SYNERGIE

2018
ANNUAL FINANCIAL REPORT

SE (European Company) with a capital
of 121.810.000€
11, avenue du Colonel Bonnet
75016 PARIS
☎ 33 1 44 14 90 20
www.synergie.com

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REPORT FOR 2018

TO THE SHAREHOLDERS' MEETING OF 13 JUNE 2019

MANAGEMENT REPORT

1. SYNERGIE GROUP'S ACTIVITY AND SIGNIFICANT EVENTS IN 2018

SYNERGIE: A benchmark European player in Human Resources Management

The SYNERGIE Group is now a benchmark player in Human Resources Management and the fifth-largest company in this segment in Europe. International activity now accounts for nearly 53% of its consolidated turnover.

A leader in France and operating in 16 countries (Europe, Canada and Australia) through a network of more than 710 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 communication 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 4,100 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	2018	2017
Turnover	**2,551.1**	**2,323.3**
Ebitda [1]	137.2	135.1
Current operating profit [1]	128.4	127.5
Operating profit	**119.3**	**116.2**
Financial result	(1.7)	(1.1)
Profit before tax	117.6	115.2
Net profit of consolidated companies	**82.5**	**81.5**
of which Group share	79.3	79.9

(1) Operating result before interest, tax and amortisation

(2) 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 adopted in October 2008 by the European Parliament 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 and the principle of equal treatment is applied from day one of the assignment period.

Accordingly, 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.

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 Activity of SYNERGIE and its French subsidiaries

1.1.1 Human resources management in France in 2018

Total turnover generated by temporary employment agencies (TEAs) in France increased by 5.3% compared with 2017, with an average of more than 780,000 FTE temporary workers (source: DARES).

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

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 several legal provisions, effective from 2013, should also be emphasised.

In the first place, the implementation in 2013 of the Tax Credit for Competitiveness and Employment (Crédit d'Impôt pour la Compétitivité et l'Emploi - CICE), which was designed to increase business competitiveness, will be substituted from 1 January 2019 by additional reductions in social security charges.

Secondly, the law of 14 June 2013, known as the Employment Security Act, which resulted in the creation of open-ended employment contracts for temporary employees and which really only started to be implemented in 2015.

A new reform voted in October 2018 gave rise to the creation of the disability assignment contract on 1 January 2019; a law was also established to secure the continued existence of provisions around open-ended employment contracts for temporary employees.

Lastly, in 2018 some agencies engaged in successful negotiations on the development of short-term contracts (metal industry).

1.1.2 SYNERGIE in France

The Group maintained strong activity in France, generating annual turnover of €1,207.8 million, up +5% on 2017.

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

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

- Aeronautics shows 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-contracts 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:

  - an 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 implemented in Paris in 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 revenue of nearly €30 million in 2018.

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.

Highlights

Acquisition of DCS EASYWARE

SYNERGIE acquired a stake of 66% in French digital services company DCS EASYWARE.

Based in Lyon, DCS EASYWARE operates in France, Belgium, Spain and the UK, and generated turnover of €45 million in 2018. It employs nearly 600 staff members who are experts in IT infrastructure management and support.

This acquisition gives SYNERGIE a positioning on a growth market and rounds off our traditional activities, in line with our main counterparts, with diversification in facilities management, advisory and technical assistance.

DCS EASYWARE thus complements the services offering of SYNERGIE Group and the resources needed to help clients with their digital transition.

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 with a personalised portal for clients 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.

In 2017, SYNERGIE continued to work on improvements in the management of job applicants and clients via a new tool that rapidly matches the skills of registered candidates with companies' requirements and carries out searches for external candidates. After "Go live" in December 2017, SYNERGIE continued to work on appropriating the tool internally in 2018 by setting up multiple workshops and introducing developments to improve performance.

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.

Launch of a premium brand

In 2018, SYNERGIE asserted its presence in the permanent recruitment segment and temporary employment for experts and managers by creating a new international brand, **S&you**. The Group aims to use this brand to establish itself as a benchmark player for candidates and companies while at the same time preserving its founding values.

It will also draw on the brand to highlight its stand-out qualities: its ability to cover all projects and offer the most appropriate solutions.

S&you reflects the proximity that SYNERGIE Group has always achieved with candidates and companies alike.

In France, five offices were established in Paris, Bordeaux, Toulouse, Nantes and Lyon, comprising 25 consultants. Outside of France, S&you was launched in Spain, Italy, Portugal, Switzerland and Germany. In 2019, it will open offices in Australia and the Benelux countries.

S&you is SYNERGIE Group's leading edge recruiter of experts and managers, offering each candidate and client best-in-class teams and support for their projects.

1.2 The Group's international activity

SYNERGIE currently operates in 16 countries, and registered a positive performance on all its markets, enabling it to record its highest ever result, with total turnover of €1,343 million on international markets.

This activity accounts for nearly 53% of the Group's total operations in 2018, compared with 50% in 2017, and constitutes a real driver of growth and profits.

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.

1.2.1 In southern Europe

Activity in southern Europe increased as follows:

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

In this context, activity grew again, by nearly 15%, 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 sustainable growth.

In € million	2018	2017
Turnover	**650.5**	**569.5**
Current operating profit	23.8	21.5
Financial result	(0.2)	(0.1)
Net profit of consolidated companies	**16.4**	**15.5**

Italy

Turnover, which was generated from a mixed client base of key accounts and SMIs/SMEs similar to the French model, increased by 19.4% during the year, to €420.9 million.

The performance benefited from legislative changes initiated by the Italian government in 2015/2016 as well as the gradual coverage of the region by the SYNERGIE network and the diverse range of sectors.

This momentum was achieved while maintaining operating profitability of 4.7% of turnover.

In 2019, the Italian market should see further growth, with a ramp up of activity at the agencies created in 2018 and at the agencies planned for 2019 (six).

Spain

The local subsidiary posted growth of 5.2%, beating the market, with turnover of €191.2 million and operating profitability of €3.6 million.

The development of on-site establishments, payrolling and the specialised aeronautics division underpinned this growth, particularly during the second half of the year, and suggest a good outlook for 2019.

Portugal

Like Spain, Portugal saw further growth (+8.8%) and maintained its operating profitability at €0.4 million.

The development of activities that offer higher profits (outsourcing projects, training, assignment of more highly qualified personnel), while maintaining the existing panel of key accounts, which account for more than 50% of the subsidiary's client base, should give it the means to achieve profitable growth in 2019.

1.2.2 In northern and eastern Europe

The Group saw growth of +16.5% in northern and eastern Europe in 2018, underpinned by contrasting trends.

In € million	2018	2017
Turnover	**631.8**	**542.4**
Current operating profit	25.7	26.7
Financial result	(0.9)	(0.3)
Net profit of consolidated companies (*)	**14.7**	**15.2**

(*)excluding goodwill impairment

Benelux

Turnover in the Benelux countries reached a record €333.9 million (+4.5%) with net growth in Belgium and stable activity in the Netherlands and Luxembourg, after several years of strong growth in all countries in this region.

The Belgian activity saw continued growth, mainly in the first half of the year, thanks to the in-house activity (on-site establishments), which account for nearly 30% of the client base, and a balanced breakdown of the client base with a similar SMI/SME mix to that of the Group.

Current operating profit remained high (€16.6 million, i.e. 5.9% of turnover) but was nevertheless offset by changes in social security subsidies and pressure from certain key accounts.

With a shortage of employees in several sectors, the Dutch subsidiaries succeeded in maintaining good activity levels (turnover of €42.4 million, a slight decrease), albeit with a decline in transport/logistics, in which clients tended to opt more frequently for in-house drivers in particular.

United Kingdom

Turnover increased on a like-for-like basis in a highly competitive market (14,000 temporary employment agencies are established in the UK), reaching €117.3 million, giving rise to current operating profit of €1.2 million compared with €1.4 million in 2017. Certain legislative changes (pension contributions, minimum wage, etc.) had a negative effect on margins.

Growth within the agencies created in 2018, the expertise acquired in growth sectors (aeronautics, nuclear, etc.), which was enhanced by the development of in-house establishments and the structuring of teams for permanent placement, should all enable a stronger return to profitability in 2019.

Germany

SYNERGIE PERSONAL DEUTSCHLAND generated turnover of €61.6 million, a slight decrease in relation to 2017, with current operating profit of €2 million versus €2.5 million in 2017.

2018 brought changes related to the Law on Temporary Work with the application of the final stage of the equal pay provisions and the restriction of assignments to 18 months, which led to very high turnover of temporary employees (a new element in Germany).

In 2019, the German subsidiary should benefit from a ramp-up in activity from the creation of new agencies (eight in 2018) and an expected increase in prices, with clients adapting to the operational changes in the sector.

Austria

On 31 October 2017, SYNERGIE acquired 80% of Austrian company VÖLKER.

With Austria boasting one of the highest GDP rates in Europe (+2.7%), VÖLKER generated turnover of around €90 million for the year, an increase of 21.6% in relation to 2017, with net profit up 29.3%, indicating a successful first year of integration.

Investment in a system for selecting and managing strong candidates, the provision of training for temporary employees and the use of workers from countries on Austria's eastern border helped to meet growing demand from clients.

Switzerland

With an unemployment rate of 2.4% in Switzerland, SYNERGIE's local subsidiaries generated turnover of €23.8 million compared with €27.1 million in 2017, a decline that impacted the subsidiary’s profitability.

In addition to ongoing diversification of its client base, considerable work was carried out to develop quality services to place highly qualified candidates.

The subsidiary expects to see a return to profitability in 2019.

Eastern Europe

The Czech and Slovakian subsidiaries generated total turnover of €6.3 million in 2018, on a par with 2017, with employee turnover having a strong impact on their performances, particularly that of the Czech subsidiary.

The share of temporary employment, nevertheless, which again showed net growth, projects a strong outlook.

1.2.3 International activity excluding Europe

Canada

In a tense economic environment, notably in Quebec where the subsidiary generated the lion's share of its activities, turnover reached €30.1 million (-4.8% on a like-for-like basis), with profitability impacted by the pricing policies of certain key accounts and differences in the development and performance of certain profit centres.

Restructuring will be carried out in 2019 which should enable a very rapid return to profitable growth for the subsidiary.

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 2018 with turnover reaching €30.8 million (+10.2%), thanks to the contribution from large accounts.

The acquisition of ENTIRE in January 2019 will help to establish our local network as a national player that can benefit from cross selling between the different entities located around Australia, with a goal to generate total turnover of AUD100 million.

2. CONSOLIDATED AND CORPORATE FINANCIAL STATEMENTS

The consolidated and corporate financial statements at 31 December 2018 were approved by the Executive Board on 29 March 2019.

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 2018 scope

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

In June 2018, SYNERGIE acquired a stake of 66% in French digital services company DCS EASYWARE.

In January 2018, it sold its 70% stake in the UK subsidiary ACORN LEARNING SOLUTIONS.

2.1.2 Financial position

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

In assets

- goodwill and other intangible assets (client base, brand, etc.) at a total of €147.4 million, with the change in relation to 2017 mainly linked to the acquisition of DCS EASYWARE;
- property, plant and equipment underpinning the Group's activity at €63.1 million, with the acquisition of two new property assets attributable to the increase recorded in 2018;
- non-current financial assets at €105.2 million (mainly CICE - Tax Credit for Competitiveness and Employment - receivables dated more than one year);
- an increase in the "Clients" item related to the increase in activity;
- other receivables relatively stable at €76 million;
- a high cash position of €85.3 million.

In liabilities

- an increase in shareholders' equity to €501.8 million (of which the Group share was €483.4 million);
- an increase in non-current liabilities related to deferred tax liabilities, as a corollary to brands and client bases;
- current liabilities stable at €483.6 million.

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

Key consolidated data by region

In € million	Turnover		Current operating profit	
	2018	2017	2018	2017
France	**1,207.8**	**1,150,6**	**79.1**	**78.2**
Italy	420.9	352.4	19.8	17.0
Spain	191.2	181.7	3.6	4.0
Portugal	38.5	35.4	0.4	0.5
Southern Europe	**650.5**	**569.5**	**23.8**	**21.5**
Belgium, Luxembourg	291.5	275.8	17.4	19.4
The Netherlands	42.4	43.6	2.0	3.1
Germany	61.6	62.4	2.0	2.5
Austria	89.0	13.7	3.9	0.1
United kingdom	117.3	113.5	1.2	1.4
Switzerland	23.8	27.1	(0.4)	0.1
Eastern Europe	6.3	6.3	(0.1)	0.0
Northern and Eastern Europe	**631.8**	**542.4**	**25.7**	**26.7**
Canada / Australia	**61.0**	**60.7**	**(0.2)**	**1.2**
Total International	**1,343.3**	**1,172.7**	**49.3**	**49.3**
TOTAL	**2,551.1**	**2,323.3**	**128.4**	**127.5**

Turnover

SYNERGIE registered a positive performance in all of its markets, enabling it to generate record turnover of €2.55 billion, with a network of over 710 establishments.

Placement, other human resources activities (e.g. training, outsourcing, etc.) and digital services contributed 2.2% 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	2018 (S1)	2018 (S2)	2018	2017
Turnover	**1,238.8**	**1,312.3**	**2,551.1**	**2,323.3**
Current operating profit	57.7	70.7	128.4	127.5
As % of revenue	**4.7%**	**5.4%**	**5.0%**	**5.5%**

Ebita	2018 % of revenue	2017 % of revenue
France	6.5%	6.8%
Southern Europe	3.7%	3.8%
Northern and Eastern Europe	4.1%	4.9%
Canada / Australia	(0.3)%	2.0%
Consolidated SYNERGIE	**5.0%**	**5.5%**

SYNERGIE made a consolidated current operating profit of €128.4 million, higher than in 2017 with a margin on turnover of 5.0% versus 5.5% in 2017, the change mainly due to the impact of the decrease in the CICE competitiveness and employment tax credit in France, valued at €8.6 million.

Investment (recruitment of consultants, digitisation and development of IT tools, etc.) was continued in a controlled manner, and particular emphasis was placed on the development of training for temporary employees, a major attribute in meeting clients' needs.

The integration of the Austrian subsidiary VÖLKER over the full year (versus two months in 2017) and of DCS EASYWARE from June 2018 had a positive impact on the annual performance.

Impairment of bad debt was maintained at 0.2% of turnover, with client credit falling to 66 days.

The increase in external expenses to €84.5 million (+9% on a like-for-like basis) can partly be explained by significant investment in technology by the Group in recent years to improve processing efficiency and speed up digitisation within the Group.

This investment also had an impact on depreciation and amortisation (€8.8 million overall versus €7.6 million in 2017).

Operating profit

The following items explain the transition from current operating profit to operating profit in 2018:

- amortisation of intangible assets related to acquisitions reached €5.3 million versus €2.6 million in 2017 (activation of the client bases of VÖLKER and DCS EASYWARE);
- goodwill impairment related to the UK subsidiary in the amount of €3 million;
- non-recurring items for a non-material amount (€0.8 million).

Financial result

The cost of financial debt was €1 million versus €0.6 million in 2017.

There was a provision for translation losses of just €0.7 million in 2018.

Profit before tax

All of this gave rise to earnings before tax of €117.6 million (versus €115.2 million in 2017).

Net profit

Due to the CVAE (company value added contribution), i.e. €17 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 €82.5 million (Group share of €79.3 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 2018 shows:

In assets

- fixed assets of €158.2 million, incorporating the contribution of funds to the subsidiary S.I.E.S, locally recognised as shareholders' equity;
- a decrease in current assets, with no change in trade receivables;
- a cash position with a significant surplus (€28.9 million), similar to the 2017 level.

In liabilities

- a high level of shareholders' equity of €401.7 million after the payment of dividends (€19.2 million);
- no change in the provision for risks (€6.2 million, of which a provision for currency translation losses of €4.9 million);
- financial debt mainly comprising the current accounts of subsidiaries with surplus cash flow, since SYNERGIE SE acts as a central treasury department;
- a decrease in long-term operating payables.

In accordance with the law, we would like to point out that supplier credit (excluding training and invoices not yet received) was 44 days on average in 2018 (compared with 43 in 2017), with past due dates breaking down as follows at the year-end:

- for suppliers

Article D. 441 I.-1e: Invoices *received* and in arrears on the reporting date						
In € thousand	**0 days *(indicative)***	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and over**	**Total (1 day and over)**
(A) Payments in arrears						
Number of invoices concerned	738	552	75	21	26	674
Total amount of invoices concerned in euros including tax	1,045	1,219	147	54	14	1,434
Percentage of total purchases over the period including tax	1.39%	1.63%	0.20%	0.07%	0.02%	1.91%
Percentage of turnover over the period excluding tax						
(B) Invoices excluded from (A) related to debts and receivables in litigation or not recognised in the accounts						
Number of invoices excluded					139	139
Total amount of invoices excluded					51	51
(C) Reference payment times used (contractual or legal payment times - Article L. 441-6 or Article L. 443-1 of the French Commercial Code						
Payment times used to calculate late payments	☒ Contractual payment times ☐ Legal payment times					

- for clients

Article D. 441 I.-1e: Invoices *received* and in arrears on the reporting date						
In € thousand	**0 days *(indicative)***	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and over**	**Total (1 day and over)**
(A) Payments in arrears						
Number of invoices concerned	46,720	3,910	1,573	928	2,289	55,420
Total amount of invoices concerned in euros including tax	177,806	38,912	7,991	2,173	2,954	52,030
Percentage of total purchases over the period including tax						
Percentage of turnover over the period excluding tax	15.24%	3.34%	0.69%	0.19%	0.25%	4.46%
(B) Invoices excluded from (A) related to debts and receivables in litigation or not recognised in the accounts						
Number of invoices excluded						
Total amount of invoices excluded						
(C) Reference payment times used (contractual or legal payment times - Article L. 441-6 or Article L. 443-1 of the French Commercial Code						
Payment times used to calculate late payments	☒ Contractual payment times ☐ Legal payment times					

2.2.2 Income statement

In € million	2018	2017
Turnover	**1,166.4**	**1,134.4**
Operating result	59.1	61.9
Financial result	15.3	12.5
Net profit	**67.7**	**71.4**

SYNERGIE SE’s net earnings came to €67.7 million, for turnover of €1,166.4 million, with the difference related to the significant impact of the CICE competitiveness and employment tax credit which was €8.6 million lower than in 2017.

SYNERGIE SE's contribution to the Group's activity, representing 44.4% 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, the retention rate,
- and changes in applicable laws;
- the impact of the key accounts/SMEs and SMIs mix;
- a financial result of €15.3 million, primarily linked to dividends from foreign subsidiaries;
- an extraordinary loss of €1 million versus an extraordinary profit of €0.4 million in 2017.

Dividend payouts by certain subsidiaries to SYNERGIE SE of €15.2 million in 2018, compared with €12.5 million in 2017, 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	€67,652,611.59
Retained earnings from previous years	€183,619,888.91
Available profit	€251,272,500.50
Distributable profit	**€251,272,500.50**
Reserve for treasury shares (reversal of appropriation)	€330,032.35
Dividends	€19,489,600.00
Retained earnings	**€231,452,868.15**

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 21 June 2019.

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 are 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
2015	€14,617,200	€0.60
2016	€14,617,200	€0.60
2017	€19,489,600	€0.80

2.3 Financing

2.3.1 Financing of SYNERGIE

At 31 December 2018, SYNERGIE SE had a positive net cash position of €90.6 million (adjusted for current accounts vis-à-vis the Group's subsidiaries) compared with €88.4 million at the end of 2017.

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 Group financing

In € million	2018	2017
Consolidated shareholder's equity	**501.8**	**435.7**
Net cash position	45.2	50.0
Financial debt	(44.2)	(38.1)
Cash position net of any debt	1.0	11.9
Cash position including CICE	**125.6**	**153.6**
Self-financing capacity	60.3	50.8
Change in working capital requirement	**(15.5)**	**(11.2)**
"Industrial" investments excluding changes in scope	15.6	21.3
Cost of net debt/revenue	0.05%	0.02%

The working capital requirement relating to activity increased by €15.5 million due to 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 (€19.2 million).

The Group financed the acquisition of DCS EASYWARE by transferring the related CICE competitiveness and employment tax credit receivable for 2015 (€28 million).

As shown in the consolidated statement of cash flows, the combined effects of these factors resulted in a very strong net cash position of €45.2 million

The cash position net of any debt plus receivable CICE stood at €125.6 million.

Shareholders' equity stood at €501.8 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 2018 reporting period.

3.2 Outlook in France and abroad

Legislative environment

In France, 2019 will see a transformation of the CICE to reductions in social security charges, which will be included in the corporation tax base and will have an immediate positive impact on the cash position.

At international level, following legislative and regulatory measures that started to impact margins in 2018 (Germany, Belgium, Netherlands, etc.), revaluations are taking place, in France for instance, causing a price effect.

Similarly, legalised wage increases in certain countries, such as Spain, will have a positive impact on the turnover of the subsidiaries concerned.

Macroeconomic context

With GDP in the eurozone growing at around 1.5% in 2019, according to OECD forecasts, the current year should remain favourable to the Group's activities.

In an environment of economic growth and increasing employability, temporary employment shows excellent growth prospects, as crystallised by requests from numerous clients, but there is a need to find qualified personnel for certain businesses that lack the necessary resources and in which turnover can be very high.

The SYNERGIE Group

The first two months of the year show growth in the region of 4%.

Against this backdrop, the Group continues to look at external growth opportunities with a view to rolling out operations in the Nordic countries and Eastern Europe in particular to optimise sourcing, having completed the acquisition of Australian company ENTIRE RECRUITMENT at the start of 2019.

Moreover, SYNERGIE obtained approval from the Chinese authorities to open an office in Qingdao in the Chinese province of Shandong, from which it can offer support services to major European clients already operating there.

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

With one exception, all loans to be repaid at 31 December 2018 were taken out at a fixed rate of interest.

The average interest rate on the Group's loans fell to 1.25% in 2018 (1.88% in 2017).

Currency risk

Activity outside of the eurozone accounted for 8.1% of consolidated turnover as at 31 December 2018 (compared with 8.9% as at 31 December 2017).

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; exchange rate variations in 2017 and 2018 were not material.

Forex hedging positions were 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	
	2018	2017	2018	2017
Pound sterling	0.8945	0.8872	0.8860	0.8757
Canadian dollar	1.5605	1.5039	1.5329	1.4725
Swiss franc	1.1269	1.1702	1.1516	1.1163
Czech crown	25.7240	25.5350	25.6784	26.2891
Australian dollar	1.6220	1.5346	1.5832	1.4795

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 remaining receivables booked as an asset in the balance sheet to a financial institution strengthens the Group's financial situation in respect of these risks.

Share and investment risks

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

The investments made 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 2018.

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 that 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 holds market share of around 5% in the main countries in which it operates (France, Belgium, Italy, Spain).

For all 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 the awareness of all our employees over several years around the notion of "client risk" and the management of payment times.

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 and the events during the transition period to March 2019 could have a negative impact on the economy, the financial markets and the international foreign exchange markets. Legal uncertainties have already emerged concerning the flow of European personnel into the United Kingdom.

Nevertheless, the UK subsidiary contributed just 4.6% of SYNERGIE Group's consolidated turnover in 2018 (4.9% in 2017).

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.

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.

Corporate legislation specific to temporary employment

Most of the Group's turnover is generated from temporary employment, which is subject - in France and in the other eurozone countries in which it operates - to specific legislation. The main features of this legislation, which is similar in the various States, enable 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 (minimum wage) in France) or social security contributions (various reductions and the CICE in particular and the related change in 2019, 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 (final stage of implementation of equal pay in Germany in 2018).

With unemployment rates falling and even full employment in certain countries, some governments may have limited reductions in social security contributions and other subsidies linked to the placement of employees.

