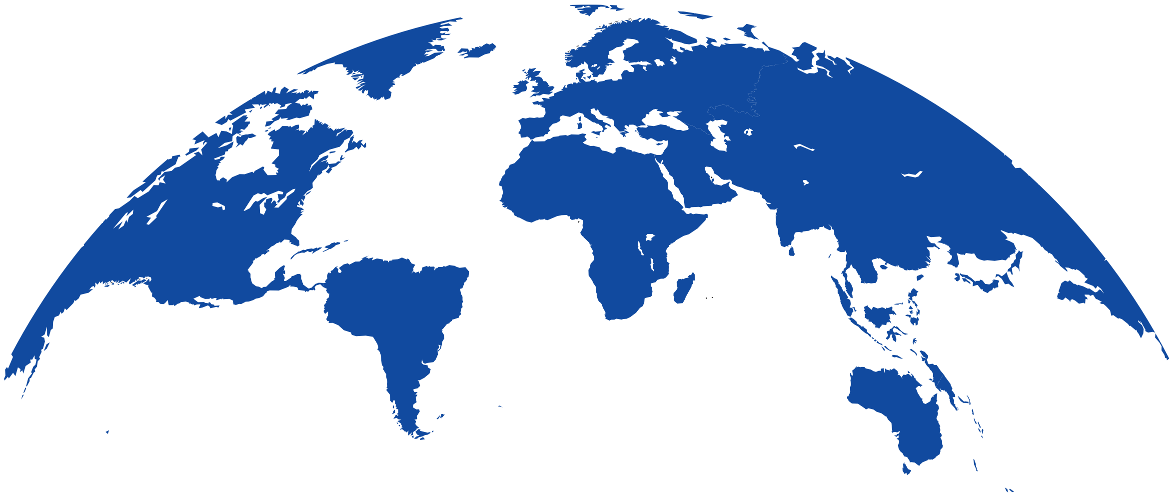
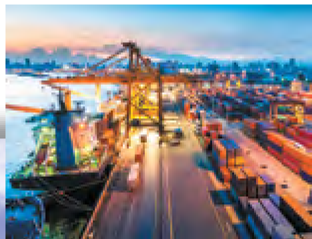
CLASQUIN
OVERSEAS FORWARDING & LOGISTICS EXPERTS



ANNUAL REPORT 2017

CLASQUIN,
THE CLIENTS, PROFIT
& Fun COMPANY



AIR & SEA FREIGHT FORWARDING AND OVERSEAS LOGISTICS
5 CONTINENTS - 20 COUNTRIES - 62 OFFICES

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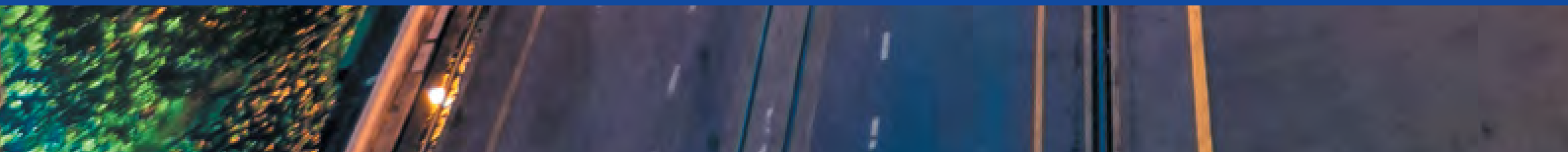


Introduction

With an integrated network of over 60 offices and 800 employees worldwide (2018), we are the only French medium-sized multinational in the Freight Forwarding and Overseas Logistics sector. This unique positioning enables us to offer global end-to-end solutions that rival industry giants, with the service quality of an SME (client focus, customised offering, creativity, responsiveness, etc.).

We therefore offer a comprehensive platform of high added value services in the global management of the overseas supply chain: the design and management of customised transport and logistics solutions as well as the selection and coordination of a network of the very best partners.

Driven by a passion for our business and for customer service, the expertise and enthusiasm of our teams, and thanks to our international development strategy (initially Asia, then extended to the Americas and Europe), the trust placed in us by our clients, our winning mindset and our performance culture, we have posted double-digit growth for over thirty-five years.

