovery of receivables within contractual deadlines;
- conducting litigation.

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 Board of Directors, 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 the risks arising from this.

##### **c) Maintenance and security of information systems**

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

##### **d) Delegation of powers**

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 hiring people with the knowledge and expertise needed to perform their duties and to achieve the Group's current and future goals, as well as to 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 carry out a review of the Group's procedures.

Any 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, if applicable, in the consideration of corrective action 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 2017

The work achieved in 2017 showed no particular failure or serious inadequacy in terms of the organisation of internal control.

The following actions were completed or continued in 2017:

- the reworking of operating powers as part of the accelerated development of the foreign subsidiaries, with an international firm engaged to help with this task;
- the implementation of country-by-country reporting and updating of transfer pricing documentation as part of the strengthening of processes to comply with European directives;
- the implementation of risk mapping in accordance with transparency laws, to help combat corruption and as part of the modernisation of the economy and related compliance obligations;
- preparation for compliance with the new European General Data Protection Regulation to strengthen data protection for all individuals;
- strengthening of action to combat IT fraud, particularly through the implementation of new technologies, which has been the subject of an external audit;
- implementation of foreign exchange hedging to limit the impact of Brexit on the financial statements.

### 5.2.2 Priority action defined in 2018

The following are regarded as priority areas of work for 2018:

- continued updating of guidelines for key Group processes, with an overhaul of documentation;
- international rollout of the audit of IT security and related measures, incorporating a review of the IT backup and activity restoration plans of the international subsidiaries;
- finalisation of compliance with the new European General Data Protection Regulation;
- selection of a new consolidation software to enhance automation;
- updating of transfer pricing documentation in accordance with changes in the organisation and in intercompany flows;
- studying of the possibility and benefits of taking out insurance policies for the entire Group.

## 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 might be exposed are described in section 4 of the

management report.

As a reminder, the following are identified:

**a) financial risks (foreign exchange, liquidity, etc.),**

**b) as well as risk relating to:**

- the client base;
- corporate legislation specific to temporary employment;
- information technology;
- legal and tax matters;
- insurance.

These risks are reviewed regularly by Executive Management, the Finance department, the Human Resources department, the Legal department and all operational departments concerned, in order to limit as much as possible their potential impact on the Group's assets and performance.

In addition, 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 Planning

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

Pursuant to the recommendations of NYSE Euronext Paris, the Group has systematised the quarterly statements using the same methods as those used for the annual financial statements, which has enabled it to meet the requirements in respect of financial disclosure and dissemination of information established by the so-called Financial Transparency Act.

A dedicated service in Paris within the Finance department carries out all consolidation: each subsidiary sends in a package prepared according to Group standards, in a form and with a level of detail that allows them to be included by interface, in accordance with the

Group's accounting plan.

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 close controls and analysis, relating specifically to: client credit, financial debt, changes in fixed assets and changes in operating expenses.

This analytical review and the 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 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 Board of Directors for approval.

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

## 6 LIFE OF SYNERGIE STOCK

### 6.1 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 was listed in Compartment B of Euronext Paris under ISIN code FR0000032658 on 31 December 2017 and was moved to Compartment A on 26 January 2018.

During the year, the share price moved between a low of €35.08 (2 January 2017) and a historical high of €48.00 (26 June 2017). The previous year's closing price as at 31 December 2016 was €35.

On average, 6,842 securities were traded per session in 2017, compared with 6,101 in 2016.

The Company's market capitalisation was €1,082,712 thousand at 31 December 2017, based on the average share price over the last 60 sessions of the year.

SYNERGIE joined the SRD on 27 December 2017.

### **Liquidity of the stock**

A liquidity contract, pursuant to the AMAFI (French financial market association) charter, was signed on 28 January 2007 between the Company (the issuer) and Oddo Midcap (the intermediary).

The share's liquidity remained at an average of €281 thousand per day.

### **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 within the company during the financial year.

### **Share options**

No share option plans exist within the company.

### **Shareholders' agreement**

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

## Schedule of financial announcements

<b>PUBLICATION OF FINANCIAL INFORMATION</b>	<b>ANNUAL PROVISIONAL</b>	<b>QUARTERLY (Q1)</b>	<b>HALF-YEAR</b>	<b>QUARTERLY (Q3)</b>
Provisional date <sup>(*)</sup>	4 April 2018	25 April 2018	12 September 2018	24 October 2018
<b>PUBLICATION OF REVENUE</b>	<b>QUARTERLY (Q1)</b>	<b>QUARTERLY (Q2)</b>	<b>QUARTERLY (Q3)</b>	<b>QUARTERLY (Q4)</b>
Provisional date <sup>(*)</sup>	25 April 2018	25 July 2018	24 October 2018	30 January 2019
<b>INVESTOR INFORMATION</b>	<b>Ordinary Shareholders' Meeting</b>	<b>ANALYSTS' MEETING 1</b>	<b>ANALYSTS' MEETING 2</b>	<b>DIVIDEND PAYMENT</b>
Provisional date	14 June 2018	5 April 2018	13 September 2018	22 June 2018

<sup>(\*)</sup> after stock market hours

## 6.2 Shareholding structure

### Percentage of share capital held by shareholders with a significant interest

Pursuant to the law, we hereby inform you that SYNERGIE INVESTMENT, directly controlled by HB COLLECTOR and indirectly controlled by Henri BARANDE, held 69.51% of the share capital and 82.44% of the exercisable voting rights at 31 December 2017.

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 2017, 360,328 treasury shares were held, including 7,865 under the liquidity contract and 352,463 as part of the share buyback programme as approved by the Combined Shareholders' Meeting of 14 June 2017.

## 6.3 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 Ordinary and Extraordinary Shareholders' Meeting of 14 June 2018, a proposal will be submitted to renew, for a period of 18 months, the necessary powers granted to the Board of Directors 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 shall render null and void the authorisation granted to the Board of Directors by the Combined Ordinary and Extraordinary Shareholders' Meeting of 14 June 2017.

It will enable the Company to:

- stimulate the secondary market or increase the liquidity of SYNERGIE stock through an investment services provider acting independently under a liquidity contract, pursuant to the ethical charter of the AMAFI (French Financial Markets Association) recognised by the AMF;
- 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 30 March 2018:**

At 30 March 2018, SYNERGIE's share capital comprised 24,362,000 shares.  
At that date, the Company held 357,263 treasury shares, representing 1.47% of the share capital.

### **Breakdown by purpose of equity securities held directly or indirectly:**

At 30 March 2018, the treasury shares held by SYNERGIE broke down as follows:

- 4,800 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:**

4% of the share capital, i.e. 974,480 ordinary shares. As the treasury shares held at 31 March 2018 numbered 357,463, the remaining number of shares that can be bought back is 617,017, i.e. 2.53% of the share capital.

### **Maximum purchase price and maximum authorised amount of funds:**

The maximum purchase price proposed is €70 per share.

The maximum amount allocated to acquisitions may not exceed €43,191,190, on the basis of 617,017 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 Board of Directors 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 14 June 2017 authorised the Board of Directors, with the power of delegation, to implement a share buyback programme for a period of 18 months, i.e. until 13 December 2018.

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 1 April 2017 to 31 March 2018	
Percentage of own share capital held, directly or indirectly	1.47%
Number of shares cancelled in previous 24 months	0
Number of securities in the portfolio	357,263
Carrying value of the portfolio	€3,554,136.74
Market value of the portfolio <sup>(1)</sup>	€18,256,139.30

<sup>(1)</sup> based on the closing share price at 29 March 2018

Cumulative gross flows			Open positions on date of issue of programme details					
	Purchases	Sales	call			put		
			Calls purchased	Puts sold	Forward purchases	Calls sold	Puts purchased	Forward sales
Number of securities	119,108	125,335						
of which under liquidity contract	119,108	125,335						
Average transaction price	43.948	43.197				NONE		
Amount	€5,234,509.80	€5,414,075.15						

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

## 6.4 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.

## 7 OTHER INFORMATION AND LEGAL REMINDERS

### Corporate, social and environmental information

This information is presented in a specific report.

### Acquisitions of equity interests during the year

The table of subsidiaries and equity affiliates is presented in Note 3 to the consolidated financial statements.

During the past year, our Company did not acquire or increase any capital stake or voting rights in companies whose registered office is located in France.



## Non-tax-deductible expenses

Non-tax-deductible expenses pursuant to Article 39-4 of the French General Tax Code amounted to €98 thousand and the corresponding tax to €39 thousand.

## Breakdown of the results in the corporate financial statements of SYNERGIE SE for the last five years:

In € thousand	2013	2014	2015	2016	2017**
Net profit after tax	35,967	44,648	50,392	51,793	71,362
Initial retained earnings (*)	4,683	31,646	58,615	94,101	131,628
Available profit	40,651	76,294	109,006	145,894	202,990
Reserves	1,798	8,079	509	(137)	170
Dividends	7,309	9,745	14,617	14,617	19,490
Retained earnings after appropriation	31,544	58,470	93,881	131,413	183,331

\* the "Initial retained earnings" item for financial years 2013 to 2016 includes dividends not distributed attached to treasury shares.

\*\* according to the appropriation of profit proposed to the Combined Shareholders' Meeting of 14 June 2018

## Duty of vigilance

As part of its social and environmental responsibility measures and in accordance with the laws governing the prevention of corruption, in 2017, SYNERGIE compiled the existing practices that will constitute, subject to minor adjustments, the basis of the Group's vigilance plan.

## Research and development

Due to its activity, SYNERGIE SE is not exposed to research and development costs, but benefited from "business" IT applications, which it provided to the Group's French subsidiaries.

In order to pursue and develop their activities, the 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 specified that these are experimental developments using new technologies and do not constitute fundamental applied research.

## 8 TABLE OF RESULTS FOR THE PAST FIVE YEARS

	2013	2014	2015	2016	2017
<b>Capital at end of year</b>					
Share capital (in €K)	121,810	121,810	121,810	121,810	<b>121,810</b>
Number of ordinary shares in issue (A)	24,362,000	24,362,000	24,362,000	24,362,000	<b>24,362,000</b>
Maximum number of future shares to be created through share subscriptions reserved for employees.	(B)	(B)	(B)	(B)	<b>(B)</b>
<b>Operation and results for the year (in €K)</b>					
Operating and financial income	859,925	904,340	931,186	1,040,906	<b>1,168,421</b>
Profit before tax, employee profit-sharing, depreciation, amortisation and provisions	37,381	46,775	58,795	57,984	<b>77,514</b>
Income tax	4,323	3,424	8,071	2,934	<b>3,431</b>
Employee profit-sharing owed for the year	-	-	1,130	-	<b>0</b>
Profit after tax, employee profit-sharing, depreciation, amortisation and provisions	35,967	44,648	50,392	51,793	<b>71,362</b>
Distributed profit	7,309	9,745	14,617	14,617	<b>19,490</b>
<b>Earnings per share (in €)</b>					
Profit after tax and employee profit-sharing but before depreciation, amortisation and provisions	1.36	1.78	2.04	2.26	<b>3.04</b>
Profit after tax, employee profit-sharing, depreciation, amortisation and provisions	1.48	1.83	2.07	2.13	<b>2.93</b>
Dividend per share*	0.30	0.40	0.60	0.60	<b>0.80(*)</b>
<b>Personnel</b>					
Average workforce during the year	23,220	23,947	24,818	27,761	<b>30,626</b>
Payroll amount (€K)	574,853	607,773	628,469	708,732	<b>792,941</b>
Social security contributions and social benefits	165,980	167,159	159,542	185,007	<b>201,127</b>

(\*) Proposed to the Combined Shareholders' Meeting of 14 June 2018

(A) Securities registered for a period of at least two years carry double voting rights.

(B) The share subscription offer reserved for some categories of employees lapsed on 28 April 1990.

# BOARD OF DIRECTORS' REPORT ON CORPORATE GOVERNANCE

To the Shareholders,

Pursuant to the provisions of Article L.225-37 of the French Commercial Code, we set out in this report:

- the conditions for the preparation and organisation of the work of the Board of Directors;
- information on corporate officers;
- the principles and criteria for calculating, dividing and awarding the fixed, variable and non-recurring components of the total remuneration and benefits in kind attributable to the corporate officers;
- the remuneration and benefits in kind paid, owed to or awarded to corporate officers for the financial year ended 31 December 2017;
- agreements related to Articles L.225-38 *et seq.* of the French Commercial Code;
- significant agreements entered into between a director or shareholder and a subsidiary;
- delegation of power concerning capital increases;
- procedures for the participation by shareholders in the shareholders' meeting;
- information on the capital structure and elements likely to have an impact in the event of a public offering;
- changes in the Company's method of operation arising from the adoption of a structure with an executive board and supervisory board.

This report covers all companies included in the Group's scope of consolidation.

In the area of corporate governance, SYNERGIE refers to the MiddleNext Code which offers an alternative for midcap companies and which it feels is more appropriate.

This code is available on the MiddleNext website ([www.middlenext.com](http://www.middlenext.com)).

Moreover, in accordance with Article L. 225-235 of the French Commercial Code, the Statutory Auditors must include in their report on the annual financial statements their observations on the information provided concerning elements that are likely to have an impact in the event of a public offering, and they must certify that the information stipulated in Articles L.225-37-3 and L.225-37-4 of the French Commercial Code has been presented.

The present report was approved by the Board of Directors on 4 April 2018.

# 1 CONDITIONS OF PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD OF DIRECTORS

## 1.1 Composition of the Board of Directors and application of the principle of balanced representation of women and men on the board

SYNERGIE's Board of Directors has four members, appointed for six years, including one female director.

- Daniel AUGEREAU who was reappointed as a director at the Shareholders' Meeting of 14 June 2017 for a period of six years,
- Nadine GRANSON who was reappointed as a director at the Shareholders' Meeting of 14 June 2017 for a period of six years,
- Yvon DROUET who was reappointed as a director at the Shareholders' Meeting of 14 June 2017 for a period of six years,
- Julien VANEY who was reappointed as a director at the Shareholders' Meeting of 18 June 2014 for a period of six years.

Daniel AUGEREAU is Chairman of the Board.

The directors are elected by the Shareholders' Meeting, based on their expertise and the contribution that they can make to the management of the Company.

Pursuant to recommendation R8 of the MiddleNext Code, when a proposal is made to the Shareholders' Meeting for the appointment or reappointment of a director, shareholders must be provided with sufficient information about the experience and competence of the director, and the appointment of each director must take place under a separate resolution.

SYNERGIE is presently in compliance with the Law of 27 January 2011 relating to the "balanced representation of women and men on the Board of Directors and the Supervisory Board and professional gender equality" (Article L.225-18-1 of the French Commercial Code).

The list of offices of directors is set out in paragraph II of this report.

Four members nominated by the Central Works Council assist with meetings of the Board of Directors in an advisory capacity.

The procedural rules of the Board of Directors are established by the Company bylaws and comply with the law.

The Board of Directors created a set of internal regulations, which were last updated in 2012.

Pursuant to recommendation R7 of the MiddleNext Code, the Internal Regulations can be viewed in the "*Financial Information*" section of the Company's website.

Every director must hold at least one share of the Company.

## 1.2 Role and operation of the Board

The Board of Directors shall meet as often as the Company's interests require, and at a minimum every three months, and may be called by any means and to any location, including verbally, by its Chairman or by any director to whom the duties of Chairman have been temporarily delegated.

Resolutions shall be approved under the quorum and majority conditions stipulated by law; in the case of a tied vote, the chairman of the meeting shall have the casting vote.

The Board of Directors met six times in 2017, with 96% attendance by directors (recommendation R13 of the MiddleNext Code).

To enable Board members to prepare usefully for meetings and to provide them with comprehensive information pursuant to the Internal Regulations of the Board of Directors and recommendation R4 of the MiddleNext Code, the Chairman makes every effort to provide, along with the agenda mentioned in the meeting notice, all documents and information that relate to the matters on the said agenda and that are necessary for completion of their task, within a reasonable period of time before each meeting.

The Board's meetings and decisions are formalised in minutes established at the end of each meeting and then signed by the Chairman and by at least one Board member.

The main purpose of the meetings that took place in 2017 were as follows:

- preparation of financial documents:
  - preparation of the management report;
  - approval of the 2016 corporate financial statements and consolidated financial statements and the consolidated half-year financial statements at 30 June 2017, as well as the associated financial press releases;
  - preparation of provisional and management documents;
- capital operations:
  - renewal of the share buyback programme;
- external growth transactions.
  - various potential acquisition projects were submitted to the Board of Directors for examination of their feasibility and to decide on whether or not to pursue them;
- the following key points:
  - drawing up strategic guidelines;
  - progress of business in France and abroad;
  - appointment of two Deputy Chief Executive Officers;
  - preparation of the Chairman's Report on Internal Control;
  - preparation of the Report on Social and Environmental Responsibility;
  - convening of the annual Shareholders' Meeting.

For all of these operations, the conditions of acquisition and the powers granted to the Chairman to perform all necessary acts and obligations were reviewed and endorsed.

During these meetings, the Board made decisions on authorisations of guarantees for third parties as well as various agreements entered into with affiliated companies.

Pursuant to Article L.823-20 of the French Commercial Code, and given the organisation

and structure of the Company, the Board of Directors decided, by resolution of 26 April 2011, that it would serve as an Audit Committee in plenary session. Nadine GRANSON is the current Chairperson.

In its capacity as Audit Committee, the main tasks of the Board of Directors are as follows:

- to review the financial statements and ascertain the relevance and consistency of the accounting methods used to prepare the Company's consolidated financial statements and corporate financial statements;
- to monitor the financial reporting process;
- to ensure the implementation of internal control and risk management procedures and to monitor their effectiveness with the assistance of the internal audit department;
- to ensure that the rules of independence and objectivity were followed by the Statutory Auditors in performing their audits, to monitor the terms and conditions of their reappointment and the determination of their fees.

### 1.3 Potential limitations imposed on the powers of the Chief Executive Officer by the Board of Directors

The Chairman of the Board of Directors also performs the role of Chief Executive Officer. No limitation has been imposed on the powers of the Chief Executive Officer, except in the case of the endorsements and guarantees on which the Board is consulted and has to give an opinion, and subject to the powers that the law expressly grants to the Board of Directors and shareholders' meetings.

As set out in Article L.225-56 of the French Commercial Code and Article 15.3. of the company bylaws, the Board of Directors meeting of 5 April 2017 appointed, for a term of three years, two Deputy Chief Executive Officers, Sophie SANCHEZ and Yvon DROUET, whose powers are limited to internal matters.

### 1.4 Implementation of MIDDLENEXT recommendations

The Board of Directors has specifically taken note of the "key points of vigilance" and the recommendations of the "Governance Code for Small and Midcaps" developed by MiddleNext.

However, it should be noted that:

- directors are appointed for a term of six years to ensure that the Board is stable (recommendation R9 of the MiddleNext Code);
- due to its stability and homogeneity, the current composition of the Board of Directors guarantees the management expertise and experience of each of its members; With regard to recommendation R3 of the MiddleNext Code, however, the Board does not have any independent directors at present;  
The company is nevertheless in favour of external parties joining the board in order to benefit from their insight concerning the decisions taken by the Board. It has therefore been decided to appoint an independent director during the Shareholders' Meeting of June 2018;  
The said independent director will also be appointed as chairperson of the Audit Committee;

- every year, the Board invites its members to express an opinion on its operation and the preparation of its work (recommendation R11 of the MiddleNext Code);
- the creation of appointments and compensation committees is currently under consideration (recommendation R6 of the MiddleNext Code).

With regard to the prevention and management of conflicts of interest, the Internal Regulations of the Board stipulate, pursuant to recommendation R2 of the MiddleNext Code, that any director or any candidate for appointment as a member of the Board of Directors must inform the Board of Directors of any actual or potential conflict of interest that he or she might have in the context of his/her duties as a director.

Directors make every effort to avoid any potential conflict between their moral and material interests and those of the Company. If a conflict of interest is unavoidable, the director in question does not take part in discussions or any decisions regarding the matters concerned.

## 1.5 Remuneration of board members

(recommendation R10 of the MiddleNext Code).

Pursuant to the law, the Shareholders' Meeting may decide to pay directors' fees to the directors. The Shareholders' Meeting of 14 June 2017 agreed that an amount of €100,000 would be paid between the directors in respect of directors' fees for the 2017 financial year.

No other payment or benefits in kind are granted to the directors in their capacity as members of the Board of Directors.

## 2 INFORMATION ON CORPORATE OFFICERS

The following information is provided pursuant to the provisions of Articles L.225-37-3 and L. 225-37-4 of the French Commercial Code:

### 2.1 A list of all offices and functions held in all Group companies by each of the Company's corporate officers during financial year 2017, based on the information provided by each interested party

(Key: C: Chairman, D: Director, CEO: Chief Executive Officer, DCEO: Deputy CEO, M: Manager, MD: Managing Director, SD: Sole Director, PR: Permanent Representative):

	D. AUGEREAU	Y. DROUET	N. GRANSON	J. VANEY	S. SANCHEZ	SYNERGIE
	C + CEO	A + DCEO	D	D	DCEO	
SE SYNERGIE	C					
SAS AILE MEDICALE	C					
SAS INTERSEARCH FRANCE	C					
SAS SYNERGIE PROPERTY	C					
SARL DIALOGUE & COMPETENCES					M	
SARL SYNERGIE CONSULTANTS	M					
SAS SYNERGIE INSERTION	C					
GIE ISGSY	SD					
SCI DES GENETS 10	M					
SA ADE	C					
SCI CIBONEY	M					
DA RACING	C					
SYNERGIE Personal Deutschland GmbH (Germany)	M					
SYNERGIE TRAVAIL TEMPORAIRE SARL (Luxembourg)	M					
SYNERGIE PARTNERS SARL (Luxembourg)	M					
SYNERGIE TT EMPRESA DE TRABAJO TEMPORAL SA (Spain)	D	D				
SYNERGIE HUMAN RESOURCE SOLUTIONS SL (Spain)	SD					
SYNERGIE OUTSOURCING SL (Spain)	SD					
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS S.L (Spain)	GM	D		C		
SYNERGIE ITALIA SPA (Italy)	C	D				
SYNERGIE BELGIUM (Belgium)	GM	D				
SYNERGIE SERVICES (Belgium)	GM	D				
SYNERGIE EMPRESA DE TRABALHO TEMPORARIO S.A. (Portugal)	C	D				
SYNERGIE OUTSOURCING SA (Portugal)	C	D				
SYNERGIE HUNT INTERNATIONAL INC. Canada	C	D				
SYNERGIE S.R.O. (Czech Republic)	PR					M
SYNERGIE TEMPORARY HELP S.R.O. (Czech Republic)	PR					M
SYNERGIE TEMPORARY HELP S.R.O. (Slovakia)	M					
SYNERGIE SLOVAKIA S.R.O. (Slovakia)	M					
ACORN (SYNERGIE) UK LTD (United Kingdom)	D	D				
ACORN RECRUITMENT LTD (United Kingdom)	D	D				
ACORN LEARNING SOLUTIONS LTD (United Kingdom)	D	D				
ACORN GLOBAL RECRUITMENT LTD (United Kingdom)	D	D				
CONCEPT STAFFING LTD (United Kingdom)	D	D				
ACORN RAIL LTD (United Kingdom)	D	D				
B2B ENGINEERING PTY LTD	D	D				
SYNACO GLOBAL RECRUITMENT PTY LTD (Australia)	D	D				
SYNERGIE INTERNATIONAL RECRUITMENT B.V. (Netherlands)	M					
SYNERGIE B.V. (Netherlands)	M					
SYNERGIE HUMAN RESOURCES B.V. (Netherlands)	M					
CAVALLO SUISSE INVEST AG (Switzerland)	C					
SYNERGIE (SUISSE) SA (Switzerland)	C					
SYNERGIE INDUSTRIE & SERVICES SA (Switzerland)	C					
VÖLKER BETEILIGUNGS GmbH (Austria)	M					
VÖLKER GmbH (Austria)	M					
HB COLLECTOR SARL (Luxembourg)				M		
SYNERGIE REAL ESTATE SARL (Luxembourg)				M		



## 2.2 The total fixed and non-recurring remuneration and benefits in kind paid to each corporate officer during the financial year:

The data in the following tables are in thousands of euro.