Moreover, increases in the minimum wage (+22% in Spain in 2019) or across all wage levels may have consequences for negotiations with clients and for the structural costs of the countries concerned.

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 where 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 implemented 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 liked to the impacts of climate change.

Nevertheless, the measures involved in analysing these risks are set out in the section of this report that deals with the Company's extra-financial performance.

5. INTERNAL CONTROL

5.1. Internal control procedures established by the company

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

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

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

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

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

5.1.2 General organisation of internal control procedures

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 created listing all procedures, which is currently being 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 Management Board relies on the work of the Risk Manager, the quality unit, internal audit, the management control team and the legal department, as well as the conclusions issued by the Statutory Auditors as part of their auditing activities.

The key players in this grouping form working groups to ensure that procedures to prevent the effects of risks intrinsic to the activity and 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 Chairperson has developed a corporate culture based on the values of honesty, competence, responsiveness, quality and respect for others.

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 36.6% of the total financial position of SYNERGIE SE and 53.7% 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 Executive Board, to uphold the principle of engagement in negotiations, as are the subsequent stages (issue of a letter of intent pursuant to Group standards, selection of auditors and consideration of their findings, establishment of the draft purchase agreement, etc.).

b) Corporate legislation

Dedicated units have been created to ensure compliance with corporate legislation, in order to manage the consequences of its complexity and to prevent 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 the 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 perform a preliminary review of the Group's procedures.

Any opinions and recommendations formulated by the Statutory Auditors when performing their assignments, 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

5.2.2 Monitoring of priority actions defined for 2018

The work achieved in 2018 showed no particular failure or serious inadequacy in terms of the organisation of internal control.

The following actions were completed or continued in 2018:

- Finalisation of compliance with the new European General Data Protection Regulation.
- 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.
- Selection of a new reporting consolidation software to enhance automation.
- Securing the reliability of the data production systems in the context of IFRS 9 and 16, which are applicable from 2018 and 2019 respectively.

5.2.2 Priority action defined in 2019

The following are regarded as priority areas of work for 2019:

- Continued updating of guidelines for key Group processes concomitant with an overhaul of documentation.
- Control of the smooth working of operational powers as part of the accelerated development of the foreign subsidiaries.
- Auditing of the correct application of the procedures established and disseminated in accordance with the transparency laws, the combating of corruption and the modernisation of the economy.
- Updating of transfer pricing documentation in line with regulatory changes.
- Studying of the possibility and benefits of taking out insurance policies for the entire Group (civil liability, property and casualty, directors and officers liability insurance) and the implementation of a cybersecurity policy.
- Implementation of reporting and a budget for the new software system.
- Implementation of a new foreign exchange hedging position to limit the impact of Brexit on the financial statements.

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 5 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 in-depth controls and analyses, relating specifically to: client credit, financial debt, changes in fixed assets and changes in operating expenses.

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

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

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

5.3.5 Review and control

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

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

6. REPORT ON EXTRA-FINANCIAL PERFORMANCE

6.1 A responsible player

Our ambitions and objectives

6.1.1 The challenge: combine flexibility and responsibility

SYNERGIE's primary societal commitment is its contribution to the economy of the countries in which it operates. Again this year, it recorded further growth, having placed more than 67,000 FTE 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 as a responsible player.

In concrete terms, this involves:

- All organs working to combat any form of discrimination around recruitment, with the sole focus on the competence, potential for development and talent of our candidates, temporary employees and permanent personnel.

- 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 risks is good, working to prevent them is better.

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

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

Three other strands complete this corporate social responsibility policy:

- Promote a resolutely responsible and ethical supplier/client relationship.

- 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 4,100 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.

Principles

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

It is in 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.

SYNERGIE has adhered to the “Ensemble pour l’égalité dans les recrutements” Charter from the outset and systematically informs its recruitment agencies of the 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 …”.

In a further demonstration of its engagement, at the start of 2017 SYNERGIE formally joined the United Nations Global Compact, which brings businesses, organisations, United Nations agencies, workers and the general public together around ten universally recognised principles to build societies that are more stable and inclusive. The first Communication on Progress was published in July 2018.

Values

- Much more than a company, the SYNERGIE Group sees itself as a responsible and engaged player operating on the basis of four key values: proximity, team spirit, diversity and ambition.

- Its permanent employees are united in upholding these values and the Group's responsibility towards all of its stakeholders: temporary employees, business and institutional partners.

- In line with these principles and values, the SYNERGIE Group develops its activities in strict compliance with national and international laws and regulations, in particular the anti-corruption law of 9 December 2016, also known as the Sapin 2 law.

- The said principles and values are formally set out and grouped together in SYNERGIE Group's Code of Ethics and Business Conduct.

A stronger policy of ethics and business conduct

The SYNERGIE Group has always considered ethics in business as a guarantee of the company's growth and sustainability.
The Group will celebrate its 50th anniversary in business in September 2019. This longevity would not have been possible without its scrupulous adherence to the rules of ethics and integrity.

2018 marked a new stage in this policy, with the Chairperson and Executive Management's decision to scrupulously apply the criteria for compliance with the Sapin 2 anti-corruption law of 9 December 2016.

This law is applicable to SYNERGIE France and by correlation to all the Group's French and international subsidiaries.

It was decided to use the services of a specialised firm to guarantee compliance in all areas.

A Chief Compliance Officer was added to the Group's Executive Management and an Ethics Committee was set up which will meet twice a year.

A new code of ethics and business conduct was adopted and distributed to every employee, who must maintain strict adherence to it.

An introduction is provided by the Chairperson who asserts the Executive Management's resolve to apply the duty of integrity. "These ethical standards are for our common good and will ensure we can take the utmost of pride in the success of our Group" (Daniel AUGEREAU, Chairperson of the Executive Board).

A risk map was drawn up covering all stakeholders and each Group entity to enable measurement of the level of controls in place and their success in meeting the risks incurred.

A statement of potential conflicts of interest was sent to all Group employees.

Gift and sponsorship policies were implemented.

The policy for monitoring third parties (clients/suppliers) is currently being enhanced.

A new alert procedure using a secure system is also being rolled out.

Attendance-based training was provided to all employees for which a potential risk exists and e-learning training is being rolled out for all Group personnel.

The entire mechanism and correct application will be controlled regularly by the Audit Committee.

Tax policy and vigilance plan

Group tax policy

In line with the Group's ethics principles, SYNERGIE'S tax policy, as expressed by the Management, is applied in accordance with the laws of the countries in which it operates.

This policy is described in the transfer pricing documentation prepared in 2010, which complies with OECD rules and principles, notably those concerning arm's length transactions. Moreover, our allocation of profit is based on the Group's real activities and economic substance.

Transnational flows are limited in terms of number and amount, and geographical exposure is relatively low due to the Group's European identity (98% of activity is generated in Europe and 2% in Canada and Australia).

Cross-border transactions mainly consist in royalty payments for the use of brands, management fees for services provided by the head office and financial expenses linked to current account loans and advances.

The Group discloses all necessary information to the tax authorities in each country.

Accordingly, SYNERGIE is transparent concerning its organisation, business establishments, structure and operations.

Vigilance Plan

Pursuant to Law No. 2017-399 of 27 March 2017 related to the duty of vigilance of parent companies and client companies and Article L.225-102-4 of the French Commercial Code, "all companies employing (...) a minimum of five thousand employees (...) or a minimum of ten thousand employees through direct or indirect subsidiaries whose registered office is located in France or outside of France (...)" must draw up a Vigilance Plan.

The issue concerning SYNERGIE was whether the temporary employees were included in this threshold. Based on a legal analysis of the related regulations, only the permanent employees are eligible for inclusion in this calculation. This is clarified in an indirect reference to Article L.225-27-1 of the French Commercial Code which takes permanent employees as the reference base. As SYNERGIE does not meet the minimum number of employees in this context, it is exempt from this obligation.

Secure tripartite relations

Compliance with third party personal data rights and protection

From the perspective that it believes its activity entails a risk around the protection of personal data since it collects personal - and sometimes sensitive - data on a daily basis from individuals seeking employment and temporary employees, SYNERGIE Group decided in 2017 to hire a specialised firm to guarantee its compliance with the General Data Protection Regulation on its implementation on 25 May 2018.

Accordingly, SYNERGIE Group has disclosed its Data Protection Officer (DPO) to the CNIL, published its data protection policy which is available to all, implemented authorised access and incident processing registers, as well as agreement forms to allow the use of data and covering the right of access and the right to be forgotten on all of the Group's websites.

Specific contractual clauses were added to new client and temporary employee contracts and amendments were made to existing contracts.

This work was accompanied by an IT security audit of the entire Group to secure our databases from phishing, hacking and other attacks.

A consolidated annual report is prepared on this policy to identify any weaknesses that need to be corrected.

IT system security

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

To this end, it established the position of Head of Information System Security and hired the services of an internationally recognised company with:

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

All of this was carried out in accordance with the security standards in force (ISO27001 and ISO27002).

6.1.2 Our ambition and objectives

To be a benchmark in responsible human resources management by creating value in each key domain (economic, social, environmental and societal).

6.1.3 Our resources

The Group's biggest asset is its network of women and men who share the same goal and offer recognised know-how and expertise.
Our resources also include our material, intellectual, operational and financial capital, which are optimised by rigorous certified processes, ISO 9001 version 2015 certification in particular.

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

2018 saw further growth in the headcount in line with growth in turnover, both organic (new hires) and external (integration of 653 employees after the acquisition of DCS EASYWARE).

Since the latter company's activity differs from that of the Group (digital services), its data is not or is only partly incorporated and analysed in this report.

Accordingly, there are 3,477 permanent employees (excluding DCS EASYWARE) currently working in the temporary employment and recruitment activity, versus 3,018, an increase of 15.2%.

The network placed an average of 67,236 temporary employees in 2018 versus 64,349 in 2017, an increase of 4.48%.

Moreover, 1,339 additional open-ended contracts for temporary personnel were signed in 2018, bringing the total number of signatures at SYNERGIE since the measure was implemented to 2,945.

6.1.4 A comprehensive and evolving offering

Meeting HR objectives

In all countries in which it operates, SYNERGIE Group proposes to all its clients, corporate and public sector, a comprehensive offering which is constantly being extended to meet changing HR objectives: temporary employment, recruitment, training, security, diversity, HR advice.

Thanks to its expert teams and digitised systems, SYNERGIE offers high value added services using in-depth knowledge of the HR needs of its clients.

Our recruitment services are mainly conducted by our consultants in partnership with schools, public and private training partners, institutional players, job boards, CV libraries, social networks and job fairs and forums.

6.1.5 The Group's vision

The Group's priority areas of development
To maintain its status as a major player in the management of human resources, SYNERGIE Group decided on three clearly identified areas of progression:

- Continue to develop its regional commercial network in France and internationally.
- Strengthen its expertise and ramp-up activity in high value added sectors.

- Continue its digital transformation to optimise its capacity to respond to all search and job offer requests.

6.2 Management of corporate risks

6.2.1. Methodology

In the context of its declaration of extra-financial performance, it is recommended that risks are identified and related action implemented to demonstrate the way they are managed.

SYNERGIE Group's Executive Management therefore worked on a cross-entity basis with all stakeholders to set out a hierarchy of subjects that could weaken the company's activity.

These are presented below along with the related action plans, which also involve the implementation of key performance indicators (KPI).

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

6.2.2. The main risks

Identification and performance indicators

Our main business activity revolves around recruitment. The main risks are corporate risks, which we manage by taking deliberate and appropriate action to ensure:

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

We respond to these risks by implementing policies, tools and processes to manage them, based on which we have five main indicators to measure their efficiency.

- KPI n°1: Ratio of the average number of permanent disabled employees to the total number of employees.
- KPI n°2: Ratio of the average number of hours worked by disabled persons temporary employees to the overall number of hours worked by FTE (Full Time Equivalent)
- KPI n°3: Security: frequency index (vs Y-1)
- KPI n°4: average number of training hours per permanent employee (vs Y-1)
- KPI n°5: average number of training hours per temporary employee (vs Y-1).

The general policies applied are set out below.

Objectives related to non-discrimination during recruitment

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

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

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

Commitment related to the employment of disabled persons

a) Permanent personnel

The Executive Management of SYNERGIE Group has raised awareness among all of its subsidiaries around the integration of disabled persons within its workforce.

Each subsidiary must draw up a plan in this regard indicating the progress made, which can be consolidated at Group level and the results of which can be measured.

In France, SYNERGIE signed a company agreement with all of its trade unions on 6 February 2018, which was approved by DIRECCTE, containing strong commitments around the recruitment of employees on permanent and fixed-term contracts, work-study candidates, interns, maintaining people in employment and training.

A target employment rate of 4.5% was set for the end of the three-year contract period (2020).

The initial results are promising: the employment rate has increased from 2.64% in 2017 to 4.20% in 2018.

KPI n° 1 - **PERMANENT CONTRACTS FOR DISABLED PERSONS – FRANCE**

French perimeter	**2018**	**2017**
Number of permanent disabled persons	53	34
Average FTE	1,261	1,289
Number of permanent disabled employees /FTE	**4.2%**	**2.6%**

This year, this KPI concerns France and next year it will be extended primarily to include foreign subsidiaries required to make a declaration.

Temporary personnel

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

In France, several tools have been implemented to help implement this policy:

- Handi'Matinales Recrutement ©,
- Handi'Sensib ©.

In a step further, SYNERGIE decided to upskill some of its agency network on a voluntary basis. Thus, 60 agencies will be receiving the “Handi C’est Oui” label by 2020, after 22 agencies obtained it in 2018.

SYNERGIE also participates each year in various operations organised by our institutional partners, such as SEEPH week and Duodays.

2018 also saw the introduction of legislative changes allowing a specific new employment situation for disabled employees applicable from 1 January 2019.

In 2018, therefore, more than 1,700 assignments were offered to temporary employees which corresponded to 439 FTE for an average assignment duration of 12 days. 45 temporary employees also obtained an open-ended contract for temporary personnel.

Thanks to these results, Synergie France achieved a rate of 1.5% hours worked by disabled temporary employees versus 1.19% for the profession (source: Prism’Emploi economic report).

KPI n° 2 - **TEMPORARY CONTRACT FOR DISABLED PERSONS – FRANCE**

French perimeter	2018	2017
Number of hours worked by disabled persons with temporary contract	799,137	784,609
Number of hours worked by the total of temporary employees	53,337,932	52,641,235
Average FTE of disabled persons	**1.50%**	**1.49%**

The corresponding **KPI n°2** is 1.50 for Synergie France, an increase of 1%.

This year, this KPI concerns France and next year it will be gradually extended to the foreign subsidiaries.

Commitment to include long-term unemployed

Mechanisms in favour of integrating long-term unemployed are deployed across the Group.

In France, the Inclusion Mission has been working since 2012 supporting companies that must meet social integration provisions on public or private markets and those seeking to bolster their responsible recruitment policies.

a) Commitments involving partner cities

In France, SYNERGIE is involved in local inclusion partnerships with 129 cities, including 11 new partnerships implemented in 2018 alone.

The services provided by the inclusion officers in 2018 primarily covered personalised support, evaluation of expertise, help in defining a professional project, individual interviews, social monitoring, training, inclusion monitoring, assessment of inclusion activities and the prospects envisaged for the beneficiaries.

Nearly 1,000 long-term unemployed job seekers were placed in 2018.

Our target for 2019 to achieve a 20% increase is consistent with the results of all sectors concerned.

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

In the context of the Companies and Districts Charter (Charte Entreprises & Quartiers) signed in 2013 to facilitate professional inclusion in districts that are considered priority areas, the Ministry for Urban Affairs and SYNERGIE renewed their agreement concerning 11 departments, to place 2,919 people living in these districts, an increase of 26%.

Maintaining seniors in employment

a) Permanent personnel

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

From age 57 each employee can have a career meeting with a specialised firm to organise their final years in the company and help them plan for a retirement project.

Moreover, depending on the employee's specific needs, they may also receive support in the organisation of their working time.

b) Temporary personnel

Through our action across the Group, in 2018 we placed more than 8,400 seniors, accounting for 13% of total placements (excluding Canada).

<u>Mission for senior workers in France</u>

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

The mission has been rolled out in all regions by regional referents.

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

In 2018, the mission for seniors organised and coordinated the fifth Matinées SYNERGIE and Force Femmes event, job dating for seniors, a “skills 45+” master class in partnership with FACE Paris, coffee networking meetings for seniors and employment fairs.

Action for gender equality

a) Permanent personnel

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

- equal treatment for male and female candidates;
- access for women to positions of responsibility;
- training,
- working conditions;
- work/life balance;
- remuneration;

- diversity within staff representative bodies.

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

Indicators:
- +16.66% women in management roles;
- +19.60% women in supervisory roles;
- an increase in the promotion of female employees;
- equal pay for the same job;
- equal access to professional training.

b) Temporary personnel

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

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

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

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

In 2018, Synergie and the "Mix&Métiers" forum received two awards:

- The Monster Innovation award by web users alongside projects by Sopra Steria and Capgemini. The Monster Innovation awards highlight best practices and initiatives around equality in the workplace;

- The Ange Marchetti award for its commitment to promoting career developing professions among women in the PACA region and enabling them to broaden their professional choices.

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

Employee health and physical wellbeing

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, particularly in France where new indicators are being applied to help measure progress in this area: 111 talks with temporary employees, 836 accidents in the workplace analysed for clients in 2018.

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

They were initiated and made systematic several years ago and agency audits are carried out 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, training for personnel in workplace accident analyses, and increasing awareness of the safety resources implemented by the Division.

In 2018, we carried out 235 safety audits of which 219 received a score higher than 6, representing 93% of our audited agencies. No agency obtained a score below 5, and our minimum level is 4.

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 2018, more than 50 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 workers 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 also obtained OHSAS 18001 certification in 2017 for three years.

Partners

Partnerships with workplace accident prevention bodies continued throughout 2018, for instance 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 2018, 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.

To further its analysis and better identify sectors and companies at risk, the entire Group now categories workplace accidents by activity sector: building, transport and public works, transport-logistics, tertiary sector.

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

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

It is calculated as follows: the number of accidents involving leave from work x 1,000 FTE/number of hours worked. It is used for France in this first year and will be proposed to all our subsidiaries for 2019, with a precise definition of the calculation basis per number of hours.

This indicator is deemed to be positive if it is lower than 8.

KPI n°3 : WORKPLACE ACCIDENT: FREQUENCY INDICATOR < 8.

This indicator stood at 7.42 in 2018, stable in relation to 2017 (7.28) and 2016 (7.32).

Regulatory training and equipment

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.

Objectives around career-long skills development

Permanent employees

Synergie signed a GPEC (workforce and skills management) company agreement in June 2018, continuing to support the teams in all key areas of its HR policy.

a) Recruitment and integration

After distribution on the internal employment exchange to benefit the career development of permanent employees already in the company, the HR department centralises the external distribution of all vacancies and systematically evaluates all candidates in commercial and management roles.

A support period over the first three weeks at the agency is proposed to all managers integrating a new employee, who also benefits from the support of a designated officer for a period of two months.

The HR department systematically contacts new recruits after their first few weeks at the company. The managers are also contacted.
The organisation at regional level of integration days, jointly managed by the HR Department, was continued in 2018.

b) Performance evaluation meetings

These meetings are held by all managers for employees who have been with them for at least two years.

Their expressed wishes around career development, and functional or geographical mobility are consulted as soon as a permanent vacancy arises.

Training requirements were compiled in order to establish the training plans for 2019 and 2020.

c) Training

The French structures saw a 15% increase in their training investment for 2018 versus 2017, reaching a total of €1,118,588.

A digital learning project was launched to offer employees easier access to more flexible and effective training, which fully incorporates the managerial line. This tool will be rolled out in 2019.

d) Career management of permanent personnel

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

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.

In 2018, at Synergie:

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

KPI n°4 : AVERAGE NUMBER OF TRAINING HOURS PER PERMANET EMPLOYEE (VS – Y-1)

Heading	**2018**	**2017(*)**	**2016**
Permanent headcount (At 31/12/2018)	3,477	3,018	2,991
Number training hours (out of Individual contract of training)	77,002	80,538	57,503
Average number of hours of training per permanent employee	22 H 15	26 H 69	19 H 23

(*) FY 2017 should be taken in isolation as it was an exceptional year for internal training, particularly given that all of the commercial network received training in the Group's new offering. The indicator therefore remains positive when compared with 2016 (+23.6%).

Temporary employees

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 teams, which were further boosted in 2018, apply all of their know-now to ensure this sustainable employment objective is achieved.

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

The goal of this interview is to establish whether this path involves the use of temporary assignments as a springboard into more long-term work or as a professional path in itself thanks to demand for the employee's specialised skills.

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

a) Better training to meet the needs of companies

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

Fulfilling the equation for success: “an employee who is good at their job means a satisfied company manager” is our daily challenge. To achieve this, our recruitment managers held 63,509 business profession tests in 2018 solely among candidates in France. The Group also invested more than €35 million in training in 2018, 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 €26.3 million in 2018, i.e. 3.35% of its payroll costs, versus a mandatory proportion of 2.15% pursuant to the Council of State decree of November 2018 (once again SYNERGIE largely surpassed its regulatory obligation by €10.2 million).

Under this policy, 1,368 temporary employees (versus 1,291 in 2017 and 923 in 2016) participated in a professional training course in 2018, which alone represented an additional investment of €8.8 million (compared with €7.78 million in 2017 and €6.5 million in 2016).

The total level of participation in training by SYNERGIE's temporary employees also increased in relation to 2017. It breaks down as follows:

KPI n°5 : AVERAGE NUMBER OF TRAINING HOURS PER TEMPORARY EMPLOYEE (vs Y-1)

Heading	2018	2017	2016
Number of training hours	1,481,707	1,176,824	655,627
Average FTE	67,236	62,772	54,333
Average number of hours of training per permanent employee	22,037	18,748	12,067

Countries not included in the scope: Switzerland, Netherlands, UK and Australia

b) Guaranteeing temporary employees a quality social status

A secure status enhances appeal and development

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.

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

Professional security: open-ended contracts for temporary employees

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, the open-ended contract for temporary employees 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, 542 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.

Although on 28 November 2018 the French Council of State removed the FSPI fund for safeguarding temporary employee career paths, it had nevertheless helped to train 3,866 temporary employees and improve their employability.

Since the implementation of the new open-ended contract for temporary employees arising from the law of 10 July 2013, at the end of 2018, SYNERGIE had 2,945 temporary employees (of which 1,339 added in 2018 alone) who were able to enjoy employment security between assignments.

This constitutes genuine social progress in this profession.

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 5,440 placements under fixed-term or open-ended employment contracts, of which 13.4% seniors.

c) Guaranteeing effective social dialogue

In 2018, SYNERGIE organised the annual European Company Council meeting, which is pursuing social dialogue at European level between the different representatives of the countries in which SYNERGIE operates.

In France, the social dialogue stakeholders meet very regularly to discuss mandatory subjects as well as matters agreed between the social partners: salaries, working hours, time savings accounts, disability, provisional job and skills management, equal opportunity, personal insurance/complementary health insurance, and the election of professional representatives are all topics that were monitored and discussed in 2018.

The following agreements or amendments were signed:

- An amendment to the time savings account for temporary employees,
- An agreement in favour of disabled employees,
- A GPEC (workforce and skills management) agreement,
- An amendment to the working hours agreement,
- An agreement on the implementation of the Social and Economic Council,
- An agreement on the extension of mandates,
- A pre-election framework agreement,
- A union rights amendment.

Social dialogue continued through 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 trade union representative meetings,
- 20 workplace health and safety committee meetings.