YVES REVOL
CHAIRMAN & CEO

« 2017 **robust business** and earnings growth »

How do you view 2017 business volumes and results?
Overall, it's been a rather good year. Thanks to the market upswing (the sea freight/container market is up 4 % in terms of volumes and air freight is up 9 %), the Group has once again managed to outperform the market thanks to the quality of its offering and its capacity to acquire new clients, as shown by the following indicators:

- Number of shipments: 246,657/up 11.1 %;
- Sales: € 290.6 m /up 23.6 %;
- Gross profit: € 62.9 m/up 9.4 %;
- Sea freight: 168,832 TEU (Twenty-foot Equivalent Units)/ up 17.1 %;
- Air freight: 63,446 tons/up 18.8 %.

Growth rates are similar to those seen before the 2008 financial crisis. All of our businesses are growing (sea, air, RORO[1], overseas logistics), with two thirds of this growth resulting from the acquisition of new clients. In addition to this growth, we continue to proactively expand our offering:

- expansion of our geographical footprint via the creation of an Africa division targeting French-speaking sub-Saharan Africa;
- successful launch of our Supply-Chain Management offering;
- excellent market response to our Overseas Logistics offering;
- development of our niche markets (Fine Arts, etc.);
- strong growth in the Wine&Spirits business.

Current operating income increased 13.2 %, resulting from strong growth in GP (gross profit). However, this growth was curbed by an increase in expenses (up 10.2 %) mainly resulting from significant HR and IT investments, which naturally impacted earnings. For information purposes:

- change in consolidation scope and forex impact: up 1.6 %
- new transport management software and IT architecture: up 1.4 %
- non-recurring expenses: up 1.0 %.

Furthermore, this year CLASQUIN Germany once again incurred significant losses.

What were the highlights of 2017?
After 2016, when we replaced half the members of our Executive Committee, we continued our transition phase in 2017 with the appointment of a new CIO, the overhaul of our IST team and the deployment of our new CargoWise One transport management software (published by market leading Australian firm Wisetech). Following deployment in Milan (April), Hong Kong (May), China (August) and Australia (December), 40 % of the Group is now using this software with uninterrupted continuity of service. Deployment in France is currently underway in the first quarter of 2018. The new TMS[2] will enable us to standardise and streamline Group transport management, improve productivity, open new locations or make acquisitions, and optimise relations with clients and our entire ecosystem. The deployment of CargoWise One across the entire Group is scheduled for completion by early 2019.
Other 2017 highlights include a number of new hirings aimed at strengthening the Group's development capacity:

- Matt INGRAM, our new CEO for the USA,
- Fulvio MOLETTI, our new CEO for South-East Asia.

And other talented new arrivals too numerous to be listed here. I would also add the appointment of Paul Momege as Chairman and CEO of our IT subsidiary Log System following his predecessor's retirement.
Finally, we performed substantial downsizing in Germany in order to significantly lower the breakeven point; our former Düsseldorf Regional Director is now CEO for Germany.

What are the results of companies acquired or created in 2016?
In the case of Art Shipping, a company acquired in May 2016 and specialising in the transportation of artwork, business volumes and earnings were in line with the business plan. The company made a profit. CLASQUIN Portugal launched operations in October 2016. While integration is progressing satisfactorily, ramp-up fell short of our objectives as the company recorded a loss for its first financial year (2017). Finally, CLASQUIN Chile, which launched operations in November 2016, achieved strong business levels in line with expectations. It posted a slight loss in the first financial year (2017).

I And what about the Group's long-term strategy?