### Summary of remuneration, options and shares awarded to each executive director:

	2017	2016
<b>Compensation payable for the year</b>		
Daniel AUGEREAU	799	654
Yvon DROUET	241	201
Julien VANEY	275	250
Nadine GRANSON	25	193
Sophie SANCHEZ	219	-
<b>Valuation of options granted during the year</b>	-	-
<b>Valuation of performance shares granted during the year</b>	-	-
<b>TOTAL</b>	<b>1,559</b>	<b>1,298</b>

### Summary table for each executive director:

Daniel AUGEREAU	2017		2016	
	payable	paid	payable	paid
- fixed remuneration	480	480	420	420
- exceptional compensation	280	280	220	220
- directors' fees	25	25	-	-
- benefits in kind	13	13	14	14
<b>TOTAL *</b>	<b>799</b>	<b>799</b>	<b>654</b>	<b>654</b>

Yvon DROUET	2017		2016	
	payable	paid	payable	paid
- fixed remuneration	194	194	159	159
- exceptional compensation	19	19	39	39
- directors' fees	25	25	-	-
- benefits in kind	3	3	2	2
<b>TOTAL *</b>	<b>241</b>	<b>241</b>	<b>201</b>	<b>201</b>

Julien VANEY	2017		2016	
	payable	paid	payable	paid
- fixed remuneration	250	250	250	250
- exceptional compensation	-	-	-	-
- directors' fees	25	25	-	-
- benefits in kind	-	-	-	-
<b>TOTAL *</b>	<b>275</b>	<b>275</b>	<b>250</b>	<b>250</b>

<b>Nadine GRANSON</b>	<b>2017</b>		<b>2016</b>	
	<b>payable</b>	<b>paid</b>	<b>payable</b>	<b>paid</b>
- fixed remuneration	-	-	187	187
- exceptional compensation	-	-	6	6
- directors' fees	25	25	-	-
- benefits in kind	-	-	-	-
<b>TOTAL *</b>	<b>25</b>	<b>25</b>	<b>193</b>	<b>193</b>

<b>Sophie SANCHEZ</b>	<b>2017</b>		<b>2016</b>	
	<b>payable</b>	<b>paid</b>	<b>payable</b>	<b>paid</b>
- fixed remuneration	194	194	-	-
- exceptional compensation	20	20	-	-
- directors' fees	-	-	-	-
- benefits in kind	5	5	-	-
<b>TOTAL *</b>	<b>219</b>	<b>219</b>	<b>0</b>	<b>0</b>

**Stock options granted to each executive director during the year:** None

**Stock options exercised by each executive director during the year:** None

**Performance shares granted to each executive director:** None

**Performance shares becoming available to each executive director during the year:** None

### 3 PRINCIPLES AND CRITERIA FOR CALCULATING, DIVIDING AND AWARDING THE FIXED, VARIABLE AND NON-RECURRING COMPONENTS OF THE TOTAL REMUNERATION AND BENEFITS IN KIND ATTRIBUTABLE TO THE CORPORATE OFFICERS

Pursuant to Article L. 225-37-2 of the French Commercial Code, the Board of Directors submitted for the approval of the Shareholders' Meeting the principles and criteria used to calculate, divide and award the fixed, variable and non-recurring components of the total remuneration and benefits in kind payable to the corporate officers in respect of their mandates for financial year 2018, which comprises the remuneration policy.

Pursuant to Article L. 225-100 of the French Commercial Code, the amounts resulting from the implementation of these principles and criteria will be submitted for approval at the Shareholders' Meeting convened to approve the financial statements for 2018.

## 3.1 Remuneration policy concerning the Chairman and Chief Executive Officer

### 3.1.1 General principles – Procedures for calculating, dividing and awarding the fixed, variable and non-recurring remuneration

In accordance with the law, the Chairman and Chief Executive Officer's remuneration is set by the Board of Directors.

### 3.1.2 - Fixed remuneration

The Board of Directors calculates the Chairman and Chief Executive Officer's fixed remuneration by taking into account the scope of responsibilities, professional experience, seniority in the Group and the practices of other similar-sized groups and companies.

### 3.1.3 - Variable and non-recurring remuneration

The Chairman and Chief Executive Officer receives no variable or non-recurring remuneration for his role as corporate officer.

### 3.1.4 - Benefits in kind

- Professional expenses

The Chairman and Chief Executive Officer is entitled to be reimbursed for all professional expenses incurred in the performance of his function upon the presentation of receipts and in accordance with the applicable procedures within SYNERGIE Group.

- Directors liability insurance

The Chairman and Chief Executive Officer is covered by the directors' liability insurance policy of SYNERGY Group.

## 3.2 Remuneration policy concerning Deputy Chief Executive Officers

### 3.2.1 - General principles

The Deputy Chief Executive Officers receive no fixed, variable or non-recurring remuneration for their role as corporate officer.

### 3.2.2 - Benefits in kind

- Professional expenses

The Deputy Chief Executive Officers are entitled to be reimbursed for all professional expenses incurred in the performance of their functions upon the presentation of receipts and in accordance with the applicable procedures within the Company.

- Directors liability insurance

The Deputy Chief Executive Officers are covered by the directors' liability insurance policy of SYNERGY Group.

## 4 REMUNERATION AND BENEFITS IN KIND PAID, OWED TO OR AWARDED TO CORPORATE OFFICERS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

In accordance with Article L. 225-100 of the French Commercial Code, we submit for your approval all of the fixed, variable and non-recurring remuneration and benefits in kind paid or awarded during the last financial year.

We bring to your attention the fact that variable and non-recurring remuneration awarded on the condition of approval by an ordinary Shareholders' Meeting may only be paid after the related items of remuneration of the person concerned have been approved by a Shareholders' Meeting.

The Chairman and Chief Executive Officer received the following remuneration in the 2017 financial year in respect of his mandate as a corporate officer:

- Fixed annual remuneration: €300,300 gross
- Variable annual remuneration: none
- Variable multi-annual remuneration: none
- Non-recurring remuneration: none
- Benefits in kind: none

## 5 AGREEMENTS COVERED BY ARTICLES L225-38 ET SEQ. OF THE FRENCH COMMERCIAL CODE

### Concluded in 2017

Company	Company	Purpose	Amount	Person concerned
SYNERGIE	SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain)	Surety as part of a loan for the purchase of shares in an Austrian company (24/10/2017)	€10,769,000	D. AUGEREAU J. VANEY Y. DROUET
SYNERGIE	SYNERGIE PROPERTY	Surety as part of a loan for the purchase of buildings (01/12/2017)	€7,545,000	D. AUGEREAU

### Continued in 2017

Company	Company	Purpose	Amount	Person concerned
SYNERGIE	SYNERGIE PROPERTY	Surety as part of a loan for the purchase of a building	€3,533,298.31	D. AUGEREAU

SYNERGIE	SYNERGIE PROPERTY	Surety for property loan to carry out works	€650,000	D. AUGEREAU
SYNERGIE	SYNERGIE PROPERTY	Surety for property loan	€132,897.97	D. AUGEREAU
SYNERGIE	SYNERGIE PROPERTY	Surety as part of a loan for the purchase of a building	€288,480.10	D. AUGEREAU
SYNERGIE	SYNERGIE PROPERTY	Surety as part of a loan for the purchase of a building	€149,787.71	D. AUGEREAU
SYNERGIE	SYNERGIE PROPERTY	Surety for property loan	€2,199,847.58	D. AUGEREAU
SYNERGIE	SYNERGIE PROPERTY	Surety for property loan	€591,919.63	D. AUGEREAU
SYNERGIE	SYNERGIE PROPERTY	Surety for property loan to carry out works	€0	D. AUGEREAU
SYNERGIE	SCI DAPHNÉ	*Property lease for the premises at 10 rue des Genêts, ORVAULT * Property charges	€53,129.40 €4,435.42	D. AUGEREAU
SYNERGIE	SCI LES GENETS 10	* Premises lease on 235 rue du Parc Jean Monnet SAINT GENIS POUILLY (01) * Property charges	€17,466.66 €857.88	D. AUGEREAU
SYNERGIE	SCI LES GENETS 10	* Premises lease and car parks 10 rue des Genêts-Orvault * Property charges	€437,694.98 €81,891.64	D. AUGEREAU
SYNERGIE	DIALOGUE & COMPETENCES (after merger by absorption with EURYDICE PARTNERS)	Guarantee of line of credit granted to its subsidiary by BESV	€300,000	S. SANCHEZ
SYNERGIE	DIALOGUE & COMPETENCES (after merger by absorption with EURYDICE PARTNERS)	Debt waiver agreement with claw-back clause	€1,724,000	S. SANCHEZ

SYNERGIE	INTERSEARCH FRANCE	Debt waiver agreement with claw-back clause	€715,169.78	D. AUGEREAU
SYNERGIE	SYNERGIE TEMPORARY HELP (Slovakia)	Current account contribution which may be classified as shareholders' equity	€60,000	D. AUGEREAU
SYNERGIE	SYNERGIE BELGIUM (Belgium)	Surety for property loan	€1,003,149.03	D. AUGEREAU Y. DROUET
SYNERGIE	SYNERGIE BELGIUM (Belgium)	Surety for loan to carry out works	€23,156.27	D. AUGEREAU Y. DROUET
SYNERGIE	SYNERGIE TT EMPRESA DE TRABAJO TEMPORAL (Spain)	Counter guarantee for a surety granted by NOVO BANCO	€719,845.08	D. AUGEREAU Y. DROUET
SYNERGIE	SYNERGIE TT EMPRESA DE TRABAJO TEMPORAL (Spain)	Surety as part of a loan for the purchase of a building	€1,080,092.53	D. AUGEREAU Y. DROUET
SYNERGIE	SYNERGIE TT EMPRESA DE TRABAJO TEMPORAL (Spain)	Surety as part of a loan to carry out works	€351,349.23	D. AUGEREAU Y. DROUET
SYNERGIE	SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain)	Surety as part of a loan for the purchase of a building	€1,053,660.22	D. AUGEREAU J. VANEY Y. DROUET
SYNERGIE	SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain)	Surety as part of a loan to carry out works	€355,849.30	D. AUGEREAU J. VANEY Y. DROUET
SYNERGIE	SYNERGIE ETT EMPRESA DE TRABALHO TEMPORÁRIO (Portugal)	Agreement for partially blocked and interest-free current account advance	Interest at the one-month EURIBOR rate + 1% from €250,000 with a minimum of 1%	D. AUGEREAU Y. DROUET
SYNERGIE	SYNERGIE ETT EMPRESA DE TRABALHO TEMPORÁRIO (Portugal)	First demand guarantee in favour of BNP PARIBAS FORTIS as security for repayment of the loan granted	€300,000	D. AUGEREAU Y. DROUET

## 6 SIGNIFICANT AGREEMENTS ENTERED INTO BETWEEN A DIRECTOR OR SHAREHOLDER AND A SUBSIDIARY

During the financial year ended 31 December 2017, the following agreement was entered into by one of the corporate officers and a subsidiary of SYNERGIE:

Company	Company	Purpose	Amount	Person concerned
SYNERGIE PROPERTY	SCI DES GENETS SCI DAPHNÉ	Purchase of property assets	€7,545,000	D. AUGEREAU

## 7 DELEGATION OF POWER CONCERNING CAPITAL INCREASES

In accordance with Article L.225-100 paragraph 4 of the French Commercial Code, we present below the table of delegations of powers granted to the Board of Directors by the Shareholders' Meeting concerning the capital increase being implemented in accordance with Articles L.225-129-1 and L.225-129-2 of the said Code.

Date of Shareholders' Meeting	Delegation	Duration	Utilisation
14 June 2017	Purchase of treasury shares	18 months	See management report
14 June 2017	Cancellation of shares	24 months	See management report

## 8 PROCEDURES FOR THE PARTICIPATION BY SHAREHOLDERS IN THE SHAREHOLDERS' MEETING

Procedures for the participation by shareholders in Shareholders' Meetings are specified in the Company bylaws (available from the registered office) and in the meeting notices pursuant to Articles R.225-66 *et seq.* and R.225-73 *et seq.* of the French Commercial Code.

Shareholders that have held registered shares for at least one month at the date of publication of the meeting notice shall be called by ordinary letter under the conditions set forth in Article R.225-68 of the French Commercial Code.

## 9 INFORMATION ON THE CAPITAL STRUCTURE AND ELEMENTS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFERING

Pursuant to Article L.225-37-5 of the French Commercial Code, the factors likely to have an impact in the event of a public offer are as follows:

### - Structure of the Company's share capital

Pursuant to the law, we hereby inform you that SYNERGIE INVESTMENT, directly controlled by HB COLLECTOR and indirectly controlled by Henri BARANDE, held 69.51%

of the share capital and 82.44% of the exercisable voting rights at 31 December 2017.

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 2017, 360,328 treasury shares were held, including 7,865 under the liquidity contract and 352,463 as part of the share buyback programme as approved by the Combined Shareholders' Meeting of 14 June 2017.

The other provisions of Article L.225-37-5 of the French Commercial Code do not apply.

## 10 CHANGES IN THE COMPANY'S METHOD OF OPERATION ARISING FROM THE ADOPTION OF A STRUCTURE WITH AN EXECUTIVE BOARD AND SUPERVISORY BOARD

In the wake of SYNERGIE's adoption of the form of a European Company in 2016, the Board of Directors approved at its meeting of 4 April 2018 the plan to adopt a structure with an executive board and supervisory board (I) and the amended bylaws shown in the appendix to this report (II).

### 10.1 Changes in the Company's method of operation arising from the adoption of a structure with an executive board and supervisory board (thirteenth resolution)

Under the terms of the thirteenth resolution, the Company aims to change from its current board of directors structure and adopt the structure of an executive board and supervisory board, as governed by Articles L.225-57 to L.225-93 of the French Commercial Code.

During the Combined Shareholders' Meeting of 14 June 2018, the shareholders will be asked to approve this new method of operation and the corresponding changes to the bylaws.

This proposal forms part of a broader approach to improve the management of the Company and contribute to the achievement of the development objectives set by the management.

The Shareholders' rights will not be affected by this change in structure and the financial commitment of each Shareholder shall remain limited to that which they subscribed before the change.

The adoption of a structure with an executive board and supervisory board will enable a clearer distinction between the functions of management of the Company, which shall be assumed on a collegial basis by the executive board, and control, which shall be the responsibility of the supervisory board. This new structure means the Company will maintain strong operational management while also strengthening its control function:

- **The Executive Board** will have three to seven members appointed by the Supervisory Board for a term of six years.



Within the limit of the corporate purpose of the Company, the Executive Board shall be invested with extensive powers to act in all circumstances on behalf of the Company, subject to the powers expressly attributed by law and by the bylaws to the Shareholders' Meeting and the Supervisory Board, and the decisions that require advance approval from the Supervisory Board in accordance with its internal regulations.

The Executive Board shall have a chairman who will be appointed from among its members by the Supervisory Board, and who shall represent the Company before third parties.

- **The Supervisory Board** shall have between three and twelve members who shall be appointed for a term of six years by the Shareholders' Meeting, and shall perform permanent control of the management of the Company by the Executive Board under the conditions provided for by law, without participating in the management activities, and shall elect among its members a Chairman and, where relevant, a Vice-Chairman, who shall be responsible for calling meetings of the Supervisory Board and for oversee discussions.

If this resolution is adopted:

- The terms of office of the Company's Directors shall automatically expire at the end of the Shareholders' Meeting of 14 June 2018;
- The financial statements for the financial year beginning on 1 January 2018 will be approved and presented in accordance with the regulations and bylaws applicable to European Companies with an Executive Board and Supervisory Board, and
- The authorisations and delegations of power previously granted to the Board of Directors shall cease to apply.

## 10.2 Corresponding change in the bylaws (fourteenth resolution) and appointment of the first members of the Supervisory Board (fifteenth, sixteenth, seventeenth, eighteenth and nineteenth resolutions)

The change in the Company's method of operation will be subject to the adoption of the amended bylaws (fourteenth resolution) and the appointment of the first members of the Supervisory Board (fifteenth, sixteenth, seventeenth, eighteenth and nineteenth resolutions).

In the context of this process, we propose that you appoint five members of the Supervisory Board for a term of six years.

We propose the following members:

- Mr Julien VANEY (currently a member of the Board of Directors)
- Mrs Nadine GRANSON (currently a member of the Board of Directors)
- Mrs Christine FORNAROLI
- SYNERGIE INVESTMENT  
A limited company (*société anonyme*) with share capital of €122,110,000  
B 104662 RCS LUXEMBOURG  
Registered office: 4 rue Adolphe, L-1116 Luxembourg  
Represented by Mr Christoph LANZ
- Mr Quentin VERCAUTEREN DRUBBEL

In the event of the adoption of a company structure with an Executive Board and Supervisory Board, the new bylaws and the appointment of the first members of the Supervisory Board by the Shareholders' Meeting of 14 June 2018, a Board meeting shall be held on the same day, notably in order to elect the Board Chairman, vice-Chairman, and

appoint the members of the Executive Board, including the Executive Board Chairman, and to approve the new internal regulations.

### 10.3 Subject to the adoption of the thirteenth and fourteenth resolutions:

#### 10.3.1 Directors' fees for the members of the Supervisory Board

Pursuant to the law, in the event that the thirteenth and fourteenth resolutions are adopted, the Shareholders' Meeting may decide to pay directors' fees to the members of the Supervisory Board.

No other remuneration or benefits in kind shall be paid to the members of the Supervisory Board.

#### 10.3.2 Approval of the remuneration policy comprising the principles and criteria for calculating, dividing and awarding the different remuneration components of the Chairman of the Executive Board

##### General principles – Procedures for calculating, dividing and awarding the fixed, variable and non-recurring remuneration

In accordance with the law, the remuneration of the Chairman of the Executive Board shall be set by the Supervisory Board.

##### Fixed remuneration

The Supervisory Board shall calculate the Chairman of the Executive Board's fixed remuneration by taking into account the scope of responsibilities, professional experience, seniority in the Group and the practices of other similar-sized groups and companies.

##### Variable and non-recurring remuneration

The Chairman of the Executive Board shall receive no variable or non-recurring remuneration for his role as corporate officer.

##### Benefits in kind

- Professional expenses

The Chairman of the Executive Board shall be entitled to be reimbursed for all professional expenses incurred in the performance of his function upon the presentation of receipts and in accordance with the applicable procedures within SYNERGIE Group.

- Directors liability insurance

The Chairman of the Executive Board shall be covered by the directors' liability insurance policy of SYNERGY Group.

#### 10.3.3 Approval of the remuneration policy comprising the principles and criteria for calculating, dividing and awarding the different remuneration components of the members of the Executive Board

##### General principles

The other members of the Executive Board shall receive no fixed, variable or non-recurring remuneration for their role as corporate officer.

### Benefits in kind

- Professional expenses

The other members of the Executive Board shall be entitled to be reimbursed for all professional expenses incurred in the performance of their functions upon the presentation of receipts and in accordance with the applicable procedures within the Company.

- Directors liability insurance

The other members of the Executive Board shall be covered by the directors' liability insurance policy of SYNERGY Group.

### 10.3.4 Approval of the remuneration policy comprising the principles and criteria for calculating, dividing and awarding the different remuneration components of the members of the Supervisory Board

#### General principles

The members of the Supervisory Board shall receive no fixed, variable or non-recurring remuneration for their role as corporate officer, with the exception of directors' fees.

### Benefits in kind

- Professional expenses

The members of the Supervisory Board shall be entitled to be reimbursed for all professional expenses incurred in the performance of their functions upon the presentation of receipts and in accordance with the applicable procedures within the Company.

- Directors liability insurance

The members of the Supervisory Board shall be covered by the directors' liability insurance policy of SYNERGY Group.

### 10.3.5 Authorisation to be given to the Executive Board for the purpose of:

- trading in the Company's shares, and
- reducing the share capital through the cancellation of treasury shares.

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 Ordinary and Extraordinary Shareholders' Meeting of 14 June 2018, a proposal will be submitted to give, for a period of 18 months, the necessary powers 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.

It will enable the Company to:

- stimulate the secondary market or increase the liquidity of SYNERGIE stock through an investment services provider acting independently under a liquidity contract, pursuant to the ethical charter of the AMAFI (French Financial Markets Association) recognised by the AMF;
- 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 30 March 2018:**

At 30 March 2018, SYNERGIE's share capital comprised 24,362,000 shares. At that date, the Company held 357,263 treasury shares, representing 1.47% of the share capital.

### **Breakdown by purpose of equity securities held directly or indirectly:**

At 30 March 2018, the treasury shares held by SYNERGIE broke down as follows:

- 4,800 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:

4% of the share capital, i.e. 974,480 ordinary shares. As the treasury shares held at 31 March 2018 numbered 357,463, the remaining number of shares that can be bought back is 617,017, i.e. 2.53% of the share capital.

### **Maximum purchase price and maximum authorised amount of funds:**

The maximum purchase price proposed is €70 per share.

The maximum amount allocated to acquisitions may not exceed €43,191,190, on the basis of 617,017 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.

# STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

## **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 NO. 329 925 010

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To the Shareholders' Meeting of SYNERGIE SE,

In our capacity as statutory auditors of your company, we hereby present our report on regulated agreements and commitments.

It is our responsibility to inform you, based on information provided to us, about the essential characteristics and terms, as well as the benefits for the company, of the agreements and commitments about which we have been advised or that we identified in the course of our engagement, without having to pronounce on their usefulness and appropriateness or establish the existence of other agreements and commitments. Pursuant to Article L.225-38 of the French Commercial Code, it is your responsibility to assess the interest attached to the conclusion of these agreements and commitments prior to their approval.

Furthermore, it is our responsibility, if applicable, to provide you with the information specified in Article R.225-31 of the French Commercial Code relating to the execution, during the past year, of the agreements and commitments already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with the professional standards of the Compagnie Nationale des Commissaires aux Comptes applicable to this engagement. These procedures consisted in verifying the consistency of the information given to us with the source documents from which they originate.

### **AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE SHAREHOLDERS' MEETING**

#### **Agreements and commitments authorised and realised during the past year**

Pursuant to Article L.225-40 of the French Commercial Code, we were advised of the following agreements and commitments entered into during the past financial year that were subject to prior authorisation by the Board of Directors.

Company	Purpose	Reasons and methods	Amount (€)	Persons concerned
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain)	Surety as part of a loan for the purchase of shares in an Austrian company (Board of Directors meeting of 24/10/17)	To obtain bank financing for its subsidiary Joint and several guarantee for the principal, interest and related commissions and fees	10,769,000	D. Augereau J. Vaney Y. Drouet
SYNERGIE PROPERTY	Surety for property loan to purchase buildings (Board of Directors meeting of 01/12/2017)	To obtain financing to purchase property assets from a property investment company (SCI) Joint and several guarantee for the principal, interest and related commissions and fees	7,545,000	D. Augereau
SYNERGIE TRAVAIL TEMPORAIRE S.à.r.l. (Luxembourg)	Guarantee for its subsidiary as part of the counter guarantee sought by BGL BNP PARIBAS (Board of Directors meeting of 01/12/2017)	Commitment required for the performance of its activity	963,000	D. Augereau

#### **AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING**

#### **Agreements and commitments previously approved, whose execution continued during the reporting year**

Pursuant to Article R225-30 of the French Commercial Code, we were informed that the execution of the following agreements and commitments, already approved by the Shareholders' Meeting in previous years, continued during the period.

Company	Purpose	Amount (€)	Person concerned
SYNERGIE PROPERTY	Surety as part of a loan for the purchase of a building	3,533,298	D. Augereau
SYNERGIE PROPERTY	Surety for property loan to carry out works	650,000	D. Augereau
SYNERGIE PROPERTY	Surety for property loan	132,898	D. Augereau
SYNERGIE PROPERTY	Surety as part of a loan for the purchase of a building	288,480	D. Augereau
SYNERGIE PROPERTY	Surety as part of a loan for the purchase of a building	149,788	D. Augereau
SYNERGIE PROPERTY	Surety for property loan	2,199,848	D. Augereau
SYNERGIE PROPERTY	Surety for property loan 12/2010	591.920	D. Augereau
SYNERGIE PROPERTY	Surety for property loan to carry out works	0	D. Augereau
SCI DAPHNE	*Property lease for the premises at 10 rue des Genêts, ORVAULT * Property charges	53,129 4,435	D. Augereau
SCI LES GENETS 10	* Premises lease on 235 rue du Parc Jean Monnet SAINT GENIS POUILLY (01) * Property charges	17,467 858	D. Augereau

Company	Purpose	Amount (€)	Person concerned
SCI LES GENETS 10	* Premises lease and car parks 10 rue des Genêts-Orvault * Property expenses	437,695 81,892	D. Augereau
DIALOGUE & COMPÉTENCES (after merger by absorption with EURYDICE PARTNERS)	Guarantee of line of credit granted to its subsidiary by BESV	300,000	S. Sanchez
SYNERGIE TEMPORARY HELP (Slovakia)	Current account contribution which may be classified as shareholders' equity	60,000	D. Augereau
SYNERGIE BELGIUM (Belgium)	Surety for property loan	1,003,149	D. Augereau Y. Drouet
SYNERGIE BELGIUM (Belgium)	Surety for loan to carry out works	23,156	D. Augereau Y. Drouet
SYNERGIE TT EMPRESA DE TRABAJO TEMPORAL (Spain)	Counter guarantee for a surety granted by NOVO BANCO	719,845	D. Augereau Y. Drouet
SYNERGIE TT EMPRESA DE TRABAJO TEMPORAL (Spain)	Surety as part of a loan for the purchase of a building	1,080,093	D. Augereau Y. Drouet
SYNERGIE TT EMPRESA DE TRABAJO TEMPORAL (Spain)	Surety as part of a loan to carry out works	351,349	D. Augereau Y. Drouet
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain)	Surety as part of a loan for the purchase of a building	1,053,660	D. Augereau J. Vaney Y. Drouet
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain)	Surety as part of a loan to carry out works	355,849	D. Augereau J. Vaney Y. Drouet
SYNERGIE ETT (Portugal)	Agreement for partially blocked and interest-free current account advance	Interest at the one- month EURIBOR rate + 1% from €250,000 with a minimum of 1%	D. Augereau Y. Drouet
SYNERGIE ETT EMPRESA DE TRABALHO TEMPORÁRIO (Portugal)	First demand guarantee in favour of BNP PARIBAS FORTIS as security for repayment of the loan granted	300,000	D. Augereau Y. Drouet

#### Agreements and commitments approved in previous years, not executed during the reporting year

We were also informed of the continuation of the following agreements and commitments, already approved by the Shareholders' Meeting in previous years, which were not executed during the reporting period.