6.3 THE GROUP'S SOCIAL AND ENVIRONMENTAL CONTRIBUTION

6.3.1 Environmental policy

Controlling environmental impacts

Unlike certain sectors, the services activity that SYNERGIE Group carries out has relatively little direct impact on the environment.

Nevertheless, SYNERGIE decided to roll out an environmental campaign on the basis that in our everyday professional activities respect for the planet is everybody's concern.

Main thrusts

SYNERGIE Group set out two objectives:

- develop a culture and greater awareness around respect for the environment,
- increase accountability among the employees and managers of all subsidiaries.

In this regard, SYNERGIE Group:

- prepares and regularly reviews an environmental policy,
- informs and raises the awareness of all 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 CO_2 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.

Responsible purchasing

The Responsible Purchasing Charter, which was established in France in 2012, is one of the main components used to raise suppliers’ and subcontractors’ awareness of CSR issues. From 2013, SYNERGIE 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.

Guaranteeing compliance by reducing environmental impacts

Pollution and waste management

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

As part of its environmental policy, the SYNERGIE Group increasingly participates in recycling operations.

This action focuses on two key areas:

- upstream, the use of consumables from recycling sectors (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.

a) 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 (-20% in France).

Our provider in France recovered 40 tonnes of paper in 2018. The scheme to recover office furniture in 2018 gave rise to the recycling of 9 tonnes (14 tonnes in 2017).

Through the recycling of IT and office equipment we were able to dispose of a total of 3 tonnes of Waste Electrical and Electronic Equipment (WEEE) according to environmentally-friendly standards compared with 2.25 tonnes in 2017.

b) Greenhouse gas emissions

Fuel consumption increased across the entire Group primarily because of the increase in the number of our permanent employees. To reduce this, in 2018 SYNERGIE introduced monitoring tools in all new vehicles in France to help improve sustainable driving by drivers, where necessary.

Also in France, CO2 emissions per vehicle fell significantly, due to the ongoing replacement of the car fleet with less polluting vehicles, i.e. with fewer CO2 emissions. The average rate per vehicle remained stable in 2018, after a reduction of 5% between 2016 and 2017.

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 video conferencing. 712 meetings were held in 2018 (+20% versus 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;

- The implementation of a mobility plan at its administrative headquarters in Orvault in partnership with the city and urban community of Nantes.

c) Works carried out at our premises

After the regulatory energy audit in December 2015, which will be followed by another audit in December 2019, SYNERGIE implemented the activities recommended to save energy, carrying out significant work at certain sites to fix problems related to lighting, heating and electrical outlets.

A second greenhouse gas emissions review was carried out in 2018, taking into account the Scope 3 obligation. A significant decrease has been observed in electricity consumption while the consumption of natural gas has remained relatively stable given the increase in the headcount.

Irrelevant data

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

- The circular economy,
- The combating of food waste,
- The combating of food insecurity,
- Respect for animal rights,
- Responsible, equitable and sustainable food.

A corporate citizen in touch with its territories

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

From the perspective that a company cannot ignore the appeals of players in its territory, SYNERGIE Group created Lab'Synergie in 2014 to structure its partnership and sponsorship activities. Lab'Synergie operates in an original and flexible manner, serving as a platform for experimentation, and territorial and societal commitment. Nevertheless, it applies specific procedures to comply always with the laws preventing corruption.

There are several tools that facilitate citizen engagement in the various regions and employment pools: apprenticeship tax, patronage, sponsorship, etc.

Apprenticeship tax

SYNERGIE France has set a target for 2018 of €5.5 million (compared with €5.2 million in 2017 and €4.6 million in 2016) to 500 local establishments, representing an increase of 5.8% in relation to 2017.

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 2018.

- charities combating discrimination and helping excluded people back into work (sponsorship of armchair football for the 13th year, a French cancer centre, 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);

- suppliers that employ people with disabilities in jobs such as document printing, packaging, meal and buffet preparation, maintenance of green spaces, window cleaning and general cleaning;

- employees of our agencies and those located in Belgium, through the corporate StreetWize project, which was adopted by several Group subsidiaries in 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 amateur clubs.

In 2018, SYNERGIE developed its presence on social networks to highlight and share its successes in this area.

6.4 CONCLUSION AND OUTLOOK

Our commitments are broadly recognised

SYNERGIE Group confirmed its ECOVADIS Gold rating for advanced sustainability performance thanks to the identification of these risks and the action taken to ensure the strictest possible control around them, placing it among the top 2% of companies in this category.

Such societal engagement is increasingly being analysed and included as an investment criterion by investors To this end, SYNERGIE Group participates each year in the Gaïa Rating questionnaire. In 2018, the Company moved into the Top 20 for this rating, having been ranked 29th in 2017

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

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

SYNERGIE S.E.

11, avenue du Colonel Bonnet

75016 PARIS

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

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

Financial year ended 31/12/2018

To the Shareholders' Meeting,

In our capacity as independent third party body accredited by COFRAC under the number 3-1077 (scope of accreditation available on www.cofrac.fr), we hereby report on the declaration of consolidated extra-financial performance for the year ended 31 December 2018 (hereafter the "Declaration"), presented in the Group's management report pursuant to the provisions of Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code.--

Responsibility of the entity

It is the responsibility of the Board of Directors to prepare a declaration in accordance with the legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies applied in relation to these risks and the results of these policies, including key performance indicators.-
The declaration was prepared in accordance with the entity's procedures (hereafter the "guidelines"), the main elements of which are presented in the declaration and are available on request from the Company's head office.

Independence and quality control

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

Responsibility of the independent third party

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

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

It is not our responsibility to express a view on:

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

Nature and extent of works

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

We conducted our work to assess the compliance of the Declaration with the regulatory provisions and the truthfulness of the Information:

- we learned from the activity of all of the companies included in the scope of consolidation about the exposure to social and environmental risks as a result of this activity and its effects in relation to compliance with human rights and the prevention of corruption and tax evasion, as well as the related policies and their results;

- we assessed the appropriateness of the Guidelines with respect to relevance, completeness, reliability, neutrality and ease of comprehension, taking into account, where appropriate, industry best practices;

- we verified that the Declaration covers every category of social and environmental information stipulated in Section III of Article L. 225-102-1 and compliance with human rights and the rules for the prevention of fraud and tax evasion;

- we verified that the Declaration includes an explanation of the reasons for the lack of information required under paragraph 2, Section III of Article L.225-102-1;
- we verified that the Declaration includes a presentation of the business model and the main risks related to the activity of all the entities included in the consolidation scope, including, where relevant and proportionate, the risks created by its business relationships, products or services and the related policies, action and results, including key performance indicators;

- we verified, where relevant to the main risks or policies presented, that the Declaration includes the information stipulated in Section II of Article R. 225-105;

- we evaluated the procedures for selecting and validating the main risks;

- we asked about the internal control and risk management procedures implemented by the entity;

- we assessed the consistency of the results and key performance indicators with the main risks and policies presented;

- we verified that the Declaration includes a clear and detailed explanation in the event of the lack of policy for one or more of these risks;

- we verified that the Declaration covers all of the companies included in the consolidation scope in accordance with Article L.233-16 and sets out the limit of the scope;

- we assessed the process implemented by the entity for the collection of information and to ensure its exhaustiveness and truthfulness;

- We carried out the following for the key performance indicators and other quantitative results we deemed most important[1]:

  - analytical procedures to verify the correct consolidation of the data collected and the consistency of related changes;

  - detailed sample-based tests to check the correct application of the definitions and procedures and to reconcile the data contained in supporting documents. This work was carried out on a selection of contributing entities[2] and covers 61% of the consolidated temporary employees and 57% of the consolidated permanent employees of the key performance indicators and results selected for the tests;

- we consulted the source documents and held interviews to corroborate the qualitative information (action and results) we deemed most important[3];

- we checked the coherence between the Declaration and our knowledge of all the companies included in the consolidation scope.

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

Methods and resources

Our work required the services of two people and took place between February 2019 and April 2019, over a total period of three weeks.

We conducted five interviews with individuals responsible for the preparation of the Declaration, representing the Executive Management, the Human Resources department, CSR officers in Italy, and administrative and financial, and health and safety management.

Conclusion

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[1] social indicators: number of permanent and temporary employees within the group scope, proportion of disabled employees with permanent and temporary employment contracts in France, frequency index for workplace accidents in France, number of hours of training for permanent and temporary employees, number of open-ended employment contracts for temporary employees signed since the mechanism was implemented.

[2] France and Italy scopes

[3] GDPR, SAPIN II law, Gaïa Rating, OHSAS 18001 certification for Italy.

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

Paris, 11 April 2019
The Independent third-party body

DAUGE FIDELIANCE

Sarah GUEREAU

7. LIFE OF SYNERGIE STOCK

7.1 General information and changes in the stock

Share capital

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

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

Listing

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

During the year, the share price moved between a low of €22.85 (07 December 2018) and a historical high of €54.50 (07 May 2018). The closing share price on 31 December 2018 was €24.45 compared with €43.885 on 31 December 2017.

On average, 7,811 securities were traded per session in 2018, compared with 6,842 in 2017.

The market capitalisation was €642,771 thousand at 31 December 2018, based on the average share price over the last 60 sessions of the year.

Liquidity of the stock

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

The share's liquidity stood at an average of €326 thousand per day, an increase of 16% in relation to 2017.

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

PUBLICATION OF FINANCIAL INFORMATION	**ANNUAL PROVISIONAL**	**QUARTERLY (Q1)**	**HALF-YEAR**	**QUARTERLY (Q3)**
Provisional date (*)	2 April 2019	24 April 2019	17 September 2019	23 October 2019
PUBLICATION OF REVENUE	**QUARTERLY (Q1)**	**QUARTERLY (Q2)**	**QUARTERLY (Q3)**	**QUARTERLY (Q4)**
Provisional date (*)	24 April 2019	24 July 2019	23 October 2019	29 January 2020
INVESTOR INFORMATIONS	**Ordinary Shareholders' Meeting**	**ANALYSTS' MEETING 1**	**ANALYSTS' MEETING 2**	**DIVIDEND PAYMENT**
Provisional date (*)	13 June 2019	3 April 2019	18 September 2019	21 June 2019

(*) after market

7.2 Shareholder structure

Percentage of share capital held by shareholders with a significant interest

Pursuant to the law, we hereby inform you that SYNERGIE INVESTMENT, directly controlled by HB COLLECTOR and indirectly controlled by Henri BARANDE, held 69.08% of the share capital and 82.22% of the exercisable voting rights at 31 December 2018.

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 2018, 378,664 treasury shares were held, including 26,101 under the liquidity contract and 352,463 as part of the share buyback programme as approved by the Combined Shareholders' Meeting of 14 June 2018.

7.3 Share buyback programme

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

At the Combined Ordinary and Extraordinary Shareholders' Meeting of 13 June 2019, a proposal will be submitted to renew, 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.

This authorisation renders null and void the authorisation granted to the Executive Board by the Combined Ordinary and Extraordinary Shareholders' Meeting of 14 June 2018.

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 29 March 2019

At 29 March 2019, the share capital of SYNERGIE comprised 24,362,000 shares; the Company held 378,182 treasury shares at that date, representing 1.55% of the share capital.

Breakdown by purpose of equity securities held directly or indirectly

At 29 March 2019, the treasury shares held by SYNERGIE broke down as follows:

- 25,719 shares purchased to stimulate the market;
- 352,463 shares purchased with the aim of utilising them later for payment or exchange as part of external growth operations.

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

The maximum percentage is 4% of the share capital, i.e. 974,480 ordinary shares. As the treasury shares held at 29 March 2019 numbered 378,182, the remaining number of shares that can be bought back is 596,298, i.e. 2.45% 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 €41,740,860, on the basis of 596,298 shares.

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

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

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

Report on previous buyback programme

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

The Combined Ordinary and Extraordinary Shareholders' Meeting of 14 June 2018 authorised the Executive Board, with the power of delegation, to implement a share buyback programme for a period of 18 months, i.e. until 13 December 2019.

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 2018 to 28 March 2019	
Percentage of own share capital held, directly or indirectly	1.55%
Number of shares cancelled in previous 24 months	-
Number of securities in the portfolio	378,182
Carrying value of the portfolio	€3,989,958
Market value of the portfolio (1)	€10,513,460

(1 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**		
Number of securities	116,605	95,686	Calls purchased	Puts sold	Forward purchases	Calls sold	Puts purchased	Forward sales
of which under liquidity contract	116,605	95,686						
Average transaction price	35.83	35.83				**NONE**		
Amount	€4,177,933	€3,361,538						

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

7.4 Employee savings schemes

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

The resolutions presented to the Shareholders' Meeting of 13 June 2019 will include a resolution to authorise the Executive Board to carry out a capital increase by issuing new shares reserved for employees who are members of a company savings plan, where this operation will involve the cancellation of preferential subscription rights.

This issue shall comply with the procedures set out in Articles L.3332-18 to L.3332-24 of the French Labour Code.

It is our opinion that the draft resolution presented complies with the relevant legal obligations. Nevertheless, as the Executive Board did not feel it was appropriate at that time, it decided not to approve this project.

8. 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 of SYNERGIE SE is presented in Note 33 to the corporate financial statements.

During the financial year under consideration, our Company, through its Spanish subsidiary SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS, acquired a 66% stake in French company DCS EASYWARE, which in turn owns 100% of DCS IT SUPPORT, also a French company.

Non-tax-deductible expenses

Non-tax-deductible expenses pursuant to Article 39-4 of the French General Tax Code came to €90 thousand and the corresponding tax to €31 thousand.

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

In € thousand	2014	2015	2016	2017	2018**
Net profit after tax	44,648	50,392	51,793	71,362	67,653
Initial retained earnings (*)	31,646	58,615	94,101	131,628	183,620
Available profit	76,294	109,006	145,894	202,990	251,273
Reserves	8 079	509	(137)	170	330
Dividends	9,745	14,617	14,617	19,490	19,490
Retained earnings after appropriation	58,470	93,881	131,413	183,331	231,453

(*) the "Initial retained earnings" item for financial years 2014 to 2018 includes undistributed dividends attached to treasury shares.
(**) according to the appropriation of profit proposed to the Combined Shareholders' Meeting of 13 June 2019

Research and development

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

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

REPORT OF THE SUPERVISORY BOARD ON CORPORATE GOVERNANCE

To the Shareholders,

Pursuant to the provisions of Article L.225-68 of the French Commercial Code, we set out in this report:

- the conditions for the preparation and organisation of the work of the Supervisory Board;
- 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 2018;
- the observations of the Supervisory Board on the Executive Board’s report on the financial statements;
- Agreements pursuant to Article L. 225-38 et seq. and Article L. 225-86 et seq. of the French Commercial Code;
- agreements entered into between a director or significant shareholder and a subsidiary;
- delegations 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.

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).

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 Supervisory Board on 2 April 2019.

1. CONDITIONS OF PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD OF DIRECTORS AND THE SUPERVISORY BOARD

1.1 Operation of the Executive Management – Limitation of powers

The Shareholders' Meeting of 14 June 2018 decided to change the Company's method of administration and management and to adopt a system of management by an Executive Board and Supervisory Board.

At its meeting of 14 June 2018, the Supervisory Board appointed Daniel AUGEREAU as a member and Chairperson of the Executive Board, Yvon DROUET as a member of the Executive Board and Chief Executive Officer, Sophie SANCHEZ as a member of the Executive Board and Chief Executive Officer and Olga MEDINA as a member of the Executive Board.

The Executive Board is invested with extensive powers to act in all circumstances on behalf of the Company, subject to the corporate purpose and the powers expressly attributed by law to the Supervisory Board and General Shareholders' Meetings.

Moreover, without such restrictions being binding on third parties, the members of the Executive Board must seek the prior agreement of the Supervisory Board for certain decisions.

1.2 Composition of the Supervisory Board application of the principle of balanced representation of women and men on the board

The Supervisory Board shall comprise between three and twelve members. At present, the Supervisory Board comprises five members of whom one is an independent member.

The duration of terms of office of the members of the Supervisory Board, as set out in the bylaws, is six years.

The composition of the Supervisory Board is as follows:

- **Julien VANEY, member and Chairperson of the Supervisory Board**
  - appointed as a member of the Supervisory Board by decision of the Combined Shareholders' Meeting of 14 June 2018 and as Chairperson of the Supervisory Board by decision of the Supervisory Board meeting of 14 June 2018;
  - his mandates will expire at the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2023.

- **Nadine GRANSON, member and Vice-Chairperson of the Supervisory Board**

  - appointed as a member of the Supervisory Board by decision of the Combined Shareholders’ Meeting of 14 June 2018 and as Vice-Chairperson of the Supervisory Board by decision of the Supervisory Board meeting of 14 June 2018;

  - her mandates will expire at the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2023.

- **Christine FORNAROLI, independent member of the Supervisory Board**

  - appointed as a member of the Supervisory Board by decision of the Combined Shareholders’ Meeting of 14 June 2018;

  - her mandate will expire at the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2023.

- **Quentin VERCAUTEREN DRUBBEL, member of the Supervisory Board**

  - appointed as a member of the Supervisory Board by decision of the Combined Shareholders’ Meeting of 14 June 2018;

  - his mandate will expire at the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2023.

- **SYNERGIE INVESTMENT, member of the Supervisory Board, represented by Christoph LANZ**

  - appointed as a member of the Supervisory Board by decision of the Combined Shareholders’ Meeting of 14 June 2018;

  - its mandate will expire at the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2023.

Pursuant to recommendation R8 of the MiddleNext Code, when a proposal is made to the Shareholders' Meeting for the appointment or reappointment of a member of the Supervisory Board, shareholders must be provided with sufficient information on the experience and competence of the member or proposed member, and the appointment of each member of the Supervisory Board must take place under a separate resolution, allowing all shareholders to voice their opinion on the composition of the Company's Supervisory Board.

The Supervisory Board has balanced representation among its members, with three men and two women.

The list of offices of members of the Supervisory Board is set out in paragraph II of this report.

Four members nominated by the Central Works Council participate in Supervisory Board meetings in an advisory capacity.

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

The Supervisory Board adopted internal regulations in June 2018.

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 member of the Supervisory Board must hold at least ten shares of the Company.

1.3 Conditions for the preparation and organisation of the work of the Supervisory Board

1.3.1 Average notice period for convening Supervisory Board meetings

The members of the Supervisory Board are convened seven days before a meeting.

The Statutory Auditors were convened to the Supervisory Board meetings called to approve the consolidated and corporate annual and interim financial statements for financial year 2018, by registered letter with acknowledgement of receipt.

1.3.2 Representation of the members of the Supervisory Board

Members of the Supervisory Board may be represented at Board meetings by another member of the Supervisory Board. During financial year 2018, one member of the Supervisory Board used this option of representation at a Supervisory Board meeting.

1.3.3 Chairing of the Supervisory Board meetings

Supervisory Board meetings are chaired by the Chairperson of the Supervisory Board or in their absence by the Vice-Chairperson of the Supervisory Board.
During the three meetings of the Board of Directors and the three meetings of the Supervisory Board held during financial year 2018, the Board was chaired at all times either by the Chairperson of the Board of Directors or of the Supervisory Board.

The Board secretariat is overseen by Florence Krynen, Chief Legal Officer.

1.3.4 Video conferences

Under the bylaws, the members of the Supervisory Board may participate in Supervisory Board meetings by means of video conference.

Pursuant to the bylaws, the internal regulations may provide that members of the Supervisory Board attending meetings by video conference may be deemed attending for the purposes of calculating quorum and majority, barring in cases excluded by law and by internal regulations.

1.3.5 Internal regulations

A set of internal regulations was submitted for approval to the Supervisory Board meeting of 14 June 2018.

1.3.6 Information provided to members of the Supervisory Board

To enable Board members to prepare usefully for meetings and to provide them with comprehensive information pursuant to the Internal Regulations of the Supervisory Board and recommendation R4 of the MiddleNext Code, the Chairperson 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 Chairperson ensures that documents, technical files and information related to matters contained in the agenda are communicated to the members of the Supervisory Board by email and/or by post within a reasonable timeframe.

Moreover, the members of the Supervisory Board must be informed on a regular basis between meetings of all events and information that are likely to have an impact on the Company's commitments, financial position and cash position, where justified given events concerning the Company.

1.3.7 Code of ethics of the members of the Supervisory Board

When appointed, each member of the Supervisory Board is informed of their responsibilities and are encouraged to observe the code of ethics applicable to the obligations of their office, to comply with the legal restrictions on the holding of different mandates concurrently, to inform the Supervisory Board in the event of a conflict of interest (R2 recommendation of the MiddleNext Code) following their assumption of office, to show diligence concerning attendance at Supervisory Board meetings and Shareholders' Meetings, ensure they have all necessary information related to the agenda of Supervisory Board meetings before taking any decision, and maintain professional secrecy.

Members of the Supervisory Board 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.

1.3.8 Role, operation and evaluation of the Supervisory Board

The Supervisory Board 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 Chairperson or Vice-Chairperson.

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

It should be noted on a preliminary basis that for the period from 1 January 2018 until the change in method of administration and management of the Company as decided by the Shareholders' Meeting of 14 June 2018, that the Board of Directors met three times with an annual attendance rate by the members of the Board of Directors of 75%.

The Supervisory Board met three times between 14 June 2018 and 31 December 2018, with an annual attendance rate by the members of the Supervisory Board of 80%.

(Recommendation R13 of the MiddleNext Code).

The establishment of this report by the Supervisory Board is a means for it to analyse the work carried out during each financial year and its method of operation. The Supervisory Board deems that this serves as an evaluation of the work carried out by it and is in keeping with the spirit of the MiddleNext recommendations.

1.3.9 Establishment of committees

Audit Committee

Pursuant to Article L.823-20 of the French Commercial Code, and given the organisation and structure of the Company, the Supervisory Board decided, by resolution of 14 June 2018, that it would serve as an Audit Committee in plenary session. Christine FORNAROLI is the current Chairperson.

In its capacity as Audit Committee, the main tasks of the Supervisory Board 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.

1.4 Implementation of MIDDLENEXT recommendations

The Supervisory Board 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:

- the members of the Supervisory Board 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 Supervisory Board guarantees the management expertise and experience of each of its members.; Pursuant to recommendation R3 of the MiddleNext Code, the Supervisory Board currently has one independent member;
- The said independent member of the Supervisory Board was appointed as the 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).

1.5 Remuneration of board members

(Recommendation R10 of the MiddleNext Code).

Pursuant to the law, the Shareholders' Meeting may decide to pay attendance fees to the members of the Supervisory Board. The Shareholders' Meeting of 14 June 2018 agreed that an amount of €100,000 would be paid between the members of the Supervisory Board for the 2018 financial year.