CLASQUIN has been applying the same business model for over 25 years, and has demonstrated its capacity for growth in the management of goods flows on East-West routes. Our growth was underpinned by regular opening of new offices in our three core regions, Europe, Asia and North America. Over the years, we have succeeded in leveraging a high-growth market while continuing to grow our market share in all of our operating regions, resulting in annual double-digit growth up until 2008. The 2008 financial crisis forced us to look for new growth drivers:

> we extended our geographical offering to North Africa and the Middle East;

> we ramped up our market presence in India and South-East Asia, where we already operate; these are expected to be the fastest-growing countries in terms of external trade over the next ten years;

> we intend to step up the development of our Supply Chain Management and Overseas Logistics offering (storage, order preparation, distribution, etc.) allowing exporters to optimise the management of their inventories and overseas distribution;

> we recently launched an offering in French-speaking sub-Saharan Africa;

> lastly, we will of course continue to consider acquisition opportunities.

I What are your expectations for 2018?

Regarding business volumes, as I mentioned earlier, the growth outlook for global trade remains strong, with sea and air freight volumes expected to grow 5 % and 4 % respectively. We have everything it takes to significantly outperform market growth. In this buoyant environment, we are continuing to roll out our development strategy while stepping up growth on our niche markets and expanding our offering:

> creation of a "Fairs&Events" subsidiary on 1 January 2018 with a staff of four in partnership with a recognised sector expert. Profits expected as of 2018.

> late 2017 launch of CLASQUIN Africa with the hiring of a four-person team specialising in this market;

> continued development of our "Wine&Spirits" offering, which accounts for 4 % of the Group's 2017 gross profit;

> continued development of our Art Shipping subsidiary;

> step-up of our "Overseas Logistics" offering (storage, order preparation and delivery to final recipient) dedicated to SMEs;

> continued development of our Supply Chain Management division.

Finally, as I mentioned above, we're continuing the deployment of our CargoWise One transport management software while preparing the next generation of our accounting, reporting and other software scheduled for deployment in 2019.

"I would like to thank all of our clients for their trust and loyalty, all of our marvellous teams for their commitment and professionalism, and all of our shareholders for their active support of our development."

(1) Roll On / Roll Off by LCI-CLASQUIN - International sea freight (RORO) to and from Tunisia, Morocco, Algeria and Turkey.
(2) Transport Management System.

CLASQUIN
OVERSEAS FORWARDING & LOGISTICS EXPERTS

COMPANY PROFILE

1. A winning mindset
2. 2017 financial overview
3. Governance
4. Specialist in International Freight Management
6. Group Corporate Social Responsibility
7. Shareholder & Investor Information

ASIA

A LONG-STANDING FOOTHOLD

A feature of the CLASQUIN GROUP is its strong foothold in Asia, going back over thirty years. CLASQUIN opened its very first offices in 1984 in Japan and Hong Kong.

Throughout the Asia-Pacific region, the Company now has 23 offices giving it a firm anchoring in the local economy, backed by staff who fully understand the relevant commercial practices, cultural habits and legislation.

A WINNING MINDSET

IN 1983, **YVES REVOL**, THEN SALES MANAGER OF CLASQUIN, OVERSAW THE TAKEOVER OF THE COMPANY. **CLASQUIN** HAD JUST ONE OFFICE IN LYON AT THE TIME.

1983 | 89
Yves REVOL takes over CLASQUIN, which specializes and becomes a forerunner in air export between France & Asia Pacific

1990 | 93
CLASQUIN enters a new stage in its development. Business operations expand to sea freight.

1994 | 99
Development of its international network. Operations are set up in the United States, Italy and Spain.

2000 | 04
CLASQUIN expands its IT systems and steps up recruitment of business managers.

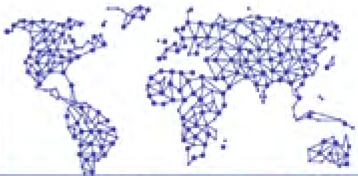
2006
The Group is listed on the Alternext compartment of the NYSE / EURONEXT.

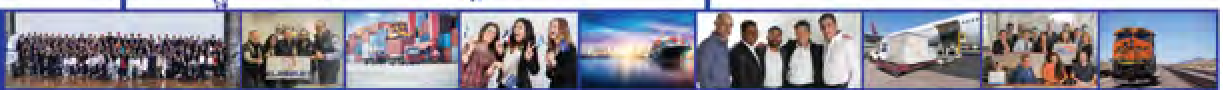
2010 | 11

- Exceptional years for growth & continued investments.
- Opening of CLASQUIN GERMANY & INDIA.