Company concerned	Type	Amount (€)	Persons concerned
DIALOGUE ET COMPÉTENCES (after merger with EURYDICE PARTNERS)	Debt waiver for Eurydice with a "better fortunes" clause in 2011.  Amount of better fortunes clause, application of which has not yet been possible:	1,724,000	S. Sanchez
INTERSEARCH	Debt waivers for INTERSEARCH France in 2009, 2010 and 2011 with claw-back clause.  Amount of claw-back clause, application of which has not yet been possible:	715,170	D. Augereau

Paris, 23 April 2018  
The Statutory Auditors  
Registered members of the Compagnie régionale de Paris

**JM AUDIT ET CONSEILS**

Abdoullah LALA  
GUEZ

**APLITEC AUDIT & CONSEIL**

Marie Françoise BARITAUX-IDIR      Laurent



# CONSOLIDATED SOCIAL, ENVIRONMENTAL AND CORPORATE RESPONSIBILITY INFORMATION

- Foundation & values
- Responsible flexibility
- Action to protect employees
- The four diversity missions
- Going further in urban incentives and controlling the environmental impact
- Proof of presence and notice of sincerity by the independent third party

## 1 FOUNDATION & VALUES

Our primary corporate responsibility at SYNERGIE is an economic commitment, having again this year again increase our contribution by delegating more than 62,700 full-time equivalent temporary employees.

While we are aware that flexibility is a key tool for companies in the management of their human resources, the responsibility of human resources supervision is also a major challenge.

Combining flexibility and responsibility is therefore a challenge we deal with on a day-to-day basis.

In concrete terms, this involves:

- All organs working to combat any form of discrimination on recruitment, with the sole focus on talent, expertise and personality.
- Personalised support for the professional development of our temporary employees by offering training to enhance their employability and self-development.
- An uncompromising prevention policy as part of our Health and Safety approach to deal with the growing risks involved in temporary work. Acknowledging this helps us to combat it.

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

We firmly believe that these will yield results over time, as demonstrated by all of the indicators presented this year.

Three other strands complete this corporate social responsibility policy.

- Promote a responsible and ethical supplier/client relationship without any deviation from this approach.
- Contribute to the protection of the environment not only through our direct activities but also through investment in training in environmental careers among clients engaged in this area.
- Pursue and develop the commitments we have made to urban incentives through Lab'Synergie (sponsoring, solidarity projects).

We boast a network of more than 3,000 permanent employees who adhered to, share and support this ambition; it is a matter of pride to them that they can help to make SYNERGIE Group a benchmark in the management of responsible human resources.

### Ethics and governance

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 relationships of trust with public and private-sector clients, suppliers, colleagues, 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,
- the various international labour conventions, in particular those governing slave and forced labour and the minimum legal age,
- the OECD guidelines for multinational companies.

These commitments to perform and develop our activities in strict compliance with national

and international laws and regulations have been formally set out in four SYNERGIE Group reference documents: the Code of Ethics, the Ethics Charter, the Responsible Purchasing Charter, and the Responsible Recruitment Charter.

In a further demonstration of its engagement, at the start of 2017 the SYNERGIE Group 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.

The new SYNERGIE Group 2018-2022 progress plan, approved by the CSR Committee meeting of 19 December 2017, will be published as part of our CSR report, a summary of it will be communicated to all employees, and a report will be published in July 2018 in coherence with the priorities of the Global Compact. All of the foreign subsidiaries will comply with the priorities of this plan which they will implement in accordance with the local laws.

## 1.1 Our guiding values

SYNERGIE operates on the basis of four key values - proximity, team spirit, diversity and ambition - which are fostered and promoted by its employees in their dealings with temporary employees and clients. The teams themselves have drawn up a formal handbook on these values, which they embody on a day-to-day basis.

### Codes of behavior

SYNERGIE adheres to the “*Ensemble pour l'égalité dans les recrutements*” Charter 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: “... defend people whose rights are not respected and enable equal rights for all, in particular with regard to employment and training ...”.

SYNERGIE's code of ethics is a body of key principles applicable group-wide, directly derived from the four values that characterise it.

It provides the rules of conduct to be adhered to in dealings with all stakeholders:

- concerning permanent and temporary personnel: working conditions, hygiene and safety, non-discrimination, non-harassment, social dialogue, respect for privacy, training, promotion and equity;
- concerning the protection of SYNERGIE Group itself: protection of its assets, image, confidentiality;
- concerning SYNERGIE Group's external relations: compliance with the law concerning conflicts of interest, corruption and hidden kickbacks (gifts, etc.) in dealings with commercial partners, and in its financial account keeping and audits.

These rules have been submitted to the French employee representative bodies, respectively the CHSCT and CCE, and since 2015 they have been included in the Group's internal regulations.

### Action taken to prevent corruption

SYNERGIE takes compliance with competition law very seriously and has always required its employees to apply the legislation in force scrupulously. SYNERGIE's management has also strived to make its employees aware of the risks of any form of corruption and has made it a special area of focus. Every year, the Chairman of the Board of Directors

prepares a Report on Corporate Governance and Internal Control, presenting the control and risk management procedures implemented by the Group.

The Code of Ethics written in 2015 is sent to every employee and new permanent recruit in France to raise individual awareness of the importance of fairness of practices and risk management.

SYNERGIE began to comply with the anti-corruption law of 9 December 2016 with an audit by Grant Thornton. The resulting recommendations will be implemented within the specified deadlines.

#### Adhesion to SYNERGIE's charters

To further strengthen its engagement, in France and within the foreign subsidiaries, the various charters and conventions signed before or during 2017 are a means for employees to remain informed in real time concerning the Group's CSR policy and to adhere to it in a transparent manner.

These essential CSR tools have been updated and can be consulted on the intranet or through the Group's Newsletter which it began to post on a monthly basis in 2017.

##### > **The Group Ethics Charter**

Since it was updated in 2014, this charter has been deployed in Italy, Spain, Portugal, the UK, Germany, Switzerland, Luxembourg, Belgium, Netherlands, Czech Republic and Slovakia.

##### > **The Responsible Recruitment Charter**

In 2014, SYNERGIE implemented its Responsible Recruitment Charter, which formally sets out the principles and procedures governing non-discrimination and promoting diversity at every stage of the recruitment process for temporary and permanent personnel.

## 1.2 A commitment to diversity in the workplace

### Combating discrimination

SYNERGIE implements various proactive measures to prevent discrimination during all stages of the recruitment process, including temporary assignments, fixed-term contracts, open-ended contracts and intermittent open-ended contracts.

It has also established a new national recruitment software system called SYNTALENT, which offers optimised capacity to search for recruiters and increases the capacity to match job requests with offers.

## 2 RESPONSIBLE FLEXIBILITY

### 2.1 A snapshot of employment at SYNERGIE in 2017

#### New recruitment and departures of permanent employees

PERMANENT		2016 TOTAL	2017 TOTAL	FRANCE	NORTHERN AND EASTERN EUROPE	SOUTHERN EUROPE	CANADA & AUSTRALIA
RECRUITMENT (for fixed-term/open-ended contracts)		1,232	1,695	743	510	305	137
DEPARTURES (open-ended contracts)		572	893	218	403	190	82

This first table highlights growth in recruitment in 2017 in relation to 2016.

## COMPENSATION AND RELATED CHANGES

COMPENSATION and SOCIAL SECURITY CONTRIBUTIONS PERMANENT AND TEMPORARY	Unit	2016 TOTAL	2017 TOTAL	FRANCE	NORTHERN AND EASTERN EUROPE	SOUTHERN EUROPE	CANADA & AUSTRALIA
Employees		57,323	65,790	31,088	14,543	18,655	1,504
Total gross annual compensation	Euro	1,416,715,342	1,632,552,082	798,494,051	382,651,366	401,372,189	50,034,476
Social security contributions	Euro	371,583,763	424,412,279	204,335,962	95,634,443	117,903,800	6,538,075
Gross average annual compensation	Euro	24,715	24,815	25,685	26,312	21,515	33,268
Social security contribution rates	%	26.23%	26.00%	25.59%	24.99%	29.38%	13.07%

### Breakdown of temporary and permanent employees (by gender, age and socio-professional category)

EMPLOYEE DATA: TEMPORARY PERSONNEL	2016 TOTAL	2017 TOTAL	France	NORTHERN AND EASTERN EUROPE	SOUTHERN EUROPE	CANADA & AUSTRALIA
Total average TEMPORARY workforce at 31/12 (FTE)	54,333	62,772	29,769	13,726	17,907	1,370
** of which total male workforce	70.10%	70.14%	73.29%	71.48%	62.80%	64.67%
* of which <26 years	34.16%	31.35%	34.42%	30.77%	26.09%	22.69%
* of which 26 to 45 years	50.64%	51.18%	50.33%	46.98%	56.96%	51.35%
* of which >45 years	15.20%	17.47%	15.25%	22.25%	16.95%	25.96%
** of which total female workforce	29.90%	29.86%	26.40%	28.52%	37.20%	26.93%
* of which <26 year	32.30%	28.70%	33.27%	36.08%	18.57%	20.60%
* of which 26 to 45 years	51.27%	51.87%	49.35%	43.68%	60.54%	49.05%
* of which >45 years	16.43%	19.43%	17.38%	20.24%	20.88%	30.35%
Management workforce/Total temporary workforce	0.61%	0.73%	1.32%	0.16%	0.01%	0.00%
White-collar workforce/Total temporary workforce	9.58%	11.30%	1.12%	24.60%	22.34%	0.22%
Blue-collar workforce/Total temporary workforce	89.80%	87.97%	97.57%	75.23%	72.33%	91.38%

EMPLOYEE DATA: PERMANENT	2016 TOTAL	2017 TOTAL	France	NORTHERN AND EASTERN EUROPE	SOUTHERN EUROPE	CANADA & AUSTRALIA
Total PERMANENT workforce at 31/12/2017 (FTE)	2,991	3,018	1,319	817	748	134
Total male workforce	21,89%	19,79%	17,97%	25,22%	18,72%	8,84%
* of which <26 years	17,87%	11,04%	10,13%	14,16%	8,05%	7,69%
* of which 26 to 45 years	64,92%	65,92%	62,03%	64,60%	75,84%	46,15%
* of which >45 years	17,21%	23,04%	27,85%	21,24%	16,11%	46,15%
Total female workforce	78,11%	80,21%	82,03%	74,78%	81,28%	91,16%
* of which <26 years	22,74%	14,21%	15,16%	17,46%	8,96%	15,67%
* of which 26 to 45 years	63,62%	67,94%	62,48%	67,76%	80,06%	54,48%
* of which >45 years	13,64%	17,84%	22,37%	14,78%	10,97%	29,85%
Total management workforce	19,95%	33,98%	68,23%	10,83%	8,17%	7,48%
Total non-management workforce	80,05%	66,02%	31,77%	89,17%	91,83%	92,52%

NOTE: Not including the age range for Switzerland or the breakdown in 2016 for Canada, Australia, and CAVALLO in Germany

The number of temporary employees with an average age of 34 showed a further increase to an average of 62,772 FTE at the end of December, representing growth of 15.5% in relation to 2016.

The number of permanent employees surpassed the 3,000-threshold in 2017.

## Organisation of working time

The working hours and weekly rest periods applied by SYNERGIE and its subsidiaries comply with local and European regulations. According to the regulations that apply to temporary employment, temporary workers placed by the SYNERGIE Group are subject to the working hours applicable within the user company.

Each subsidiary is governed by the laws of its own country, and the adaptation measures for the transposition into national law of European directives on the organisation of working time (November 2003), temporary employment (November 2008) and services in the domestic market (December 2006).

In France, 9% of employees (10% in 2016) work in part-time employment. Of these, 64% (62% in 2016) are in optional part-time employment, 34% (same as in 2016) are on child-care leave, and 2% (3% in 2016) for other reasons.

### Absenteeism

With regard to absenteeism overall, monitoring absenteeism among temporary workers does not seem relevant, as this population changes rapidly and the Group also has an obligation to respond to the client company by immediately replacing the absent temporary worker.

The absenteeism rate for permanent personnel was 2.85% in France in 2017 (compared with 3.61% in 2016).

## 2.2 - Assistance in ensuring sustainable employment

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 they carry out follow-up interviews and end-of-assignment reviews of temporary personnel 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 measured using statistical indicators:

- increase in the number of long-dated assignments,
- number of training courses geared towards jobs.
- number of training courses to increase professional profile.

Every day, SYNERGIE Group's employees apply all of their know-now to ensure the sustainable employment objective is achieved.

To this end, the permanent employee teams were further strengthened with 48 new permanent positions created in France and within our foreign subsidiaries (after the 49 positions created in 2016).

All new temporary workers undergo an initial interview to ascertain their skills (training, experience, etc.) and set out their professional objectives and how these 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

FAFTT (Fonds d'Assurance Formation du Travail Temporaire - training fund for temporary employees), or a different type of assignment.

For example, our UK subsidiary received two awards at the Institute of Recruitment Professionals 2017 (IRP) Awards, one for “best permanent advisor” and the other for the highly sought after “recruiter of the year”, recognising their professional excellence and best practices in recruitment.

### Better training to meet the needs of companies

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

The assignment of competent personnel that meet companies' legitimate requirements fulfils what we see as an equation for success, namely an employee who is good at their job and a satisfied company manager. The Group invested more than €35 million in training in 2017, enabling 57,831 temporary employees to benefit from training.

This deliberate approach is particularly evident in France, where the training provided to all personnel reached a total of €24.4 million in 2017, i.e. 3.35% of its payroll costs, versus a mandatory proportion of 2.65% (once again SYNERGIE largely surpassed its regulatory obligation by €2.5 million).

Under this policy, 1,292 temporary employees (versus 923 in 2016 and 578 in 2015) participated in a professional training course in 2017, which alone represented an additional investment of €7.78 million (compared with €6.5 million in 2016).

The total level of participation in training by SYNERGIE's temporary employees also increased in relation to 2016. It breaks down as follows:

#### Participation in temporary employee training

TRAINING OF TEMPORARY WORKERS	Unit	2016 TOTAL	2017 TOTAL	FRANCE	NORTHERN AND EASTERN EUROPE	SOUTHERN EUROPE	CANADA
Total expenditure on training	Euro	25,368,993	35,166,452	24,352,542	1,013,979	9,799,141	790
Number of participants in training initiatives		34	58	15	1	42	388
Average expenditure per participant in training initiatives	Euro	752	608	2	894	236	2
Total training hours	Hours	656	1,176,824	548	19	586	23,394
Average duration of training initiatives per participant	Hours	19	20	37.02	16.89	14.12	60

*NOTE: UK and Switzerland are out of temporary workers scope. In France, method chosen since 2016, includes expenditure related to the fund for safeguarding temporary employee career paths (FSPI), the company training programme (FTE), the professionalization and the funds for temporary employment (FPE-TT)*

### Securing career paths

For more than 25 years, efforts have been made in this sector in France to strengthen the status of temporary employees and help this form of flexible employment to stand out through the creation of mechanisms to secure temporary employee career paths: “flexicurity” solutions.

Set up by the branch agreement of 10 July 2013, a temporary fixed-term contract was established to provide professional security and strengthen the employability of temporary

workers. This mechanism and the creation of the fund for safeguarding temporary employee career paths (*Fonds de sécurisation des parcours des intérimaires* - FSPI) represent a major step forward in the development of flexicurity in France.

In the context of the national interprofessional agreement on career development arising



from the law of 10 July 2013, 653 temporary employees benefited from personalised career development assistance through our subsidiary Dialogue & Compétences, enabling them to increase their annual assignment length by at least 5%, even though this assistance is no longer mandatory. Under this interprofessional agreement, a total of 4,037 temporary employees received training as part of our subscription to the FSPI to improve their employment prospects (compared with 2,185 in 2016, representing an increase of +87%).

Since the implementation of the new open-ended contract for temporary workers arising from the law of 10 July 2013, at the end of 2017, SYNERGIE had 1,606 temporary employees (of which 1,136 added in 2017 alone) who were able to enjoy employment security between assignments. This constitutes genuine social progress in this profession. The Group has set a target of 2,600 signatures by the end of 2018.

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

In France, the recruitment activity saw continued growth with 5,437 placements in 2017 as part of fixed-term or open-ended contracts.

### Recruitment and career management of permanent personnel

The implementation in France of the new ATS (Applicant Tracking System) in 2017 also benefited the teams responsible for recruiting permanent personnel within the Human Resources Division. The use of this new streamlined and collaborative software and the development of the SYNERGIE employer brand on the internet also helped to improve permanent personnel recruitment at SYNERGIE.

The integration of new recruits was strengthened in 2017 with the organisation at local level of an integration day, jointly coordinated by the management and Human Resources Division to disseminate the main benchmarks within the Group.

In 2017, SYNERGIE also organised skills evaluation meetings as part of a skills assessment drive for permanent employees. These meetings (90%) were held using a new dedicated platform which helped on the one hand to streamline and speed up the collection of information, and on the other hand to allow easier access to HR data at all times.

Along with the skills evaluation meetings and professional meetings performed in 2016, SYNERGIE has the necessary tools to promote internal mobility, at both hierarchical and functional level. The organisation of training, coaching, promotional meetings, people reviews, etc. are all part of an approach by SYNERGIE to promote the professional development of its employees in line with its strategy.

Moreover, 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. For instance, in 2017, 59 people on fixed-term employment contracts and sandwich courses had the opportunity to apply for an open-ended employment contract.

### Participation in permanent training

TRAINING OF PERMANENT EMPLOYEES	Unit	2016 TOTAL	2017 TOTAL	FRANCE	NORTHERN AND EASTERN EUROPE	SOUTHERN EUROPE	CANADA
Total expenditure on training	Euros	1,595,761	1,942,324	915,667	485,002	541,452	204
Number of participants in training initiatives		3,588	6,487	2,005	3,648	774	60
Average expenditure per participant in training initiatives	Euros	445	299	457	133	700	3
Total training hours (excluding individual training leave)	Hours	57,503	80,538	24,027	17,355	37,171	1,985
Average duration of training initiatives per participant	Hours	16	12.4	12	4.8	48	33



### 3 ACTION TO PROTECT EMPLOYEES

#### 3.1 Health and safety

Safety is 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: building, 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. This is particularly the case in France where an increase in these measures and procedures has been seen across all categories, as shown in the table below.

<b>Consolidation of the main security procedures in France (Number of activities)</b>	<b>2016</b>	<b>2017</b>
CLIENT OHS FORMS	2,363	2,389
TEMPORARY EMPLOYEE OHS FORMS	40,955	41,879
SECURITY OF TEMPORARY EMPLOYEE ASSIGNMENTS	6,367	6,734
SECURITY TESTS	73,045	76,057

SYNERGIE Group's Safety Quality Division is responsible for these audits. Their effectiveness lies in the fact they were initiated several years ago and annual agency audits are now systematically carried out.

They are performed on the basis of twelve procedures applied to real accidents recorded by the agencies.

Based on the results, the agencies that require assistance are prioritised, and offered assistance in assessing risks at our clients through the creation of job information sheets covering health and safety in the workplace, and training for personnel in workplace accident analyses, and increasing awareness of the safety resources used by the Division.

In 2017, only 8 agencies obtained a score below 6/10 while 36 agencies obtained a score above 8/10, corresponding to excellence in safety quality (10 agencies in 2016).

#### 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 2017, more than 72 permanent employees received specific training in risk prevention.

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 and all of its subsidiaries have 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 employees

within client companies, to help them understand better the positions they are assigned and to encourage compliance with the required safety instructions.

After renewal of their certification by SYNERGIE Spain (OHSAS 18001) and ACORN in the United Kingdom (CHAS), our Italian subsidiary recently also obtained OHSAS 18001 certification.

## Partners

Partnerships with workplace accident prevention bodies continued throughout 2017, 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 2017, the data should be seen in light of the strong growth in our activity and therefore an increase in the number of temporary staff placed on assignments. What is important is that our frequency rate is stabilising, and in particular our accident seriousness rate continues to fall (1.02 in 2017 versus 1.07 in 2016). This is particularly the case in France, where it fell from 1.53 to 1.40 thanks to a particularly strong policy in this area.

### Hygiene and safety conditions: temporary employees are most exposed

TEMPORARY		2016 TOTAL	2017 TOTAL	FRANCE	NORTHERN AND EASTERN EUROPE	SOUTHERN EUROPE	CANADA & AUSTRALIA
Frequency rate		42.14	<b>42.68</b>	48.99	30.85	43.93	2.81
Seriousness rate		1.07	<b>1.02</b>	1.40	0.56	0.84	0.03

*NB : 2016 Not including Canada and Australia*

**Frequency rate:** Number of accidents giving rise to at least one day of temporary incapacity to work or fatal accidents per 1,000,000 divided by the number of hours of exposure to the risk of accident in the workplace.

### Hygiene and safety conditions - permanent employees

PERMANENT		2016 TOTAL Only France	2017 TOTAL	FRANCE	NORTHERN AND EASTERN EUROPE	SOUTHERN EUROPE	CANADA & AUSTRALIA
Frequency rate		9.82	<b>8.44</b>	12.16	3.30	2.07	3.94
Seriousness rate		0.36	<b>0.18</b>	0.29	0.003	0.033	0.06

Another particularly positive factor is that our frequency index fell from 7.32 to 7.28 in 2017 (less than 8 temporary employees had an accident involving leave from work out of 1,000 FTE temporary personnel placed on assignment).

To ensure a more professional disclosure process, 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 workplace health and safety committees and 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 four workplace health and safety committees in France to obtain a general overview of hygiene, safety and working conditions in 2017 and to set out the annual prevention programme for 2018. All four workplace health and safety committees gave a positive opinion on these matters.

## Regulatory training and equipment

Investment for the benefit of temporary employees in specific regulated security training

(CACES safe driving certificate, authorisation), medical supervision and individual protection equipment amounted to €7.55 million in 2017 for the entire Group.

The statement of incentives managed and implemented by the management between 2014 and 2017 in the context of the annual risk prevention programmes provided a dashboard of the increase in total expenditure, with a significant increase in personal protective equipment, even higher than our projections. This indicator is shared by our subsidiaries, and it shows that we have largely surpassed our target for 2017 with investment of €1.48 million (of which an increase for France of 13.27% in relation to 2016).

	Unit	TOTAL 2016	TOTAL 2017	FRANCE	EUROPE DU NORD et de l'EST	EUROPE DU SUD
Mandatory regulatory training (CACES, authorisations, etc.)	Euro	3,248,932	3,743,208	3,465,948	53,614	223,646
Medical supervision of all temporary employees	Euro	2,423,182	2,339,183	2,114,138	27,496	197,549
Supply of personal protective equipment to all temporary employees (hard hats and shoes, etc.)	Euro	804,999	1,465,857	841,954	347,493	276,411

## 3.2 Social action through consultation

### A protective status

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 CIETT (International Confederation of Private Employment Agencies) notably 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.

### Social dialogue

In 2017, SYNERGIE organised the annual European Company Council meeting, which established social dialogue at European level between the different representatives of the countries in which SYNERGIE operates.

In France, the social dialogue stakeholders meet regularly (27 meetings were held in 2017) to discuss mandatory subjects as well as matters agreed between the social partners: salaries, working hours, time savings accounts, disability, provisional job and skills management, personal insurance/complementary health insurance, and the election of professional representatives are all topics that were monitored and discussed in 2017. An agreement on time savings accounts for temporary employees was signed.

Social dialogue continued during meetings of the Central Works Council and at the regional level through meetings of the works committees, trade union representatives and regional workplace health and safety committees.

- 6 Central Works Council meetings
- 52 works committee meetings
- 48 DP meetings
- 20 workplace health and safety committee meetings

Lastly, a branch agreement under which temporary employees can benefit from collective cover of their medical expenses was signed: this complementary health coverage, accessible from 414 hours worked, was offered to 62,512 temporary employees in 2017 (i.e.  $\approx$  5,400 more people than in 2016), for a total cost of €3 million.

## 4 THE FOUR DIVERSITY MISSIONS

### 4.1 Mission for disabled employees

#### Equal opportunity

Over the last 13 years, the Group has been keen to promote equal opportunities and to assist its clients in employing disabled people. SYNERGIE in France and all of its subsidiaries offer a specific recruitment service for disabled workers.

The mission for disabled employees is fully dedicated to getting disabled people into work and helping the Group's clients to recruit disabled workers.

Its actions revolve primarily around personalised reception, evaluation of skills and motivation, qualifications and specific training, and studying accessibility to workstations.

In 2017, the actions of the mission for disabled employees led to an increase in the number of disabled temporary employees in FTE job assignments: 431 FTE (versus 396 in 2016), with an average TH assignment duration still 32% above the average assignment duration of all of SYNERGIE's temporary employees in France.

Employees recognised as disabled (RQTH)	France	France
	2016	2017
Number of assigned temporary disabled personnel	1,472	1,685
Number of assignments	8,862	9,073
Total weighted average TEMPORARY EMPLOYEES (FTE)	396	431
Number of hours for placed personnel	720,700	784,609

New tools were implemented in 2017: Handi'Matinales recruitment, Handi'Matinales entreprises and Handi'Sensib are events to promote the recruitment of candidates and meetings with disability experts within companies and between companies to help raise awareness among employees about declaring disability. This concerns both permanent and temporary employees of SYNERGIE as well as the employees of Group clients.

These events led to a five-fold increase in the number of disabled people signing an open-ended contract for temporary employees, who today account for 2.37% of temporary employees on an open-ended employment contract.

#### Assisting disabled temporary employees

SYNERGIE entered into company agreements with its social partners to improve the rate of recruitment of disabled temporary employees and to assist them in maintaining work by implementing specific measures.

In 2017, SYNERGIE prepared the foundations for a new company agreement which was approved by Agefiph and signed by all of the trade union bodies in early 2018, and which will be deployed over the next three years.

Pursuant to the law of 11 February 2005 on equal rights and opportunities, and the inclusion and citizenship of disabled persons, SYNERGIE has put in place a campaign to make its agencies more accessible. For all new agencies, access is taken into account as soon as the premises are obtained.