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

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 of the Group companies by each of the Company's corporate officers during the period from 1 January 2018 to 14 June 2018, based on the information provided by each interested party

	D. Augereau	Y. Drouet	N. Granson	J. Vaney	S. Sanchez
SE SYNERGIE	C + CEO	D + DCEO	D	D	DCEO
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				
SAS ADE	C				
SCI CIBONEY	M				
SAS DA RACING	C				
SYNERGIE Personal Deutschland GmbH (Germany)	M				
SYNERGIE TRAVAIL TEMPORAIRE S.àr.l. (Luxembourg)	M				
SYNERGIE PARTNERS S.àr.l. (Luxembourg)	M				
SYNERGIE TT EMPRESA DE TRABAJO TEMPORAL SA (Spain)	D	D			
SYNERGIE HUMAN RESOURCE SOLUTIONS SL (Spain)	SD				
SYNERGIE OUTSOURCING S.L (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 S.A. (Portugal)	C	D			
SYNERGIE HUNT INTERNATIONAL INC. (Canada)	C	D			
SYNERGIE S.R.O. (Czech Republic)	PR Synergie (M)				
SYNERGIE TEMPORARY HELP S.R.O. (Czech Republic)	PR Synergie (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 RECRUITEMENT LTD (United Kingdom)	D	D			
ACORN LEARNING SOLUTIONS LTD (United Kingdom)	D	D			
ACORN GLOBAL RECRUITEMENT LTD (United Kingdom)	D	D			
CONCEPT STAFFING LTD (United Kingdom)	D	D			
ACORN RAIL LTD (United Kingdom)	D	D			
SYNACO RESOURCES PTY LTD (Australia)	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	

Key:
C: Chairperson, D: Director, CEO: Chief Executive Officer, DCEO: Deputy CEO, M: Manager, GM: General Manager, SD: Sole Director, PR: Permanent Representative

2.2 a list of all offices and functions held in all of the Group companies by each of the Company's corporate officers during the period from 14 June 2018 to 31 December 2018, based on the information provided by each interestd party

	D. Augereau	Y. Drouet	N. Granson	J. Vaney	S. Sanchez	O. Medina	C. Fornaroli	Q. Vercauteren-Drubbel	C. Lanz
SE SYNERGIE	C	MEB + CEO	MSB	CSB	MEB + CEO	MEB	MSB	MSB	PR Synergie Investment (MSB)
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								
SAS ADE	C								
SCI CIBONEY	M								
SAS DA RACING	C								
SYNERGIE Personal Deutschland GmbH (Germany)	M								
SYNERGIE TRAVAIL TEMPORAIRE S.àr.l. (Luxembourg)	M								
SYNERGIE PARTNERS S.àr.l. (Luxembourg)	M								
SYNERGIE TT EMPRESA DE TRABAJO TEMPORAL SA (Spain)	D	D							
SYNERGIE HUMAN RESOURCE SOLUTIONS SL (Spain)	SD								
SYNERGIE OUTSOURCING S.L (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 S.A. (Portugal)	C	D							
SYNERGIE HUNT INTERNATIONAL INC. (Canada)	C	D							
SYNERGIE S.R.O. (Czech Republic)	PR of SYNERGIE (M)								
SYNERGIE TEMPORARY HELP S.R.O. (Czech Republic)	PR of SYNERGIE (M)								
SYNERGIE TEMPORARY HELP S.R.O. (Slovakia)	M								
SYNERGIE SLOVAKIA S.R.O. (Slovakia)	M								

	D. Augereau	Y. Drouet	N. Granson	J. Vaney	S. Sanchez	O. Medina	C. Fornaroli	Q. Vercauteren-Drubbel	C. Lanz
ACORN (SYNERGIE) UK LTD (United Kingdom)	D	D							
ACORN RECRUITEMENT LTD (United Kingdom)	D	D							
ACORN LEARNING SOLUTIONS LTD (United Kingdom)	D	D							
ACORN GLOBAL RECRUITEMENT LTD (United Kingdom)	D	D							
CONCEPT STAFFING LTD (United Kingdom)	D	D							
ACORN RAIL LTD (United Kingdom)	D	D							
SYNACO RESOURCES PTY LTD (Australia)	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					
RSM Fund Management Luxembourg (Luxembourg)									D
Monceau International S.A.(Luxembourg)							ID		
Sogimme II S.A. (Luxembourg)							ID		
Curve S.A. (Luxembourg)							ID		
Finanziaria Veneta Costruzioni S.r.l (Italy)							ID		
Valencia Investments Sàrl (Luxembourg)							ID		
Charlois et Compagnie S.A. (Luxembourg)							ID		
SYNERGIE (QINGDAO)MANAGEMENT CONSULTING CO., LTD (China)	D								
SA AHDS (Atalian Holding Developement et stratégie) (Luxembourg)								D	
SARL Finacom Luxembourg								D	
SAS SFJ Aviation								M	

Key:

C: Chairperson, D: Director, CEO: Chief Executive Officer, DCEO: Deputy CEO, M: Manager, GM: General Manager, SD: Sole Director, PR: Permanent Representative
ID: Independent director
CEB: Chairperson of the Executive Board, MEB: Member of the Executive Board
CSB: Chairperson of the Supervisory Board, MSB: Member of the Supervisory Board

2.3 the total remuneration and benefits in kind paid by the Company during the financial year, including in the form of shares, debt securities or securities granting rights to the share capital or rights to the allocation of debt securities in the Company or the companies stipulated in Articles L. 228-13 and L. 228-93 of the French Commercial Code

Remuneration and benefits in kind include, where relevant, those received from companies deemed to be controlled, as specified in Article L. 233-16 of the French Commercial Code, by the company in which the office is held and the company controlling the company in which the office is held. The report describes the fixed, variable and non-recurrent components of total remuneration as well as benefits in kind and the criteria used to calculate them or the circumstances in which they were awarded, with reference where relevant to the resolutions approved under the conditions set out in Article L. 225-82-2of the French Commercial Code. It also mentions, where relevant, the application of the provisions of paragraph 2, Article L. 225-83 of the French Commercial Code.

2.4 commitments of all types made by the Company to its corporate officers, corresponding to elements of their remuneration, allowances or advantages payable or likely to be paid in relation to the performance, cessation or change in their functions or following the exercise of said functions, notably pension commitments and other annuities.

The information mentions, under the terms and conditions set by decree, the precise terms for calculating these commitments and an estimate of the amounts likely to be paid in this regard. Barring cases of good faith, payments and commitments made without knowledge of the provisions of this paragraph may be cancelled.

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

Table showing the remuneration of corporate officers

a) Period of management by Board of Directors from 1 January 2018 to 14 June 2018 / compared with 12 months of 2017

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

	2018	2017
Compensation payable for the year		
Daniel AUGEREAU	632	799
Yvon DROUET	132	241
Julien VANEY	140	275
Sophie SANCHEZ	108	219
Nadine GRANSON	25	25
Valuation of options granted during the year	-	-
Valuation of performance shares granted during the year	-	-
TOTAL	**1,037**	**1,559**

Daniel AUGEREAU	2018		2017	
	payable	paid	payable	paid
- fixed remuneration	221	221	480	480
- exceptional remuneration	380	380	280	280
- directors' fee	25	25	25	25
- benefits in kind	6	6	13	13
TOTAL	**632**	**632**	**799**	**799**

Yvon DROUET	2018		2017	
	payable	paid	payable	paid
- fixed remuneration	106	106	194	194
- exceptional remuneration	-	-	19	19
- directors' fee	25	25	25	25
- benefits in kind	1	1	3	3
TOTAL	**132**	**132**	**241**	**241**

Julien VANEY	2018		2017	
	payable	paid	payable	paid
- fixed remuneration	115	115	250	250
- exceptional remuneration	-	-	-	-
- directors' fee	25	25	25	25
- benefits in kind	-	-	-	-
TOTAL	**140**	**140**	**275**	**275**

Nadine GRANSON	2018		2017	
	payable	paid	payable	paid
- fixed remuneration	-	-	-	-
- exceptional remuneration	-	-	-	-
- directors' fee	25	25	25	25
- benefits in kind	-	-	-	-
TOTAL	**25**	**25**	**25**	**25**

Sophie SANCHEZ	2018		2017	
	payable	paid	payable	paid
- fixed remuneration	106	106	194	194
- exceptional remuneration	-	-	20	20
- directors' fee	-	-	-	-
- benefits in kind	2	2	5	5
TOTAL	**108**	**108**	**219**	**219**

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**

B) Period of management by Executive Board and Supervisory Board from 15 June 2018 to 31 December 2018

<u>Member of the Executive Board</u>

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

	2018
Compensation payable for the year	
Daniel AUGEREAU	525
Yvon DROUET	158
Sophie SANCHEZ	160
Olga Medina	98
Valuation of options granted during the year	-
Valuation of performance shares granted during the year	-
TOTAL	**940**

Daniel AUGEREAU	**2018**	
	payable	**paid**
- fixed remuneration	518	518
- exceptional remuneration	-	-
- directors' fee	-	-
- benefits in kind	7	7
TOTAL	**525**	**525**

Yvon DROUET	**2018**	
	payable	**paid**
- fixed remuneration	157	157
- exceptional remuneration	-	-
- directors' fee	-	-
- benefits in kind	1	1
TOTAL	**158**	**158**

Sophie SANCHEZ	**2018**	
	payable	**paid**
- fixed remuneration	157	157
- exceptional remuneration	-	-
- directors' fee	-	-
- benefits in kind	3	3
TOTAL	**160**	**160**

Olga MEDINA	2018 payable	2018 paid
- fixed remuneration	77	77
- exceptional remuneration	21	21
- directors' fee	-	-
- benefits in kind	-	-
TOTAL	**98**	**98**

Members of the Supervisory Board

	2018
Compensation payable for the year	
Julien VANEY	160
Christine FORNAROLI	25
Nadine GRANSON	25
Quentin VERCAUTEREN DRUBBEL	0
SYNERGIE INVESTMENT	25
Valuation of options granted during the year	-
Valuation of performance shares granted during the year	-
TOTAL	**235**

Julien VANEY	2018 payable	2018 paid
- fixed remuneration	135	135
- exceptional remuneration	-	-
- directors' fee	25	-
- benefits in kind	-	-
TOTAL	**160**	**135**

Christine FORNAROLI	2018 payable	2018 paid
- fixed remuneration	-	-
- exceptional remuneration	-	-
- directors' fee	25	-
- benefits in kind	-	-
TOTAL	**25**	**-**

Nadine GRANSON	2018 payable	2018 paid
- fixed remuneration	-	-
- exceptional remuneration	-	-
- directors' fee	25	-
- benefits in kind	-	-
TOTAL	**25**	**-**

Quentin VERCAUTEREN DRUBBEL	2018	
	payable	paid
- fixed remuneration	-	-
- exceptional remuneration	-	-
- directors' fee	-	-
- benefits in kind	-	-
TOTAL	**-**	**-**

SYNERGIE INVESTMENT	2018	
	payable	paid
- fixed remuneration	-	-
- exceptional remuneration	-	-
- directors' fee	25	-
- benefits in kind	-	-
TOTAL	**25**	**-**

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. 225-82-2 of the French Commercial Code, we will submit 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 2019, 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 2019.

3.1 Remuneration policy concerning the Chairperson of the Executive Board

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

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

3.1.2 Fixed remuneration

The Supervisory Board shall calculate the Chairperson 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.

3.1.3 Variable and non-recurring remuneration

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

3.1.4 Benefits in kind

- Professional expenses

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

3.2 Remuneration policy concerning the members of the Executive Board - Chief Executive Officers

3.2.1 General principles

The members of the Executive Board - 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 members of the Executive Board - Chief Executive Officers 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 Executive Board - Chief Executive Officers shall be covered by the directors' liability insurance policy of SYNERGIE Group.

3.3 Remuneration policy concerning the members of the Executive Board

3.3.1 General principles

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

3.3.2 Benefits in kind

- Professional expenses

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

3.4 Remuneration policy concerning the members of the Supervisory Board

3.4.1 General principles

The Members of the Supervisory Board shall be paid attendance fees.

3.4.2 Procedures

The Shareholders' Meeting shall approve a specific resolution concerning attendance fees>

The Supervisory Board shall decide how to distribute the attendance fees between its members, taking into account specific assignments allocated to them.

3.4.3 Variable and non-recurring remuneration

Members of the Supervisory Board who are given responsibility for overseeing non-recurring assignments may be allocated a remuneration either in the form of additional attendance fees or a specific non-recurring remuneration.

3.4.4 Benefits in kind

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.

4. REMUNERATION AND BENEFITS IN KIND PAID, OWED TO OR AWARDED TO CORPORATE OFFICERS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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 to the corporate officers 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.

5. OBSERVATIONS OF THE SUPERVISORY BOARD ON THE EXECUTIVE BOARD'S REPORT AND ON THE FINANCIAL STATEMENTS

In accordance with Article L. 225-68 of the French Commercial Code, we hereby present our observations on the Executive Board's report and on the financial statements for the financial year ended 31 December 2018.

The Executive Board communicated the corporate and consolidated financial statements and the management report to the Supervisory Board at least three months before the financial year-end, in accordance with Article R. 225-55 of the French Commercial Code.

After our verifications and checks on the corporate and consolidated financial statements and the Executive Board's report, we have no particular observations to make in their regard.

We hope that all of the proposals made to you by the Executive Board in its report will be approved by you and that you adopt the resolutions as presented.

6. AGREEMENTS PURSUANT TO ARTICLES L. 225-38 ET SEQ. AND L. 225-86 ET SEQ. OF THE FRENCH COMMERCIAL CODE

Entered into in 2018 within the scope of Article L.225-38 of the French Commercial Code

Company	Company	Purpose	Amount	Person concerned
SYNERGIE	SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain)	Cash contribution with a view to the purchase of shares in a French company (29/05/2018)	€48,600,000	D. Augereau J. Vaney Y. Drouet

Entered into in 2018 within the scope of Article L.225-86 of the French Commercial Code

Company	Company	Purpose	Reasons and methods	Amount	Person concerned
SYNERGIE	ACORN RECRUITMENT (United Kingdom)	Surety as part of a loan for the purchase of a building (14/06/2018)	Acquisition of the registered office and various operational departments of the Acorn group	£ sterling 2,600,000	D. Augereau Y. Drouet
SYNERGIE	SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain)	Surety as part of a loan for the purchase of shares in an Austrian company (14/06/2018)	Financing of the acquisition of securities as part of an external growth transaction	€2,400,000	D. Augereau J. Vaney Y. Drouet
SYNERGIE	SYNACO GLOBAL RECRUITMENT PTY (Australia)	Surety as part of a loan for the purchase of shares in an Australian company (14/06/2018)	This operation strengthens the group's foothold Australia	AUD 7,000,000	D. Augereau Y. Drouet
SYNERGIE		Creation of a Chinese company (05/12/2018)	Support for a Group client with their establishment in China	€300,000	D. Augereau

Continued in 2018

Company	Company	Purpose	Amount	Person concerned
SYNERGIE	SYNERGIE PROPERTY	Surety as part of a loan for the purchase of buildings	€6,835,430.52	D. Augereau
SYNERGIE	SYNERGIE PROPERTY	Surety as part of a loan for the purchase of a building	€2,969,903.37	D. Augereau
SYNERGIE	SYNERGIE PROPERTY	Surety for property loan to carry out works	€498,522.35	D. Augereau
SYNERGIE	SYNERGIE PROPERTY	Surety for property loan	€108,356.51	D. Augereau
SYNERGIE	SYNERGIE PROPERTY	Surety as part of a loan for the purchase of a building	€213,857.68	D. Augereau
SYNERGIE	SYNERGIE PROPERTY	Surety as part of a loan for the purchase of a building	€111,041.43	D. Augereau
SYNERGIE	SYNERGIE PROPERTY	Surety for property loan	€1,749,221.01	D. Augereau
SYNERGIE	SYNERGIE PROPERTY	Surety for property loan	€525,265.52	D. Augereau
SYNERGIE	DIALOGUE & COMPETENCES (after the merger absorption with EURYDICE PARTNERS)	Debt waiver agreement with claw-back clause	€1,724,000	N. Granson
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	€885,283.90	D. Augereau Y. Drouet
SYNERGIE	SYNERGIE BELGIUM (Belgium)	Surety for property loan to carry out works	€0	D. Augereau Y. Drouet
SYNERGIE	SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain)	Surety as part of a loan for the purchase of shares in an Austrian company	€8,644,603.54	D. Augereau J. Vaney Y. Drouet
SYNERGIE	SYNERGIE TT EMPRESA DE TRABAJO TEMPORAL (Spain)	Surety as part of a loan for the purchase of a building	€934,742.55	D. Augereau Y. Drouet
SYNERGIE	SYNERGIE TT EMPRESA DE TRABAJO TEMPORAL (Spain)	Surety for property loan to carry out works	€280,933.61	D. Augereau Y. Drouet
SYNERGIE	SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain)	Surety as part of a loan for the purchase of a building	€900,779.54	D. Augereau J. Vaney Y. Drouet
SYNERGIE	SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain)	Surety for property loan to carry out works	€282,769.54	D. Augereau J. Vaney Y. Drouet
SYNERGIE	SYNERGIE ETT (Spainl)	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

7. AGREEMENTS ENTERED INTO BETWEEN A DIRECTOR OR MAJOR SHAREHOLDER AND A SUBSIDIARY

During the financial year ended 31 December 2018, the following agreement was entered into by one of the corporate officers and a subsidiary of SYNERGIE:

Company	Company	Purpose	Reasons and methods	Amount	Person concerned
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS	A.D.E.	Acquisition of securities	Financing of the acquisition of securities as part of an external growth transaction	€48,600,000	D. Augereau

8. DELEGATION OF POWER CONCERNING CAPITAL INCREASES

In accordance with Article L.225-37-4 of the French Commercial Code, we present below the table of delegations of power granted to the Executive Board 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.

Shareholders' Meeting	Delegation	Duration	Utilisation
14 June 2018	Buyback by the Company of its own shares	18 months	Refer to the Board of Directors' Report to the Shareholders' Meeting of 14 June 2018
14 June 2018	Cancellation of shares held by the Company	24 months	Refer to the Board of Directors' Report to the Shareholders' Meeting of 14 June 2018

9. 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.

10. 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 69.08% of the share capital and 82.22% of the exercisable voting rights at 31 December 2018.

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 2018, 378,564 treasury shares were held, including 26,101 under the liquidity contract and 352,463 as part of the share buyback programme as approved by the Combined Shareholders' Meeting of 14 June 2018.

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

SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS AND COMMITMENTS

SYNERGIE

Shareholders' Meeting called to approve the financial statements

for the year ended 31 December 2018

SYNERGIE

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

Registered office: 11, avenue du Colonel Bonnet

75016 PARIS

329 925 010 RCS PARIS

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 Articles R.225-31 and 225.58 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 Articles R.225-31 and 225-58 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 Articles L.225-40 and L.225-88 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 or the Supervisory Board.

Company	Purpose	Reasons and Methods	Amount	Person concerned
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Espagne)	Cash contribution with a view to the purchase of shares in a French company (29/05/2018)	Financing of the acquisition of securities as part of an external growth transaction	€48,600,000	D. Augereau J. Vaney Y. Drouet
ACORN RECRUITMENT (Royaume-Uni)	Surety as part of a loan for the purchase of a building (14/06/2018)	Acquisition of the registered office and various operational departments of the Acorn group	£ sterling 2,600,000	D. Augereau Y. Drouet
SYNACO GLOBAL RECRUITMENT PTY (Australie)	Surety as part of a loan for the purchase of shares in an Australian company (14/06/2018)	This operation strengthens the group's foothold Australia	AUD 7,000,000	D. Augereau Y. Drouet
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Espagne)	Surety as part of a loan for the purchase of shares in an Austrian company (14/06/2018)	Financing of the acquisition of securities as part of an external growth transaction	€2,400,000	D. Augereau J. Vaney Y. Drouet
	Creation of a Chinese company (05/12/2018)	Support for a Group client with their establishment in China	€ 300,000	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 Articles R.225-30 and R.225-57 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	Reasons and Methods	Amount
SYNERGIE PROPERTY	Surety as part of a loan for the purchase of buildings	€6,835,430.52	D. Augereau
SYNERGIE PROPERTY	Surety as part of a loan for the purchase of a building	€2,969,903.37	D. Augereau
SYNERGIE PROPERTY	Surety for property loan to carry out works	€498,522.35	D. Augereau
SYNERGIE PROPERTY	Surety for property loan	€108,356.51	D. Augereau
SYNERGIE PROPERTY	Surety as part of a loan for the purchase of a building	€213,857.68	D. Augereau
SYNERGIE PROPERTY	Surety as part of a loan for the purchase of a building	€111,041.43	D. Augereau
SYNERGIE PROPERTY	Surety for property loan	€1,749,221.01	D. Augereau
SYNERGIE PROPERTY	Surety for property loan	€525,265.52	D. Augereau
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	€885,283.90	D. Augereau Y. Drouet
SYNERGIE BELGIUM (Belgique)	Surety for property loan to carry out works	€ 0	D. Augereau Y. Drouet
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain)	Surety as part of a loan for the purchase of shares in an Austrian company	€8,644,603.54	D. Augereau J. Vaney Y. Drouet
SYNERGIE TT EMPRESA DE TRABAJO TEMPORAL (Spain)	Surety as part of a loan for the purchase of a building	€934,742.55	D. Augereau Y. Drouet
SYNERGIE TT EMPRESA DE TRABAJO TEMPORAL (Spain)	Surety for property loan to carry out works	€280,933.61	D. Augereau Y. Drouet
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain)	Surety as part of a loan for the purchase of a building	€900,779.54	D. Augereau J. Vaney Y. Drouet
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain)	Surety for property loan to carry out works	€282,769.54	D. Augereau J. Vaney Y. Drouet
SYNERGIE ETT (Portugal)	Agreement for partially blocked and interest-free current account advance	Interest at the onemonth 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 (in €)	Person concerned
DIALOGUE ET COMPETENCES (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
SYNERGIE PROPERTY	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, 15 April 2019

The Statutory Auditors

Registered members of the Compagnie Régionale de Paris

JM AUDIT ET CONSEIL

Abdoullah LALA

APLITEC AUDIT & CONSEIL

Marie Françoise BARITAUX-IDIR   Laurent GUEZ

CONSOLIDATED FINANCIAL STATEMENTS
OF THE SYNERGIE GROUP

FINANCIAL DATA

1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets In € thousand	**Note No.**	**31/12/2018**	**31/12/2017**
Goodwill	5	102,429	78,033
Other intangible assets	6	44,993	16,284
Property, plant and equipment	7	63,086	51,326
Non-current financial assets	8	105,239	117,495
Deferred tax assets	9	3,337	1,717
Non-current Assets		**319,084**	**264,855**
Trade receivables	10	558,529	525,410
Other receivables	11	76,044	81,810
Cash and cash equivalents	12	85,322	78,283
Current Assets		**719,895**	**685,502**
Total Assets		**1,038,980**	**950,358**

Liabilities In € thousand	**Note No.**	**31/12/2018**	**31/12/2017**
Share capital	13.1	121,810	121,810
Issue and merger premiums		-	-
Reserves and carryforwards		282,315	224,093
Consolidated profit		79,292	79,883
Non-controlling interests		18,348	9,925
Sharehoders' equity		**501,765**	**435,712**
Provisions and payables for employee benefits	14	5,238	3,882
Non-current borrowings	16	34,054	30,451
Deferred tax liabilities	9	14,323	4,872
Non-current Liabilities		**53,615**	**39,204**
Provisions for current risks and charges	15	1,751	1,842
Current borrowings	16.2	10,177	7,676
Current bank debt	16.4	40,143	28,251
Trade payables	17	20,163	17,719
Tax and social security payables	18	389,553	401,813
Other payables	18	21,813	18,141
Current Liabilities		**483,600**	**475,442**
Total Liabilities		**1,038,980**	**950,358**