2016

- Set up of the new group governance & launch of the 2020 plan.
- CLASQUIN launches niche strategy by the acquisition of Art Shipping.
- Opening of new subsidiaries in Portugal and Chile.





2012 | 15

CLASQUIN continues to expand through acquisitions : INTERCARGO, GAF, ECS GARNETT & LCI

2017

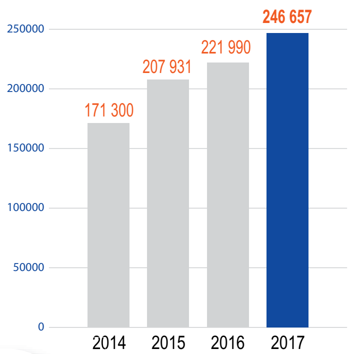
- Double digit growth of activities & results.
- Launch of Cargowise worldwide deployment.

2017 FINANCIAL OVERVIEW

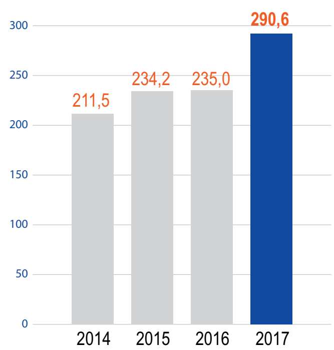
A. CONTROLLED & AMBITIOUS GROWTH

Rigorous management, outstanding profitability and strong performance are the pillars of controlled yet ambitious growth.

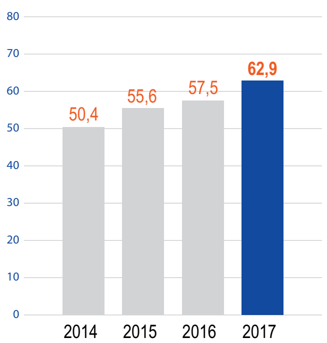
> NUMBER OF SHIPMENTS



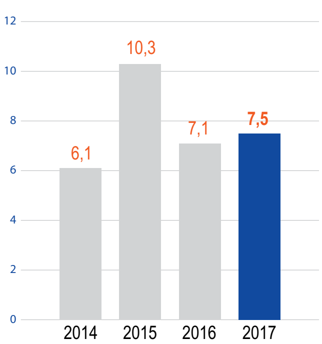
> SALES



> GROSS PROFIT



> GROSS OPERATING CASH FLOW



SEA FREIGHT BUSINESS

> NUMBER OF TEUS*

2017	168 832
2016	144 147
2015	122 884
2014	104 410

> NUMBER OF SHIPMENTS

2017	111 946
2016	100 765
2015	98 908
2014	92 090

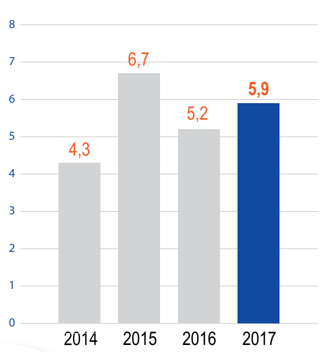
> GROSS PROFIT (€M)