## Assisting disabled permanent employees

In 2017, SYNERGIE negotiated the foundations of a new three-yearly company agreement, signed by the social partners in early 2018 and approved by Agefiph, which incorporates an ambitious commitment concerning the recruitment of disabled workers (open-ended contracts, fixed-term contracts, apprenticeships) as well as incentives to help them remain in employment, and the development of a partnership with players from the sheltered sector.

## 4.2 Mission for seniors

Mission for senior workers in France	France	France	change 2016-2017
	2016	2017	
Number of assigned temporary senior personnel	19,628	21,280	8.4%
Number of assignments held by senior workers	141,532	150,119	6.1%
Number of clients assisted in the employment of senior workers	9,269	9,579	3.3%
Number of hours	8,238,611	9,651,525	17.1%
Number of FTE	4,527	5,303	17.1%
Number of senior workers on an open-ended or fixed-term contract	413	520	25.9%

The mission for seniors incentives in 2017 had the following results:

- an increase in the number of senior temporary employees on FTE assignments: 5,303 FTE in 2017 compared with 4,527 FTE in 2016, +17%;
- a 26% increase in the number of senior workers assigned a fixed-term or open-ended contract for SYNERGIE, not including Aile Médicale; the placement of the latter reached 588, bringing the total placement of senior workers in France in 2017 to 1,108;
- encouragement and fostering the employment of senior employees, with more than 150,119 assignments taken up by senior employees among 9,579 client companies.

The mission is deployed nationwide through the SYNERGIE open centres located in Bordeaux, Lyon, Nantes and Paris.

Thanks to this substantial work we have received the Diversity Charter Award on two occasions.

In 2017, the mission for seniors was substantially represented at:

- The Matinées SYNERGIE and Force Femmes events,
- The Cafés Coaching senior worker coaching events,
- Employment fairs,
- Workshops promoting employment for women aged 45 and over,
- Job Dating events for senior workers.

Such positive results are a boost to our continued activities in this area.

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

## 4.3 Mission for inclusion

### A commitment to include long-term unemployed

Since 2012, Mission Insertion SYNERGIE France has been implementing initiatives to benefit both long-term unemployed applicants and companies having to comply with social inclusion clauses in public and private contracts.

It also offers companies a means to enhance their responsible recruitment policies.

It concerns the following job seekers:

- beneficiaries of the RSA (active solidarity income) scheme,
- low-skilled young people,
- young people under the age of 26 who have never worked or held small jobs and registered for local incentives,
- people registered with Pôle Emploi for more than one year on a continuous basis of for more than two years,
- people who are recurrently unemployed,
- disabled job seekers recognised by the CDAPH,
- long-term unemployed over 45 year of age.

### Commitments involving partner cities

In France, SYNERGIE is involved in local inclusion partnerships with 118 cities, including 19 new partnerships implemented in 2017 alone.

The work of the inclusion officers in this area in 2017 primarily involved:

- personalised assistance,
- skills evaluation,
- assistance in defining a career plan,
- individual interviews,
- social assistance,
- training,
- monitoring of inclusion,
- assessment of the inclusion action taken and the prospects envisaged for the beneficiaries.

The number of temporary employees who benefited from these inclusion programmes increased from 811 in 2016 to 1,055 in 2017 thanks notably to a national partnership in the automotive sector.

The goal for 2017 was therefore largely surpassed, with an increase of 30% in relation to 2016.

### Renewal of the partnership with the Ministry of Urban Affairs

In October 2016, the Ministry for Urban Affairs and SYNERGIE renewed for two years their agreement concerning the Companies and Districts Charter (Charte Entreprises & Quartiers) which was signed in 2013 to facilitate professional inclusion of people living in districts that are considered priority areas.

An additional partnership was signed with the prefecture of Tarn on 15 December 2017.

SYNERGIE participates in meetings of the national coordination and follow-up committee, under the aegis of the Ministry for Urban Affairs, sharing with its peers its best practices in this area, as illustrated by the “Parcours Dynamique Emploi” employment programme steered with the prefecture of Loire-Atlantique.

Six indicators have shown an increase	2015	2016	2017	Change 2016/2017	Targets 2018
Average number of temporary personnel included per month	67	306	386	+26%	+20%
No. of partner cities	76	88	118	+34%	+15%
Number of client companies	117	136	164	+21%	+15%
No. of working hours	65,500	377,210	530,222	+40.6%	+20%
Number of assignments	834	1,227	1,543	+25.7%	
No. of long-term unemployed applicants placed	288	811	1,055	+30%	+20%

## 4.4 Professional equality for men and women

SYNERGIE 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:

- the second edition of the “Mix&Métiers” diversity of profession forum in Nantes aimed at women,
- the “Mix&Métiers” forum in Marseilles,
- conferences and round table discussions,
- recruitment at the SYNERGIE aeronautical fair,
- Creation and development of the “Aéronautique déploie ses Elles” programme,
- Coordination of workshops with the “Les Entreprises pour la Cité” network on diversity of professions,
- Organisation of information meetings and company visits, etc.

Thanks to this substantial work we have received the Diversity Charter Award on two occasions.

The professional gender equality mission benefits from several national partnerships: les FAMEUSES, DRDFE, ELLES BOUGENT, the “Les entreprises pour la Cité” network, CIDFF, Force Femmes, Fondation FACE, Cité Des Métiers

For permanent employees, SYNERGIE signed a professional gender equality agreement in 2015 providing for equal treatment of male and female candidates, fostering of access for women to management roles, equal access to training, etc., and a parenting charter. The incentives implemented help women to obtain access to jobs that have traditionally been considered mainly for men as well as management positions. For instance, in 2017:

- The business segment comprised 73.68% women (vs 72% in 2016)
- The Manager segment comprised 71.43% women (vs 76% in 2016)
- The management population in France comprises 65% women.



## 5 GOING FURTHER IN URBAN INCENTIVES AND CONTROLLING THE ENVIRONMENTAL IMPACT

### 5.1 Lab SYNERGIE

Created in 2014 with the goal of structuring partnerships and sponsorship activities, Lab SYNERGIE is an original and flexible entity which serves as an experimental platform for national and social commitment.

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 for 2017 of €5.2 million (compared with €4.6 million in 2016), of which 49% directly to 400 local establishments, representing an increase of 12% in relation to 2016.

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 craftsmen 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 2017:

- with associations working to combat discrimination and helping excluded people back into work (sponsorship of armchair football for the 12th year, a French cancer centre, sponsorship of paralympic champion Marie Amélie Le Fur for the third year, co-founding the magazine *L'Handispensable*, supporting 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);
- with 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;
- with the employees of our agencies and those located in Belgium, through the corporate StreetWize project, which several Group subsidiaries plan to deploy in 2018. 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 small clubs.

In 2017, SYNERGIE developed its presence on social networks to highlight and share its successes in this area.

More than €2.9 million was spent in this area in 2017, primarily on sports partnerships.



## 5.2 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,
- reduces 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 2015 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;
- SYNERGIE in the UK has received accreditation from *Green Dragon Environmental Management Standard*.

### Sharing best practices with our suppliers

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 in France 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.

## 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.

### Indicators

Consumption by SYNERGIE Group in Europe <i>(not including Canada et Australia)</i>	2016	2017
Total electricity consumption (plus, not including Slovakia and Switzerland)	4,844,788 Kwh	2,743
Total fuel consumption	987,099 liters	1,097,220 liters
Total paper consumption (plus, not including the UK)	113 tons	109 tons
<b>France</b>		
Paper recovery	35.17 tons	53 tons

### Recycling

As part of its environmental policy, the SYNERGIE Group intends to increase its participation in recycling operations.

This initiative is based on two key areas:

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

### Sustainable use of resources

All the Group's subsidiaries have begun the process of moving to electronic invoices, contracts, pay slips and payments, so that paper consumption can be substantially reduced (-3.1% in France).

Our provider in France recovered 53 tonnes of paper in 2017, representing an increase of 51% in relation to 2016 (compared with 35.17 tonnes in 2016, 28.97 tonnes in 2015 and 29.57 tonnes in 2014). The scheme to recover office furniture in 2017 gave rise to the recycling of 14.33 tonnes of material. The eco-tax on furniture purchases was €3,000.

Through the recycling of IT and office equipment we were able to dispose of a total of 2.25 tonnes of Waste Electrical and Electronic Equipment (WEEE) according to environmentally-friendly standards.

PERMANENT EMPLOYEES AIR (not including Canada and Australia)	Unit	2016 TOTAL	TOTAL 2017	France	Northern and Eastern Europe	Southern Europe
Number of véhicules		919	1,006	392	411	203
Average CO <sup>2</sup> emissions per vehicle	gCO <sup>2</sup> /km	97	100	92	103	109

## Greenhouse gas emissions

Fuel consumption increased across the entire Group primarily because of the increase in the number of our permanent employees. To remedy this, in 2017 France introduced monitoring tools in all new vehicles to help improve sustainable driving by drivers, where necessary.

Also in France, CO<sub>2</sub> emissions per vehicle fell significantly, due to the ongoing replacement of the car fleet with less polluting vehicles, i.e. with fewer CO<sub>2</sub> emissions. The average rate of emissions per vehicle fell for the second year in a row, down by 5% between 2017 and 2016.

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

- a reduction in the number of work trips by providing rooms for videoconferencing. 590 meetings were held in 2017, and although we have not yet been able to precisely measure the resulting reduction in travel and therefore in the carbon footprint, we reasonably estimate that more than one hundred work trips were avoided.
- works carried out at our premises.

After the completion of the first greenhouse gas emissions review and the regulatory energy audit in December 2015, SYNERGIE implemented the activities recommended to save energy, carrying out significant work at certain problematic sites:

- lighting,
- heating,
- electrical outlets.

Accordingly, in line with the recommendations of the energy report, the Group began important work in 2016 at its main administrative premises (Orvault, work carried out during the extension of this center). This included work on the heating system which will now be regulated automatically; the systematic implementation of LED ceiling lights; and improved thermal insulation using ceiling panels.

We anticipate a significant reduction in consumption thanks to all of these policies; already at the end of 2017 we recorded a reduction of 430,000 Kwh in relation to 2016.

The next audit scheduled for early 2018 will establish a second GHG Review for SYNERGIE, which will take into account the Scope 3 obligation.

## Methodological note

### Period concerned

The reporting period for information on corporate social responsibility is the financial year ended 31 December 2017. Prior data was produced for the previous year when the information was available.

### Scope – Exclusions

The corporate, environmental and social information provided in this report is all relevant to the activities developed by the Group and its orientation in terms of sustainable development. From the information covered by the "Grenelle II" law of 12 July 2010 and its implementing decree of 24 April 2012, the following topics have been excluded from this report due to their low or even complete lack of relevance in view of the Group's service activities: resources devoted to the prevention of environmental risks, pollution and related provisions; the prevention, reduction or repair of discharges affecting the environment; taking into account specific damages and pollution connected to the activity; water consumption; use of land; adaptation to climate change; preservation of biodiversity; measures for the health and safety of consumers; the circular economy; the prevention of food waste; relations with environmental associations.

As well as these exclusions, some data relating to the Group's foreign entities have not been presented. The countries concerned are indicated in the body of the report, with the exception of the Austrian company that was integrated recently. These exclusions were reviewed by the auditors. It should be emphasised that these are reporting exclusions. This does not signify that the foreign countries do not comply with the Group's corporate responsibility policies, but that the collection of information did not seem pertinent, for 2017, in view of the necessary work and the resources needed to implement it. The gradual extension of the scope of coverage of foreign entities represents an area of progress for the Group in the medium term.

### Reporting structure - Indicators used

The Group has a set of reporting guidelines that describe its reporting process and provide details of:

- The organisation and responsibilities in the various business divisions in France;
- For each topic, the scope of reporting used and the definition of the indicators selected;
- The description of the process, including the stages of data collection, verification and control and methods of data consolidation and publication.

### Data verification

Pursuant to Article L.225-102-1 of the French Commercial Code, the social, environmental and corporate information presented in the management report was audited by an independent third-party body. Its report, which comprises a declaration of the presence and an opinion on the truthfulness of the information, is appended to this document.

## 6 PROOF OF PRESENCE AND NOTICE OF SINCERITY BY THE INDEPENDENT THIRD PARTY

### **SYNERGIE S.E.**

11, avenue du Colonel Bonnet  
75016 PARIS

Registered with the Trade and Companies Registry under number 329 925 010

### **PROOF OF PRESENCE AND NOTICE OF SINCERITY BY THE INDEPENDENT THIRD PARTY ON THE CONSOLIDATED CORPORATE, ENVIRONMENTAL AND SOCIAL INFORMATION IN THE MANAGEMENT REPORT**

#### **Financial year ended 31 December 2017**

To the Shareholders,

In our capacity as independent third party body accredited by COFRAC under the number 3-1077<sup>1</sup>, we hereby report on the consolidated corporate, environmental and social information for the year ended 31 December 2017 presented in the management report (hereinafter the "CSR Information"), pursuant to the provisions of Article L.225-102-1 of the French Commercial Code.

#### **RESPONSIBILITY OF THE COMPANY**

It is the responsibility of the Board of Directors to prepare a management report including CSR Information pursuant to Article R.225-105-1 of the French Commercial Code, in accordance with the guidelines used by the Company (hereinafter the "Guidelines"), which are summarised in the management report and available on request at the Company's registered office.

#### **INDEPENDENCE AND QUALITY CONTROL**

Our independence is defined by the regulations and the profession's code of ethics, included in the Decree of 30 March 2012 relating to the exercise of accounting activity, and takes into account the provisions of Article L.822-11 of the French Commercial Code. 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.

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<sup>1</sup> The scope of this is available on the website [www.cofrac.fr](http://www.cofrac.fr)

## **RESPONSIBILITY OF THE INDEPENDENT THIRD-PARTY BODY**

It is our responsibility, based on our work:

- to certify that the required CSR information is included in the management report or that an explanation is provided in the event of omission, pursuant to the third paragraph of Article R.225-105 of the French Commercial Code (declaration of the presence of CSR Information);
- to express a conclusion of moderate assurance on the fact that the CSR Information, taken together, is presented, in all material respects, truthfully in accordance with the Guidelines (reasoned opinion on the truthfulness of the CSR Information).

Our work was conducted by a team of two people between 26 March 2018 and 16 April 2018 for a period of approximately 10 days.

We carried out the work described above pursuant to the professional standards applicable in France and the ministerial order of 13 May 2013 determining the procedures according to which the independent third-party body performs its tasks.

### **1. Certification of the presence of CSR Information**

We learned, from interviews with the managers of the departments concerned, about the guidelines for sustainable development, based on the social and environmental consequences of the activity of the Company and its social commitments and, where appropriate, the resulting actions or programmes.

We compared the CSR Information provided in the management report with the list set out in Article R.225-105-1 of the French Commercial Code.

If any consolidated information was not included, we verified that explanations had been provided, pursuant to Article R.225-105, paragraph 3, of the French Commercial Code.

We verified that the CSR Information covered the scope of consolidation, i.e. the Company and its subsidiaries within the meaning of Article L.233-1 and the companies that it controls within the meaning of Article L.233-3 of the French Commercial Code, with the limitations specified in the methodological note presented in the management report.

On the basis of this work and given the limitations mentioned above, we hereby certify that the required CSR Information is present in the management report.

## 2. Reasoned opinion on the truthfulness of the CSR Information

### *Nature and extent of works*

We conducted six interviews with the persons responsible for preparing CSR Information for the departments in charge of the information gathering process and of the internal control and risk management procedures, i.e. the administrative and financial department, the human resources department, the general secretary, the quality and security department, and the CSR representative in the United Kingdom, in order to:

- assess the appropriateness of the Guidelines with respect to relevance, completeness, reliability, neutrality and ease of comprehension, taking into account, where appropriate, industry best practices;
- verify the implementation of a process of collecting, compiling, processing and controlling the CSR Information for completeness and consistency and understanding the internal control and risk management procedures relating to the development of CSR Information.

We determined the nature and extent of our tests and controls according to the nature and relevance of the CSR Information in relation to the characteristics of the Company, the social and environmental challenges of its activities, its guidelines on sustainable development and best industry practices.

For the CSR Information we regarded as most relevant<sup>2</sup>:

- at the level of the parent company and the subsidiaries, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions). We implemented analytical procedures on the quantitative information and verified through tests the data calculations and consolidation, and we verified their coherence and consistency with other information contained in the management report;
- we conducted interviews within a representative sample of entities we selected<sup>3</sup> based on their activity, their contribution to the consolidated indicators, their location and risk analysis, in order to verify the correct application of procedures and the implementation of detailed tests based on sampling, consisting of checking the calculations carried out and reconciling the data in supporting documents. The selected sample represents 55% of activity, 53% of headcount and 67% of environmental data based on electricity consumption.

We assessed the consistency of other consolidated CSR Information with our knowledge of the company.

Lastly, we appraised the relevance of the related explanations, if applicable, to the total or partial absence of certain information by taking into account their significance, as well as good business practice.

We believe that the sampling methods and sample sizes that we chose by exercising our professional judgement allow us to provide a conclusion with moderate assurance; a higher level of assurance

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<sup>2</sup> The information regarded as most relevant is as follows:

- o **Corporate information:** temporary and permanent employees (gender, seniority, socio-professional category), number recruited and number of departures among permanent employees, total gross annual remuneration and social security contributions, frequency and seriousness of workplace accidents, number of hours of training, mission for senior employees, mission for disabled employees, mission for inclusion, security-related incentives, regulatory training expenditure and security equipment.
- o **Environmental information:** electricity consumption and paper recovery.
- o **Social information:** expenditure on sponsoring, and linked to the apprenticeship tax.

<sup>3</sup> Scope in France (SYNERGIE SE, AILE MEDICALE, ISGSY) and scope in the United Kingdom.

would have required more extensive work. Due to the use of sampling techniques and other inherent limitations on the operation of any information and internal control system, the risk of not detecting a material misstatement in the CSR Information cannot be completely ruled out.

### ***Conclusion***

Based on our work, we did not identify any material misstatements likely to call into question the fact that the CSR Information, taken as a whole, is presented in a truthful manner in accordance with the Guidelines.

Without prejudice to the above conclusion, we draw your attention to the following:

- certain indicators are not fully covered, notably concerning certain foreign subsidiaries. Details are provided in the consolidated social and environmental information shown in the management report;
- The breakdown of temporary personnel by gender, age and category is extrapolated from the hours worked.

Signed in Paris on 16 April 2018

**Independent third-party body**  
**DAUGE FIDELIANCE**

Pascal GILLETTE



# CONSOLIDATED FINANCIAL STATEMENTS

of the SYNERGIE Group

## FINANCIAL DATA

- Consolidated statement of financial position
- Consolidated statement of comprehensive income
- Consolidated statement of cash flows
- Consolidated statement of changes in shareholders' equity
- Notes to the consolidated financial statements

## REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

# FINANCIAL DATA

## 1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<b>Assets</b>	<b>Note</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
In € thousand	No.		
Goodwill	5	78,033	68,472
Other intangible assets	6	16,284	17,664
Tangible fixed assets	7	51,326	36,562
Non-current financial assets	8	117,495	100,013
Deferred tax assets	9	1,717	1,597
<b>Non-current Assets</b>		<b>264,855</b>	<b>224,308</b>
Trade receivables	10	525,410	478,671
Other receivables	11	81,810	28,516
Cash and cash equivalents	12	78,283	59,513
<b>Current Assets</b>		<b>685,502</b>	<b>566,700</b>
<b>Total Assets</b>		<b>950,358</b>	<b>791,008</b>

<b>Liabilities</b>	<b>Note</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
In € thousand	No.		
Share capital	13	121,810	121,810
Issue and merger premiums		-	-
Reserves and carryforwards		224,093	180,846
Consolidated profit		79,883	64,080
Non-controlling interests		9,925	3,668
<b>Shareholders' equity</b>		<b>435,712</b>	<b>370,403</b>
Provisions and payables for employee benefits	14	3,882	3,710
Non-current borrowings	16	30,451	12,262
Deferred tax liabilities	9	4,872	5,213
<b>Non-current Liabilities</b>		<b>39,204</b>	<b>21,185</b>
Provisions for current risks and charges	15	1,842	1,837
Current borrowings	16.2	7,676	3,953
Current bank debt	16.3	28,251	26,165
Trade payables	17	17,719	15,334
Tax and social security payables	18	401,813	344,878
Other payables	18	18,141	7,253
<b>Current Liabilities</b>		<b>475,442</b>	<b>399,420</b>
<b>Total Liabilities</b>		<b>950,358</b>	<b>791,008</b>

### 3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

#### 2.1 Consolidated income statement

In € thousand	Note No.	31/12/2017	31/12/2016
<b>REVENUE</b>	<b>19</b>	<b>2,323,252</b>	<b>1,991,759</b>
Other income		5,718	2,372
Purchases		(64)	(55)
Personnel costs	20,1	(2,069,901)	(1,780,100)
External expenses		(70,452)	(63,804)
Taxes and similar levies		(48,352)	(40,629)
Depreciation and amortisation		(7,554)	(6,674)
Provisions	20,2	(4,757)	(2,107)
Other expenses		(355)	(564)
<b>CURRENT OPERATING PROFIT BEFORE AMORTISATION AND IMPAIRMENT OF INTANGIBLE ASSETS</b>		<b>127,534</b>	<b>100,198</b>
Amortisation of intangible assets related to acquisitions	5,2	(2,639)	(2,579)
Impairment of intangible assets related to acquisitions	5,2	(8,550)	(850)
<b>CURRENT OPERATING PROFIT</b>		<b>116,345</b>	<b>96,769</b>
Other operating income and expenses	20,3	(109)	(729)
<b>OPERATING PROFIT</b>		<b>116,236</b>	<b>96,040</b>
Income from cash and cash equivalents		807	757
Cost of gross financial debt		(1,369)	(1,276)
<b>COST OF NET FINANCIAL DEBT</b>	<b>21</b>	<b>(562)</b>	<b>(518)</b>
Other financial income and expenses	21	(519)	(2,329)
Share of equity-accounted companies		-	-
<b>NET PROFIT BEFORE TAX</b>		<b>115,155</b>	<b>93,193</b>
Tax expense	22	(33,644)	(28,180)
<b>CONSOLIDATED NET PROFIT</b>		<b>81,511</b>	<b>65,013</b>
<b>Group share</b>		<b>79,883</b>	<b>64,080</b>
<b>Non-controlling interests</b>		<b>1.628</b>	<b>933</b>
<b>Earnings per share (in €) (*)</b>	<b>23</b>	<b>3.28</b>	<b>2.63</b>
<b>Diluted earnings per share (in €) (*)</b>	<b>23</b>	<b>3.28</b>	<b>2.63</b>

(\*) net profit, Group share, divided by 24,362,000 shares

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

In € thousand	31/12/2017	31/12/2016
<b>Net profit</b>	<b>81,511</b>	<b>65,013</b>
Gains and losses resulting from translation of the financial statements of foreign subsidiaries	(1,404)	(2,209)
Liquidity contract	91	92
<b>Subtotal of recyclable gains and losses</b>	<b>(1,313)</b>	<b>(2,117)</b>
Actuarial differences net of tax	128	(53)
<b>Subtotal of non-recyclable gains and losses</b>	<b>128</b>	<b>(53)</b>
<b>Total gains and losses recognised directly in shareholders' equity</b>	<b>(1,186)</b>	<b>(2,170)</b>
<b>Net comprehensive income</b>	<b>80,326</b>	<b>62,843</b>
Group share of total comprehensive income	78,728	62,058
Non-controlling interests' share of total comprehensive income	1,598	785

## 3 CONSOLIDATED STATEMENT OF CASH FLOWS

In € thousand	Note No.	31/12/2017	30/12/2016
Consolidated net profit		81,511	65,013
Derecognition of expenses and income without an impact on cash or not related to business activity		254	(25)
Depreciation, amortisation and provisions	25.2	15,964	10,103
Cost of financial debt	21.3	,562	518
Deferred tax position	22.1	(461)	(,162)
Other expenses and income not generating short-term flows (*)		(47,022)	(36,599)
<b>CASH FLOW</b>		<b>50,808</b>	<b>38,848</b>
Change in working capital requirement	25.1	(11,880)	(43,523)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>38,928</b>	<b>(4,675)</b>
Purchases of fixed assets	25.3	(22,954)	(6,016)
Sales of fixed assets		207	808
Impact of changes in scope (and price supplements)	2	(4,555)	(5,500)
<b>CASH FLOW RELATING TO INVESTMENT ACTIVITIES</b>		<b>(27,302)</b>	<b>(10,708)</b>
Dividends paid out to shareholders of the Parent Company		(14,403)	(14,397)
Dividends paid out to minority shareholders of the consolidated companies		(450)	(270)
Purchase of treasury shares		(170)	137
Loan issues	16.6	22,491	175
Loan repayments	16.6	(1,849)	(1,268)
Cost of net financial debt	21	(562)	(518)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>5,057</b>	<b>(16,141)</b>
<b>CHANGE IN NET CASH POSITION</b>		<b>16,683</b>	<b>(31,524)</b>
Opening cash position	16.3	33,348	64,872
Closing cash position	16.3	50,031	33,348

(1) Portion of 2017 CICE not attributable to the 2017 corporation tax

(2) comprised of:

Acquisition cost disbursed	(10,769)
Cash acquired	6,214
<b>Impact of changes in the scope</b>	<b>(4,555)</b>

## 4 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In € thousand	Capital	Capital reserves	Treasury securities	Consolidated reserves	Gains and losses recognised directly in shareholders' equity	Total Group share	Non-controlling interests	Total
<b>Position at 01/01/2016</b>	<b>121.810</b>	<b>11.675</b>	<b>(3.620)</b>	<b>185.187</b>	<b>4.711</b>	<b>319.764</b>	<b>2.378</b>	<b>322.142</b>
Appropriation of earnings n-1		506	-	(506)	-	-	-	-
Dividends		-	-	(14,397)	-	(14,397)	(270)	(14,667)
Transactions on treasury shares		-	137	-	92	229	-	229
Overall net profit for the year		-	-	64,080	-	64,080	933	65,013
Currency translation adjustment		-	-	-	(2,158)	(2,158)	(154)	(2,312)
Change in scope		-	-	(729)	(53)	(,782)	780	(2)
<b>Position at 31/12/2016</b>	<b>121,810</b>	<b>12,181</b>	<b>(3,483)</b>	<b>233,634</b>	<b>2,593</b>	<b>366,735</b>	<b>3,668</b>	<b>370,403</b>
<b>Position at 01/01/2017</b>	<b>121,810</b>	<b>12,181</b>	<b>(3,483)</b>	<b>233,634</b>	<b>2,593</b>	<b>366,735</b>	<b>3,668</b>	<b>370,403</b>
Appropriation of earnings n-1		-	-	-	-	-	-	-
Dividends		-	-	(14,403)	-	(14,403)	(450)	(14,853)
Transactions on treasury shares		-	(170)	-	91	(79)	-	(79)
Overall net profit for the year		-	-	79,883	-	79,883	1,628	81,511
Currency translation adjustment		-	-	-	(1,374)	(1,374)	(30)	(1,404)
Change in scope (*)		-	-	(5,104)	128	(4,976)	5,109	133
<b>Position at 30/12/2017</b>	<b>121,810</b>	<b>12,181</b>	<b>(3,653)</b>	<b>294,010</b>	<b>1,438</b>	<b>425,786</b>	<b>9,925</b>	<b>435,711</b>

(\*) Impact of the full goodwill method on the acquisition of Völker and from factoring in the commitment to purchase non-controlling interests

## 5 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### ◆ Note 1 Accounting principles and methods

#### 1.1 Basis for the preparation of the consolidated financial statements

The consolidated financial statements at 31 December 2017 and the related notes were approved by the Board of Directors on 4 April 2018.