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

2.1 Consolidated income statement

In € thousand	Note No.	31/12/2018	31/12/2017
REVENUE	**19**	**2,551,095**	**2,323,252**
Other income		6,314	5,718
Purchases		(158)	(64)
Personnel costs	20.1	(2,280,025)	(2,069,901)
External expenses		(85,136)	(70,452)
Taxes and similar levies		(50,931)	(48,352)
Depreciation and amortisation		(8,798)	(7,554)
Provisions	20.2	(3,733)	(4,757)
Other expenses		(224)	(355)
CURRENT OPERATING PROFIT BEFORE AMORTISATION AND IMPAIRMENT OF INTANGIBLE ASSETS		**128,405**	**127,534**
Amortisation of intangible assets related to acquisitions	5.2	(5,267)	(2,639)
Impairment of intangible assets related to acquisitions	5.2	(3,000)	(8,550)
CURRENT OPERATING PROFIT		**120,138**	**116,345**
Other operating income and expenses	20.3	(796)	(109)
OPERATING PROFIT		**119,342**	**116,236**
Income from cash and cash equivalents		841	807
Cost of gross financial debt		(1,889)	(1,369)
COST OF NET FINANCIAL DEBT	**21**	**(1 048)**	**(562)**
Other financial income and expenses	21	(676)	(519)
Share of equity-accounted companies		-	-
NET PROFIT BEFORE TAX		**117,618**	**115,155**
Tax expense	22	(35,136)	(33,644)
CONSOLIDATED NET PROFIT		**82,482**	**81,511**
Group share		**79,292**	**79,883**
Non-controlling interests		**3 190**	**1 628**
Earnings per share (in €) (*)	**23**	**3,25**	**3,28**
Diluted earnings per share (in €) (*)	**23**	**3,25**	**3,28**

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

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

In € thousand	31/12/2018	31/12/2017
Net profit	**82,482**	**81,511**
Gains and losses resulting from translation of the financial statements of foreign subsidiaries	(175)	(1,404)
Liquidity contract	(336)	91
Subtotal of recyclable gains and losses	**(511)**	**(1,313)**
Actuarial differences net of tax	(152)	128
Subtotal of non-recyclable gains and losses	**(152)**	**128**
Total gains and losses recognised directly in shareholders' equity	**(663)**	**(1,186)**
Net comprehensive income	**81,819**	**80,326**
Group share of total comprehensive income	78,554	78,728
Non-controlling interests' share of total comprehensive income	3,265	1,598

3. CONSOLIDATED STATEMENT OF CASH FLOWS

In € thousand	Note No.	31/12/2018	31/12/2017
Consolidated net profit		82,482	81,511
Derecognition of expenses and income without an impact on cash or not related to business activity		585	254
Depreciation, amortisation and provisions	25.2	14,030	15,964
Cost of financial debt	21	1,048	562
Deferred tax position	9	(1,829)	(461)
Other expenses and income not generating short-term flows (*)		(36,085)	(47,022)
CASH FLOW		**60,231**	**50,808**
Change in working capital requirement	25.1	(15,479)	(11,880)
NET CASH FLOW FROM OPERATING ACTIVITIES		**44,752**	**38,928**
Purchases of fixed assets		(15,573)	(22,954)
Sales of fixed assets		2,667	207
Disposal of non-current financial assets		28,011	-
Impact of changes in scope (and price supplements)		(47,868)	(4,555)
CASH FLOW RELATING TO INVESTMENT ACTIVITIES		**(32,763)**	**(27,302)**
Dividends paid out to shareholders of the Parent Company		(19,200)	(14,403)
Dividends paid out to minority shareholders of the consolidated companies		(1,404)	(450)
Purchase of treasury shares		(666)	(170)
Loan issues		10,501	22,491
Loan repayments		(5,024)	(1,849)
Cost of net financial debt	21	(1 048)	(562)
NET CASH FLOW FROM FINANCING ACTIVITIES		**(16,841)**	**5,057**
CHANGE IN NET CASH POSITION		**(4,852)**	**16,683**
Opening cash position	16.4	50,031	33,348
Closing cash position	16.4	45,179	50,031

(1) Portion of 2018 CICE not attributable to the 2018 corporation tax

(2) comprised of :	*Acquisition cost disbursed*	*(48,600)*	*(10,769)*
	Cash aquired	*732*	*6,214*
	Impact of change in scope	***(47,868)***	***(4,555)***

4. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In € thousand	Capital	Capital reserves	Treasury securities	Consoli-dated reserves	Gains and losses recognised directly in shareholders' equity	Total Group share	Non-controlling interests	Total
Position at 01/01/2017	**121,810**	**12,181**	**(3,483)**	**233,634**	**2,593**	**366,735**	**3,668**	**370,403**
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
Position at 31/12/2017	**121,810**	**12,181**	**(3,653)**	**294,010**	**1,438**	**425,786**	**9,925**	**435,712**
Position at 01/01/2018	**121,810**	**12,181**	**(3,653)**	**294,010**	**1,438**	**425,786**	**9,925**	**435,712**
Appropriation of earnings n-1		-	-	-	-	-	-	-
IFRS 9 restatement				(1,583)		(1,583)		(1,654)
Dividends		-	-	(19,200)	-	(19,200)	(1,404)	(20,605)
Transactions on treasury shares		-	(330)	-	(336)	(666)	-	(666)
Overall net profit for the year		-	-	79,292	-	79,292	3,190	82,482
Currency translation adjustment		-	-	-	(157)	(157)	(2)	(159)
Change in scope (*)		-	-	97	(152)	(55)	6,710	6,656
Position at 30/12/2018	**121,810**	**12,181**	**(3,983)**	**352,616**	**792**	**483,417**	**18,348**	**501,765**

(*) Impact of the acquisition of 66% of DCS EASYWARE

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Accounting principles and methods

1.1 Basis for preparation of the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2018 and the related notes were approved by the Executive Board on 29 March 2019.

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 mandatory standards, amendments and interpretations (published by the IASB, approved by the EU and applicable as of 1 January 2018) and adaptation to SYNERGIE

The new standards whose application is mandatory by the SYNERGIE Group for the preparation of consolidated financial statements for the year ended 31 December 2018 are IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments.

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

The 2018 CICE receivable was recorded, after discounting, as a deduction from personnel costs.

1.2.2 New standards and interpretations not applied early (published by the IASB, approved by the EU and not yet in force as of 1 January 2018)

Whilst the amendments to IFRS 9, IAS 12, IAS 23, IFRS 3, IFRS 11, IAS 28 and IAS 19 and the implementation of IFRIC 23 are not expected to have any material consequences for the Group, application of the new standard on leases is likely to have a significant impact for the Group.

IFRS 16 Leases

On 13 January 2016, the IASB published its new standard on leases, IFRS 16. Application of this standard, which has been adopted by the European Union, will be mandatory for financial years starting on or after 1 January 2019.

It requires that lessees recognise all leases in which they participate on the balance sheet, with only a few exceptions. Given the numerous leases taken out by the Group as lessee, this standard is likely to have a significant impact on the structure of the consolidated statement of financial position and, to a lesser extent, on that of the consolidated statement of comprehensive income.

The leases that are likely to require adjustment have been identified according to the type of underlying assets concerned (essentially property assets, vehicles and computer equipment). Areas of difficulty stemming from legal peculiarities (notably for assets held by foreign subsidiaries and property-related underlying assets) have been identified.

The Group has thus decided not to apply the standard early.

The Group will apply the modified retrospective approach, which involves recognising the cumulative effect of initial application of the standard as an adjustment to the opening balance on equity on the date of first application (i.e. 1 January 2019).

The Group has acquired an IT tool to manage its leases, measure the related financial flows and handle their recognition. This tool will come into operation in April 2019.

To assess the lease term, which represents a key parameter in measuring the financial flows, the Group has adopted the approach identified in the summary report issued by France's accounting standards body (Autorité des Normes Comptables) in February 2018 for property leases subject to French regulations on commercial leases. This approach generally results in the lease term being limited to nine years, with the possibility of considering a different term in specific cases. For property leases held by foreign subsidiaries, the term is to be determined in light of local legislation and the lease features.

The discount rate used to measure the lease liability is determined based on the marginal rate for property leases and based on the implicit rate of the agreement for vehicle leases. The first estimates made converge towards rates in the region of 2% for property leases and 6% for vehicles and computer equipment, these rates remaining to be fine-tuned to reflect local peculiarities.

In the first quarter of 2019, this standard's impact on the main aggregates in the financial statements was re-estimated as follows:

- Increase in the balance sheet: €33 million
- Increase in current operating profit: €0.3 million
- Decrease in the financial result: €0.1 million

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. Given SYNERGIE Group's activity, the type of income it receives and its invoicing procedures, the impact of this standard on the Group is immaterial. In fact, turnover is recognised on a continuous basis insofar as the clients benefit immediately from the services of the temporary employees.

IFRS 9 Financial Instruments

Given SYNERGIE Group's financing structure, the impact of this standard on the Group and its financial statements is likely to be immaterial. In fact, SYNERGIE uses only simple financial instruments.

The main impact of this standard for the Group concerns the model for impairment of trade receivables, which, in accordance with IFRS 9, is established based on expected credit losses, in contrast to the previous model for IAS 39, which was established based on known credit losses.

In compliance with this standard, the Group has applied the simplified method applicable to trade receivables permitted by paragraph 5.5.15 of the standard.

For this purpose, the Group has constructed an impairment matrix by drawing on example 12 provided in the standard.

The principles used to construct this matrix and the consequences of its application are described in Note 10.

1.3 Use of estimates

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

This mainly concerns measurement 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 the Swiss company CAVALLO INVEST AG, whose accounting closure date is 31 March.

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

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 included in the consolidation scope are controlled by SYNERGIE SE in view of the 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 the provisions of IFRS 11.

With the exception of ACORN LEARNING SOLUTIONS, during this financial year SYNERGIE has not sold any equity interests entailing a loss of control of a subsidiary or a reduction in its influence over a subsidiary. Non-controlling interests (equity interests that do not confer control) do not represent a significant percentage in any subsidiary.

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

1.4.3 Goodwill

Business combinations are recognised using the acquisition method.

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

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

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

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

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

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

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

1.4.4 Other intangible assets

Intangible assets are recognised using the historical cost model.

Research costs

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

Development costs

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

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

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

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

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

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

Other intangible assets acquired

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

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

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

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

1.4.5 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
Intangible assets	
Concessions, patents and similar rights	1 to 5 years
Client base	10 years
Property, plant and equipment	
Buildings	20 to 80 years
Fixtures and fittings	7 to 10 years
Equipment and tools	5 years
General facilities	7 years
Transport equipment	5 years
Office equipment	5 years
Computer equipment	5 years
Furniture	10 years

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

1.4.6 Impairment of fixed assets

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

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

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

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

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

1.4.7 Other non-current financial assets

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

1.4.8 Trade receivables and revenue recognition

Trade receivables are recognised at their nominal value.

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

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

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

1.4.9 Tax expense

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

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

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

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

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

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

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

The CICE was analysed in relation to IAS 19 and IAS 20 and was consequently booked as a deduction from staff 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 in money market UCITS, provided that they meet 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 maturity of the provision is more than one year, the provision amount is discounted.

1.4.12 Pensions and similar commitments

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

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

1.4.13 Treasury shares

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

1.4.14 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. This 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 foreign subsidiaries

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

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

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

1.4.16 Financial instruments

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

In € thousand	IAS 39 category	Note No.	2018 carrying amount	Amortised cost	Fair value by income	Fair value by shareholders' equity	2018 fair value
ASSETS							
Trade receivables		**10**					
Client receivables and related accounts	Loans & receivables		558,529	X			558,529
Other financial assets				X			
Held-to-maturity assets	Loans & receivables						
Cash and cash equivalents	Fair value by income	**12**	**85,322**		X		**85,322**
LIABILITIES							
Financial borrowings		**16**					
Loans and other borrowings	Financial liabilities at amortised cost		84,374	X			84,374
Trade payables		**17**					
Trade payables and related accounts	Financial liabilities at amortised cost		20,163	X			20,163
Payable on equity investments						X	
Other financial liabilities	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 in cash equivalents.

Except for cash and cash equivalents, financial instruments are regarded as Level 3 data under IFRS 7; they mainly comprise trade receivables, loans and borrowings.
Due to the short payment deadlines for receivables, the fair value of trade receivables is similar to their nominal value.

Cash equivalents are short-term investments with a low risk of a change in value. These cash investments are measured at fair value, and unrealised or realised gains or losses are recognised in the financial result; fair value is measured using the market price at the year end.

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

In € thousand	2017	Allocations	Reversals	2018
Non-current financial assets	7	-	-	7
Client receivables	15,493	4,566	2,515	17,544
Other receivables	1,070	11	-	1,081
Cash and cash intruments	-	-	-	-
Other current financial assets	-	-	-	-
TOTAL	**16,569**	**4,577**	**2,515**	**18,631**

Note 2 Changes in the consolidation scope

Controlling stake acquired in DCS EASYWARE

SYNERGIE acquired a 66% stake in the French digital services firm DCS EASYWARE in early June 2018, on which date the company was consolidated.

Goodwill on acquisition amounted to €35,258 thousand at 31 December 2018.

The impact of this acquisition on the consolidated income statement for the year ended 31 December 2018 was €26,113 thousand on turnover and €2,316 thousand on net profit.

A cash outflow of €48,600 thousand was recorded for this acquisition.

Work was carried out on the measurement of assets and liabilities at their fair value as well as the measurement and determination of goodwill as required by revised IFRS 3, leading to the allocation of the overall adjustment as follows: client bases €14,000 thousand, brands €8,000 thousand, fair value adjustment on buildings €3,173 thousand and deferred tax liabilities €7,752 thousand.

Sale of shares in ACORN LEARNING SOLUTIONS

In January 2018, the UK subsidiary ACORN (SYNERGIE) UK sold its 70% stake in ACORN LEARNING SOLUTIONS to an external entity.

This gave rise to a capital gain of €208 thousand in the consolidated accounts.

A cash inflow of €687 thousand was recorded on this sale.

Sale of 5% shareholding in SYNACO GLOBAL RECRUITMENT

The UK company ACORN GLOBAL RECRUITMENT sold a 5% shareholding in SYNACO GLOBAL RECRUITMENT pty, an Australian company in which it had previously held a 95% interest.

As a reminder, the Austrian company VÖLKER GmbH was consolidated with effect from November 2017.

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 Group companies, covers general-interest administrative services.

CONSOLIDATED COMPANIES	REGISTERED OFFICE	SIREN No (1)	% CONTROL HELD BY SYNERGIE		% INTEREST HELD BY SYNERGIE		CONSOLIDATION METHOD (2)	
			2018	2017	2018	2017	2018	2017
PARENT COMPANY								
SYNERGIE S.E.	PARIS 75016	329 925 010						
FRENCH SUBSIDIARIES								
AILE MEDICALE	PARIS 75016	303 411 458	100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE CONSULTANTS	PARIS 75016	335 276 390	100.00	100.00	100.00	100.00	FULL	FULL
DIALOGUE & COMPETENCES	PARIS 75016	309 044 543	100.00	100.00	100,00	100.00	FULL	FULL
INTERSEARCH France	PARIS 75016	343 592 051	100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE INSERTION	PARIS 75016	534 041 355	100.00	100.00	100,00	100.00	FULL	FULL
SYNERGIE PROPERTY	PARIS 75016	493 689 509	100.00	100.00	100.00	100.00	FULL	FULL
JOINT 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)	BARCELONA Spain		100.00	100.00	100.00	100.00	FULL	FULL
SIES SUBSIDIARIES								
DCS EASYWARE	Lyon FRANCE	797 080 397	66.00		66.00		FULL	
SYNERGIE TT	BARCELONA Spain		100,00	100.00	100,00	100.00	FULL	FULL
SYNERGIE E.T.T.	PORTO Portugal		100,00	100.00	100,00	100.00	FULL	FULL
SYNERGIE Travail Temporaire	ESCH/ALZETTE Luxembourg		100,00	100.00	100,00	100.00	FULL	FULL
SYNERGIE PARTNERS	ESCH/ALZETTE Luxembourg		100,00	100.00	100,00	100.00	FULL	FULL
SYNERGIE HUNT INTERNATIONAL	MONTRÉAL Canada		100,00	100.00	100,00	100.00	FULL	FULL
ACORN (SYNERGIE) UK	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	SCHIJNDEL Netherlands		100,00	100.00	100,00	100.00	FULL	FULL
VÖLKER BETEILIGUNGS	St. PÖLTEN Austria		100,00	100.00	100,00	100.00	FULL	FULL

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

CONSOLIDATED COMPANIES	REGISTERED OFFICE	SIREN No (1)	% CONTROL HELD BY SYNERGIE		% INTEREST HELD BY SYNERGIE		CONSOLIDATION METHOD (2)	
			2018	2017	2018	2017	2018	
SYNERGIE PRAGUE SUBSIDIARY								
SYNERGIE SLOVAKIA	BRATISLAVA Slovakia		78.00	78.00	77.10	77.10	FULL	FULL
SYNERGIE ITALIA SPA SUBSIDIARY								
SYNERGIE HR SOLUTIONS	TURIN Italy		100,00	100.00	85.00	85.00	FULL	FULL
SYNERGIE TT SUBSIDIARY								
SYNERGIE HUMAN RESOURCE SOLUTIONS	BARCELONA Spain		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE HRS SUBSIDIARY								
SYNERGIE OUTSOURCING Espagne	BARCELONA 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		66.27		FULL
ACORN RAIL	NEWPORT United Kingdom		100.00	100.00	94.67	94.67	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 BV	SCHIJNDEL Netherlands		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE INTERNATIONAL RECRUITMENT BV	SCHIJNDEL Netherlands		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE BELGIUM SUBSIDIARY								
SYNERGIE SERVICES	ANVERS Belgium		100.00	100.00	100.00	100.00	FULL	FULL
ACORN GLOBAL RECRUITMENT SUBSIDIARY								
SYNACO GLOBAL RECRUITMENT PTY	ADELAIDE Australia		90.00	95.00	63.90	67.45	FULL	FULL
SYNACO GLOBAL RECRUITMENT pty SUBSIDIARY								
SYNERGIE RESOURCES PTY	ADELAIDE Australia		100.00	100.00	63.90	67.45	FULL	FULL
SYNERGIE PERSONAL DEUTSCHLAND SUBSIDIARY								
CAVALLO SUISSE INVEST AG	ERMATINGEN Switzerland		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE SUISSE SUBSIDIARY								
SYNERGIE INDUSTRIE & SERVICES	MILVIGNES Switzerland		100.00	100.00	100.00	100.00	FULL	FULL
VÖLKER BETEILIGUNGS SUBSIDIARY								
VÖLKER	St. PÖLTEN Austria		80.00	80.00	80.00	80.00	FULL	FULL
DCS EASYWARE SUBSIDIARY								
DCS BELGIUM	BRUXELLES Belgium		100.00		66.00		FULL	
DCS IT IBERICA	ST CUGAT DEL VALLES Spain		100.00		66.00		FULL	
DCS IT SUPPORT	LYON France		100.00		66.00		FULL	
DCS UK	LONDRES United Kigdom		100.00		66.00		FULL	

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

Note 4 Non-consolidated companies

The Group did not own any companies that were not consolidated at 31 December 2018.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

Note 5 Goodwill and other intangible assets relating to acquisitions

5.1 Change in net goodwill

In € thousand	2017	Increase	Decrease	2018
Goodwill on securities	72,779	35,258	10,799	97,238
Business	5,254	46	109	5,191
Net consolidation excess	**78,033**	**35,304**	**10,908**	**102,429**

The increase in goodwill relates to DCS EASYWARE.

The decrease in goodwill reflects an impairment of €3,000 thousand relating to the UK and allocation of the initial goodwill on the Austrian company to client bases and brands for an amount of €7,778 thousand.

Net goodwill is analysed as follows:

CGU - In € thousand	**Goodwill**
France	42,496
Germany	18,018
Autriche	11,573
The Netherlands	11,001
Belgium	6,493
United-Kingdom	4,498
Italy	2,773
Canada	1,935
Switzerland	1,669
Spain	521
Other	1,450
TOTAL	**102,429**

5.2 Amortisation and impairment of intangible assets related to acquisitions

The methods used to measure brands and client bases are described in Note 1.4.4. The recoverable value of the CGUs used, i.e. the countries in which SYNERGIE is located, was calculated on the basis of their value-in-use.

5.2.1 Methodology

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

- Projected growth flows for 2019 based on the operational budgets of the various management-approved CGUs which were established by local management;
- Projected cash flows based on the four-year financial budgets approved by management, taking account of the economic outlook in the regions concerned;

- Beyond four years, future cash flow projections are extrapolated using a constant growth rate of 2%;

- The cash flows are then discounted using different rates for different CGUs. The Group discount rates used are determined on the basis of a rate that takes account of a risk-free rate (10-year OAT rate) and a market risk premium; an additional risk premium may be applied if a significant inflation differential with the French rate is observed or for certain small subsidiaries with more concentrated client bases.

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

The various parameters used are summarised in the following table:

CGU	Rate at 3 and 4 years	Rate beyond 4 years	Discount rate	EBIT
United Kingdom	5%	2%	9,02%	change according to country and year
The Netherlands	5%	2%	7,81%	
France Temporary Recruitmen	5%	2%	7,35%	
France HRM	5%	2%	6,38%	
Australia	5%	2%	8,50%	
Belgium	5%	2%	7,56%	
Switzerland	5%	2%	8,37%	
Italy	5%	2%	8,79%	
Spain	5%	2%	8,16%	
Portugal	5%	2%	7,43%	
Canada	5%	2%	7,79%	
Germany	5%	2%	8,22%	
Austria	5%	2%	7,71%	
Other	5%	2%	8,22%	

5.2.2 Impairment of UK goodwill

The decision by the UK to leave the European Union (“Brexit”) taken in a referendum held on 23 June 2016 did not have a significant impact on our UK subsidiaries’ 2018 activity levels, which grew overall.

Potential future impacts led to a limited growth assumption being used, whilst taking into account the risk on large contracts currently under negotiation, and the growth rate being limited to 2% as from the third year, based on a discount rate of 9.02% compared with 9.01% at 31 December 2017. Application of these assumptions resulted in an impairment of €3,000 thousand in respect of UK goodwill.

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 1% decrease in the perpetual growth rate would result in additional impairment of €8,183 thousand, analysed as follows:

In € thousand	
France	-
Southern Europe	-
Northern and Eastern Europe	8,183
Canada / Australia	-
TOTAL	**8,183**

- a decrease in the EBIT rate.

Additional impairment of €6,879 thousand would be raised if the EBIT rate declined by 5%, analysed as follows:

In € thousand	
France	-
Southern Europe	-
Northern and Eastern Europe	6,879
Canada / Australia	-
TOTAL	**6,879**

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

Note 6 Autres immobilisations incorporelles

Changes in the gross values are analysed as follows:

In € thousand	2017	Entries into scope	Increase (*)	Decrease (*)	2018
Software and licences	9,226	92	2,487	296	11,509
Client base	36,296	14,000	9,333	137	59,492
Brands	4,523	8,000	1,451	60	13,914
Rights to leases	568	-	-	104	464
TOTAL	**50,614**	**22,092**	**13 271**	**597**	**85,380**

(*) of which translation losses of €673 thousand

Changes in amortisation are analysed as follows:

In € thousand	2017	Entries into scope	Increase (*)	Decrease (*)	2018
Software and licences	6,646	89	952	278	7,409
Client base	20,796	-	4,403	103	25,096
Brands	1,204	-	562	2	1,763
Rights to leases	-	-	-	-	-
TOTAL	**28,646**	**89**	**5,917**	**383**	**34,268**

(*) of which translation losses of €356 thousand

The increases mainly concern the amortisation of client bases linked to business combinations in the amount of €3,586 thousand.