2017	30,2
2016	27,7
2015	27,8
2014	22,5

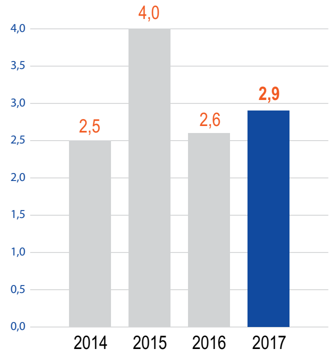
** Twenty-foot Equivalent Units.*

CLASQUIN, THE CLIENTS, PROFIT & Fun COMPANY

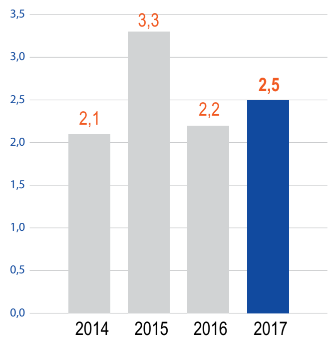
> CURRENT OPERATING INCOME



> CONSOLIDATED NET PROFIT



> NET PROFIT GROUP SHARE



> TONNAGE

2017	63 446
2016	53 402
2015	50 586
2014	49 068

> NUMBER OF SHIPMENTS

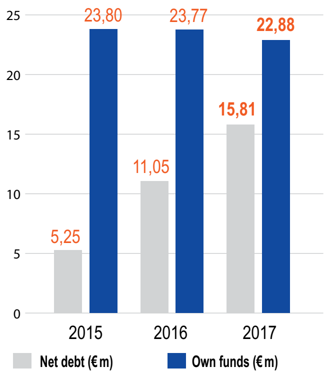
2017	80 153
2016	72 820
2015	70 554
2014	65 274

> GROSS PROFIT (€M)

2017	20,7
2016	18,4
2015	19,1
2014	16,6

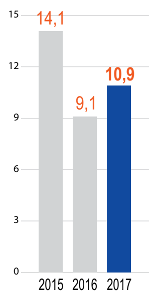
** Excluding Intercargo*

> GEARING

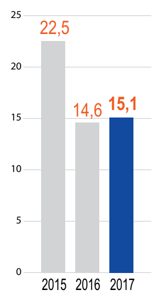


	31.12.2015	31.12.2016	31.12.2017
GEARING	22,1%	46,5%	69,1%

> ROE (%)



> ROCE (%)



GOVERNANCE

IMPROVED GOVERNANCE

The governance reshuffle initiated by CLASQUIN in 2016 in order to improve its response to client requirements, anticipate market changes and consolidate its global development strategy continued to deliver positive results throughout 2017.

The Group's governance structure, headed by Chairman and Chief Executive Officer Yves Revol since 1983, comprises three key bodies:

> **the Board of Directors,** responsible for Group strategy and overall policy;
>
> **the Executive Committee (EXECOM)**, responsible for its management;
>
> **the Monthly General Management Meeting (MGMM)**, responsible for the operational implementation of its projects and activities.

A. BOARD OF DIRECTORS

Tasked with determining the direction of the Company's business and ensuring the implementation of related measures, the Board of Directors met three times during 2017. The average attendance rate of Board members (present or by proxy) in 2017 was 89 %.

Subject to the powers expressly granted to shareholder meetings and within the limits of the corporate purpose, the Board of Directors handles all matters relating to the smooth running of the Company and, through its resolutions, settles all issues concerning it.

At 31 December 2017, the Board members were:

> **Yves REVOL,** Chairman and Chief Executive Officer
> **Hugues MORIN,** Deputy Managing Director
> **OLYMP SAS,** represented by Jean-Christophe REVOL
> **Philippe LONS,** Deputy Managing Director
> **Claire MIALARET**
> **Christian AHRENS**

B. EXECUTIVE COMMITTEE

The Executive Committee, which meets every week, is responsible for defining strategy and overall policy and approving capital expenditure.

At 31 December 2017, this Group management body comprised the following members:

> **Yves REVOL**, Chairman & CEO,
> **Hugues MORIN**, Group Executive Vice President,
> **Laurence ILHE**, Group General Secretary, Group VP HR,
> **Quentin LACOSTE**, Group Chief Operating Officer (COO).

Quentin Lacoste, Group Chief Operating Officer, **Yves Revol**, Chairman and Chief Executive Officer, **Laurence Ilhe**, Group General Secretary, Group VP HR and **Hugues Morin,** Group Executive Vice President.