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.

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

### 1.2.1 New standards, amendments and mandatory interpretations (published by the IASB, approved by the EU and applicable as of 1 January 2017)

The principles and methods used are the same as those applied to the consolidated annual financial statements for the financial year ended 31 December 2016, with the exception of new standards, amendments and interpretations that came into force on 1 January 2017, which did not have a significant impact on the group.

The basic accounting rule applied is the use of the historical cost method, with the exception of items valued at their fair value (cash and cash equivalents, liabilities related to equity investments, pension commitments).

The 2017 CICE receivable was recorded, after discounting, as a deduction from personnel costs.

### 1.2.2 New standards and interpretations for which early application was not applied (published by the IASB, approved by the EU and not yet in force at 1 January 2017)

None of the mandatory new standards, amendments or interpretations that came into force on 1 January 2017 had an impact on the presentation of the consolidated financial statements.

## IFRS 16 Leases

On 13 January 2016, the IASB published its new standard on leases, IFRS 16. This standard applies to financial periods open on or after 1 January 2019. It requires that lessees recognise all leases on the balance sheet, with only a few exceptions. Given the large number of leases taken out by the Group, this standard is likely to have a significant impact on the structure of the consolidated statement of financial position, and to a lesser degree on that of the consolidated statement of comprehensive income. For this reason, a legal watch was established in 2016 to assess the rules applicable under this standard. An action plan on the application of this standard was defined within the Group. Contracts that are likely to be adjusted were listed, and areas of difficulty around legal aspects of the contracts were identified (notably for foreign subsidiaries). An initial estimate of the impact of this standard on the main financial statement aggregates based on the information available at 31 December 2017 sets out the estimated main impacts on the consolidated financial statements.

- Increase in the balance sheet: €25 million
- Increase in current profit: €1 million
- Reduction in financial income: €0.5 million

In 2018, priority will be on carrying out the necessary modifications to the information system for application of the standard in 2019.

## IFRS 15 Revenue recognition

In a regulation dated 22 September 2016, the European Union adopted the new standard concerning revenue recognition, IFRS 15, which was published by the IASB in May 2014. This standard applies to financial periods open on or after 1 January 2018, and may be applied in advance in 2017. Given SYNERGIE Group's activity, the type of income it receives and the way it conducts its invoicing, the impact of this standard on the Group will be insignificant. In fact, turnover will continue to be recognised on a continuous basis insofar as the clients benefit immediately from the services of the temporary employees. The investigation of these elements

indicates that there is not likely to be a need for substantial changes in the way they are recognised.

## IFRS 9 Financial instruments

In a regulation dated 22 November 2016, the European Union adopted the new standard in financial instruments, IFRS 9. This standard also applies to financial periods open on or after 1 January 2018. In relation to SYNERGIE Group's financing structure, the impact of this standard on the Group and its financial statements is likely to be immaterial. SYNERGIE, in fact, uses only basic financial instruments.

The main impact identified concerns the impairment method for trade receivables, which under IFRS 9 will be based on projected credit losses as opposed to the actual credit loss model used until 31 December 2017 pursuant to IAS 39. This will require the establishment of a table of impairment according to the length of time the receivables remain outstanding.

This tool is currently being prepared by the Group's financial department.

## 1.3 Use of estimates

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

This mainly concerns the valuation of the recoverable value of intangible assets and the calculation of provisions for risks and charges. Actual results may differ from these assumptions and estimates.

## 1.4 Accounting principles and methods applicable to the financial statements

### 1.4.1 General principles of consolidation

All of the accounts of companies included in the consolidation scope have an accounting closure date of 31 December, with the exception of Swiss company CAVALLO INVEST AG, whose accounting closure date is 31 March.

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

### 1.4.2 Consolidation methods

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

All entities within the scope of consolidation are controlled by SYNERGIE SE, with a percentage of voting rights 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 IFRS 11. SYNERGIE is not a stakeholder in any structured entity and does not meet the criteria for investment companies under the regulatory provisions.

In 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. There is no significant percentage of non-controlling interests (equity interests that do not confer control) in any subsidiary.

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

#### 1.4.3 Goodwill

Business combinations are recognised using the purchase method.

The "Goodwill" item includes 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 in the fair value of identifiable assets and liabilities acquired on the date it assumes control.

In the case of an acquisition including controlling interests with the existence of non-controlling interests, the Group may either recognise goodwill on the entire revalued net asset, including on the share of non-controlling interests (full goodwill) or it may recognise goodwill on the share acquired (partial goodwill). 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 this option, which is offset by a reduction in shareholders' equity. Any subsequent changes in this liability linked to changes in estimates are recognised in consolidated reserves. All acquisitions of non-controlling interests are considered transactions between shareholders and are not subject to revaluation of the identifiable asset or the 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. Any revisions may only be based on elements identified at the close of the last financial year.

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

Goodwill is not amortised, pursuant to IFRS 3 - "Business Combinations", but 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.

#### 1.4.4 Other intangible assets

Intangible assets are recognised using the historical cost model.

##### **Research costs**

According to IAS 38 - "Intangible Assets", research costs are recognised as expenses 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 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.

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

Development costs relate to software created in-house: it is mandatory that they are capitalised as intangible assets when the company can demonstrate:

- its intention and its financial and technical capacity to carry the development project to completion;
- 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 non-commercial website, expansion of client base, etc.) are booked as expenses 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.

The client bases and brands of acquired companies are valued using the discounted cash flow method, pursuant to IFRS 3 - "Business Combinations".

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.

## **1.4.5 Property, plant and equipment**

Pursuant to IAS 16 - "Property, plant and equipment", the gross value of property, plant and equipment corresponds to its 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 finance leases are accounted for in the same way (Note 7.2).

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
<b>Intangible assets</b>	
Concessions, patents and similar rights	1 to 5 years
Client base	10 years
<b>Property, plant and equipment</b>	
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 items were identified, except for those relating to its subsidiary SYNERGIE PROPERTY.

#### 1.4.6 Impairment of elements 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. The 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 as the present value of the future cash flows to be derived from the CGUs (cash-generating units) to which they belong.

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 (country) basis, according to the markets in which our Group operates.

#### 1.4.7 Other non-current financial assets

These mainly comprise CICE (French Tax Credit for Competitiveness and Employment) receivables. They are discounted in accordance with the utilisation outlook and the rate of bank refinancing for this type of receivable.

#### 1.4.8 Trade receivables and recognition of income

Trade receivables are booked at their nominal value.

If 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, compulsory administration or liquidation of assets), normal settlement differences in the various countries where the Group operates, the situation of each client and the portion covered by insurance.

The Company's income is registered as and when the Group's service of providing personnel is carried out. This procedure means that the rules of separation for financial years can be strictly applied.

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

#### 1.4.9 Tax expense

Tax expense includes payable income tax and deferred tax on temporary differences between value for tax purposes and consolidated value, as well as 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 the Group companies permits, deferred tax assets whose recovery is probable are recognised.

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

They correspond to the impact of differences between the recognition of some types of income and expenses and taking them into account in determining taxable profit.

Tax losses are only taken into account in determining unrealised tax assets 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 CICE was analysed in relation to IAS 19 and IAS 20; it was consequently booked as a deduction under personnel costs.

#### 1.4.10 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 of money market UCITS, provided that they fulfil the conditions established by the AFTE and AFG and validated by the AMF.

#### 1.4.11 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 timing of the provision is more than one year, the amount of the provision is discounted.

#### 1.4.12 Pensions and similar commitments

In accordance with IAS 19 - "Employee Benefits", in the context of defined benefit plans, pensions and similar commitments are valued using a calculation that takes into account wage growth, assumptions of life expectancy and workforce turnover.

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

#### 1.4.13 Treasury shares

All treasury shares held by the Group are registered at acquisition cost and deducted from shareholders' equity, pursuant to IAS 32. Any profit from the sale of treasury shares is credited directly to shareholders' equity.

#### 1.4.14 Segment information

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

#### 1.4.15 Methods used to translate the financial statements of the foreign subsidiaries

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

The method used to translate the financial statements of foreign subsidiaries prepared in foreign currencies is the closing rate method, which entails translating statement of financial position items, excluding shareholders' equity, at the closing currency rate and the income statement at the average rate for the period. Resulting translation gains or losses are recorded in shareholders' equity.

#### 1.4.16 Financial instruments

As part of the financial information required by IFRS 7, and pursuant to IAS 39, the Group's financial instruments are booked as follows at their transaction date:

In € thousand	IAS 39 category	Note No.	2017 carrying amount	Amortised cost	Fair value by income	Fair value by shareholders' equity	2017 fair value
<b>ASSETS</b>							
<b>Trade receivables</b>		10					
Client receivables and related accounts	Loans & receivables		537,149	X			537,149
<b>Other financial assets</b>				X			
Held-to-maturity assets	Loans & receivables						
<b>Cash and cash equivalents</b>	Fair value by income	12	77,720		X		77,720
<b>LIABILITIES</b>							
<b>Financial borrowings</b>		16					
Loans and other borrowings	Financial liabilities at amortised cost		66,378	X			66,378
<b>Trade payables</b>		17					
Trade payables and related accounts	Financial liabilities at amortised cost		17,719	X			17,719
<b>Payable on equity investments</b>			-			X	-
<b>Other financial liabilities</b>	Financial liabilities at amortised cost		-	X			-

X: IAS 39 accounting treatment used

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

Financial instruments, except for cash and cash equivalents, are, under IFRS 7, regarded as Level 3 data; they mainly comprise trade receivables, loans and borrowings.

Due to the short deadlines for receivables payment, the fair value of client receivables is similar to their par value.

Cash equivalents are short-term investments and the risk of a change in their value is low. 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 year-end.

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

In € thousand	2016	Allocations	Reversals	2017
Non-current financial assets	7	-	-	7
Client receivables	13,976	6,155	4,638	15,493
Other receivables	1,028	42	-	1,070
Cash and cash instruments	-	-	-	-
Other current financial assets	-	-	-	-
<b>TOTAL</b>	<b>15,010</b>	<b>6,197</b>	<b>4,638</b>	<b>16,569</b>

## ◆ Note 2 Changes in the scope of consolidation

### Merger

During the first half of 2017, SYNERGIE PERSONAL DEUTSCHLAND GmbH absorbed its wholly-owned subsidiary CAVALLO PERSONAL MANAGEMENT GmbH.

This operation had no effect on the consolidated financial statements.

### Acquisition of the Austrian holding company VÖLKER BETEILIGUNGS GmbH and its subsidiary VÖLKER GmbH

The Austrian company VÖLKER BETEILIGUNGS GmbH, which owns an 80% stake in VÖLKER GmbH, was acquired in full on 31 October 2017 by the holding company SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS. Both companies were included in the consolidation scope from that date.

Full goodwill was applied to this acquisition, giving rise to the recognition of a goodwill amount of €19,351 thousand on 31 December 2017. Moreover, the put option on non-controlling interests was taken into account and the corresponding debt was discounted.

The impact of this acquisition on the 2017 consolidated income statement was €13,691 thousand booked under turnover and €144 thousand booked under net profit.

A cash outflow of €10,769 thousand was recorded over the financial year.

The work on the measurement of the assets and liabilities and evaluation of the goodwill calculation as required under amended IFRS 3 is underway and will be finalised within 12 months of the acquisition date.

### Acquisition of 10% of EXXELL

The UK company ACORN SYNERGIE UK Ltd acquired 10% of its subsidiary EXXELL Ltd, which brought its total interest to 100%, without any significant impact on the consolidated financial statements.

## ◆ Note 3 Information on the consolidated companies

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

CONSOLIDATED COMPANIES	REGISTERED OFFICE	SIREN No <sup>(1)</sup>	% CONTROL HELD BY SYNERGIE		% INTEREST HELD BY SYNERGIE		CONSOLIDATION METHOD <sup>(2)</sup>	
			2017	2016	2017	2016	2017	2016
PARENT COMPANY								
SYNERGIE S.E.	PARIS 75016	329 925 010						
FRENCH SUBSIDIARIES								
AILE MÉDICALE	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 & COMPÉTENCES	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 SUBSIDIARIES								
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)	BARCELONE Spain		100.00	100.00	100.00	100.00	FULL	FULL
SIES SUBSIDIARIES								
SYNERGIE TT	BARCELONE 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	NEWPORT 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	SCHÜNDEL Netherlands		100.00	100.00	100.00	100.00	FULL	FULL
VÖLKER BETEILIGUNGS	St. PÖLTEN Austria		100,00		100,00		GLOB	

<sup>(1)</sup> SIREN no.: ID number on the French national companies register

<sup>(2)</sup> 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)			
			2017	2016	2017	2016	2017	2016
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	BARCELONE Spain		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE HRS SUBSIDIARY								
SYNERGIE OUTSOURCING SL	BARCELONE Spain		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE E.T.T. 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 LEARNING SOLUTIONS	NEWPORT United Kingdom		70.00	70.00	66.27	66.27	FULL	FULL
EXXELL	NEWPORT United Kingdom		100.00	90.00	94.67	85.20	FULL	FULL
ACORN GLOBAL RECRUITMENT	NEWPORT United Kingdom		75.00	75.00	71.00	71.00	FULL	FULL
CONCEPT STAFFING	NEWPORT United Kingdom		100.00	100.00	94.67	94.67	FULL	FULL
S H R BV SUBSIDIARIES								
SYNERGIE LOGISTIEK	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		95.00	95.00	67.45	67.45	FULL	FULL
SYNACO GLOBAL RECRUITMENT pty SUBSIDIARY								
B2B ENGINEERING	ADELAÏDE Australia		100.00	100.00	67.45	67.45	FULL	FULL
SYNERGIE PERSONAL DEUTSCHLAND SUBSIDIARY								
CAVALLO SUISSE INVEST AG	ERMATINGEN Sw itzerland		100.00	100.00	100.00	100.00	FULL	FULL
CAVALLO SUISSE INVEST AG SUBSIDIARY								
CAVALLO PERSONALMANAGEMENT	ANSBACH Germany		100,00	100,00	100,00	100,00	FULL	FULL
SYNERGIE SUISSE SUBSIDIARY								
SYNERGIE INDUSTRIE & SERVICES	MILVIGNES Sw itzerland		100,00	100,00	100,00	100,00	FULL	FULL
VÖLKER BETEILIGUNGS SUBSIDIARY								
VÖLKER	St. PÖLTEN Austria		80,00		80,00		FULL	

(1) SIREN no.: ID number for French national companies register

(2) Consolidation method: full consolidation, abbreviated to FULL, or equity method, abbreviated to EM

#### ◆ Note 4 Unconsolidated companies

The Group owned no company that was not consolidated at 31 December 2017.



## NOTES TO THE STATEMENT OF FINANCIAL POSITION

### ◆ Note 5 Goodwill and other intangible assets relating to acquisitions

#### 5.1 Change in goodwill

In € thousand	2016	Increase	Decrease	2017
Goodwill on securities	62,637	19,351	9,209	72,779
Business	5,835	-	581	5,254
<b>Net consolidation excess</b>	<b>68,472</b>	<b>19,351</b>	<b>9,790</b>	<b>78,033</b>

The increase in goodwill relates to goodwill on the acquisition of the Austrian subsidiary, including the discounted corresponding entry on the repurchase commitment.

The decrease in goodwill relates to impairment of €8,550 thousand related to the UK and the translation difference of €659 thousand.

The decrease in business intangibles is linked to translation adjustments.

Net goodwill breaks down as follows:

CGU In € thousand	Goodwill
Germany	18,018
Austria	19,351
The Netherlands	11,001
United-Kingdom	7,618
France	7,193
Belgium	6,493
Italy	2,773
Canada	2,008
Switzerland	1,608
Spain	521
Other	1,450
<b>TOTAL</b>	<b>78,033</b>

#### 5.2 Amortisation and impairment of intangible assets related to acquisitions

The methods used to evaluate brands and client bases are described in Note 1.2.5. The recoverable value of the CGUs retained, i.e. the countries in which SYNERGIE operates, 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 2018 based on the operational budgets of the various management-approved CGUs which were established by the local management;

- Projected cash flows based on the financial budgets of the subsequent four years approved by management, taking account of the economic outlook in the regions concerned;
- Beyond four years, future cash flow projections are extrapolated with 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 (iBoxx) and a market risk premium; an additional risk premium may be applied if a significant inflation differential is recorded with the French rate or for some small subsidiaries with more concentrated client bases.

Discount rates after tax are applied to cash flows after tax. 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 different parameters used are summarised in the following table:

CGU	Rate		Discount rate	EBIT
	at 4 and 5 years	beyond 5 years		
United Kingdom	2%	2%	9.01%	change according to country and year
The Netherlands	5%	2%	7.03%	
France Temporary Recruitment	5%	2%	6.02%	
France HRM	5%	2%	8.02%	
Australia	5%	2%	8.28%	
Belgium	5%	2%	7.78%	
Switzerland	5%	2%	7.48%	
Italy	5%	2%	8.66%	
Spain	5%	2%	9.04%	
Portugal	5%	2%	8.41%	
Canada	5%	2%	6.75%	
Germany	5%	2%	7.30%	
Other	5%	2%	7.30%	

### 5.2.2 Impairment of goodwill in the UK

The decision by the UK to leave the European Union ("Brexit") in a referendum held on 23 June 2016 did not have a significant impact on the activity levels of our UK subsidiaries in 2017, which showed an overall increase.

Based on estimated potential future impacts, a discount rate of 9.01% was applied for the UK versus 8.64% at 31 December 2016, limited growth is anticipated incorporating the risk weighing on major contracts currently being negotiated, and growth limited to 2% from the fourth year. Based on these assumptions, goodwill impairment of €8,550 thousand was recognised in relation to the UK activities.

### 5.2.3 Sensitivity

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 decrease in the perpetual growth rate of 1%, would result in additional impairment of €5,591 thousand, breaking down as follows:

In € thousand	
France	-
Southern Europe	-
Northern and Eastern Europe	5,591
Canada / Australia	-
<b>TOTAL</b>	<b>5,591</b>

- a decrease in the EBIT rate.

Additional impairment of €3,959 thousand would be created if the EBIT rate declined by 5%, breaking down as follows:

In € thousand	
France	-
Southern Europe	-
Northern and Eastern Europe	3,959
Canada / Australia	-
<b>TOTAL</b>	<b>3,959</b>

The impact of impairment following a decrease in the discount rate, growth rate or EBIT rate primarily concerns the UK activities, and to a lesser extent the Swiss activities.

## ◆ Note 6 Other intangible assets

Changes in the gross values break down as follows:

In € thousand	2016	Entries into scope	Increase	Decrease (*)	2017
Software and licences	8,133	18	1,933	858	9,226
Client base	35,523	1,279	-	506	36,296
Brands	4,661	-	-	138	4,523
Rights to leases	629	-	-	61	568
<b>TOTAL</b>	<b>48,946</b>	<b>1,297</b>	<b>1,933</b>	<b>1,562</b>	<b>50,614</b>

(1) of which translation losses of €673 thousand.

Changes in amortisation break down as follows:

In € thousand	2016	Entries into scope	Increase	Decrease (*)	2017
Software and licences	6,510	11	840	715	6,646
Client base	17,667	805	2,639	315	20,796
Brands	1,220	-	-	16	1,204
Rights to leases	-	-	-	-	-
<b>TOTAL</b>	<b>25,397</b>	<b>816</b>	<b>3,479</b>	<b>1,046</b>	<b>28,646</b>

(1) of which translation losses of €356 thousand.

The increases mainly concern amortisation of client bases linked to business combinations in the amount of €2,639 thousand.

Changes in impairment break down as follows:

In € thousand	2016	Entries into scope	Increase	Decrease (*)	2017
Software and licences	-	-	-	-	-
Client base	4,643	-	-	166	4,477
Brands	1,231	-	-	24	1,207
Rights to leases	12	-	-	12	-
<b>TOTAL</b>	<b>5,886</b>	<b>-</b>	<b>-</b>	<b>202</b>	<b>5,684</b>

(1) of which translation losses of €190 thousand.

The net values break down as follows:

In € thousand	2017	2016
Software and licences	2,580	1,623
Client base	11,023	13,213
Brands	2,113	2,210
Rights to leases	568	617
<b>TOTAL</b>	<b>16,284</b>	<b>17,663</b>

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 1.4.4.

## ◆ Note 7 Property, plant and equipment

### 7.1 Breakdown of item by category

The changes include translation gains or losses and break down as follows:

Gross values

In € thousand	2016	Entries into scope	Increase	Decrease	2017
Land, buildings and technical facilities	21,889	-	12,637	44	34,482
Fixtures, furniture, office equipment & computer equipment	42,004	404	9,511	4,396	47,523
<b>TOTAL</b>	<b>63,893</b>	<b>404</b>	<b>22,148</b>	<b>4,440</b>	<b>82,005</b>
of which fixed assets under finance leases	12,506	-	2,604	1,329	13,781

## Depreciation and amortisation

In € thousand	2016	Entries into scope	Increase	Decrease	2017
Land, buildings and technical facilities	1,644	97	314	8	2,047
Fixtures, furniture, office equipment & computer equipment	25,688	285	6,061	3,402	28,632
<b>TOTAL</b>	<b>27,332</b>	<b>382</b>	<b>6,375</b>	<b>3,410</b>	<b>30,679</b>
of which fixed assets under finance leases	4,772	-	2,977	1,303	6,446

## Net values

In € thousand	2017	2016
Land, buildings and technical facilities	32,435	20,245
Fixtures, furniture, office equipment & computer equipment	18,891	16,316
<b>TOTAL</b>	<b>51,326</b>	<b>36,561</b>
of which fixed assets under finance leases	7,335	7,734

## 7.2 Finance leases

The accounting treatment of assets held under a finance lease mainly relates to computer equipment, passenger vehicles and office equipment.

The gross value of these types of fixed assets was €13,781 thousand at year-end, and the net amount was €7,735 thousand.

Assets held under finance leases were subject to a depreciation charge of €2,977 thousand. Financial charges on these leases came to €122 thousand.

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

In € thousand	2017	2016
Eurozone	50,240	35,493
Outside eurozone	1,086	1,068
<b>TOTAL</b>	<b>51,326</b>	<b>36,561</b>

## ◆ Note 8 Non-current financial assets

### 8.1 Breakdown of statement of financial position

In € thousand	2017 gross amounts	Provisions	2017 net amounts	2016 net amounts
Investments in associates	-	-	-	-
Other equity investments	-	-	-	-
Other fixed investments	101	7	94	48
Loans	14	-	14	14
Other financial assets	117,387	-	117,387	99,952
<b>TOTAL</b>	<b>117,502</b>	<b>7</b>	<b>117,495</b>	<b>100,013</b>

Other fixed investments relate to equity interests of less than 20%.

Other financial assets consist mainly of estimated 2015 and 2017 CICE (Tax Credit for Competitiveness and Employment) receivables not attributable to corporate income tax in 2018 and whose transfer was not confirmed at the start of 2017, as well as security deposits on commercial rents.

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

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

In € thousand	2016	Entries into scope	Increase	Decrease	2017
Other equity investments	-	-	-	-	-
Other fixed investments	54	48	-	1	101
Loans and other	99,966	1,378	50,157	34,100	117,401
<b>TOTAL</b>	<b>100,020</b>	<b>1,426</b>	<b>50,157</b>	<b>34,101</b>	<b>117,502</b>

The increase in other non-current financial assets in 2017 mainly stems from the CICE receivable created in 2017, net of corporate income tax for the year, after deduction for the 2014 CICE receivable which is expected to be reimbursed in 2018 and which was reclassified under current financial assets.