Changes in impairment are analysed as follows:

In € thousand	2017	Entries into scope	Increase (*)	Decrease (*)	2018
Software and licences	-	-	-	-	-
Client base	4,477	-	37	18	4,496
Brands	1,207	-	416	-	1,623
Rights to leases	-	-	-	-	-
TOTAL	**5,684**	**-**	**453**	**18**	**6,119**

(*) of which translation losses of €190 thousand

The net values are analysed as follows:

In € thousand	2018	2017
Software and licences	4,100	2,580
Client base	29,901	11,023
Brands	10,528	2,113
Rights to leases	464	568
TOTAL	**44,993**	**16,284**

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 by category

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

Gross values

In € thousand	2017	Entries into scope	Increase	Decrease	2018
Land, buildings and technical facilities	34,482	4,662	4,145	80	43,209
Fixtures, furniture, office equipment & computer equipment	47,523	1,599	12,068	6,802	54,388
TOTAL	**82,005**	**6 261**	**16,213**	**6,882**	**97,597**
of which fixed assets under finance leases	13,781	-	3,667	2,432	15,016

Depreciation and amortisation

In € thousand	2017	Entries into scope	Increase	Decrease	2018
Land, buildings and technical facilities	2,047	282	653	40	2,942
Fixtures, furniture, office equipment & computer equipment	28,632	806	6,929	4,798	31,569
TOTAL	**30,679**	**1 088**	**7,582**	**4,838**	**34,511**
of which fixed assets under finance leases	6,446	-	3,031	2,222	7,255

Net values

In € thousand	2018	2017
Land, buildings and technical facilities	40,267	32,435
Fixtures, furniture, office equipment & computer equipment	22,819	18,891
TOTAL	**63,086**	**51,326**
of which fixed assets under finance leases	7,761	7,335

7.2 Finance leases

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

The gross value of these types of fixed assets was €15,016 thousand at the year end, and the net amount was €7,761 thousand.

Assets held under finance leases were subject to a depreciation charge of €3,031 thousand. Financial charges on these leases came to €103 thousand.

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

In € thousand	2018	2017
Eurozone	58,947	50,240
Outside	4,139	1,086
TOTAL	**63,086**	**51,326**

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	94
Loans	14	-	14	14
Other financial assets	105,131	-	105,131	117,387
TOTAL	**105,246**	**7**	**105,239**	**117,495**

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

Other financial assets consist mainly of estimated 2016, 2017 and 2018 CICE (tax credit for competitiveness and employment) receivables not liable to corporate income tax in 2019, i.e. €102,342 thousand, as well as security deposits on commercial rents.

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

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

In € thousand	2017	Entries into scope	Increase	Decrease	2018
Other	-	-	-	-	-
Other fixed	101	5	-	5	101
Loans and	117,401	66	39,352	51,674	105,145
TOTAL	**117,502**	**71**	**39,352**	**51,679**	**105,246**

The increase in other non-current financial assets in 2018 mainly comprises the CICE receivable created in 2018, net of corporate income tax for the year, after deducting the 2015 CICE receivable, assigned in 2018.

Note 9 Deferred tax

In € thousand	2018	2017	Change
Deferred tax assets created for:			
Tax loss carry forwards	38	11	27
Temporary differences	3,299	1,706	1,593
Total unrealised tax assets	**3,337**	**1,717**	**1,620**
Unrealised tax liabilities	14,323	4,872	9,451
TOTAL	**(10,986)**	**(3,155)**	**(7,831)**

Capitalised tax losses amounting to €38 thousand have the following respective horizons:

In € thousand	2019	2020	Total
Switzerland	32	-	32
Slovakia	6	-	6
TOTAL	**38**	**-**	**38**

For the sake of prudence, some tax losses that could be carried forward at the standard rate have not been used. The corresponding tax saving would have amounted to €1,862 thousand, including €364 thousand relating to 2018.

Analysis of non-capitalised losses by expiry date:

In € thousand	
2018	75
1 year << 5 years	409
> 5 years	927
Unlimited	451
TOTAL	**1,862**

Deferred tax liabilities totalling €14,323 thousand mainly relate to brands and client bases net of amortisation since acquisition (€11,561 thousand) and accelerated depreciation (€704 thousand) and the fair value adjustment on a property asset (€981 thousand).

Note 10 Trade receivables

Trade receivables and related accounts are analysed as follows:

In € thousand	2018	2017
Clients	570,319	534,695
Unbilled revenue	7,796	6,208
Impairment	(19,586)	(15,493)
TOTAL	**558,529**	**525,410**

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

Trade receivables by payment delay are analysed as follows:

In € thousand	2018	2017
Amount of client receivables due, not impaired		
Past due, less than 90 days	109,594	84,219
Past due, between 90 and 180 days	8,222	6,376
Past due, more than 180 days	6,513	10,146
TOTAL	**124,329**	**100,741**

The replacement of IAS 39 by IFRS 9, which requires measurement of the impairment of performing trade receivables based on expected losses, prompted the Group to measure additional impairment on trade receivables relating to performing receivables, as follows:

At 1 January 2018 €2,363 thousand recognised with a corresponding entry in shareholders' equity

At 31 December 2018 €2,023 thousand

Reversal of impairment €340 thousand recognised in profit or loss

Note 11 Maturity analysis of current assets at the year end

In € thousand	Net amounts		< 1 year		> 1 year	
	2018	2017	2018	2017	2018	2017
Current assets						
Bad and doubtful debts	2,705	3,801	-	-	2,705	3.801
Other client receivables	555,824	521,608	555,824	521,608	-	-
SUBTOTAL 1	**558,529**	**525,410**	**555,824**	**521,608**	**2,705**	**3,801**
Personnel and related accounts	826	920	826	918	-	3
Social security and other benefits	34,067	33,640	34,067	33,640	-	-
Income tax (1)	28,347	34,281	28,347	34,281	-	-
Other levies	2,772	3,587	2,772	3,587	-	-
Sundry debtors	5,065	4,579	5,061	4,544	4	35
Prepaid expenses	4,967	4,801	4,967	4,801	-	-
SUBTOTAL 2	**76,044**	**81,810**	**76,040**	**81,771**	**4**	**38**
TOTAL	**634,573**	**607,219**	**631,864**	**603,379**	**2,709**	**3,840**

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

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

Note 12 Current financial assets and cash

In € thousand	2018	2017
Current financial assets		
Cash and cash equivalents		
Investments in securities		
Term deposits	13,352	11,846
Available cash	71,971	66,437
TOTAL	**85,322**	**78,283**

Pursuant to IAS 7, term deposits (€13.4 million) have been classified in cash and cash equivalents due to their liquidity (can be sold at any time) and the lack of an impairment risk.

They are measured at fair value at the year end.

Note 13 Shareholders' equity

13.1 Share capital

At 31 December 2018, the share capital was made up of 24,362,000 shares with a nominal value of €5 each.

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

13.2 Appropriation of 2017 profit or loss

The Combined Shareholders' Meeting of 14 June 2018 (3rd resolution) approved the proposed dividend payment of €19,490 thousand, but since treasury shares held on the payment date were not eligible for this dividend, there was an effective payment of €19,200 thousand.

13.3 Treasury shares

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

At 31 December 2018, SYNERGIE held two categories of treasury shares:

- shares purchased under the liquidity contract (26,101 shares, or 0.11% of the share capital);
- shares acquired under the share buyback programme approved by the Combined Shareholders' Meeting of 14 June 2018 (352,463 shares, or 1.45% of the share capital).

Sales in 2018 generated a capital loss of €336 thousand, which was recorded in reserves.

The value of treasury shares deducted from shareholders' equity was €3,983 thousand at 31 December 2018.

Note 14 Provisions and payables for employee benefits

14.1 Breakdown of provisions

In € thousand	2018	2017	Change
Retirement severance payment	4,611	3,204	1,406
Severance payments in Germany	423	449	(26)
Severance payments (trattamento di fine rapporto) in Italy	194	217	(23)
Total provisions for employee benefits	**5,228**	**3,870**	**1,358**
Employee profit-sharing + 1 year	10	12	(2)
TOTAL	**5,238**	**3,882**	**1,356**

All provisions and payables for employee benefits above were discounted.

14.2 Information sur les avantages du personnel

The pension commitments of permanent personnel in relation to their defined benefit schemes are measured according to the projected unit credit method, pursuant to IAS 19; the following assumptions were used as at 31 December 2018:

- Salary increase rate: 2%
- Personnel turnover rate: calculated by age bracket
- Social security contribution rate: 45%
- Life expectancy table: TU-TD2011-2013
- Discount rate (based on iBoxx indices): 1.57%
- Estimate based on average retirement age of 65 years
- Departure at the employee's initiative
- Retroactive application.

In € thousand	2018	2017
Present value of rights	4,614	3,207
Rights covered by financial assets	(3)	(3)
NET COMMITMENT RECOGNISED	**4,611**	**3,204**

The retirement benefits paid out in 2018 amounted to €148 thousand, compared with €571 thousand in 2017.

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

At 31 December 2018, the change in the provision for retirement benefits in France is analysed as follows:

In € thousand	Gross
Cost of services rendered	238
Financial cost	42
Actuarial difference (1)	223
Change in retirement savings coverage	0
Entries into scope	903
Subotal	**1,406**
Other changes (Germany, Italy)	(49)
TOTAL	**1,357**

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

A 0.5% increase in the discount rate has an effect of -€197 thousand on the estimated provision and a 0.5% decrease has an effect of +€213 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	2017	Change in scope	Increase	Decrease	2018
Provisions for litigation	504	-	309	424	390
Other provisions for risks	1,333	-	275	252	1,357
Total provisions for risks	**1,838**	**-**	**584**	**675**	**1,747**
Other provisions for charges	5	-	-	1	4
TOTAL	**1,843**	**-**	**584**	**676**	**1,751**

15.2 Use of provisions

Reversals of provisions include €494 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	
	2018	2017	2018	2017	2018	2017
Loans and borrowings						
Banks	29,515	26,084	25,616	20,297	3,900	5,787
Finance Leases	4,532	4,367	3,724	3,392	808	975
Other loans and borrowings	7	-	7	-	-	-
TOTAL	**34,054**	**30,451**	**29,346**	**23,689**	**4,708**	**6,762**

At 31 December 2018, total gross borrowings were recognised at amortised cost using the effective interest rate, calculated by taking into account the issuance costs and issuance premiums identified and associated with each liability.

16.2 Finance leases

In € thousand	Amounts	
	2018	2017
Loans and borrowings		
Banks	7,290	4,852
Finance Leases	2,869	2,806
Other loans and borrowings	18	18
TOTAL	**10,177**	**7,676**

16.3 Finance leases

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

Future minimum payments €7,762 thousand
Discount €(361) thousand
Discounted value €7,401 thousand (of which €4,538 thousand non-current and €2,863 thousand current)

16.4 Current bank debt and net cash

In € thousand	Amounts	
	2018	2017
Current bank debt		
Bank debt	40,093	28,207
Accrued interest	50	44
Total	**40,143**	**28,251**
Cash and cash equivalents	85,322	78,282
Net cash position	**45,179**	**50,031**

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	
	2018	%	2017	%	2018	2017	2018	2017	2018	2017
Euro	36,971	84%	38,126	100%	8,729	7,675	23,534	23,688	4,708	6,763
Other	7,236	16%	-	0%	1,430	-	5,806	-	-	-
TOTAL	**44,207**	**100%**	**38,126**	**100%**	**10,159**	**7,675**	**29,340**	**23,688**	**4,708**	**6,763**

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

In € thousand	Amounts				< 1 yr		1 yr << 5 yrs		> 5 yrs	
	2018	%	2017	%	2018	2017	2018	2017	2018	2017
Fixed	38,418	87%	30,954	81%	6,723	4,869	26,987	20,297	4,708	5,788
Other	5,789	13%	7,172	19%	3,436	2,806	2,353	3,391	-	975
TOTAL	**44,207**	**100%**	**38,126**	**100%**	**10,159**	**7,675**	**29,340**	**23,688**	**4,708**	**6,763**

16.7 Breakdown of interest-bearing loans and borrowings

Nominal amount			Interest rate at issue /nominal	Interest rate actual	Due date	Remaining principal due 2018 (€ thousand)	Remaining principal due 2017 (€ thousand)
Loan	€1 M	(12/2010)	2.93%	2.93%	dec-25	525	592
Loan	€1.7 M	(02/2011) (**)	2.75%	2.75%	dec-25	885	1,003
Loan	€4.3 M	(09/2012) (**)	2.91%	2.91%	sept-22	1,749	2,200
Loan	€1.57 M	(05/2014)	2.60%	2.60%	may-24	901	1,054
Loan	€1.5 M	(12/2014)	2.00%	2.00%	dec-24	935	1,080
Loan	€4.0 M	(02/2017)	0.65%	0.65%	feb-24	2,970	3,533
Loan	€10.8 M	(10/2017)	0.71%	0.71%	oct-22	8,645	10,769
Loan	€7.7 M	(12/2017)	1.35%	1.35%	dec-27	6,835	7,545
Loan	€1.7 M	(12/2015)			jun-22	1,525	1,742
Loan	€2.4 M	(10/2018)	0,90%	0,90%	nov-23	2,400	
Loan	2.6 M£	(09/2018)			oct-23	2,920	
Loan	7.0 MAUD	(12/2018)	4,85%	4,85%	dec-23	4,316	
Other property loans						2,199	1,418
Total property loans						**36,805**	**30,936**
Finance leases (cumulative)						7,402	7,172
Miscellaneous						24	18
TOTAL (*)						**44,231**	**38,126**

(*) Loan balances are shown before interest.

(**) Rate renegotiated in early 2017

The majority of the loans outstanding at 31 December 2018 were intended to finance real estate acquisitions (duration of 7-15 years) and related works (duration of seven years), two loans being intended to finance the acquisition of the Austrian subsidiary.

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

The total amount of loan maturities repaid during 2018 was €5,024 thousand.

16.8 Exposure to interest rate, foreign exchange and liquidity risks

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

16.8.1 Interest rate risk

The analysis of sensitivity to interest rate risk carried out at 31 December 2018 highlights the following points:

- The Group's fixed-rate financing has not been affected by changes in interest rates. Other short-term financial assets and liabilities are seldom sensitive to interest rate changes (usually short-term maturities);

- In the absence of material cash flow hedging using interest rate instruments or net investment in a foreign entity, interest rate fluctuations have no direct effect on Group shareholders' equity.

16.8.2 Foreign exchange risk

SYNERGIE had financial debt denominated mainly in euros at 31 December 2018, except for current bank facilities in the UK, Switzerland and Australia.

Closing rates against the euro were as follows:

Currency	2018	2017
Pound sterling	0.8945	0.8872
Canadian dollar	1.5605	1.5039
Swiss franc	1.1269	1.1702
Australian dollar	1.6220	1.5346
Czech crown	25.7240	25.5350

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

In € thousand	Amounts	Zone		Other
		Pound sterling	Canadian dollar	currencies
2018 monetary assets	20,870	16,372	2,885	1,613
2017 monetary assets	21,218	16,672	2,909	1,637

The analysis of sensitivity to foreign exchange risk at 31 December 2018 resulted in the observation that the short-term impact of a +/- 10% change in all respective currencies compared with the euro came to +/- €2,087 thousand, based on market data at the reporting date.

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 2018.

This results in a insignificant liquidity risk.

The SYNERGIE Group has not been subject to bank covenants since the unwinding of its last medium-term loans in October 2013.

Note 17 Trade payables and related accounts

Trade payables and related accounts break down as follows:

In € thousand	2018	2017
Suppliers	11,900	9,352
Invoices to be received	8,263	8,367
TOTAL	**20,163**	**17,719**

Note 18 Maturity analysis of other current liabilities

	Amounts		< 1 year		1 year << 5 years		> 5 years	
	2018	2017	2018	2017	2018	2017	2018	2017
Suppliers	20,163	17,719	20,108	17,512	55	207	-	-
Personnel	157,698	173,166	157,698	173,114	-	-	-	52
Social bodies	105,016	102,389	105,016	102,298	-	90	-	-
Income taxe	7,188	7,660	7,188	7,660	-	-	-	-
Other levies	119,651	118,599	119,613	118,546	38	53	-	-
Subtotal 1	**409,716**	**419,532**	**409,622**	**419,131**	**93**	**350**	**-**	**52**
Payables on fixed assets	8 867	10,849	8 867	10,822	-	27	-	-
Other payables	12,816	7,153	12,762	7,079	54	74	-	-
Prepaid income	130	(25)	130	(26)	-	1	-	-
Subtotal 2	**21,813**	**17,978**	**21,760**	**17,876**	**54**	**102**	**-**	**-**
TOTAL	**431,529**	**437,510**	**431,382**	**437,006**	**147**	**452**	**-**	**52**

Commitments to purchase non-controlling interests are recognised in payables on fixed assets in the amount of €5,710 thousand at 31 December 2018, with a corresponding entry in non-controlling interests, the difference being recognised in goodwill.

Deferred payments on subsidiaries acquired are also included in payables on fixed assets in the amount of €2,416 thousand.

NOTES TO THE INCOME STATEMENT

Note 19 Turnover

Turnover comprises billing for human resources management services and services provided by the digital services group DCS, whose holding company is DCS EASYWARE.

At 31 December 2018, it included billing for business activities other than temporary employment (placement of permanent employees, outsourcing, training, digital services, etc.) of €57,391 thousand, or 2.2% 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	2018	2017
Wages and salaries	1,800,898	1,641,919
Social security contributions	479,127	427,982
TOTAL	**2,280,025**	**2,069,901**

20.2 Other information on operating expenses

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

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

20.3 Other information on operating profit

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

Note 21 Financial income and expenses

Financial income and expenses are analysed as follows:

In € thousand	2018	2017
Income from transferable securities	-	-
Income from receivables	841	807
Financial income	**841**	**807**
Interests on finance leases	(216)	(232)
Bank and miscellaneous charges	(1,295)	(908)
Interest on loans	(378)	(226)
Interests on employee profit sharing	(0)	(3)
Cost of gross financial debt	**(1,889)**	**(1,369)**
Cost of net financial debt	**(1,048)**	**(562)**
Translation gains or losses	(679)	(516)
Other income and expenses	3	(4)
Other income and expenses	**(676)**	**(519)**
TOTAL	**(1,724)**	**(1,081)**

Note 22 Corporate income tax

22.1 Tax expense

The tax expense recognised in the income statement is analysed as follows:

In € thousand	2018	2017
Income tax	20,028	17,729
Deferred tax	(2,026)	(358)
Total Income tax	**18,002**	**17,371**
CVAE (France)	15,994	15,302
IRAP (Italy)	1,140	971
TAX ON PROFIT	**35,136**	**33,644**
of which corporation tax payable	20,028	17,729

22.2 Effective tax rate and tax proof

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

In € thousand	2018	2017
Profit before tax expense	**117,618**	**115,155**
Profit before tax after CVAE and IRAP	**100,484**	**98,882**
Tax rate in force (in France)	34.43%	39.43%
Theoretical tax	**34,597**	**38,989**
CICE	(14,520)	(20,218)
Differences in tax rates abroad	(1,995)	(4,237)
Goodwill impairment	1,033	3,371
Effect of permanent differences (*)	-	451
Non-activated tax losses	364	90
Exceptional contribution distributed revenues	-	(936)
Consolidation entries without tax and miscellan	550	219
Total Income tax (Notes 22.1)	**20,028**	**17,729**
Effective tax rate	**19,9%**	**17.9%**

(*)Permanent differences correspond to non-deductible expenses and non-taxable income

Note 23 Earnings per share

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

There are no dilutive instruments that could change the net profit and number of shares used, except for the share buyback program, whose impact was not material in 2017 or 2018.

	2018	2017
Net profit (Group share)	€79,291 thousand	€79,883 thousand
Number of share	24,362,000	24,362,000
Number of treasury share	378 564,000	360,328
Number of basic share	23,983,436	24,001,672
Earning per share (*)	€3.25	€3.28
Diluted earnings per share (*)	€3.25	€3.28

(*) divided by 24,362,000 shares

Note 24 Segment information

24.1 Information by region

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

24.1.1 Income statement items

In € thousand	Turnover		Operating profit [1]	
	2018	2017	2018	2017
France	1,207,782	1150,596	79,058	78,216
Belgium	281,652	266,005	16,560	18,797
Other Northern and Eastern Europe	350,170	276,389	9,139	7,854
Italy	420,852	352,403	19,811	17,007
Spain, Portugal	229,677	217,133	4,037	4,446
Canada, Australia	60,962	60,726	(200)	1,213
TOTAL	**2,551,095**	**2,323,252**	**128,405**	**127,534**

[1] Before amortisation and impairment of goodwill and client bases and brands acquired

En milliers d'euros	Depreciation and amortisation		Impairment	
	2018	2017	2018	2017
France	5,450	3,591	1,493	2 892
Belgium	1,759	1,879	115	(205)
Other Northern and Eastern Europe	5,185	3,227	389	176
Italy	461	309	1,248	1,217
Spain, Portugal	761	773	538	683
Canada, Australia	448	413	(61)	(74)
TOTAL	**14,065**	**10,193**	**3,722**	**4,689**

Being for France:

In € thousand	Revenue		Operating profit	
	2018	2017	2018	2017
South-East	243,186	237,528	13,111	10,020
South-West	201,305	204,333	11,767	9,157
North-West	520,615	500,012	40,536	30,847
Île-de-France, Center East	218,965	214,166	10,565	7,486
Non allocated	23,712	(5,444)	3,079	20,707
TOTAL	**1,207,782**	**1,150,596**	**79,058**	**78,216**

In € thousand	Depreciation and amortisation		Impairment	
	2018	2017	2018	2017
Sud-Est	205	207	8	11
Sud-Ouest	141	145	3	3
Nord-Ouest	297	289	39	50
Île-de-France, Centre, Est	390	216	5	32
Non affecté	4,417	2,734	1,438	2,797
TOTAL	**5,450**	**3,591**	**1,493**	**2,892**

24.1.2 Assets

In € thousand	Fixed assets		Total assets	
	2018	**2017**	**2018**	**2017**
France	215,312	160,739	696,432	561,621
Belgium	11,534	11,550	79,031	88,606
Other Northern and Eastern Europe	71,165	73,285	77,416	130,109
Italy	6,360	6,047	114,878	101,364
Spain, Portugal	7,476	7,881	55,153	51,853
Canada, Australia	3,901	4,119	16,069	16,805
TOTAL	**315,747**	**263,621**	**1,038,980**	**950,358**

(*) excluding deferred tax assets

Being for France:

In € thousand	Fixed assets		Total assets	
	2018	**2017**	**2018**	**2017**
South-East	2,673	2,073	60,012	56,897
South-West	2,445	1,760	49,413	49,523
North-West	3,638	2,747	125,328	125,582
Île-de-France, Center, East	3,357	2,466	61,354	60,471
Non allocated	203,198	151,693	400,325	269,149
TOTAL	**215,312**	**160,739**	**696,432**	**561,621**

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

Note 25 Notes to the statement of cash flows

25.1 Change in the working capital requirement

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

In € thousand	Change	
	2018	**2017**
Clients	(25,608)	(45,312)
Other receivables	25,524	(20,541)
Increase in working capital	**(84)**	**(65,853)**
Suppliers	1,379	2,280
Tax and social security/payables	(20,343)	51,168
Other payables	3,569	525
Increase in current liabilities	**(15,395)**	**53,973**
Change in WCR	**(15,479)**	**(11,880)**

The increase in the working capital requirement at 31 December 2018, linked to the increase in trade receivables and the decrease in tax and social security payables, is limited by the cash generated by repayment of 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 2018

	2018	2017
Permanent employees:		
- Managers	675	561
- White collar	3,455	2,467
TOTAL	**4,130**	**3,028**
Temporary employees seconded to placements by the Group	67,236	63,015
GRAND TOTAL	**71,366**	**66,043**

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

Temporary personnel are shown as full-time equivalent.

26.2 Comparison

Managers		White collar		Blue collar		TOTAL	
2018	2017	2018	2017	2018	2017	2018	2017
1,047	971	18,244	17,311	52,075	47,761	71,366	66,043

Note 27 Information on related parties

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

27.1 Overall remuneration

The overall remuneration of the members of the Group's administrative and management bodies in 2018 was €2,290 thousand, analysed as follows:

In € thousand	Gross	Social security contribution
Wages and short-term benefits	2,212	749
Post-employment benefits	78	-
Other long-term benefits	-	-
Share-based payments	-	-
TOTAL	**2,290**	**749**

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. €78 thousand and subject to a provision as described in Note 14.2.