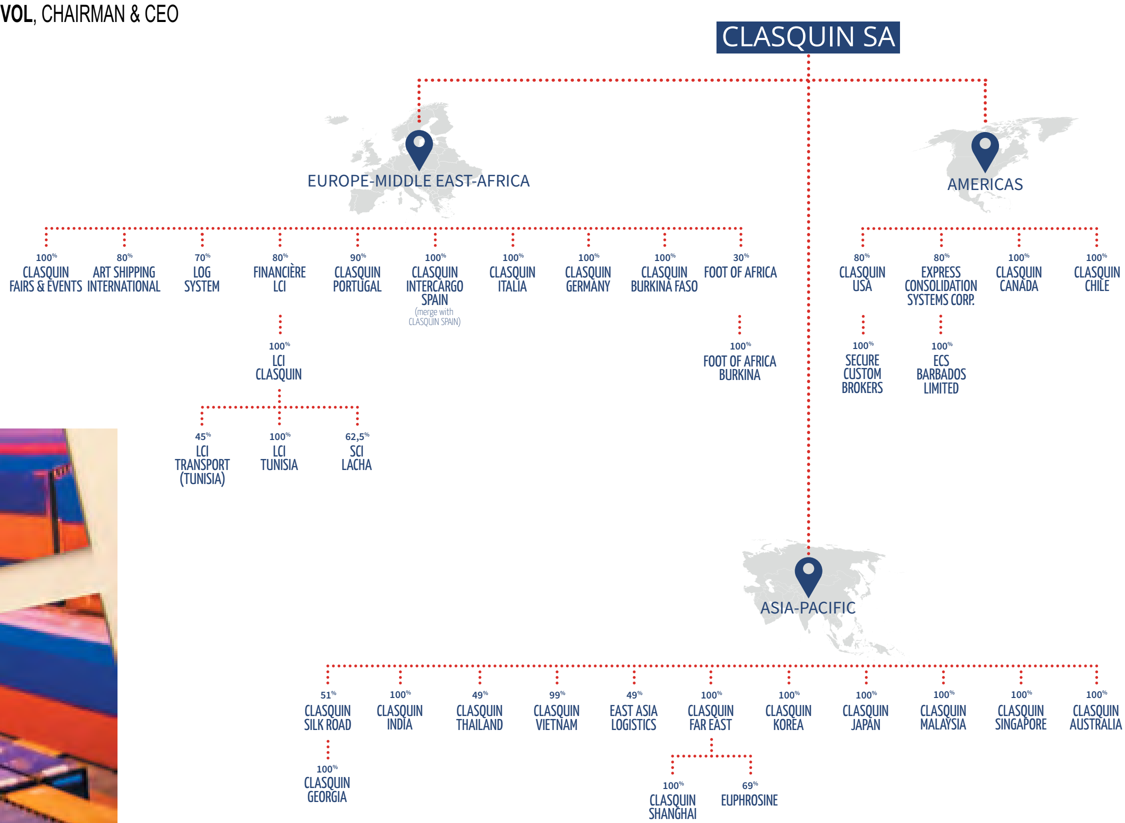
C. MONTHLY GENERAL MANAGEMENT MEETING (MGMM)

The Monthly General Management Meeting is composed of the Group's different functional and operational directors. It implements Group strategy, manages projects and ensures that Group operations proceed as planned.

> "A WINNING STRATEGY LED BY ITS MANAGEMENT TEAM."
>
> **YVES REVOL**, CHAIRMAN & CEO

D. ORGANISATION CHART

At 31 December 2017, the Group's parent company directly and indirectly controlled all of the following companies:



MEMBERS OF THE MONTHLY GENERAL MANAGEMENT MEETING

Frank ACHOUCH
Managing Director GREATER CHINA

A Masters graduate in International Management, for over 20 years Franck ACHOUCH held various commercial and managerial positions at CMA-CGM then SAGA, EAGLE GLOBAL LOGISTICS and B&A. He joined CLASQUIN in 2010 as Managing Director Hong Kong & South China, and was promoted to Managing Director Greater China in July 2012.

Olivia BOYRON
Group VP Legal Affairs

Holding a specialised postgraduate diploma in Banking and Financial Law and an LLM in European Business Law, Olivia BOYRON was admitted to the Lyon bar in 2001 and practised as a lawyer for 12 years, specialising in mergers and acquisitions, company law, stock market law and venture capital. She joined CLASQUIN in January 2014 as Group VP Legal Affairs.

Benoît COMTE
Chief Operating Officer - South of France.