## ◆ Note 9 Deferred tax

In € thousand	2017	2016	Change
<b>Deferred tax assets created for:</b>			
Tax loss carry forwards	11	12	(1)
Temporary differences	1,706	1,585	121
<b>Total unrealised tax assets</b>	<b>1,717</b>	<b>1,597</b>	<b>120</b>
Unrealised tax liabilities	4,872	5,213	(341)
<b>TOTAL</b>	<b>(3,155)</b>	<b>(3,616)</b>	<b>461</b>

Activated tax losses amounting to €12 thousand have the following respective horizons:

In € thousand	2018	2019	Total
Australia	1	-	1
Slovakia	11	-	11
<b>TOTAL</b>	<b>12</b>	<b>-</b>	<b>12</b>

For the sake of prudence, some tax losses that could be carried forward at the standard rate have not been retained. The corresponding tax saving would have amounted to €1,623 thousand, including €90 thousand relating to 2017.

Timeline of non-activated losses by expiry date:

In € thousand	
2017	0
1 year << 5 years	23
> 5 years	1,149
Unlimited	451
<b>TOTAL</b>	<b>1,623</b>

Deferred tax liabilities totalling €4,872 thousand mainly relate to brands and client bases net of amortisation since acquisition (€3,188 thousand) and accelerated depreciation (€767 thousand).

## ◆ Note 10 Trade receivables

Trade receivables and related accounts break down as follows:

In € thousand	2017	2016
Clients	534,695	481,381
Unbilled revenue	6,208	11,266
Impairment	(15,493)	(13,976)
<b>TOTAL</b>	<b>525,410</b>	<b>478,671</b>

The methods used to value trade receivables are described in Note 1.4.8.  
Client risk is limited as only two clients represent more than 1% of Group turnover.

The breakdown of trade receivables by payment delay is as follows:

In € thousand	2017	2016
<b>Amount of client receivables due, not impaired</b>		
Past due, less than 90 days	84,219	64,658
Past due, between 90 and 180 days	6,376	5,970
Past due, more than 180 days	10,146	8,989
<b>TOTAL</b>	<b>100,741</b>	<b>79,617</b>

## ◆ Note 11 Statement of current asset maturities at year-end

In € thousand	Net amounts		< 1 year		> 1 year	
	2016	2015	2016	2015	2016	2015
<b>Current assets</b>						
Bad and doubtful debts	3,801	4,474	-	-	3,801	4,474
Other client receivables	521,608	474,197	521,608	474,197	-	-
<b>SUBTOTAL 1</b>	<b>525,410</b>	<b>478,671</b>	<b>521,608</b>	<b>474,197</b>	<b>3,801</b>	<b>4,474</b>
Personnel and related accounts	920	956	918	953	3	3
Social security and other benefits	33,640	16,526	33,640	16,526	-	-
Income tax <sup>(1)</sup>	34,281	1,738	34,281	1,738	-	0
Other levies	3,587	1,812	3,587	1,812	-	-
Sundry debtors	4,579	3,117	4,544	3,075	35	42
Prepaid expenses	4,801	4,366	4,801	4,366	-	-
<b>SUBTOTAL 2</b>	<b>81,810</b>	<b>28,516</b>	<b>81,771</b>	<b>28,471</b>	<b>38</b>	<b>45</b>
<b>TOTAL</b>	<b>607,219</b>	<b>507,187</b>	<b>603,379</b>	<b>502,668</b>	<b>3,840</b>	<b>4,519</b>

<sup>(1)</sup> Corporate income tax corresponds mainly to the 2014 CICE which is to be reimbursed in 2018

Changes in the impairment of financial assets are mentioned in Note 1.4.16.

## ◆ Note 12 Current financial assets and cash

In € thousand	2017	2016
<b>Current financial assets</b>		
<b>Cash and cash equivalents</b>		
Investments in securities	-	-
Term deposits	11,846	7,425
Available cash	66,437	52,088
<b>TOTAL</b>	<b>78,283</b>	<b>59,513</b>

Pursuant to IAS 7, term deposits (€11.8 million) were classified as cash and cash equivalents due to their liquidity (option of sale at any time) and the lack of a risk of loss.

They are measured at fair value at the year-end.

## ◆ Note 13 Shareholders' equity

### 13.1 Share capital

At 31 December 2017, the share capital was made up of 24,362,000 shares with a par value of €5.

The shares have double voting rights attached if they have been registered for at least two years.

### 13.2 Treasury shares

The stock's liquidity is stimulated by an investment services provider under a liquidity contract, pursuant to the ethical charter of the AMAFI (French Financial Markets Association) recognised by the AMF.



At 31 December 2017, SYNERGIE held two categories of treasury shares:

- shares purchased under the liquidity contract (7,865 shares, or 0.03% of the share capital);
- shares purchased under the share buyback programme approved by the Combined Shareholders' Meeting of 23 June 2016 (352,463 shares, or 1.45% of the share capital).

Disposals in 2017 generated a capital gain of €91 thousand, which was entered in reserves.

The value of treasury shares deducted from shareholders' equity was €3,653 thousand at 31 December 2017.

## ◆ Note 14 Provisions and payables for employee benefits

### 14.1 Breakdown of provisions

In € thousand	2017	2016	variation
Retirement severance payment	3,204	3,160	44
Severance payments in Germany and Austria	449	346	103
Severance payments (trattamento di fine rapporto) in Italy	217	198	19
<b>Total provisions for employee benefits</b>	<b>3,870</b>	<b>3,704</b>	<b>166</b>
Employee profit-sharing + 1 year	12	6	5
<b>TOTAL</b>	<b>3,882</b>	<b>3,710</b>	<b>172</b>

All provisions and payables for employee benefits above were discounted.

### 14.2 Information on employee benefits

The pension commitments of permanent personnel in relation to their defined benefit schemes are valued according to the projected unit credit method, pursuant to IAS 19; the following assumptions were used as at 31 December 2017:

- Salary increase rate: 2%
- Personnel turnover rate: calculated by age tranche
- Social security contribution rates: 45%
- Mortality table: TU-TD2011-2013
- Discount rate (based on iBoxx indices): 1.30%
- Estimate based on average departure age of 65 years
- Departure at the employee's initiative
- Retroactive application.

In € thousand	2017	2016
Present value of rights	3,207	3,163
Rights covered by financial assets	(3)	(3)
<b>NET COMMITMENT RECOGNISED</b>	<b>3,204</b>	<b>3,160</b>

The retirement benefits paid out in 2017 amounted to €571 thousand, compared with €270 thousand in 2016.

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

At 31 December 2017, the change in the provision for retirement benefits in France broke down as follows:

In € thousand	Gross
Cost of services rendered	187
Financial cost	52
Actuarial difference <sup>(1)</sup>	(195)
Change in retirement savings coverage	0
<b>Subtotal</b>	<b>44</b>
Other changes (Germany, Italy)	122
<b>TOTAL</b>	<b>166</b>

(1) The actuarial difference net of tax was €128 thousand.

A change of +0.5% in the discount rate has an effect of -€169 thousand on the provision estimate and a change of -0.5% has an effect of +€182 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	2016	Change in scope	Increase	Decrease	2017
Provisions for litigation	824	-	257	577	504
Other provisions for risks	1,010	-	364	42	1,333
<b>Total provisions for risks</b>	<b>1,835</b>	<b>-</b>	<b>621</b>	<b>618</b>	<b>1,838</b>
Other provisions for charges	4	-	2	-	5
<b>TOTAL</b>	<b>1,838</b>	<b>-</b>	<b>623</b>	<b>618</b>	<b>1,843</b>

### 15.2 Use of provisions

Reversals of provisions include €618 thousand of provisions used.

## ◆ Note 16 Loans and borrowings

### 16.1 Non-current loans and borrowings

#### Breakdown by category and repayment date

In € thousand	Amounts		1yr << 5 yrs		> 5 yrs	
	2017	2016	2017	2016	2017	2016
<b>Loans and borrowings</b>						
Banks	26,084	7,245	20,297	4,984	5,787	2,261
Finance Leases	4,366	5,017	3,391	3,871	975	1,146
Other loans and borrowings	-	-	-	-	-	-
<b>TOTAL</b>	<b>30,450</b>	<b>12,262</b>	<b>23,688</b>	<b>8,855</b>	<b>6,762</b>	<b>3,407</b>

At 31 December 2017, total gross borrowings were recognised at amortised cost using the effective interest rate, calculated by taking into account the issue costs and the issue premiums identified and associated with each liability.

## 16.2 Current loans and borrowings

In € thousand	Amounts	
	2017	2016
<b>Loans and borrowings</b>		
Banks	4,852	1,307
Finance Leases	2,806	2,623
Other loans and borrowings	18	23
<b>TOTAL</b>	<b>7,676</b>	<b>3,953</b>

## 16.3 Finance leases

The reconciliation between total future minimum payments under the lease and their present value is as follows:

Minimum future payments	€7,336 thousand
Discount	(€164 thousand)
Discounted value	€7,172 thousand (o/w €4,366 thousand non-current and €2,806 thousand current)

## 16.4 Current bank debt and net cash

In € thousand	Amounts	
	2017	2016
<b>Current bank debt</b>		
Bank debt	28,207	26,120
Accrued interest	44	45
<b>Total</b>	<b>28,251</b>	<b>26,165</b>
Cash and cash equivalents	78,283	59,513
<b>Net cash position</b>	<b>50,032</b>	<b>33,348</b>

## 16.5 Breakdown by currency area and maturity of loan agreements and other borrowings

In € thousand	Amounts				< 1 yr		1 yr << 5 yrs		> 5 yrs	
	2017	%	2016	%	2017	2016	2017	2016	2017	2016
Euro	38,126	100%	16,216	100%	7,675	3,953	23,688	8,856	6,763	3,407
Other	-	0%	-	0%	-	-	-	-	-	-
<b>TOTAL</b>	<b>38,126</b>	<b>100%</b>	<b>16,216</b>	<b>100%</b>	<b>7,675</b>	<b>3,953</b>	<b>23,688</b>	<b>8,856</b>	<b>6,763</b>	<b>3,407</b>

## 16.6 Breakdown by nature of interest rates and maturity of loan agreements and other borrowings

In € thousand	Amounts				< 1 yr		1 yr << 5 yrs		> 5 yrs	
	2017	%	2016	%	2017	2016	2017	2016	2017	2016
Fixed	30,954	81%	8,576	53%	4,869	1,330	20,297	4,985	5,788	2,261
Other	7,172	19%	7,640	47%	2,806	2,623	3,391	3,871	975	1,146
<b>TOTAL</b>	<b>38,126</b>	<b>100%</b>	<b>16,216</b>	<b>100%</b>	<b>7,675</b>	<b>3,953</b>	<b>23,688</b>	<b>8,856</b>	<b>6,763</b>	<b>3,407</b>

## 16.7 Breakdown of interest-bearing loans and borrowings

Nominal amount		Interest rate		Due date	Remaining principal due	
		at issue /nominal	actual		2017 (€ thousand)	2016 (€ thousand)
Loan	€1 M (12/2010)	2.93%	2.93%	dec-25	592	657
Loan	€1.7 M (02/2011) <sup>(**)</sup>	2.75%	2.75%	dec-25	1,003	1,118
Loan	€4.3 M (09/2012) <sup>(**)</sup>	2.91%	2.91%	sept-22	2,200	2,639
Loan	€1.57 M (05/2014)	2.60%	2.60%	may-24	1,054	1,203
Loan	€1.5 M (12/2014)	2.00%	2.00%	dec-24	1,080	1,223
Loan	€4.0 M (02/2017)	0.65%	0.65%	févr-24	3,533	-
Loan	€10.8 M (10/2017)	0.71%	0.71%	oct-22	10,769	-
Loan	€7.7 M (12/2017)	1.35%	1.35%	déc-27	7,545	-
Loan	€1.7 M (12/2017)				1,742	-
Other property loans					1,418	1,713
<b>Total property loans</b>					<b>30,936</b>	<b>8,552</b>
Finance leases (cumulative)					7,172	7,640
Miscellaneous					18	23
<b>TOTAL (*)</b>					<b>38,126</b>	<b>16,216</b>

(\*) The balance of loans is shown before interest.

(\*\*) Rate renegotiated in early 2017

All of the loans outstanding at 31 December 2017 were intended to finance real estate acquisitions (duration 7-15 years) and related works (7 years), with the exception of one loan intended to finance the acquisition of the Austrian subsidiary.

The finance leases have durations of 3 to 5 years, with the exception of the lease relating to the registered office of the Italian subsidiary that was contracted in 2015, which has a duration of 12 years.

The total amount of repaid debt maturities during 2017 was €1,672 thousand.

## 16.8 Exposure to interest rate, currency and liquidity risks

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

### 16.8.1 Interest rate risk

The analysis of sensitivity to interest rate risk carried out at 31 December 2017 highlights the following points:

- The Group's fixed-rate financing has not been affected by changes in interest rates. Other short-term assets and financial 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.

### 16.8.2 Foreign exchange risk

SYNERGIE had financial debt mainly denominated in euro at 31 December 2017, except for current bank debt in the UK, Switzerland and Australia.

The closing prices against the euro were as follows:

Currency	2017	2016
Pound sterling	0.8872	0.8562
Canadian dollar	1.5039	1.4188
Swiss franc	1.1702	1.0739
Australian dollar	1.5346	1.4596
Czech crown	25.5350	27.0210

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

In € thousand	Amounts	Zone		Other currencies
		Pound sterling	Canadian dollar	
2017 monetary assets	21,218	16,672	946	3,600
2016 monetary assets	20,566	17,106	993	2,467

The analysis of sensitivity to foreign exchange risk carried out at 31 December 2017 resulted in the following observation:

- based on market data at the reporting date, the short-term effect of a change of +/- 10% in all respective currencies in relation to the euro was +/- €2,121 thousand.

### 16.8.3 Liquidity risk

The Group's financing policy is based on the pooling of external financing and a net cash surplus at 31 December 2017.

This results in insignificant liquidity risk.

The SYNERGIE Group has not been subject to bank covenants since the conclusion of its last medium-term loans in October 2013.

## ◆ Note 17 Supplier payables and related accounts

Trade payables and related accounts break down as follows:

In € thousand	2017	2016
Suppliers	9,352	8,485
Invoices to be received	8,367	6,849
<b>TOTAL</b>	<b>17,719</b>	<b>15,334</b>

## ◆ Note 18 Statement of maturities of other current liabilities

	Amounts		< 1 year		1 year << 5 years		> 5 years	
	2017	2016	2017	2016	2017	2016	2017	2016
Suppliers	17,719	15,334	17,512	15,102	207	232	-	0
Personnel	173,166	147,668	173,114	147,634	-	-	52	34
Social bodies	102,389	93,050	102,298	92,938	90	112	-	0
Income tax	7,660	960	7,660	960	-	-	-	-
Other levies	118,599	103,200	118,546	103,134	53	66	-	0
<b>Subtotal 1</b>	<b>419,532</b>	<b>360,212</b>	<b>419,131</b>	<b>359,768</b>	<b>350</b>	<b>409</b>	<b>52</b>	<b>34</b>
Payables on fixed assets	10,849	739	10,822	712	27	27	-	-
Other payables	7,291	6,471	7,079	6,379	74	92	-	0
Prepaid income	0	43	(26)	42	1	1	-	-
<b>Subtotal 2</b>	<b>18,141</b>	<b>7,253</b>	<b>17,876</b>	<b>7,133</b>	<b>102</b>	<b>120</b>	<b>-</b>	<b>0</b>
<b>TOTAL</b>	<b>437,673</b>	<b>367,465</b>	<b>437,006</b>	<b>366,901</b>	<b>452</b>	<b>529</b>	<b>52</b>	<b>34</b>

Commitments to repurchase non-controlling interests are recognised under payables on fixed assets in the amount of €5,710 thousand at 31 December 2017, with a corresponding entry under “Non-controlling interests”, and the difference recognised under goodwill.

Deferred payments and price supplements on subsidiaries acquired are also included in payables on fixed assets, in the amount of €4,645 thousand and €132 thousand respectively.

## NOTES TO THE INCOME STATEMENT

### ◆ Note 19 Turnover

Turnover exclusively comprises billing for human resources management services.

At 31 December 2017, it included billing for business activities other than temporary employment (placement of permanent employees, outsourcing, training, etc.) of €31,320 thousand, or 1.4% of consolidated turnover.

For the time being, however, these activities are still being developed by the Group and as such are not 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	2017	2016
Wages and salaries	1,641,919	1,409,001
Social security contributions	427,982	371,098
<b>TOTAL</b>	<b>2,069,901</b>	<b>1,780,100</b>

## 20.2 Other information on operating expenses

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

Transfers of expenses were entered in income statement items according to the nature of the expenses.

## 20.3 Other information on operating profit

Non-recurring income and expenses are shown under other income and expenses.

### ◆ Note 21 Financial income and expenses

Financial income and expenses break down as follows:

In € thousand	2017	2016
Income from transferable securities	-	3
Income from receivables	807	755
<b>Financial income</b>	<b>807</b>	<b>757</b>
Interests on finance leases	(232)	(259)
Bank and miscellaneous charges	(908)	(760)
Interest on loans	(226)	(237)
Interests on employee profit sharing	(3)	(20)
<b>Cost of gross financial debt</b>	<b>(1,369)</b>	<b>(1,276)</b>
<b>Cost of net financial debt</b>	<b>(562)</b>	<b>(518)</b>
Translation gains or losses	(516)	(2,347)
Other income and expenses	(4)	18
<b>Other income and expenses</b>	<b>(519)</b>	<b>(2,329)</b>
<b>TOTAL</b>	<b>(1,081)</b>	<b>(2,847)</b>

### ◆ Note 22 Corporate income tax

#### 22.1 Tax expense

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

In € thousand	2017	2016
Income tax	17,729	13,809
Deferred tax	(358)	(162)
<b>Total Income tax</b>	<b>17,371</b>	<b>13,647</b>
CVAE (France)	15,302	13,960
IRAP (Italy)	971	572
<b>TAX ON PROFIT</b>	<b>33,644</b>	<b>28,180</b>
of which corporation tax payable	17,729	13,809

## 22.2 Effective tax rate and tax analysis

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

In € thousand	2017	2016
<b>Profit before tax expense</b>	<b>115,155</b>	<b>93,123</b>
<b>Profit before tax after CVAE and IRAP</b>	<b>98,882</b>	<b>78,660</b>
Tax rate in force (in France)	39.43%	34.43%
<b>Theoretical tax</b>	<b>38,989</b>	<b>27,083</b>
CICE	(20,218)	(13,400)
Differences in tax rates abroad	(4,237)	(1,125)
Goodwill impairment	3,371	293
Effect of permanent differences (*)	451	34
Non-activated tax losses	90	256
Exceptional contribution distributed revenues	(936)	432
Consolidation entries without tax and miscellaneous	219	75
<b>Total Income tax (Note 22,1)</b>	<b>17,729</b>	<b>13,647</b>
<b>Effective tax rate</b>	<b>17.9%</b>	<b>17.3%</b>

(\*) Permanent differences correspond to non-deductible expenses and non-taxable income

### ◆ Note 23 Earnings per share

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

There are no dilutive instruments that could change net profit and the number of shares used, except for the share buyback programme, whose impact was not material in 2016 or 2017.

	2017	2016
Net profit (Group share)	€79,883 thousand	€64,080 thousand
Number of share	24,362,000	24,362,000
Number of treasury share	360,328	357,553
Number of basic share	24,001,672	24,004,447
Earning per share (*)	€3.28	€2.63
Diluted earnings per share (*)	€3.28	€2.63

(\*) divided by 24,362,000 shares

### ◆ Note 24 Segment information

#### 24.1 Information by region

The management's monthly reporting mainly covers turnover and current operating income, which explains the segment information retrieved on these main aggregates by geographical area.



### 24.1.1 Income statement items

In € thousand	Turnover		Operating profit (*)	
	2017	2016	2017	2016
France	1,150,596	1,033,116	78,216	64,716
Belgium	266,005	238,153	18,797	15,851
Other Northern and Eastern Europe	276,389	244,043	7,854	6,222
Italy	352,403	248,428	17,007	8,935
Spain, Portugal	217,133	185,459	4,446	4,120
Canada, Australia	60,726	42,559	1,213	354
<b>TOTAL</b>	<b>2,323,252</b>	<b>1,991,759</b>	<b>127,534</b>	<b>100,198</b>

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

In € thousand	Depreciation and amortisation		Impairment	
	2017	2016	2017	2016
France	3,591	3,496	2,892	623
Belgium	1,879	1,709	(205)	(295)
Other Northern and Eastern Europe	3,227	2,672	176	252
Italy	309	232	1,217	1,251
Spain, Portugal	773	712	683	127
Canada, Australia	413	431	(74)	30
<b>TOTAL</b>	<b>10,193</b>	<b>9,253</b>	<b>4,689</b>	<b>1,988</b>

Giving for France:

In € thousand	Turnover		Operating profit	
	2017	2016	2017	2016
South-East	237,528	223,733	10,020	8,886
South-West	204,333	262,612	9,157	14,669
North-West	500,012	367,367	30,847	19,264
Île-de-France, Center East	214,166	188,663	7,486	6,510
Non allocated	(5,444)	(9,259)	20,707	15,386
<b>TOTAL</b>	<b>1,150,596</b>	<b>1,033,116</b>	<b>78,216</b>	<b>64,716</b>

In € thousand	Depreciation and amortisation		Impairment	
	2017	2016	2017	2016
South-East	207	202	11	19
South-West	145	166	3	46
North-West	289	239	50	14
Île-de-France, Center East	31	355	32	8
Non allocated	2,919	2,534	2,797	536
<b>TOTAL</b>	<b>3,591</b>	<b>3,496</b>	<b>2,892</b>	<b>623</b>

## 24.1.2 Assets

In € thousand	Fixed assets		Total assets	
	2017	2016	2017	2016
France	160,739	129,017	561,621	482,438
Belgium	11,550	11,933	88,606	82,889
Other Northern and Eastern Europe	73,285	62,658	130,109	104,871
Italy	6,047	5,994	101,364	71,632
Spain, Portugal	7,881	8,288	51,853	38,630
Canada, Australia	4,119	4,724	16,805	10,547
<b>TOTAL</b>	<b>263,621</b>	<b>222,614</b>	<b>950,358</b>	<b>791,007</b>

France is broken down into four regions; this breakdown was changed between 2016 and 2017 to take account of the internal organisation.

In € thousand	Fixed assets		Total assets	
	2017	2016	2017	2016
South-East	2,073	1,697	56,897	58,141
South-West	1,760	1,962	49,523	67,357
North-West	2,747	1,924	125,582	103,172
Île-de-France, Center, East	2,466	2,188	60,471	55,705
Non allocated (*)	151,693	121,246	269,149	198,063
<b>TOTAL</b>	<b>160,739</b>	<b>129,017</b>	<b>561,621</b>	<b>482,438</b>

(\*) the unallocated amount corresponds mainly to CICE receivables not broken down between the different geographical areas

## ◆ Note 25 Notes to the statement of cash flows

### 25.1 Change in working capital requirement

The change in operating working capital requirements breaks down as follows:

In € thousand	Change	
	2017	2016
Clients	(45,312)	(73,856)
Other receivables	(20,541)	(5,433)
<b>Increase in working capital</b>	<b>(65,853)</b>	<b>(79,289)</b>
Provisions for risks and charges	5	73
Suppliers	2,275	3,341
Tax and social security/payables	51,168	32,790
Other payables	525	(439)
<b>Increase in current liabilities</b>	<b>53,973</b>	<b>35,766</b>
<b>Change in WCR</b>	<b>(11,880)</b>	<b>(43,523)</b>

The increase in working capital requirements at 31 December 2017 is linked to strong activity levels over the final months of the year, but it remains limited insofar as the Group's average payment time decreased; the change in WCR is calculated excluding the impact of the change in the 2014 CICE receivable.

### 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 2017

	2017	2016
Permanent employees:		
- Managers	561	581
- White collar	2,467	2,410
<b>TOTAL</b>	<b>3,028</b>	<b>2,991</b>
Temporary employees seconded to placements by the Group	63,015	54,333
<b>GRAND TOTAL</b>	<b>66,043</b>	<b>57,324</b>

Permanent personnel are those shown at the year-end, all categories included.  
Temporary employees are shown as full-time equivalent.

#### 26.2 Comparison

Managers		White collar		Blue collar		TOTAL	
2017	2016	2017	2016	2017	2016	2017	2016
971	911	17,311	14,018	47,761	42,395	66,043	57,324

### ◆ Note 27 Information on related parties

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

#### 27.1 Overall compensation

The overall gross remuneration of the members of the Group's administrative and management bodies in 2017 was €1,611 thousand, breaking down as follows:

In € thousand	Gross	Social security contribution
Wages and short-term benefits	1,559	528
Post-employment benefits	52	-
Other long-term benefits	-	-
Share-based payments	-	-
<b>TOTAL</b>	<b>1,611</b>	<b>528</b>

#### 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. €52 thousand, subject to a provision described in Note 14.2.

## 27.3 Loans and advances

At the end of 2017, no loans or advances had been granted to members of the Board and Managing Directors.

## 27.4 Other information

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

SCI Les Genêts 10: rents and property charges amounted to €538 thousand, and the security deposit €4 thousand (repaid in early 2018)

SCI Daphné: rents and property charges amounted to €58 thousand.

The year-end balance in both cases was zero.

The property assets held by these property investment companies were sold in December 2017 to SYNERGIE PROPERTY, a wholly-owned subsidiary of SYNERGIE SE, for a total of €7,545 thousand, corresponding to the market price.

Relationships with subsidiaries are concluded under arm's length conditions.