27.3 Loans and advances

At the end of 2018, no loans and advances had been granted to members of the administrative and management bodies.

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.

A 66% stake was acquired in DCS EASYWARE from A D E at the start of June 2018 for €48.6 million. The impact is shown under changes in scope.

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

Note 28 Contingent commitments and liabilities

28.1 Commitments received and contingent assets

Banks had guaranteed SYNERGIE and some of its temporary employment subsidiaries in respect of its clients for €91,683 thousand in France and €32,259 thousand for the foreign subsidiaries at 31 December 2018.

28.2 Commitments given and contingent liabilities

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

Pending discounted bills

There were no pending discounted bills as at 31 December 2018.

Assets pledged as collateral

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

Commitments on operating leases

The maturity ladder for minimum lease commitments, translated according to the cash disbursed and closing exchange rates, not discounted and indexed to the last known rates, as of January 2019, is as follows:

In € thousand	< 1 yr	1 yr << 5 yrs	> 5 yrs	2018	2017
Commitments on operating leases France	4,317	4,247	72	8,635	6,714
Commitments on operating leases foreign subsidiaries	4,939	11,393	2 113	18,445	17,799
TOTAL	**9,256**	**15,640**	**2,185**	**27,080**	**24,514**

Payments recognised as expenses in respect of operating leases amounted to €14,673 thousand in 2018.

Pledge of Company shares

No shares of the Company have been pledged.

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

Note 29 Events after 31 December 2018

No events likely to bring into question the 2018 financial statements took place after the reporting date.

Note 30 Statutory Auditors' fees

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

In € thousand	FIGESTOR				JM AUDIT & CONSEILS			
	Amount (pre-tax)		%		Amount (pre-tax)		%	
	2018	2017	2018	2017	2018	2017	2018	2017
Audit								
Statutory audit, certification, review of individual and consolidated accounts								
- Issuer	237	227	84	83	237	227	100	100
- Fully consolidated subsidiaries	45	44	16	16				
Other work and services directly related to the task of the Statutory Auditor								
- Issuer								
- Fully consolidated subsidiaries	1		0	0		-		
Subtotal	**283**	**271**	**100**	**100**	**237**	**227**	**100**	**100**
Other services rendered by the networks to the fully consolidated subsidiaries								
- Legal, fiscal, social, other								
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**283**	**271**	**100**	**100**	**237**	**227**	**100**	**100**

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

REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

Financial year ended 31 December 2018

To the Shareholders' Meeting of SYNERGIE,

OPINION

Under the terms of the assignment entrusted to us by your Shareholders' Meeting, we conducted an audit of the accompanying consolidated financial statements of SYNERGIE SE for the financial year ended 31 December 2018.

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

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

BASIS OF OUR OPINION

Audit standards

We conducted our audit in accordance with the professional standards applicable in France. We believe that the audit evidence we have obtained forms a sufficient and appropriate basis for our opinion.
Our responsibilities by virtue of these standards are set out in the section of this report entitled "Statutory Auditors' responsibilities concerning the audit of the consolidated financial statements".

Independence

We conducted our audit in accordance with the independence rules applicable to us, for the period from 1 January 2018 to the date of issuance of our report, and in particular we provided no services that are prohibited under Article 5, paragraph 1, of EU Regulation no. 537/2014 or the code of ethics applicable to the statutory audit profession.

JUSTIFICATION OF OUR ASSESSMENTS - KEY AUDIT POINTS

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

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

MEASUREMENT OF GOODWILL
Risk identified

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

It is tested for impairment based on the cash flows of the relevant cash-generating units as soon as there are indications of impairment, and at least once a year, as indicated in Note 1.4.3 of the notes to the consolidated financial statements.

Goodwill amounted to €102,429 thousand at 31 December 2018.

Note 5.2 of the notes to the consolidated financial statements defines the methodology used to determine the value-in-use of the cash-generating units and describes the sensitivity of the tests to the various criteria, i.e. discount rate, perpetual growth rate and EBIT rate.

We deem the measurement of goodwill to be a key audit point because of the significant amount of goodwill in the consolidated financial statements and the sensitivity of the tests to the assumptions used by management.

Audit procedures implemented to deal with this risk

Our work consisted of:

- taking note of and assessing the process followed by management to carry out the impairment tests;
- checking that an appropriate model was used for the calculation of value-in-use;
- analysing the consistency of flows with the budgets established by local management and approved by management;
- comparing the projected cash flows for 2019 to 2022 with those used in the previous year's tests;
- comparing the actual 2018 data with the 2018 projections used in the previous year's tests;
- analysing the methodology followed for the calculation of the discount rate for each country;
- analysing the tests on the sensitivity of values-in-use to a change in the discount rate, perpetual growth rate and EBIT rate used by management in the budgets;

- assessing the appropriateness of the financial information provided in Note 5 of the notes to the consolidated financial statements.

SPECIFIC VERIFICATIONS

In accordance with the professional standards applicable in France, we also carried out the specific verifications stipulated by law and the regulations of information relating to the Group, as provided in the Executive Board's management report.
We have no observations to make as to its accuracy and consistency with the consolidated financial statements.

We certify that the consolidated declaration of non-financial performance stipulated by Article L. 225-102-1 of the French Commercial Code appears in the report on management of the Group, it being specified that, in accordance with the provisions of Article L. 823-10 of this code, we have not verified that the information contained in this declaration is accurate or consistent with the consolidated financial statements and it must be covered by a report by an independent third-party body.

INFORMATION ARISING FROM OTHER STATUTORY AND REGULATORY OBLIGATIONS

Appointment of the Statutory Auditors

We have been appointed as Statutory Auditors for SYNERGIE by the Shareholders' Meeting of 21 December 1983 in the case of APLITEC AUDIT & CONSEIL and of 29 June 1995 in the case of JM AUDIT ET CONSEILS.
As at 31 December 2018, APLITEC AUDIT & CONSEIL was in the 36th consecutive year of its assignment and JM AUDIT ET CONSEILS in the 24th year, it being the 32nd and 23rd year respectively since the Company's shares were admitted for trading on a regulated market.

RESPONSIBILITIES OF MANAGEMENT AND INDIVIDUALS INVOLVED IN CORPORATE GOVERNANCE WITH REGARD TO THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for drawing up consolidated financial statements providing a true and fair view in accordance with the IFRS framework as adopted in the European Union and also for implementing the internal controls it deems necessary to establish consolidated financial statements that are free of material misstatement, whether arising from fraud or error.

When drawing up the consolidated financial statements, management is responsible for assessing the Company's capacity to operate as a going concern, for presenting in these financial statements, where applicable, the necessary information on operation as a going concern and for applying the going concern accounting policy, unless there are plans for the Company to be liquidated or cease activity.

The Audit Committee is responsible for monitoring the process for preparing the financial information and the efficiency of the internal control and risk management systems, and, where applicable, the internal audit system, with respect to the procedures relating to the preparation and treatment of the accounting and financial information.

The consolidated financial statements were approved by the Executive Board.

RESPONSIBILITIES OF THE STATUTORY AUDITORS CONCERNING THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Audit purpose and process

Our role is to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole do not contain any material misstatements. While reasonable assurance corresponds to a high level of assurance, it does not guarantee that an audit performed in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or errors and are considered material when it can be reasonably expected that, when taken individually or combined, they may influence the economic decisions that the users of the accounts may take based on these misstatements.

As stipulated in Article L.823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not include guaranteeing the viability or quality of your Company's management.

In the case of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises his professional judgement throughout the audit. Moreover, the auditor:

- identifies and assesses the risks of the consolidated financial statements containing material misstatements, whether as a result of fraud or error, defines and implements audit procedures faced with these risks, and gathers the information he deems necessary and appropriate in order to form an opinion. The risk of failing to detect a material misstatement arising from fraud is greater than that of failing to detect a material misstatement resulting from error because the fraud may involve collusion, falsification, deliberate omissions, false statements or circumvention of internal controls;
- takes note of the internal controls that are relevant for the audit in order to define audit procedures that are appropriate to the circumstances, and not with the aim of expressing an opinion on the effectiveness of the internal controls;
- assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information on these items provided in the consolidated financial statements;
- assesses the appropriateness of the application by management of the going concern principle and, based on the information gathered, whether or not there is significant uncertainty surrounding events or circumstances that are likely to undermine the Company's capacity to continue to operate. This assessment draws on the information gathered up to the date of his report, bearing in mind nevertheless that subsequent circumstances or events could undermine the Company's continued operation. If the Statutory Auditor concludes that significant uncertainty exists, he will draw the attention of the readers of his report to the information provided on this uncertainty in the consolidated financial statements or, if this information is not provided or is not relevant, he will issue a qualified certificate or refuse to certify;
- considers the overall presentation of the consolidated financial statements and assesses if these consolidated financial statements reflect the underlying transactions and events in such a manner as to give a true and fair view thereof;
- concerning the financial information of persons or entities included in the consolidation scope, he gathers the information he deems sufficient and appropriate to express an opinion on the consolidated financial statements. He is responsible for the management, supervision and completion of the audit of the consolidated financial statements and the opinion expressed thereon.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee that notably presents the scope of the audit work, the schedule of tasks carried out and the resulting conclusions. Where applicable, we also bring to its attention any significant internal control weaknesses that we have identified concerning the procedures relating to the preparation and treatment of the accounting and financial information.

In our report to the Audit Committee, we also communicate what we deem to be the greatest risks of material misstatement impacting the audit of the consolidated financial statements for the year and, as such, those that constitute the key audit points. These points are described in this report.

We also provide the Audit Committee with the declaration stipulated by Article 6 of EU Regulation no. 537-2014 confirming our independence, within the meaning of the rules applicable in France, as set out notably by Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of ethics of the statutory audit profession. Where applicable, we discuss with the Audit Committee any risks to our independence and any safety measures applied.

Signed in Paris on 15 April 2019

JM AUDIT ET CONSEILS	**APLITEC AUDIT & CONSEIL**	
Abdoullah LALA	Marie Françoise BARITAUX-IDIR	Laurent GUEZ

CORPORATE FINANCIAL STATEMENTS

FINANCIAL DATA

1. STATEMENT OF FINANCIAL POSITION OF SYNERGIE SE

ASSET	NOTE	2018			2017
In € thousand	No.	GROSS	IMP[NT]	NET	NET
FIXED ASSETS					
Intangible assets					
Concessions, patents, licences and brands		8,541	4,783	3,759	2,409
Business intangibles, rights to leases		3,430	195	3,235	3,339
Assets under construction		1 121		1 121	1 274
TOTAL INTANGIBLE ASSETS	4	**13,092**	**4,978**	**8,114**	**7,023**
Property, plant and equipment					
Land					
Buildings		658	568	90	130
Other property, plant and equipment		21,364	11,518	9,846	7,220
TOTAL PROPERTY, PLANT AND EQUIPMENT	3	**22,022**	**12,086**	**9,936**	**7,350**
Long-term investments					
Equity interests		86,301	2,601	83,700	83,700
Receivables related to equity interests		51,013	69	50,944	2 275
Other fixed investments		12	7	5	9
Loans		14		14	14
Other long-term investments		5,563	37	5,526	7,430
TOTAL LONG-TERM INVESTMENTS	5	**142,902**	**2,713**	**140,189**	**93,428**
TOTAL FIXED ASSETS	9	**178,016**	**19,777**	**158,239**	**107,800**
WORKING CAPITAL					
Advances, downpayments made on orders		1 557		1 557	996
Client receivables and related accounts	6/10	251,870	9,879	241,990	237,723
Other receivables	10/11	224,237	257	223,980	247,353
Investments in securities	12	9,489		9,489	7,908
Available cash		19,458		19,458	23,784
TOTAL WORKING CAPITAL		**506,610**	**10,136**	**496,474**	**517,763**
PREPAYMENTS AND ACCRUED INCOME					
Prepaid expenses		1 477		1 477	1 142
Unrealised exchange loss	8/18	4,856		4,856	4,695
Deferred charges		-	-	-	-
TOTAL ASSETS		**690,960**	**29,913**	**661,046**	**631,400**

LIABILITIES In € thousand	NOTE No.	2018	2017
EQUITY			
Capital	13.1	121,810	121,810
Issue, merger and contribution premiums		-	-
Legal reserve	13.2	12,181	12,181
Regulated reserves		3,653	3,483
Other reserves		11,000	11,000
Retained earnings		183,620	131,628
PROFIT FOR THE YEAR		**67,653**	**71,362**
Regulated provisions		1,794	1,909
SHAREHOLDERS' EQUITY	13	**401,711**	**353,374**
PROVISIONS FOR RISKS AND CHARGES			
Provisions for risks		6,242	6,066
Provisions for charges		-	-
TOTAL PROVISIONS FOR RISKS AND CHARGES	7/14	**6,242**	**6,066**
PAYABLES			
Bank loans and other bank borrowings	15	49	44
Other loans and borrowings	15	10,366	16,586
Supplier payables and related accounts		7,637	6,354
Tax and social security payables		225,682	244,533
Payables on fixed assets and related accounts	17	660	331
Other payables		8,625	4,095
TOTAL PAYABLES	16	**253,020**	**271,943**
PREPAYMENTS AND ACCRUED INCOME			
Prepaid income		29,03	-
Unrealised exchange gain	8/18	44	18
TOTAL LIABILITIES		**661,046**	**631,400**

2. INCOME STATEMENT OF SYNERGIE SE

In € thousand	NOTE No.	2018	2017
Operating result			
Output of services		1,166,418	1,134,373
Operating subsidies		109	281
Reversals of depreciation and amortisation, transfers of expenses		12,940	14,816
Other income		6,326	5,545
TOTAL OPERATING INCOME	19/20	**1.185.793**	**1.155.015**
Operating expenses			
Other purchases and external expenses		47,988	41,687
Taxes and similar levies		51,546	50,240
Wages and salaries	21	814,128	792,941
Social security contributions		208,389	201,127
Depreciation and amortisation of fixed assets		2,592	2,024
Provisions for impairment of current assets		1,856	2,876
Provisions for risks and charges		-	-
Other expenses		175	2,207
TOTAL OPERATING EXPENSES		**1.126.675**	**1.093.101**
OPERATING RESULT		**59,119**	**61,914**
Financial income			
From equity interests		15,941	13,219
From other transferable securities and receivables on fixed assets		-	-
From other interest and similar income		165	184
Reversals of provisions and transfers of expenses		-	3
Positive exchange rate differences		-	-
Net income from the sale of investments in securities		-	-
TOTAL FINANCIAL INCOME		**16,106**	**13,406**
Financial expenses			
Depreciation, amortisation and provisions		198	600
Interest and similar expenses		280	277
Negative exchange rate differences		301	0
TOTAL FINANCIAL EXPENSES		**779**	**878**
FINANCIAL RESULT	22	**15,328**	**12,528**
OPERATING RESULT BEFORE TAX		**74,446**	**74,443**
Extraordinary income			
On management operations		5	18
On capital operations		111	197
Reversals of provisions and transfers of expenses		1,123	1,450
TOTAL EXTRAORDINARY INCOME		**1,238**	**1,666**
Extraordinary expenses			
On management operations		14	13
On capital operations		**1,196**	528
Extraordinary depreciation, amortisation and provisions		**1,024**	774
TOTAL EXTRAORDINARY EXPENSES		**2,234**	**1,315**
EXTRAORDINARY PROFIT	23	**(996)**	**351**
Income tax	24	5,798	3,431
Employee profit-sharing		-	-
Total income		**1,203,138**	**1,170,087**
Total expenses		**1,135,485**	**1,098,724**
NET PROFIT		**67,653**	**71,362**

3. STATEMENT OF CASH FLOWS OF SYNERGIE SE

In € thousands	2018	2017
Net profit	**67,653**	**71,362**
Derecognition of expenses and income without an impact on cash or not related to		
- Capital gains from sales	293	257
- Depreciation, amortisation and provisions (net of reversals)	4,236	3,028
- Other income and expenses that do not generate short-term cash flows (1)	(35,850)	(47,044)
SELF-FINANCING CAPACITY	**36,332**	**27,603**
Change in the working capital requirement relating to business activity	(10,032)	(15,022)
NET CASH FLOWS GENERATED BY BUSINESS ACTIVITY (2)	**26,300**	**12,581**
Purchases of property, plant and equipment and intangible assets	(6,235)	(5,815)
Sales of property, plant and equipment and intangible assets	-	2
Purchases of long-term investments	(49,191)	(2,252)
Sales of long-term investments	2,393	22
Sale of non-current financial asset (2)	28,011	-
NET CASH FLOWS RELATING TO INVESTMENT OPERATIONS	**(25,022)**	**(8,043)**
Dividends paid out to shareholders	(19,200)	(14,403)
Capital increase in cash	15,170	12,450
Loan issues	-	-
Loan repayments	-	-
NET CASH FLOWS RELATING TO FINANCING OPERATIONS	**(4,030)**	**(1,953)**
CHANGE IN CASH POSITION	**(2,752)**	**2,585**
Opening cash position	31,649	29,064
Closing cash position	28,897	31,649

(1) Portion of the 2018 CICE non imputable in 2018

(2) Sale of 2015 CICE to finance an investment

4. NOTES TO THE STATEMENT OF FINANCIAL POSITION AND THE INCOME STATEMENT OF SYNERGIE SE

SIGNIFICANT EVENTS

CICE

The French tax credit for competitiveness and employment (CICE), implemented as of January 2013 and calculated on wages less than or equal to 2.5 times the French growth-linked guaranteed minimum wage (SMIC), to which a coefficient of 7% was applied in 2017 (6% in 2018), was allocated to social security contributions pursuant to the recommendations of the French national accounting standards body (Autorité des Normes Comptables).

The CICE receivable is recognised in "Corporate income tax" in the statement of financial position (within "Other receivables"). The CICE amount not attributed in 2019 is allocated beyond one year.

The 2015 CICE receivable of €28,011 thousand was assigned to a financial institution in 2018.

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 following underlying assumptions:

- going concern,
- consistency of accounting methods,
- accruals concept.

In addition to compliance with general guidelines for the preparation and presentation of annual financial statements.

The basic method used to measure items recorded in the accounts is the historical cost method.

Regulation 2015-05 of 2 July 2015 on financial futures and hedging transactions has been applied to financial years beginning on or after 1 January 2017 and notably provides that foreign exchange gains and losses on trade receivables and payables should be recognised in 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 in financial income and expenses.

The annual financial statements were approved by the Executive Board on 29 March 2019.

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 year ended 31 December 2018 concern the measurement of equity investments, related receivables and current accounts, client bases and pension commitments.

Note 2 Valuation of fixed assets

2.1 Options taken by the Company

Intangible assets, property, plant and equipment, and long-term investments are measured at their acquisition cost (purchase price and ancillary costs). The Company has elected to incorporate acquisition expenses into the acquisition costs of equity investments acquired. By contrast, for intangible assets and property, plant and equipment, as well as financial assets other than equity investments, the Company has opted for expensing.

The Company has opted not to capitalise borrowing costs in 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 lives of fixed assets

TYPE OF ASSET	Useful life	Conventional useful life
Intangible assets		
Concessions, patents and similar rights	5 years	1 to 3 years
Business intangibles	-	-
Property, plant and equipment		
Buildings	20 to 30 years	20 to 30 years
Fixtures and fittings	-	-
Technical facilities	-	-
Equipment and tools	5 years	5 years
General facilities	7 years	5 to 7 years
Transport equipment	5 years	5 years
Office equipment	5 years	4 years
Computer equipment	5 years	3 years
Furniture	10 years	10 years

The difference between the accounting duration and the fiscal duration was subject to accelerated depreciation and recorded as a regulated provision.

Note 4 Intangible assets

The item "Concessions, patents, licences and brands" comprises the SYNERGIE brand and software.

The item "Business intangibles, leasehold rights" comprises business goodwill 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.

The item “Assets under construction” in the amount of €1,121 thousand corresponds to software development of €545 thousand and fixtures and fittings of €576 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 measured, pursuant to Article 221-3 of the French GAAP, at 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 region or the business line controlled by the subsidiary,
- the share of the subsidiary's equity owned.

Impairment is recognised where necessary if the value-in-use of the equity investments and related receivables thus calculated falls below their carrying value. At 31 December 2018, this approach did not result in the need to recognise any impairment.

Note 33 shows the table of subsidiaries and equity interests.

Purchase of treasury shares

Under a liquidity contract, SYNERGIE SE:

- purchased 130,669 shares at an average price of €40,525,
- sold 112,433 shares at an average price of €41,170.

At 31 December 2018, SYNERGIE SE held:

- through this contract, 26,101 treasury shares purchased at an average price of €25.81, i.e. €674 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 recorded as long-term investments, as stipulated by the French GAAP (article 221-6).

The share price at 31 December 2018 was €24.45.

Note 6 Trade receivables and revenue recognition

6.1 Trade receivables

Trade receivables are recognised at their nominal value.

When current events make the recovery of these receivables uncertain, they are impaired according to the nature of the risk (late settlement or disputed debt, receivership or liquidation of assets).

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

6.2 Other receivables

When the gross value of receivables due from subsidiaries is challenged by an existing significant gap between the value of the equity investment 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 above in Note 5.

Note 7 Provisions

In accordance with Article 214-25 of the French GAAP, a provision is recognised when the Company has an obligation towards a third party which will probably or certainly require an outflow of resources to this third party without at least the equivalent compensation being expected from the latter. The amount of the provision is determined after consulting the Company's advisers.

Note 8 Foreign currency transactions

Expenses and income in foreign currencies are recorded at their exchange value at the transaction date. Payables, receivables and cash in foreign currencies are recorded in the statement of financial position at their exchange value at the year end.

The difference arising from the translation of payables and receivables in foreign currencies at this year-end rate is recorded in the statement of financial position in "Translation gains or losses". A full provision is made for unrealised exchange losses that are not offset.

NOTES TO THE STATEMENT OF FINANCIAL POSITION OF SYNERGIE SE

Note 9 Fixed assets

In € thousand	Amounts at 01/01/2018	Increase	Decrease	Amounts at 31/12/2018
Intangible assets				
Concessions, patents, licences and brands	6,773	2,046	277	8,541
Business intangible rights to leases	3,534	-	104	3,430
Assets under construction	1,274	977	1,130	1,121
Total intangible assets	**11,581**	**3,023**	**1,512**	**13,092**
Property, plant and equipment				
Land	-	-	-	-
Buildings	658	-	-	658
Facilities, equipment and tools	-	-	-	-
Other property, plant and equipment	18,189	4,671	1,496	21,364
Total property, plant and equipment	**18,847**	**4,671**	**1,496**	**22,022**
Long-term investments				
Loans to subsidiaries and associates	88,644	48,670	-	137,313
Other fixed investments	16	-	4	12
Loans	14	-	-	14
Other financial assets	7,430	5,156	7,024	5,563
Total financial assets	**96,104**	**53,826**	**7,028**	**142,902**
TOTAL	**126,533**	**61,519**	**10,036**	**178,016**

Intangible assets

The €2,046 thousand increase in “Concessions, patents, licences and brands” corresponds solely to the purchase of software.

The €381 thousand decrease in intangible assets comprises reductions of €277 thousand for software (scrapping) and €104 thousand for leasehold rights.

Property, plant and equipment

The increase in the "Other property, plant and equipment" item includes:

- €3,925 thousand for fixtures and fittings relating to openings, transfers and refurbishments of agencies or Open Centers;
- €95 thousand for the acquisition of new computer and office equipment;
- €650 thousand for purchases of new office furniture.