A graduate of IAE management school in Lyon, and after a career at major groups in the sector (Daher, Kuehne+Nagel, DSV), he was appointed Head of the Lyon Profit Centre in 2013. In 2015 his remit was extended via the creation of a South-East France region. In early 2018, he was appointed COO South France, including the Lyon, Grenoble, Annecy, Marseille, Mulhouse, Toulouse and Bordeaux offices. In his region, the main vertical markets break down as follows: 40 % retail (textiles, toys), 20 % automotive and 40 % industry, chemicals, aerospace and wine and spirits.

Laurent GUILLEN
Group Chief Information Officer

With an engineering degree in information systems from Eisti Cergy and a Master's degree from the Lyon Management School, he began his career as a project manager in Düsseldorf at TOTAL group. He then became Project Director and Director of Information Systems in the IT departments at CARLSON WAGON LITS, MONSANTO and MANITOWOC. Laurent joined CLASQUIN in January 2017 as Group Chief Information Officer.

Yves REVOL
Chairman & CEO
Chairman of the Executive Committee

Holding an M.A. in economics and international experience at the CFAO, Yves REVOL joined CLASQUIN in 1977 and successively held positions as Sales Engineer, Sales Director and Managing Director. In 1982 he bought CLASQUIN, which was achieving sales of around €1.5 million at the time. He has been Group Chairman and CEO since 1 January 1983.

Quentin LACOSTE
Group Chief Operating Officer
Member of the Executive Committee

A graduate of ESSEC business school and holder of an MBA, Quentin LACOSTE started his career with the German RÖHLIG group in sales and marketing, before joining the group management team in 2005 with responsibility for around a dozen subsidiaries and the air and sea freight product and procurement policy. He joined CLASQUIN at the end of 2015 to head the Group's Operations Department, to manage and develop the North American, Northern Europe, South-East Asian, Indian and Australian regions.

Laurence ILHE
Group General Secretary, Group VP RH
Member of the Executive Committee

A graduate of ESSEC business school, Laurence ILHE began her career as an auditor before joining JC DECAUX, then DELL COMPUTER, followed by SFR MOBILE and DANONE. In 2012 she joined AKKA Technologies as CFO France and took command of all back office functions. She joined CLASQUIN in late January 2016 as Group General Secretary, responsible for managing and coordinating support services (finance, information systems, legal affairs, HR, indirect procurement and communication).

Hugues MORIN
Group Executive Vice President
Member of the Executive Committee

A graduate of the European Business School, he joined CLASQUIN and was successively posted to Sydney, Osaka and Tokyo. He returned to France in 2002, where he was appointed Regional Director for the South of France, and was later promoted to Managing Director France, Italy and Germany. As Group Executive Vice President, he has been responsible for all front office functions (operations and sales) since 1 January 2016.

Matt INGRAM
CEO USA

Originally from New Zealand, he began his freight forwarding career in 2000 in his home country as a Sales Director. He has lived in the United States for 10 years, holding various sales positions before joining CLASQUIN in October 2017 as Head of the Group's US subsidiaries.

Philippe LONS
Chief Financial Officer

A graduate from EM Lyon, Philippe LONS joined the CLASQUIN group in 1986 working at the Hong Kong office, where he successively held the positions of Sales Delegate, subsidiary manager and then Regional Manager. In 1991, he returned to France where he became Chief Financial Officer in 1995.

Renaud MASSON
Chief Operating Officer - North of France.

After 18 years at one of the global top 5 freight forwarders, Renaud MASSON joined Clasquin in 2011 as manager of the CDG office tasked with developing the air freight offering. In 2016, he was appointed Head of the Ile-de-France and Normandy regions. In 2018 his remit was extended with the creation of a North France region comprising the Lille, Le Havre, Roissy CDG, Nantes and Tours offices.

Fulvio MOLETTI
Managing Director - South East Asia.

With a PhD in political science from University of Bologna, Italy, Fulvio MOLETTI began his career in Hong Kong in the early 1990s. He held a number of marketing, sales and business development positions with sector responsibilities in China, India, Singapore, Thailand and Chile for companies in the sector, including Bolloré, DHL and more recently Globe Express Services as CEO Asia-Pacific. Before joining CLASQUIN in November 2017, Fulvio was Vice President Sales and Marketing at Agility in Hong Kong.