### ◆ Note 28 Contingent commitments and liabilities

## 28.1 Commitments received and contingent assets

Banks guaranteed SYNERGIE and some of its temporary employment subsidiaries in respect of its clients for €82,354 thousand in France and €24,803 thousand for the foreign subsidiaries at 31 December 2017.

## 28.2 Commitments given and contingent liabilities

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

### Discounted bills

There were no pending discounted bills as at 31 December 2017.

### Assets pledged as collateral

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

### Commitments on operating leases

The timeline showing minimum rent commitments and converted according to cash disbursed and closing exchange rates, not discounted and indexed to the last known rates, as of January 2018, is as follows:

In € thousand	< 1 yr	1 yr << 5 yrs	> 5 yrs	2017	2016
Commitments on operating leases France	3,673	2,944	98	6,714	6,400
Commitments on operating leases foreign subsidiaries	4,960	10,964	1,875	17,799	15,358
<b>TOTAL</b>	<b>8,632</b>	<b>13,908</b>	<b>1,973</b>	<b>24,514</b>	<b>21,758</b>

Payments recognised as expenses under operating leases amounted to €13,420 thousand in 2017.

### Pledge of company shares

No shares of the Company have been pledged.

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

### ◆ Note 29 Events after 31 December 2017

No event likely to bring into question the 2017 financial statements took place after the reporting date.

The UK company ACORN LEARNING SOLUTIONS was sold in January 2018 without any material impact on the consolidated statement of financial position and the consolidated income statement.

### ◆ Note 30 Statutory Auditors' fees

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

In € thousand	APLITEC AUDIT ET CONSEIL				JM AUDIT & CONSEILS			
	Amount (pre-tax)		%		Amount (pre-tax)		%	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>Audit</b>								
<input type="checkbox"/> Statutory audit, certification, review of individual and consolidated accounts								
○ Issuer	227	222	83	86	227	222	100	100
○ Fully consolidated subsidiaries	44	37	16	14				
<input type="checkbox"/> Other work and services directly related to the task of the Statutory Auditor								
○ Issuer	-	-	-	-	-	-	-	-
○ Fully consolidated subsidiaries	1	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>272</b>	<b>259</b>	<b>100</b>	<b>100</b>	<b>227</b>	<b>222</b>	<b>100</b>	<b>100</b>
<b>Other services rendered by the networks to the fully consolidated subsidiaries</b>								
<input type="checkbox"/> Legal, fiscal, social, other	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>272</b>	<b>259</b>	<b>100</b>	<b>100</b>	<b>227</b>	<b>222</b>	<b>100</b>	<b>100</b>

# REPORT OF THE STATUTORY AUDITORS 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 NO. 329 925 010

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### **REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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 consolidated financial statements of SYNERGIE SE for the financial year ended 31 December 2017.

We hereby certify that the consolidated financial statements are, in respect of the IFRS as adopted in the European Union, honest and sincere and provide a fair representation of the results of operation during the past financial year and of the assets and financial position at the year-end 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 pursuant to these standards are set out in the section of this report entitled "Statutory auditor's responsibilities concerning the audit of the consolidated financial statements".

## INDEPENDENCE

We conducted our audit in accordance with the rules of independence applicable to us, for the period from 1 January 2017 to the date of issuance of our report, and in particular we provided no service that is prohibited under Article 5, paragraph 1 of EU Regulation No. 537/2014 or the code of compliance applicable to statutory auditors.

## JUSTIFICATION OF OUR ASSESSMENTS - KEY POINTS OF THE AUDIT

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 points of the audit concerning the most important risks of material misstatement, in our professional opinion, during the audit of the consolidated financial statements, and our response to those risks.

The assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and therefore contributed to 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.

## MEASUREMENT OF GOODWILL

### ***Risk identified***

Goodwill represents the unallocated difference between the purchase price and the Group share in the fair value of identifiable assets and liabilities on the date it assumes control.

It is tested for impairment based on the cash flows of the relevant cash generating unit if there are indications of impairment, and at least once a year (Note 1.4.3 of the notes to the consolidated financial statements).

Total goodwill stood at €78,033 thousand at 31 December 2017.

Note 5.2 shows the methodology used to calculate the value-in-use of the cash generating units and describes the sensitivity of the tests to the different criteria applied to the discount rate, perpetual growth rate and Ebit rate.

We deem the measurement of goodwill to be a key point of the audit because of the high amount related to goodwill in the consolidated financial statements and the sensitivity of the tests to the assumptions used by the management.

### ***Audit procedures implemented to deal with this risk***

Our work consisted of:

- Taking note of and assessing the process followed by the management to carry out the impairment tests;
- Checking that an appropriate model was used for the calculation of value-in-use;
- Analysing the coherence of flows with the budgets established by the local management and approved by the management;
- Comparing the projected cash flows for 2018 to 2020 with those used in the previous year's tests;
- Comparing the actual 2017 data with the 2017 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, perpetual growth and EBIT rates used by the management in the budgets;
- Assessing the appropriate nature of the financial information provided in Note 5 of the notes to the consolidated financial statements.

## **VERIFICATION OF INFORMATION ON THE GROUP PROVIDED IN THE MANAGEMENT REPORT**

We also verified, as stipulated by law and pursuant to the professional standards applicable in France, the information provided on the group in the management report of the board of directors.

We have no observations to make as to their sincerity and consistency with the consolidated financial statements.

## **INFORMATION ARISING FROM OTHER LEGAL AND REGULATORY OBLIGATIONS**

### **APPOINTMENT OF THE STATUTORY AUDITORS**

We were appointed the statutory auditors of SYNERGIE SE by the Shareholders' Meeting of 21 December 1983 for APLITEC AUDIT & CONSEIL and of 29 June 1995 for JM AUDIT ET CONSEILS.

At 31 December 2017, APLITEC AUDIT & CONSEIL was in the 35<sup>th</sup> consecutive year of its assignment and JM AUDIT ET CONSEILS in the 23<sup>rd</sup> consecutive year, of which the 31<sup>st</sup> and 23<sup>rd</sup> year respectively since the company's shares were admitted for trading on a regulated market.

### **RESPONSIBILITIES OF THE MANAGEMENT AND CORPORATE GOVERNANCE TEAMS CONCERNING THE CONSOLIDATED FINANCIAL STATEMENTS**

It is the management's role to draw up consolidated financial statements that provide a fair representation in accordance with international financial reporting standards (IFRS), as adopted in the European Union, and to implement internal controls it deems necessary to establish consolidated financial statements that are free of material misstatement, whether from fraud or error.

When drawing up the consolidated financial statements, it is the management's responsibility to assess the Company's capacity to operate as a going concern, to apply the accounting policy for a going concern and to present where relevant any necessary information on the going concern in the financial statements, unless it is planned to liquidate the company or sell its activity.

It is the responsibility of the Audit Committee to monitor the process for preparing the financial information and the efficiency of the internal control and risk management systems and, where relevant, the internal audit, with regard to the procedures for preparing and treating the accounting and financial information.

The consolidated financial statements were approved by the Board of Directors.

### **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 misstatement. 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 in an aggregate manner, they can influence the economic decisions of the users of the accounts.

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 the management of your company.



The statutory auditor exercises its professional judgement throughout the audit, in accordance with professional standards applicable in France.

Moreover:

- it identifies and assesses the risk of the consolidated financial statements containing material misstatement, whether as a result of fraud or error, and defines and implements audit procedures to mitigate this risk and collects the information it deems necessary and appropriate in order to form its opinion. The risk of failing to detect material misstatement as a result of fraud is higher than that of failing to detect material misstatement resulting from error, because fraud may involve collusion, falsification, deliberate omissions, false statements and circumvention of internal controls;
- it takes note of the internal controls that are relevant to 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;
- it assesses the appropriateness of the accounting methods used and the reasonable nature of the accounting estimates made by the management, as well as the information on these provided in the consolidated financial statements;
- it assesses the appropriate nature of the management's application of the going concern principle and, based on the information collected, whether or not there is significant uncertainty around events or circumstances that is likely to hamper the company's capacity to pursue its operations. This assessment is based on the information collected until the date of the statutory auditor's report, bearing in mind nevertheless that circumstances or events occurring at a later date could hamper the company's continued operation. If the statutory auditor finds that significant uncertainty exists, it will draw the readers' attention to the information provided in the consolidated financial statements on this uncertainty, or if this information is not provided or is not relevant, it will issue a certification with reservations or will refuse to certify the financial statements;
- it studies the overall presentation of the consolidated financial statements and provides an opinion as to whether they give a true picture of the underlying operations and events;
- concerning the financial information of entities included in the consolidation scope, it collects the information it deems necessary and appropriate in order to form its opinion on the consolidated financial statements. It 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 which notably presents the scope of the audit work, the schedule of tasks carried out, and the finding made. We also point out any significant weakness we have identified in the internal control concerning the procedures related 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 main risks of material misstatement impacting the audit of the consolidated financial statements for the financial year and, as such, those that constitute the key points of the audit. These points are described in this report.

We also provide the Audit Committee with our declaration of independence pursuant to Article 6 of EU Regulation No. 537-2014, in accordance with French accounting standards, as set out notably in Articles L.822-10 to L.822-14 of the French Commercial Code and the code of ethics applicable to statutory auditors. Where necessary, we discuss with the Audit Committee any risks to our independence and safety measures applied.

Paris, 23 April 2018  
The Statutory Auditors  
Registered members of the Compagnie Régionale de Paris

**JM AUDIT ET CONSEILS**

Abdoullah LALA

**APLITEC AUDIT & CONSEIL**

Marie Françoise BARITAUX-IDIR      Laurent GUEZ

# CORPORATE FINANCIAL STATEMENTS

## FINANCIAL DATA

- Statement of financial position of SYNERGIE SE
- Income statement of SYNERGIE SE
- Statement of cash flows of SYNERGIE SE
- Notes to the statement of financial position and the income statement of SYNERGIE SE

## REPORT OF THE STATUTORY AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS OF SYNERGIE SE

# FINANCIAL DATA AS AT 31 DECEMBER 2017

## 1 STATEMENT OF FINANCIAL POSITION OF SYNERGIE SE

ASSET In € thousand	NOTE No.	GROSS	2017 IMP <sup>NT</sup>	NET	2016 NET
<b>FIXED ASSETS</b>					
<b>Intangible assets</b>					
Concessions, patents, licences and brands		6,772	4,363	2,409	1,439
Business intangibles, leasehold rights		3,534	195	3,339	3,367
Assets under construction		1,274	0	1,274	378
<b>TOTAL INTANGIBLE ASSETS</b>	4	<b>11,581</b>	<b>4,558</b>	<b>7,023</b>	<b>5,184</b>
<b>Property, plant and equipment</b>					
Land		-	-	-	-
Buildings		658	528	130	169
Other property, plant and equipment		18,191	10,971	7,220	5,603
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	3	<b>18,849</b>	<b>11,499</b>	<b>7,350</b>	<b>5,773</b>
<b>Long-term investments</b>					
Equity interests		86,301	2,601	83,700	83,700
Receivables related to equity interests		2,343	69	2,275	2 205
Other fixed investments		16	7	9	9
Loans		14	-	14	14
Other long-term investments		7,430	-	7,430	5,267
<b>TOTAL LONG-TERM INVESTMENTS</b>	5	<b>96,104</b>	<b>2,676</b>	<b>93,428</b>	<b>91,195</b>
<b>TOTAL FIXED ASSETS</b>	9	<b>126,534</b>	<b>18,733</b>	<b>107,800</b>	<b>102,151</b>
<b>WORKING CAPITAL</b>					
Advances, downpayments made on orders		996	-	996	905
Client receivables and related accounts	6/10	246,015	8,292	237,723	241,959
Other receivables	10/11	247,610	257	247,353	183,553
Investments in securities	12	7,908	-	7,908	2,325
Available cash		23,784	-	23,784	26 783
<b>TOTAL WORKING CAPITAL</b>		<b>526,312</b>	<b>8,549</b>	<b>517,763</b>	<b>455,525</b>
<b>PREPAYMENTS AND ACCRUED INCOME</b>					
Prepaid expenses		1,142	0	1,142	831
Unrealised exchange loss	8/18	4,695	.0	4,695	4,095
Deferred charges		-	-	-	-
<b>TOTAL ASSETS</b>		<b>658,683</b>	<b>27,283</b>	<b>631,400</b>	<b>562,602</b>

<b>LIABILITIES</b>	<b>NOTE</b>	<b>2017</b>	<b>2016</b>
In € thousand	No.		
<b>EQUITY</b>			
Capital	13.1	121,810	121,810
Issue, merger and contribution premiums		-	-
Legal reserve	13.2	12,181	12,181
Regulated reserves		3,483	3,620
Other reserves		11,000	11,000
Retained earnings		131,628	94,101
<b>PROFIT FOR THE YEAR</b>		<b>71,362</b>	<b>51,793</b>
Regulated provisions		1,909	2,393
<b>SHAREHOLDERS' EQUITY</b>	<b>13</b>	<b>353,374</b>	<b>296,898</b>
<b>PROVISIONS FOR RISKS AND CHARGES</b>			
Provisions for risks		6,066	5,657
Provisions for charges		-	-
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>7/14</b>	<b>6,066</b>	<b>5,657</b>
<b>PAYABLES</b>			
Bank loans and other bank borrowings	15	44	44
Other loans and borrowings	15	16,586	17,079
Supplier payables and related accounts		6,354	5,987
Tax and social security payables		244,533	233,457
Payables on fixed assets and related accounts	17	331	462
Other payables		4,095	2,883
<b>TOTAL PAYABLES</b>	<b>16</b>	<b>271,943</b>	<b>259,912</b>
<b>PREPAYMENTS AND ACCRUED INCOME</b>			
Prepaid income		-	-
Unrealised exchange gain	8/18	18	134
<b>TOTAL LIABILITIES</b>		<b>631,400</b>	<b>562,602</b>

## 2 INCOME STATEMENT OF SYNERGIE SE

In € thousand	NOTE No.	2017	2016
<b>Operating result</b>			
Output of services		1,134,373	1,013,810
Operating subsidies		281	159
Reversals of depreciation and amortisation, transfers of expenses		14,816	14,311
Other income		5,545	3,409
<b>TOTAL OPERATING INCOME</b>	19/20	<b>1,155,015</b>	<b>1031.689</b>
<b>Operating expenses</b>			
Other purchases and external expenses		41,687	39,144
Taxes and similar levies		50,240	44,177
Wages and salaries	21	792,941	708,732
Social security contributions		201,127	185,007
Depreciation and amortisation of fixed assets		2,024	1,792
Provisions for impairment of current assets		2,876	1,343
Provisions for risks and charges		-	-
Other expenses		2,207	1,746
<b>TOTAL OPERATING EXPENSES</b>		<b>1093,101</b>	<b>981,941</b>
<b>OPERATING RESULT</b>		<b>61,914</b>	<b>49,748</b>
<b>Financial income</b>			
From equity interests		13,219	8,244
From other transferable securities and receivables on fixed assets		-	-
From other interest and similar income		184	284
Reversals of provisions and transfers of expenses		3	678
Positive exchange rate differences		-	9
Net income from the sale of investments in securities		-	3
<b>TOTAL FINANCIAL INCOME</b>		<b>13,406</b>	<b>9,217</b>
<b>Financial expenses</b>			
Depreciation, amortisation and provisions		600	3,685
Interest and similar expenses		277	271
Negative exchange rate differences		0	22
<b>TOTAL FINANCIAL EXPENSES</b>		<b>878</b>	<b>3,979</b>
<b>FINANCIAL RESULT</b>	22	<b>12,528</b>	<b>5,239</b>
<b>OPERATING RESULT BEFORE TAX</b>		<b>74,443</b>	<b>54,986</b>
<b>Extraordinary income</b>			
On management operations		18	-
On capital operations		197	800
Reversals of provisions and transfers of expenses		1.450	1,361
<b>TOTAL EXTRAORDINARY INCOME</b>		<b>1,666</b>	<b>2,161</b>
<b>Extraordinary expenses</b>			
On management operations		13	131
On capital operations		528	1,111
Extraordinary depreciation, amortisation and provisions		774	1,179
<b>TOTAL EXTRAORDINARY EXPENSES</b>		<b>1,315</b>	<b>2,420</b>
<b>EXTRAORDINARY PROFIT</b>	23	<b>351</b>	<b>(259)</b>
Income tax	24	3,431	2,934
Employee profit-sharing		-	-
<b>Total income</b>		<b>1,170,087</b>	<b>1,043,067</b>
<b>Total expenses</b>		<b>1,098,724</b>	<b>991,274</b>
<b>NET PROFIT</b>		<b>71,362</b>	<b>51,793</b>

### 3 STATEMENT OF CASH FLOWS OF SYNERGIE SE

In € thousand	2017	2016
Net profit	71,362	51,793
Derecognition of expenses and income without an impact on cash or not related to		
- Capital gains from sales	257	(66)
- Depreciation, amortisation and provisions (net of reversals)	3,028	2,293
- Other income and expenses that do not generate short-term cash flows <sup>(1)</sup>	(47,044)	(36,117)
<b>SELF-FINANCING CAPACITY</b>	<b>27,603</b>	<b>17,903</b>
Change in the working capital requirement relating to business activity	(15,022)	(44,781)
<b>NET CASH FLOWS GENERATED BY BUSINESS ACTIVITY <sup>(2)</sup></b>	<b>12,581</b>	<b>(26,878)</b>
Purchases of property, plant and equipment and intangible assets	(5,815)	(2,970)
Sales of property, plant and equipment and intangible assets	2	619
Purchases of long-term investments	(2,252)	-
Sales of long-term investments	22	-
<b>NET CASH FLOWS RELATING TO INVESTMENT OPERATIONS</b>	<b>(8,043)</b>	<b>(2,351)</b>
Dividends paid out to shareholders 13.2	(14,403)	(14,397)
Dividends received from subsidiaries 22	12,450	7,470
Loan issues	-	-
Loan repayments	-	-
<b>NET CASH FLOWS RELATING TO FINANCING OPERATIONS</b>	<b>(1,953)</b>	<b>(6,927)</b>
<b>CHANGE IN CASH POSITION</b>	<b>2,585</b>	<b>(36,156)</b>
Opening cash position	29,064	65,221
Closing cash position	31,649	29,064

(1) Portion of the 2017 CICE non imputable in 2017

(2) Dividends received from subsidiaries are regarded as flows related to business activity

## 4 NOTES TO THE STATEMENT OF FINANCIAL POSITION AND THE INCOME STATEMENT OF SYNERGIE SE

### SIGNIFICANT EVENTS

#### The CICE

The French Tax Credit for Competitiveness and Employment (CICE), implemented as of January 2013 and calculated on wages lower than or equal to 2.5 times the French growth-linked guaranteed minimum wage (SMIC), to which a coefficient of 6% was applied between 2014 and 2016 and 7% in 2017, was attributed to social security contributions pursuant to the recommendations of the French national accounting standards body (*Autorité des Normes Comptables*).

The CICE receivable is recognised under "Corporate income tax" in the statement of financial position (in the "Other receivables" item). The CICE amount not attributed in 2018 is allocated beyond one year.

A rate of 6% will be applied from 2018.

The CICE receivable of €30,833 thousand for 2014 expires in 2018.

#### Exceptional tax contributions

The 2017 Amending Finance Law created an exceptional contribution for liable parties that generate turnover in excess of one billion euro; the impact on SYNERGIE'S accounts is €635 thousand, booked as a corporate tax expense. This contribution was activated to finance the impact on SYNERGIE SE of the reimbursement of tax on dividends of €936 thousand for 2014 to 2016, and recognised as tax income.

## 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 (published in the Journal Officiel on 28 December).

The general accounting principles were applied, in accordance with the prudence principle, based on the assumption of:

- a going concern,
- consistency of accounting methods and cut-off,
- independence of financial years,

And compliance with general guidelines for the preparation and presentation of annual financial statements.

The basic method used to evaluate accounting items is the historical cost method.

Regulation 2015-05 of 2 July 2015 on financial futures and hedging transactions applies to financial years beginning on 1 January 2017 and notably provides that foreign exchange gains



and losses on trade receivables and debt be recognised under operating income.

This new regulation does not have a major impact on the company insofar as the translation differences recognised concern underlying financial instruments and are recognised under financial income and expenses.

The annual financial statements were approved by the Board of Directors on 4 April 2018.

### **Main accounting estimates and assumptions used to prepare the annual financial statements**

The main accounting estimates and assumptions used to prepare the financial statements for the financial year ended 31 December 2017 concern the evaluation of equity investments, related receivables and current accounts as well as 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. By contrast, for property, plant and equipment and intangible assets, as well as financial assets other than equity investments, the Company opted for expensing.

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
<b>Intangible assets</b>		
Concessions, patents and similar rights	5 years	1 to 3 years
Business intangibles	-	-
<b>Property, plant and equipment</b>		
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.

"Assets under construction" in the amount of €1,274 thousand correspond to software developments of €703 thousand and fixtures and fittings of €571 thousand.

## ◆ 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 corresponds to what the company would currently be prepared to pay for the investment and is calculated based on:

- future cash flows,
- the market price and the benefit for the company of having a presence in the territory or the business of the subsidiary,
- the share of equity of the subsidiary owned.

Impairment is recognised where necessary if the value-in-use of the equity investments and related receivables thus calculated becomes lower than the carrying value.

Note 33 shows the table of subsidiaries and equity interests.

### Purchase of treasury shares

Under a liquidity contract, SYNERGIE SE:

- purchased 119,914 shares at an average price of €40.904,
- sold 117,149 shares at an average price of €41.194.

At 31 December 2017, SYNERGIE SE held:

- through this contract, 7,865 treasury shares purchased at an average price of €43.68, i.e. €344 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 French GAAP (article 221-6).

The share price at 31 December 2017 was €43.885.

## ◆ **Note 6 Trade receivables and recognition of income**

### 6.1 Trade receivables

Trade receivables are booked 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

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 fails to meet any of the conditions mentioned in Note 5 above.

## ◆ **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 certainly require an outflow of resources to this third party with no equivalent compensation at a minimum expected from the latter. The amount of the provision is approved after advice from the Company's boards.

## ◆ **Note 8 Foreign currency transactions**

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 at year-end.

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

### Gross values

In € thousand	Amounts at 01/01/2017	Increase	Decrease	Amounts at 31/12/2017
<b>Intangible assets</b>				
Concessions, patents, licences and brands	5,789	1,643	659	6,773
Business intangible rights to leases	3,574	-	40	3,534
Assets under construction	378	1,563	666	1,274
<b>Total intangible assets</b>	<b>9,741</b>	<b>3,206</b>	<b>1,365</b>	<b>11,582</b>
<b>Property, plant and equipment</b>				
Land	0	-	-	-
Buildings	658	-	-	658
Facilities, equipment and tools	-	-	-	-
Other property, plant and equipment	16,501	3,145	1,456	18,189
<b>Total property, plant and equipment</b>	<b>17,159</b>	<b>3,145</b>	<b>1,456</b>	<b>18,848</b>
<b>Long-term investments</b>				
Loans to subsidiaries and associates	88,574	70	-	88,644
Other fixed investments	16	-	-	16
Loans	14	-	-	14
Other financial assets	5,270	7,004	4,844	7,430
<b>Total financial assets</b>	<b>93,874</b>	<b>7,074</b>	<b>4,844</b>	<b>96,104</b>
<b>TOTAL</b>	<b>120,774</b>	<b>13,424</b>	<b>7,665</b>	<b>126,534</b>

### Intangible assets

The €1,643 thousand increase in "Concessions, patents, licences and brands" corresponds solely to the purchase of software.

The €699 thousand decrease in intangible assets breaks down into a reduction of €659 thousand related to software (scrapping) and €40 thousand concerning leasehold rights.

### Property, plant and equipment

The increase in the "Other property, plant and equipment" item includes:

- €2,414 thousand in fixtures and fittings related to openings, transfers and refurbishments of agencies or Open Centers;
- €62 thousand relating to transport equipment;
- €667 thousand in purchases of new office equipment and furniture.

The decrease in the "Other property, plant and equipment" item results from:

- €507 thousand in fixtures and fittings related to openings, transfers and refurbishments of agencies or Open Centers;
- €9 thousand relating to transport equipment;
- €941 thousand relating to office equipment and furniture.

### Long-term investments

The increase in the gross value of "Equity interests and related receivables" corresponds to an increase in the stake in SYNACO GLOBAL RECRUITMENT for €70 thousand.

## Depreciation, amortisation and impairment

In € thousand	Amounts at 01/01/2017	Increase	Decrease	Amounts at 31/12/2017
<b>Intangible assets</b>				
Concessions, patents, licences and brands	4,349	548	533	4,365
Business intangible leasehold rights	195	-	-	195
<b>Total intangible assets</b>	<b>4,544</b>	<b>548</b>	<b>533</b>	<b>4,560</b>
<b>Property, plant and equipment</b>				
Buildings	488	40	-	528
Facilities, equipment and tools	-	-	-	-
Other property, plant and equipment	10,900	1,436	1,364	10,972
<b>Total property, plant and equipment</b>	<b>11,388</b>	<b>1,475</b>	<b>1,364</b>	<b>11,500</b>
<b>TOTAL</b>	<b>15,932</b>	<b>2,024</b>	<b>1,897</b>	<b>16,059</b>
<b>Financial assets</b>				
Loans to subsidiaries and associates	2,601	-	-	2,601
Other fixed investments	78	-	3	75
Other financial assets	-	-	-	-
<b>Total financial assets</b>	<b>2,679</b>	<b>-</b>	<b>3</b>	<b>2,676</b>
<b>TOTAL</b>	<b>18,611</b>	<b>2,024</b>	<b>1,900</b>	<b>18,735</b>

No impairment is recognisable at the financial year-end pursuant to the rules set out in Notes 4 and 5.