The decrease in the "Other property, plant and equipment" item results from:

- €1,269 thousand for fixtures and fittings relating to openings, transfers and refurbishments of agencies or Open Centers;
- €61 thousand relating to transport equipment;
- €167 thousand relating to office equipment and furniture.

Long-term investments

The increase in the gross value of “Equity interests and related receivables” corresponds mainly to a current account advance of €48,600 thousand to SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS for the acquisition of DCS EASYWARE.

Depreciation, amortisation and impairment

In € thousand	Amounts at 01/01/2018	Increase	Decrease	Amounts at 31/12/2018
Intangible assets				
Concessions, patents, licences and brands	4,365	681	261	4,784
Business intangible rights to leases	195	-	-	195
Total intangible assets	**4,560**	**681**	**261**	**4,979**
Property, plant and equipment				
Buildings	528	40	-	568
Facilities, equipment and tools	-	-	-	-
Other property, plant and equipment	10,972	1,872	1,325	11,519
Total property, plant and equipment	**11,500**	**1,911**	**1,325**	**12,086**
TOTAL	**16,059**	**2,592**	**1,586**	**17,065**
Financial assets				
Loans to subsidiaries and associates	2,601	-	-	2,601
Other fixed investments	75	-	-	75
Other financial assets	-	37	-	37
Total financial assets	**2,676**	**37**	**-**	**2,713**
TOTAL	**18,735**	**2,629**	**1,586**	**19,778**

Pursuant to the rules set out in Notes 4 and 5, no impairment is recognisable at the year end.

Note 10 Receivables

In € thousand	2018 Gross amounts	Provisions depreciation & amortisation	2018 net amounts	2017 net amounts
Client receivables and related accounts	251,870	9,879	241,990	237,723
Other receivables	224,237	257	223,980	247,353
TOTAL	**476,107**	**10,136**	**465,970**	**485,076**

Receivables from training organisations account for €25,947 thousand of the "Other receivables" item.

Receivables in foreign currencies are valued at the closing rate, with the difference compared with the initial rate being 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 agreements or agreements for current account advances repayable at any time.

Note 11 Maturity analysis of receivables at the year end

In € thousand	Gross amount		Up to one year		Beyond one year	
	2018	2017	2018	2017	2018	2017
Fixed assets						
Receivables related to equity interests	51,013	2,343	-	-	51,013	2,343
Loans	14	14	14	14	-	-
Other long-term investments	5,563	7,430	-	-	5,563	7,430
Total fixed assets	**56,589**	**9,787**	**14**	**14**	**56,576**	**9,773**
Working capital						
Bad and doubtful debts	12,414	11,950	-	-	12,414	11,950
Other client receivables	239,456	234,065	239,456	234,065	-	-
Personnel	95	106	88	99	7	7
Social bodies	25,999	25,814	25,974	25,788	25	25
Income tax	124,635	141,780	1,448	30,833	123,187	110,946
Value-added tax	1,205	777	1,205	777	-	-
Other tax	-	5,291	-	1,546	-	3,745
Group and associates	72,057	73,484	72,041	73,468	16	16
Sundry debtors	246	357	31	142	215	215
Total working capital	**476,107**	**493,625**	**340,242**	**366,719**	**135,865**	**126,906**
Prepaid expenses	1,477	1,142	1,477	1,142	-	-
TOTAL	**534,173**	**504,554**	**341,733**	**367,875**	**192,441**	**136,679**

Receivables include accrued income of €36,614 thousand as at 31 December 2018, analysed as follows:

In € thousand	2018	
Client receivables and related accounts, of which:		**9,620**
Clients - unbilled revenue outside Group	3,700	
Clients - unbilled revenue within Group	5,920	
Other receivables, of which:		**26,993**
Suppliers - assets to be received outside Group	12	
Suppliers - assets to be received within Group	11	
Personnel - income to be received	-	
Social bodies - income to be received	-	
Training bodies - income to be received	25,947	
State - Levies	1,012	
Other receivables	12	

Note 12 Investments

In € thousand	2018	2017
Investments in securities	-	-
Deposits and term accounts	9,489	7,908
TOTAL	**9,489**	**7,908**

Deposits and term accounts have terms of up to three months.

Note 13 Shareholders' equity

13.1 Share capital

At 31 December 2018, the share capital comprised 24,362,000 shares of €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	2018 TOTAL	2017 TOTAL
Opening shareholders' equity	121,810		158,292	71,362	1,909	353,374	296,898
Capital reduction						-	-
Appropriation of 2015 earnings			52,162	(71,362)		(19,200)	(14,403)
Profit of the year				67,653		67,653	71,362
Changes in regulated provisions					(115)	(115)	(484)
Closing shareholders' equity	**121,810**	**-**	**210,454**	**67,653**	**1,794**	**401,711**	**353,374**

During 2018, dividends amounting to €19,490 thousand were paid out while undistributed dividends attached to treasury shares were carried forward in the amount of €290 thousand, giving a net distribution of €19,200 thousand.

The item "Reserves and carry-forward" includes a "Regulated reserve" of €3,653 thousand, corresponding to the reserve for treasury shares.

Note 14 Provisions for risks and charges

In € thousand	2017	Increase	Decrease	2018
Social and tax risks	1,354	459	443	1,370
Other risks	4,712	176	16	4,872
TOTAL	**6,066**	**635**	**458**	**6,242**

At 31 December 2018, the provision for foreign exchange risk was €4,856 thousand, which was included in other risks

Note 15 Loans and borrowings

In € thousand	2018	2017
Long-term bank loans and other bank borrowings	-	-
Current bank debt and bank overdrafts	49	44
Miscellaneous borrowings	10,366	16,586
TOTAL	**10,416**	**16,630**

The Company has not held bank debt since October 2013.

Note 16 Maturity analysis of payables at the year end

In € thousand	Gross amounts		<1 yr		1 ayr <<5 yrs		>5 yrs	
	2018	2017	2018	2017	2018	2017	2018	2017
Other bank borrowings:								
Borrowings - up to 1 yr	49	44	49	44	-	-	-	-
Borrowings - more than 1 yr	-	-	-	-	-	-	-	-
Miscellaneous borrowings	9	9	-	-	9	9	-	-
Group and associates	10,358	16,577	10,358	16,577	-	-	-	-
Trade payables and related	7,637	6,354	7,637	6,354	-	-	-	-
Tax and social security	225,682	244,533	225,682	244,533	-	-	-	-
Payables on fixed assets and related accounts	660	331	660	331	-	-	-	-
Other payables	8,624	4,094	8,624	4,094	-	-	-	-
Subtotal	**253,020**	**271,943**	**253,011**	**271,934**	**9**	**9**	**-**	**-**
Prepaid income	29	-	29	-	-	-	-	-
TOTAL	**253,049**	**271,943**	**253,040**	**271,934**	**9**	**9**	**-**	**-**

Accrued expenses for 2018, included in payables, represent €73,526 thousand, analysed as follows:

In € thousand	2018	
Bank loans and other bank borrowings		**49**
Of which interest accrued on loans	-	
Bank charges	49	
Loans and borrowings		**-**
Of which interest accrued on employee profit-sharing	-	
Trade payables		**5,767**
Of which suppliers - invoices not yet received outside the Group	4,937	
Suppliers - invoices not yet received within the Group	831	
Tax and social security payables		**61,902**
Of which personnel and related accounts	18,549	
Social bodies	13,755	
State - Levies	29,597	
Other payables		**5,807**
Clients - accrued credit notes outside Group	5,807	
Clients - accrued credit notes within Group	-	

Note 17 Payables on fixed assets

In € thousand	2018	2017
Payables on equity investments	-	-
Payables to suppliers (property, plant and equipment	660	331
TOTAL	**660**	**331**

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 closing date on the current account balances 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 €4,856 thousand. It relates to ACORN (SYNERGIE) UK and ACORN RECRUITMENT for an amount of €4,821 thousand and SYNERGIE HUNT INTERNATIONAL. The unrealised exchange gain of €44 thousand relates to SYNERGIE SUISSE.

NOTES TO THE INCOME STATEMENT OF SYNERGIE SE

Note 19 Breakdown of turnover

In € thousand	2018	2017
Revenue France	1,163,536	1,131,583
Revenue exported	2,881	2,791
TOTAL	**1,166,418**	**1,134,373**

Turnover generated in France comprises the billing of temporary employment in the amount of €1,159,588 thousand, employee placement in the amount of €5,258 thousand and other services for €1,572 thousand.

Note 20 Other income, reversals of provisions and transfers of expenses

In € thousand	2018	2017
Capitalised production costs	1,623	1,118
Operating subsidies	109	281
Reversals on depreciation, amortisation and provisions	269	2,100
Transfers of expenses	12,671	12,716
Brand royalties	4,301	3,890
Other income from ordinary operations	403	537
TOTAL	**19,376**	**20,642**

The "Transfers of expenses" item breaks down as follows:

In € thousand	2018	2017
Transfers of expenses on compensation	10,036	11,361
Transfers of expenses on insurance	618	519
Transfers of expenses on purchases not held in inventory	21	25
Transfers of expenses on leases	361	362
Transfers of expenses on other services	1 634	448
TOTAL	**12,671**	**12,716**

Transfers of expenses on compensation correspond mainly to remuneration financed by training organisations.

Note 21 Personnel costs

In € thousand	2018	2017
Wages and benefits	814,128	792,941
Social security contributions	208,389	201,127
Employee profit-sharing	-	-
TOTAL	**1022,518**	**994,068**

The French tax credit for competitiveness and employment (CICE) gave rise to a €41,937 thousand reduction in social security contributions.

Note 22 Financial income and expenses

In € thousand	2018	2017
Dividends	15,170	12,450
Interest on current accounts of subsidiaries	636	592
Interest on long/medium-term bank loans	(74)	(12)
Interest on profit-sharing	-	(3)
Income from investments in securities	94	83
Other financial income	51	100
Allocations and reversals of provisions on securities	(37)	3
Allocations and reversals on translation gains or losses	(160)	(600)
Foreign exchange gains (losses)	(301)	-
Discounts granted	(51)	(84)
FINANCIAL RESULT	**15,328**	**12,528**

Note 23 Extraordinary income and expenses

In € thousand	2018	2017
Extraordinary expenses		
On management operations	(14)	(13)
On capital operations	(1,196)	(528)
Extraordinary depreciation, amortisation and provisions	(1,024)	(774)
Total extraordinary expenses	**(2,234)**	**(1,315)**
Extraordinary income		
On management operations	5	18
On capital operations	111	197
Reversals of provisions and transfers of expenses	1,123	1,450
Total extraordinary income	**1,238**	**1,666**
EXTRAORDINARY PROFIT	**(996)**	**351**

Note 24 Corporate income tax

In € thousand	2018	2017
On profit from ordinary operations	6,113	3,684
On extraordinary profit	(332)	141
On profit-sharing	-	-
Tax consolidation result	17	(394)
TOTAL	**5,798**	**3,431**

Note 25 Deferred tax position

An unrealised receivable of €636 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 €598 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 administrative and management bodies of SYNERGIE SE is provided below.

26.1 Remuneration

The remuneration of the directors is €566 thousand.

26.2 Pension commitments

At the end of 2018, no commitment had been made by SYNERGIE SE in relation to pensions and related benefits for members of the administrative and management bodies.

26.3 Loans and advances

At the end of 2018, no loans or advances had been granted to members of the administrative and management bodies.

Note 27 Information on related parties

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

A 66% stake was acquired in DCS EASYWARE from A D E in early June 2018 for €48,600 thousand.

Relationships with subsidiaries are concluded under arm's length conditions.

Note 28 Company workforce at the year end

	Permanent employees	Temporary employees	2018	2017
Manager and similar	364	351	715	736
White collar	914	6,496	7,410	7,240
Blue collar	-	23,078	23,078	22,650
TOTAL	**1,278**	**29,925**	**31,203**	**30,626**

Permanent personnel are those present at the year end, all categories combined. In 2018, the workforce corresponded solely to those assigned to the services sector.

Temporary personnel 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 2018

- SYNERGIE SE (being the only company liable to pay tax to the tax authorities)
- DIALOGUE & COMPETENCES (included from 1993)
- AILE MEDICALE (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 the 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 the year end are negligible.

Note 30 CICE (French tax credit for competitiveness and employment)

As recommended by French accounting standards, income of €41,937 thousand from the French tax credit for competitiveness and employment (CICE) for the year was deducted from personnel costs and operating expenses.

SYNERGIE SE has mainly used the CICE to fund investment, training and recruitment initiatives and to replenish working capital.

Note 31 Off-balance sheet commitments

In € thousand	2018	2017
Commitments given		
Discounted bills	-	0
Counterparty guarantees for temporary employment	30,751	11,256
Supplementary commitments on securities purchases	15,360	10,769
Guarantees on mortgages	19,216	18,425
Commercial leases (rents to expiry)	8,066	6,272
TOTAL	**73,393**	**46,722**
Commitments received		
BNP guarantee	90,265	80,690
of INTERSEARCH if return to better fortunes after 2009, 2010 and 2011 debt waiver	715	715
of DIALOGUE & COMPETENCES if return to better fortunes after 2011 debt waiver	1,724	1,724
TOTAL	**92,704**	**83,129**

The 2018/2019 temporary employment guarantee, based on turnover of €1,159,588 thousand, should amount to €92,767 thousand.

In € thousand	2018	2017
Commitments relating to finance leases		
Gross fixed assets	5,349	4,984
Accumulated depreciation and amortisation	3,581	3,124
Allocations in the year	1,308	1,284
Reversals in the year	851	-
Increase in commitments in the year	1,293	1,045
Decrease in commitments in the year	1,467	1,193
Outstanding charges	1,946	2,120

In 2018, the breakdown of commitments within one year and from one to five years on leases and finance leases amounted to €1,114 thousand and €832 thousand respectively.

Pension commitments

The pension commitments of permanent personnel in relation to their defined benefit schemes are measured according to the projected unit credit method, pursuant to ANC recommendation no. 2013-02; the following assumptions were used as at 31 December 2018:

- Salary increase rate: 2%
- Personnel turnover rate: calculated by age bracket
- Social security contribution rate: 45%
- Life expectancy table: TU-TD2011-2013
- Discount rate (based on iBoxx indices): 1.57%
- Estimate based on average retirement 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 were estimated at €3,406 thousand, including social security contributions. The capital established with an insurance company covered €3 thousand of this commitment at 31 December 2018.

The retirement benefits paid out in 2018 amounted to €261 thousand, compared with €571 thousand in 2017.

Note 32 Contingent commitments and liabilities

At the end of the years shown, no other significant commitments had been entered into, and no contingent liabilities existed (other than those provisioned or covered in Note 14) that are likely to significantly affect the assessment of the financial statements.

Note 33 List of subsidiaries and equity interests of SYNERGIE SE for the year ended 31 December 2018

SYNERGIE SE is the consolidating company of the Group in which the subsidiaries mentioned below are consolidated.

In € thousand COMPANIES	Capital	Shareholders' equity other than capital	% of capital held	Gross inventory value	Net inventory value
1/ French subsidiaries					
AILE MÉDICALE	72	4,943	100%	1,886	1,886
SYNERGIE PROPERTY	5.000	863	100%	5,000	5,000
2/ Foreign subsidiaries					
SYNERGIE ITALIA (Italy)	2.500	33,197	85%	3,437	3,437
SYNERGIE BELGIUM (Belgium)	250	44,490	99%	7,911	7,911
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain) (1)	40.000	73,187	100%	64,561	64,561
3/ Comprehensive information on other securities whose gross value does not exceed 1 % of SYNERGIE's					
Other subsidiaries and equity interests				3,506	905
TOTAL				**86,301**	**83,700**

In € thousand COMPANIES	Loans and advances	Guarantees given	2017 revenue	2017net profit	Dividends received by SYNERGIE in 2017
1/ French subsidiaries					
AILE MÉDICALE	-	-	17,306	1,001	-
SYNERGIE PROPERTY	3,586	13,012	1,679	715	-
2/ Foreign subsidiaries					
SYNERGIE ITALIA (Italy)	9,516	17,579	420,143	14,054	5,270
SYNERGIE BELGIUM (Belgium)	402	885	268,195	10,708	9,900
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain)	50,806	12,228	-	234	-
3/ Comprehensive information on other securities whose gross value does not exceed 1 % of SYNERGIE's					
Other subsidiaries and equity interests	58,450	-	-	-	-
TOTAL	**122,759**	**43,704**			**15,170**

Note 34 Events after the reporting period

No significant events after the reporting period and up to 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

REPORT OF THE STATUTORY AUDITORS
ON THE ANNUAL FINANCIAL STATEMENTS

Financial year ended 31 December 2018

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 2018.

We hereby certify that, with regard to French accounting rules and principles, the annual financial statements give a true and fair view of the assets, financial position and results 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 by virtue of these standards are set out in the section of this report entitled "Responsibilities of the Statutory Auditors' concerning the audit of the annual financial statements".

Independence

We conducted our audit in accordance with the independence rules applicable to us, for the period from 1 January 2018 to the date of issuance of our report, and in particular we provided no services that are prohibited under Article 5, paragraph 1, of EU Regulation no. 537/2014 or the code of ethics applicable to the statutory audit profession.

JUSTIFICATION OF OUR ASSESSMENTS - KEY AUDIT POINTS

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

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

Measurement of equity investments, receivables and related current accounts

Risk identified

At 31 December 2018, the net carrying amount of equity investments, receivables and related current accounts in assets was €206,685 thousand.

Notes 5 and 6.2 of the notes to the annual financial statements specify that these assets are recognised at their acquisition cost and that an impairment loss 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 management in calculating the projected future cash flows and concerning the main assumptions used.

We deem the measurement of equity investments, receivables and related current accounts to be a key audit point because of the significant amount they represent in the annual financial statements and the sensitivity of the tests to the assumptions used by management.

Audit procedures implemented to deal with this risk

Our work consisted of:

- taking note of and assessing the process followed by management to estimate the value-in-use of equity investments, 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 consistency of projected future cash flows;

    checking that an appropriate model was used for the calculation of value-in-use;
    - analysing the consistency of cash flows with the budgets established by local management and approved by management;
    - comparing the projected cash flows for 2019 to 2022 with those used in the previous year's tests;
    - comparing the actual 2018 data with the 2018 projections used in the previous year's tests;
    - analysing the methodology followed for the calculation of the discount rate for each country;

- assessing the appropriateness of the financial information provided in Notes 5 and 6.2 of the notes to the annual financial statements.

SPECIFIC VERIFICATIONS

In accordance with the professional standards applicable in France, we also carried out the specific verifications stipulated by law and the regulations.

Information provided in the management report and other documents issued to shareholders on the financial position and the annual financial statements

We have no observations to make as to the accuracy and consistency with the annual financial statements of the information provided in the management report of the Executive Board and other documents issued to shareholders on the financial position and the annual financial statements.

We hereby certify the accuracy and consistency with the annual financial statements of the information relating to payment terms covered in Article D.441-4 of the French Commercial Code.

Report on corporate governance

We hereby certify the existence, in the Supervisory Board's report on corporate governance of the information required by 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 have been appointed as Statutory Auditors for SYNERGIE SE by the Shareholders' Meeting of 21 December 1983 in the case of APLITEC AUDIT & CONSEIL and of 29 June 1995 in the case of JM AUDIT ET CONSEILS.

As at 31 December 2018, APLITEC AUDIT & CONSEIL was in the 36th consecutive year of its assignment and JM AUDIT ET CONSEILS in the 24th year, it being the 32nd and 24th year respectively since the Company's shares were admitted for trading on a regulated market.

Responsibilities of management and individuals involved in corporate governance with regard to the annual financial statements

Management is responsible for drawing up annual financial statements providing a true and fair view in accordance with French accounting rules and principles and also for implementing the internal controls it deems necessary to establish annual financial statements that are free of material misstatement, whether arising from fraud or error.

When drawing up the annual financial statements, management is responsible for assessing the Company's capacity to operate as a going concern, for presenting in these financial statements, where applicable, the necessary information on operation as a going concern and for applying the going concern accounting policy, unless there are plans for the Company to be liquidated or cease activity.

The Audit Committee is responsible for monitoring the process for preparing the financial information and the efficiency of the internal control and risk management systems, and, where applicable, the internal audit system, with respect to the procedures relating to the preparation and treatment of the accounting and financial information.

The annual financial statements were approved by the Executive Board.

RESPONSIBILITIES OF THE STATUTORY AUDITORS CONCERNING THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Audit purpose and process

Our role is to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole do not contain any material misstatements. While reasonable assurance corresponds to a high level of assurance, it does not guarantee that an audit performed in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or errors and are considered material when it can be reasonably expected that, when taken individually or combined, they may influence the economic decisions that the users of the accounts may take based on these misstatements.

As stipulated in Article L.823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not include guaranteeing the viability or quality of your Company's management.

In the case of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises his professional judgement throughout the audit.

Moreover, the auditor:

- identifies and assesses the risks of the annual financial statements containing material misstatements, whether as a result of fraud or error, defines and implements audit procedures faced with these risks, and gathers the information he deems necessary and appropriate in order to form an opinion. The risk of failing to detect a material misstatement arising from fraud is greater than that of failing to detect a material misstatement resulting from error because the fraud may involve collusion, falsification, deliberate omissions, false statements or circumvention of internal controls;

- takes note of the internal controls that are relevant for the audit in order to define audit procedures that are appropriate to the circumstances, and not with the aim of expressing an opinion on the effectiveness of the internal controls;

- assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information on these items provided in the annual financial statements;

- assesses the appropriateness of the application by management of the going concern principle and, based on the information gathered, whether or not there is significant uncertainty surrounding events or circumstances that are likely to undermine the Company's capacity to continue to operate. This assessment draws on the information gathered up to the date of his report, bearing in mind nevertheless that subsequent circumstances or events could undermine the Company's continued operation. If the Statutory Auditor concludes that significant uncertainty exists, he will draw the attention of the readers of his report to the information provided on this uncertainty in the annual financial statements or, if this information is not provided or is not relevant, he will issue a qualified certificate or refuse to certify;

- considers the overall presentation of the annual financial statements and assesses if these annual financial statements reflect the underlying transactions and events in such a manner as to give a true and fair view thereof.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee that notably presents the scope of the audit work, the schedule of tasks carried out and the resulting conclusions. Where applicable, we also bring to its attention any significant internal control weaknesses that we have identified concerning the procedures relating to the preparation and treatment of the accounting and financial information.

In our report to the Audit Committee, we also communicate what we deem to be the greatest risks of material misstatement impacting the audit of the annual financial statements for the year and, as such, those that constitute the key audit points. These points are described in this report.

We also provide the Audit Committee with the declaration stipulated by Article 6 of EU Regulation no. 537-2014 confirming our independence, within the meaning of the rules applicable in France, as set out notably by Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of ethics of the statutory audit profession. Where applicable, we discuss with the Audit Committee any risks to our independence and any safety measures applied.

Paris, 15 April 2019

The Statutory Auditors
Registered members of the Compagnie Régionale de Paris

JM AUDIT ET CONSEILS	**APLITEC AUDIT & CONSEIL**	
Abdoullah LALA	Marie Françoise BARITAUX-IDIR	Laurent GUEZ

DECLARATION FROM THE PERSON IN CHARGE OF THE ANNUAL FINANCIAL STATEMENT

Paris, 15 April 2019

I certify that, to my knowledge, the annual financial statements were prepared in compliance with the applicable accounting standards and provide a fair view of the assets, financial position and results of the Company and of all companies included in the consolidation.
The management report therefore includes a fair picture of business developments, results and financial position of the Company and of all companies included in the consolidation, as well as a description of the principal risks and uncertainties they face.

Daniel AUGEREAU
Chairman of the Executive Board