## ◆ Note 10 Receivables

In € thousand	2017 Gross amounts	Provisions depreciation & amortisation	2017 net amounts	2016 net amounts
Client receivables and related accounts	246,015	8,292	237,723	241,959
Other receivables	247,610	257	247,353	183,553
<b>TOTAL</b>	<b>493,625</b>	<b>8,549</b>	<b>485,076</b>	<b>425,512</b>

Receivables from training organisations account for €25,802 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 loans insofar as they are governed by treasury management or current account advance agreements that are payable at any time.

## ◆ Note 11 Statement of receivable maturities at year-end

In € thousand	Gross amount		Up to one year		Beyond one year	
	2017	2016	2017	2016	2017	2016
<b>Fixed assets</b>						
Receivables related to equity interests	2,343	2,274	-	-	2,343	2,274
Loans	14	14	14	14	-	-
Other long-term investments	7,430	5,270	-	-	7,430	5,270
<b>Total fixed assets</b>	<b>9,787</b>	<b>7,558</b>	<b>14</b>	<b>14</b>	<b>9,773</b>	<b>7,544</b>
<b>Working capital</b>						
Bad and doubtful debts	11,950	11,760	-	-	11,950	11,760
Other client receivables	234,065	237,703	234,065	237,703	-	-
Personnel	106	127	99	120	7	7
Social bodies	25,814	13,762	25,788	13,737	25	25
Income tax	141,780	95,587	30,833	964	110,946	94,623
Value-added tax	777	800	777	800	-	-
Other tax	5,291	3,532	1,546	-	3,745	3,532
Group and associates	73,484	69,583	73,468	69,567	16	16
Sundry debtors	357	418	142	203	215	215
<b>Total working capital</b>	<b>493,625</b>	<b>433,272</b>	<b>366,719</b>	<b>323,094</b>	<b>126,906</b>	<b>110,178</b>
Prepaid expenses	1,142	831	1,142	831	-	-
<b>TOTAL</b>	<b>504,554</b>	<b>441,661</b>	<b>367,875</b>	<b>323,939</b>	<b>136,679</b>	<b>117,722</b>

Under receivables, accrued income amounted to €38,755 thousand as at 31 December 2017, breaking down as follows:

In € thousand		
<b>Client receivables and related accounts, of which:</b>		<b>6,849</b>
Clients - unbilled revenue outside Group	2,642	
Clients - unbilled revenue within Group	4,207	
<b>Other receivables, of which:</b>		<b>31,906</b>
Suppliers - assets to be received outside Group	124	
Suppliers - assets to be received within Group	15	
Personnel - income to be received	106	
Social bodies - income to be received	12	
Training bodies - income to be received	25,802	
State - Levies	5,840	
Other receivables	7	

## ◆ Note 12 Investments

In € thousand	2017	2016
Investments in securities	-	,0
Deposits and term accounts	7,908	2,325
<b>TOTAL</b>	<b>7,908</b>	<b>2,325</b>

Deposits and term accounts have terms up to a maximum of three months.

## ◆ Note 13 Shareholders' equity

### 13.1 Share capital

At 31 December 2017, the share capital comprised 24,362,000 shares at €5 each, i.e. a total of €121,810 thousand.

### 13.2 Changes in shareholders' equity

In € thousand	Capital	Premiums	Reserves and carry-forward	Result	Regulated provisions	2017 TOTAL	2016 TOTAL
Opening shareholders' equity	121,810		120,902	51,793	2,393	296,898	259,718
Capital reduction						-	-
Appropriation of 2015 earnings			37,390	(51,793)		(14,403)	(14,397)
Profit of the year				71,362		71,362	51,793
Changes in regulated provisions					(484)	(484)	(216)
<b>Closing shareholders' equity</b>	<b>121,810</b>	<b>-</b>	<b>158,292</b>	<b>71,362</b>	<b>1,909</b>	<b>353,373</b>	<b>296,898</b>

During 2017, dividends amounting to €14,617 thousand were paid out while undistributed dividends attached to treasury shares were carried forward in the amount of €214 thousand, giving a net pay-out of €14,403 thousand.

The item "Reserves and retained earnings" includes a "Regulated reserve" of €3,483 thousand, corresponding to the reserve for treasury shares.

## ◆ Note 14 Provisions for risks and charges

In € thousand	2016	Increase	Decrease	2017
Social and tax risks	1,556	313	515	1,353
Other risks	4,101	616	5	4,712
<b>TOTAL</b>	<b>5,657</b>	<b>929</b>	<b>520</b>	<b>6,065</b>

At 31 December 2017, the provision for foreign exchange risk was €4,695 thousand, which was included under other risks.

## ◆ Note 15 Loans and borrowings

In € thousand	2017	2016
Long-term bank loans and other bank borrowings	-	-
Current bank debt and bank overdrafts	44	44
Miscellaneous borrowings	16,586	17,079
<b>TOTAL</b>	<b>16,630</b>	<b>17,123</b>

The Company has not held bank debt since October 2013.

## ◆ Note 16 Statement of payable maturities at year-end

In € thousand	Gross amounts		<1 yr		1 yr <=5 yrs		>5 yrs	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>Other bank borrowings:</b>								
<i>Borrowings - up to 1 yr</i>	44	44	44	44	-	-	-	-
<i>Borrowings - more than 1 yr</i>	-	-	-	-	-	-	-	-
Miscellaneous borrowings	9	1,612	-	1,611	9	1	-	-
Group and associates	16,577	15,467	16,577	15,467	-	-	-	-
Trade payables and related accounts	6,354	5,987	6,354	5,987	-	-	-	-
Tax and social security payables	244,533	233,457	244,533	233,457	-	-	-	-
Payables on fixed assets and related accounts	331	462	331	462	-	-	-	-
Other payables	4,094	2,883	4,094	2,883	-	-	-	-
<b>Subtotal</b>	<b>271,943</b>	<b>259,912</b>	<b>271,934</b>	<b>259,911</b>	<b>9</b>	<b>1</b>	<b>-</b>	<b>-</b>
Prepaid income	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>271,943</b>	<b>259,912</b>	<b>271,934</b>	<b>259,911</b>	<b>9</b>	<b>1</b>	<b>-</b>	<b>-</b>

Expenses booked under payables for 2017 amount to €65,002 thousand, breaking down as follows:

In € thousand		
<b>Bank loans and other bank borrowings</b>		<b>44</b>
Of which interest accrued on loans	44	
Bank charges	-	
<b>Loans and borrowings</b>		<b>-</b>
Of which interest accrued on employee profit-sharing	-	
<b>Trade payables</b>		<b>5,050</b>
Of which suppliers - invoices not yet received outside the Group	4,403	
Suppliers - invoices not yet received within the Group	316	
Suppliers of fixed assets	331	
<b>Tax and social security payables</b>		<b>58,573</b>
Of which personnel and related accounts	15,940	
Social bodies	12,152	
State - Levies	30,481	
<b>Other payables</b>		<b>1,335</b>
Clients - accrued credit notes outside Group	1,307	
Clients - accrued credit notes within Group	28	

## ◆ Note 17 Payables on fixed assets

In € thousand	2017	2016
Payables on equity investments	-	-
Payables to suppliers (property, plant and equipment)	331	462
<b>TOTAL</b>	<b>331</b>	<b>462</b>



## ◆ 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 subsidiaries ACORN (SYNERGIE) UK, ACORN RECRUITMENT (United Kingdom), SYNERGIE HUNT INTERNATIONAL (Canada), SYNERGIE SUISSE, and SYNACO GLOBAL RECRUITMENT (Australia).

Full provision was made for the unrealised exchange loss of €4,695 thousand, of which €4,693 thousand relates to ACORN (SYNERGIE) UK and ACORN RECRUITMENT and the remainder to SYNERGIE HUNT INTERNATIONAL. The unrealised exchange gain of €18 thousand concerns SYNERGIE SUISSE.

## NOTES TO THE INCOME STATEMENT OF SYNERGIE SE

### ◆ Note 19 Breakdown of turnover

In € thousand	2017	2016
Revenue France	1,131,583	1,010,900
Revenue exported	2,791	2,910
<b>TOTAL</b>	<b>1,134,373</b>	<b>1,013,810</b>

Turnover generated in France comprises the billing of temporary work in the amount of €1,128.306 thousand, employee placement in the amount of €4,731 thousand and services in the amount of €1,336 thousand.

### ◆ Note 20 Other income, reversals of provisions and transfers of expenses

In € thousand	2017	2016
Capitalised production costs	1,118	218
Operating subsidies	281	159
Reversals on depreciation, amortisation and provisions	2,100	2,703
Transfers of expenses	12,716	11,608
Brand royalties	3,890	3,113
Other income from ordinary operations	537	79
<b>TOTAL</b>	<b>20,642</b>	<b>17,880</b>

The "Transfers of expenses" item breaks down as follows:

In € thousand	2017	2016
Transfers of expenses on compensation	11,361	9,795
Transfers of expenses on insurance	519	499
Transfers of expenses on purchases not held in inventory	25	35
Transfers of expenses on leases	362	355
Transfers of expenses on other services	448	924
<b>TOTAL</b>	<b>12,716</b>	<b>11,608</b>

Transfers of expenses on compensation correspond mainly to remuneration financed by training organisations.

#### ◆ Note 21 Personnel costs

In € thousand	2017	2016
Wages and benefits	792,941	708,732
Social security contributions	201,127	185,007
Employee profit-sharing	-	-
<b>TOTAL</b>	<b>994,068</b>	<b>893,739</b>

The French Tax Credit for Competitiveness and Employment (CICE) gave rise to a €50,585 thousand reduction in social security contributions.

#### ◆ Note 22 Financial income

In € thousand	2017	2016
Dividends	12,450	7,470
Interest on subsidiaries current accounts	769	774
Gain on financial depreciation writebacks	3	678
Income from marketable securities	83	215
Other financial income	100	81
<b>Financial income</b>	<b>13,406</b>	<b>9,217</b>
Interest expenses on subsidiaries current accounts	177	174
Provisions for foreign exchange losses	600	2,822
Provisions for investment securities losses	-	863
Discounts granted	84	66
Foreign exchange losses	-	22
Other financial costs	16	31
<b>Financial charges</b>	<b>877</b>	<b>3,979</b>
<b>FINANCIAL RESULT</b>	<b>12,528</b>	<b>5,238</b>

#### ◆ Note 23 Exceptional income

In € thousand	2017	2016
<b>Extraordinary expenses</b>		
On management operations	(13)	(131)
On capital operations	(528)	(1,111)
Extraordinary depreciation, amortisation and provisions	(774)	(1,179)
<b>Total extraordinary expenses</b>	<b>(1,315)</b>	<b>(2,421)</b>
<b>Extraordinary income</b>		
On management operations	18	-
On capital operations	197	800
Reversals of provisions and transfers of expenses	1,450	1,361
<b>Total extraordinary income</b>	<b>1,666</b>	<b>2,161</b>
<b>EXTRAORDINARY PROFIT</b>	<b>351</b>	<b>(260)</b>

## ◆ Note 24 Corporate income tax

In € thousand	2017	2016
On profit from ordinary operations	3,684	3,430
On extraordinary profit	141	(86)
On profit-sharing	-	(389)
Tax consolidation result	(394)	(21)
<b>TOTAL</b>	<b>3,431</b>	<b>2,934</b>

## ◆ Note 25 Deferred tax position

An unrealised receivable of €625 thousand is shown temporarily (social solidarity contribution, profit-sharing and unrealised exchange gain for the year), corresponding to tax credits on non-deductible expenses.

An unrealised payable of €657 thousand also exists, relating to regulated provisions.

## OTHER INFORMATION ON SYNERGIE SE

### ◆ Note 26 Information on the members of the administrative and management bodies

Information relating to the members of the Board and Managing Directors of SYNERGIE SE is provided below.

#### 26.1 Remuneration

The remuneration of directors is €326 thousand.

#### 26.2 Pension commitments

At the end of 2017, no commitment had been made by SYNERGIE SE in relation to pensions and related benefits for members of the Board and Managing Directors.

#### 26.3 Loans and advances

At the end of 2017, no loans or advances had been granted to members of the administrative and management bodies.

## ◆ Note 27 Information on related parties

Information on the members of the Company's administrative and management bodies, according to their roles in related companies, is provided below.

SCI Les Genêts 10: rents and property charges amounted to €538 thousand, and the security deposit €4 thousand (repaid in early 2018).

SCI Daphné: rents and property charges amounted to €58 thousand.

The year-end balance in both cases was zero.

The property assets held by these property investment companies were sold in December 2017 to SYNERGIE PROPERTY, a wholly-owned subsidiary of SYNERGIE SE, for a total of €7,545 thousand, corresponding to the market price.

Relationships with subsidiaries are concluded under arm's length conditions.

## ◆ Note 28 Company workforce at year-end

	Permanent employees	Temporary employees	2017	2016
Manager and similar	347	389	736	667
White collar	852	6,388	7,240	9,589
Blue collar	-	22,650	22,650	17,505
<b>TOTAL</b>	<b>1,199</b>	<b>29,427</b>	<b>30,626</b>	<b>27,761</b>

Permanent personnel are those shown at the year-end, all categories included. In 2017, the workforce corresponded solely to those assigned to the services sector.

Temporary employees are shown as full-time equivalent.

## ◆ Note 29 Tax consolidation

SYNERGIE SE opted for the tax consolidation regime with some of its subsidiaries as of 1 January 1991; the option was renewed in 2000 for an indefinite period.

### Tax consolidation scope in 2017:

- SYNERGIE SE (the group company that is solely liable to pay tax to the tax administration)
- DIALOGUE & COMPÉTENCES (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 liable 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 CICE (French Tax Credit for Competitiveness and Employment)

Pursuant to the recommendations of the French accounting standards body, the French Tax Credit for Competitiveness and Employment (CICE) of €50,585 thousand applicable to the current financial year is stated after deduction of personnel expenses and operating expenses.

SYNERGIE SE has mainly used the CICE to fund investment, training and recruitment and to replenish working capital.

### ◆ Note 31 Off-balance sheet commitments

In € thousand	2017	2016
<b>Commitments given</b>		
Discounted bills	-	-
Counterparty guarantees for temporary employment	11,256	9,841
Guarantees on mortgages	18,425	8,552
Supplementary commitments on securities purchases	10,769	-
Commercial leases (rents to expiry)	6,272	5,732
<b>TOTAL</b>	<b>46,722</b>	<b>24,125</b>
<b>Commitments received</b>		
BNP guarantee	80,690	72,186
of INTERSEARCH if return to better fortunes after 2009, 2010 and 2011 debt waiver	715	715
of DIALOGUE & COMPÉTENCES if return to better fortunes after 2011 debt waiver	1,724	1,724
<b>TOTAL</b>	<b>83,129</b>	<b>74,625</b>

The 2017/2018 temporary employment guarantee, based on turnover of €1,128,306 thousand, should amount to €90,265 thousand.

In € thousand	2017	2016
<b>Commitments relating to finance leases</b>		
Gross fixed assets	4,984	3,937
Accumulated depreciation and amortisation	3,124	1,840
Allocations in the year	1,284	1,356
Reversals in the year	-	1,221
Increase in commitments in the year	1,045	525
Decrease in commitments in the year	1,193	1,300
Outstanding charges	2,120	2,267

In financial year 2017, the breakdown of commitments within one year and from one to five years on leases and finance leases amounted to €1,228 thousand and €892 thousand respectively.

### Pension commitments

The pension commitments of permanent personnel in relation to their defined benefit plans are valued according to the projected unit credit method, pursuant to ANC (*Autorité des Normes Comptables* - French accounting standards regulator) recommendation No. 2013-02; the following assumptions were used as at 31 December 2017:

- Salary increase rate: 2%,
- Personnel turnover rate: calculated by age tranche,

- Social security contribution rate: 45%,
- Mortality table: TU-TD2011-2013,
- Discount rate (based on iBoxx indices): 1.30%,
- Estimate based on average departure age of 65 years,
- Departure at the employee's initiative,
- Retroactive application.

Based on the aforementioned assumptions and methods, the retirement benefits in respect of the company's personnel amounted to €2,955 thousand, including social security contributions. The capital represented with an insurance company covered €3 thousand of this commitment at 31 December 2017.

The retirement benefits paid out in 2017 amounted to €571 thousand, compared with €270 thousand in 2016.

### ◆ Note 32 Contingent commitments and liabilities

At the end of the years shown, no other significant commitment had been entered into, and no contingent liabilities existed (other than those provisioned or mentioned in Note 14) that would be likely to significantly affect the assessment of the financial statements.

### ◆ Note 33 Table of the subsidiaries and equity interests of SYNERGIE SE in the financial year ended 31 December 2017

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
<b>1/ French subsidiaries</b>					
AILE MÉDICALE	72	2,966	100%	1,886	1,886
SYNERGIE PROPERTY	5,000	734	100%	5,000	5,000
<b>2/ Foreign subsidiaries</b>					
SYNERGIE ITALIA (Italy)	2,500	12,855	85%	3,437	3,437
SYNERGIE BELGIUM (Belgium)	250	33,072	99%	7,911	7,911
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain) <sup>(*)</sup>	40,000	24,638	100%	64,561	64,561
<b>3/ Comprehensive information on other securities whose gross value does not exceed 1 % of SYNERGIE's CAPITAL</b>					
Other subsidiaries and equity interests				3,506	3,506
<b>TOTAL</b>				<b>86,301</b>	<b>86,301</b>

<sup>(\*)</sup> SIES is a holding company with equity interests in the Group's other foreign subsidiaries

In € thousand	Loans and advances	Guarantees given	2017 revenue	2017 net profit	Dividends received by SYNERGIE in 2017
COMPANIES					
<b>1/ French subsidiaries</b>					
AILE MÉDICALE	-	-	17,244	976	-
SYNERGIE PROPERTY	2,757	14,558	993	(587)	-
<b>2/ Foreign subsidiaries</b>					
SYNERGIE ITALIA (Italy)	11,420	-	351,583	12,489	2,550
SYNERGIE BELGIUM (Belgium)	-	1,026	256,525	10,710	9,900
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain)	1,195	12,179	-	(285)	-
<b>3/ Comprehensive information on other securities whose gross value does not exceed 1 % of SYNERGIE's CAPITAL</b>					
Other subsidiaries and equity interests	60,455	12,688	-	-	-
<b>TOTAL</b>	<b>75,827</b>	<b>40,451</b>			<b>12,450</b>

### ◆ Note 34 Events after the reporting period

No significant events after the reporting period and before the date of preparation of the financial statements are likely to affect the above assertion.

# REPORT OF THE STATUTORY AUDITORS 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 NO. 329 925 010

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### **REPORT OF THE STATUTORY AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS**

**FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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 2017.

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 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 pursuant to 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 rules of independence applicable to us, for the period from 1 January 2017 to the date of issuance of our report, and in particular we provided no service that is prohibited under Article 5, paragraph 1 of EU Regulation No. 537/2014 or the code of compliance applicable to statutory auditors.

## **JUSTIFICATION OF OUR ASSESSMENTS - KEY POINTS OF THE AUDIT**

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 points of the audit concerning the most important risks of material misstatement, in our professional opinion, during the audit of the accompanying annual financial statements, and our response to those risks.

The assessments were made in the context of our audit of the annual financial statements taken as a whole, and therefore contributed to the formulation 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.

## **ASSESSMENT OF EQUITY INVESTMENTS, RECEIVABLES AND RELATED CURRENT ACCOUNTS**

### ***Risk identified***

At 31 December 2017, the net carrying value of equity investments, receivables and related current accounts as assets was €158,274 thousand.

Points 5 and 6.2 of the notes to the financial statements specify that these assets are stated at their acquisition cost and that an impairment is recognised if the value-in-use falls below the net carrying value.

The estimated value-in-use of these securities, receivables and related current accounts is based on a judgement call by the management in calculating the projected future cash flows and concerning the main assumptions used.

We deem the valuation of the investment securities, receivables and related current accounts a key point of the audit because of the high amount concerning them in the annual financial statements and the sensitivity of the tests to the assumptions used by the management.

### ***Audit procedures implemented to deal with this risk***

Our work consisted of:

- Taking note of and assessing the process followed by the management to estimate the value-in-use of the investment securities, receivables and related 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 coherence of projected future cash flows:
  - Checking that an appropriate model was used for the calculation of the value-in-use;
  - Analysing the coherence of cash flows with the budgets established by the local management and approved by the management;
  - Comparing the projected cash flows for 2018 to 2020 with those used in the previous year's tests;
  - Comparing the actual 2017 data with the 2017 projections used in the previous year's tests;
  - Analysing the methodology followed for the calculation of the discount rate for each country;
- Assessing the appropriate nature of the financial information provided in Points 5 and 6.2 of the notes to the corporate financial statements.

## **VERIFICATION OF THE MANAGEMENT REPORT AND THE OTHER DOCUMENTS SENT TO THE SHAREHOLDERS**

We also carried out specific verifications required by law, in accordance with the professional standards applicable in France.

### **INFORMATION PROVIDED IN THE MANAGEMENT REPORT AND OTHER DOCUMENTS SENT TO THE SHAREHOLDERS ON THE FINANCIAL POSITION AND THE ANNUAL FINANCIAL STATEMENTS**

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 Board of Directors and in the other documents sent to shareholders on the financial position and the annual financial statements.

### **REPORT ON CORPORATE GOVERNANCE**

We certify that the report of the Board of Directors 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.

## **INFORMATION ARISING FROM OTHER LEGAL AND REGULATORY OBLIGATIONS**

### **APPOINTMENT OF THE STATUTORY AUDITORS**

We were appointed the statutory auditors of SYNERGIE SE by the Shareholders' Meeting of 21 December 1983 for APLITEC AUDIT & CONSEIL and of 29 June 1995 for JM AUDIT ET CONSEILS.

At 31 December 2017, APLITEC AUDIT & CONSEIL was in the 35<sup>th</sup> consecutive year of its assignment and JM AUDIT ET CONSEILS in the 23<sup>rd</sup> consecutive year, of which the 31<sup>st</sup> and 23<sup>rd</sup> year respectively since the company's shares were admitted for trading on a regulated market.

## **RESPONSIBILITIES OF THE MANAGEMENT AND CORPORATE GOVERNANCE TEAMS CONCERNING THE ANNUAL FINANCIAL STATEMENTS**

It is the management's role to draw up annual financial statements that provide a fair representation in accordance with French accounting rules and principles, and to implement internal controls it deems necessary to establish annual financial statements that are free of material misstatement, whether from fraud or error.

In drawing up the annual financial statements, it is the management's responsibility to assess the Company's capacity to operate as a going concern, to apply the accounting policy for a going concern, and present, where relevant, any necessary information on the going concern in the annual financial statements, unless it is planned to liquidate the company or sell its activity.

It is the responsibility of the Audit Committee to monitor the process for preparing the financial information and the efficiency of the internal control and risk management systems and, where relevant, the internal auditing of the procedures for preparing and treating the accounting and financial information.

The annual financial statements were approved by the Board of Directors.

## **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 misstatement. 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 in an aggregate manner, they can influence the economic decisions of the users of the accounts.

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 the management of your company.

The statutory auditor exercises its professional judgement throughout the audit, in accordance with professional standards applicable in France.

Moreover:

- it identifies and assesses the risk of the annual financial statements containing material misstatement, whether as a result of fraud or error, and defines and implements audit procedures to mitigate this risk, and collects the information it deems necessary and appropriate in order to formulate its opinion. The risk of failing to detect material misstatement as a result of fraud is higher than that of failing to detect material misstatement resulting from error, because fraud may involve collusion, falsification, deliberate omissions, false statements and circumvention of internal controls;
- it takes note of the internal controls that are relevant to 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;

- it assesses the appropriateness of the accounting methods used and the reasonable nature of the accounting estimates made by the management, as well as the information on these provided in the annual financial statements;
- it assesses the appropriate nature of the management's application of the going concern principle and, based on the information collected, whether or not there is significant uncertainty around events or circumstances that is likely to hamper the company's capacity to pursue its operations. This assessment is based on the information collected until the date of the statutory auditor's report, bearing in mind nevertheless that circumstances or events occurring at a later date could hamper the company's continued operation. If the statutory auditor finds that significant uncertainty exists, it will draw the readers' attention to the information provided in the annual financial statements on this uncertainty, or if this information is not provided or is not relevant, it will issue a certification with reservations or will refuse to certify the financial statements;
- it studies the overall presentation of the annual financial statements and provides an opinion as to whether they give a true picture of the underlying operations and events.

## REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which notably presents the scope of the audit work, the schedule of tasks carried out, and the findings made. Where relevant, we also point out any significant weaknesses we may have identified in the internal control concerning the procedures related 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 main risks of material misstatement impacting the audit of the annual financial statements for the financial year and, as such, those that constitute the key points of the audit, which it is our responsibility to describe in this report.

We also provide the Audit Committee with our declaration of independence pursuant to Article 6 of EU Regulation No. 537-2014, in accordance with French accounting standards, as set out notably in Articles L.822-10 to L.822-14 of the French Commercial Code and the code of ethics applicable to statutory auditors. Where necessary, we discuss with the Audit Committee any risks to our independence and safety measures applied.

Paris, 23 April 2018

The Statutory Auditors  
Registered members of the Compagnie régionale de Paris

**JM AUDIT ET CONSEILS**  
Abdoullah LALA

**APLITEC AUDIT & CONSEIL**  
Marie Françoise BARITAUX-IDIR      Laurent GUEZ

# DECLARATION FROM THE PERSON IN CHARGE OF THE ANNUAL FINANCIAL STATEMENT

**Paris, 23 April 2018**

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 and Chef Executive Officer