Pascal PRAQUIN
M&A and Network Expansion Manager

Engineer and holder of an MBA, Pascal PRAQUIN's career has been mainly international, working in Africa and Latin America for RENAULT, SCOA and BOLLORÉ. In 2011, he joined the NORBERT DENTRESSANGLE group as CFO of the Freight Forwarding division before taking charge of the Asia region then the division, where he remained until the group's takeover by XPO. He has been Network Expansion Manager at CLASQUIN since November 2016.

CLASQUIN
OVERSEAS FORWARDING & LOGISTICS EXPERTS

SPECIALIST IN INTERNATIONAL FREIGHT MANAGEMENT

A. ARCHITECT AND PROJECT MANAGER OF THE OVERSEAS LOGISTICS CHAIN

1 GOODS TRANSPORT: A COMPREHENSIVE AND CUSTOMISED OFFERING

In addition to freight forwarding, CLASQUIN offers comprehensive CUSTOMISED logistics solutions, adapted to the specific NEEDS and DEMANDS of each client, and to the various types of goods and regions involved. These solutions guarantee an OPTIMISED PROCESS: a single point of contact for clients, end-to-end management of all overseas shipments, selection of the best sub-contractors, costs and transit times kept to a minimum.

"CLASQUIN OFFERS A VERY GREAT REACTIVITY AND PROXIMITY TO ITS CUSTOMERS."

GUILLAUME LAPIERRE, GROUP WINE & SPIRITS MANAGER

2 SOLUTIONS SUITED TO EACH STAGE

2.1 Sea freight & air freight management: experts in overseas transport

CLASQUIN operates from the main ports and airports across the world through its integrated and WFA (World Freight Alliance) networks enabling it to adapt its sea and air freight solutions to client needs. The group ORGANISES, COORDINATES and SUPERVISES each stage of the logistics chain.

FOCUS

WINE & SPIRITS: A GLOBALISED "PRODUCT" APPROACH

Backed by long-standing operations in the Wine & Spirits sector, specifically between Europe and Asia, CLASQUIN decided to implement a product approach on a global scale. Hired in late 2016 and based at the Bordeaux office, Guillaume Lapierre is responsible for driving and managing the Group's global development strategy on the "vertical market".

Thanks to its network of 62 offices covering the main wine producing and exporting countries, CLASQUIN is in a position to offer its clients a comprehensive range of services tailored to the features of each product.

Spread and sustain efficiency in Supply Chain Management

- ✓ Understand your challenges and demands
- ✓ Design of tailor made solutions
- ✓ Information flow integrity
- ✓ Efficiency of process and organisation
- ✓ **Commitment of our experts**

CLIENT CENTRICITY | EXPERIENCE SHARING | CONSULTING | CONTROL TOWER | RISK MANAGEMENT

2.2 Customs procedures: at the front line of a strategic and constantly changing field

CLASQUIN draws on its EXPERTISE in customs procedures and KNOWLEDGE of complex regulatory frameworks to serve clients wishing to avoid delays, additional costs and penalties, thanks to its range of customised services.

> Personalised meetings

> Meetings with experts

> On-demand PDD assistance (customs clearance at domicile)

> Support in obtaining AEO status (Authorised Economic Operator)

AEO :
Label certifying quality and reliability of customs, safety and security processes applied by the company. Issued by the French customs authorities, this label is recognised throughout the European Union and in countries that have signed mutual recognition agreements.

FOCUS

OVERSEAS LOGISTICS, SUPPORTING OUR CLIENTS' GROWTH

CLASQUIN offers its clients Overseas Logistics services in addition to the advice and support it provides for their international development. This strategic solution enables the Group's export clients to concentrate on their sales and expansion into their target regions, by entrusting CLASQUIN with optimising their logistics solutions as well as managing their shipments, communications and payments.

Initially deployed in China, Japan and France, Overseas Logistics is today offered throughout CLASQUIN's network by its sales teams. It has become one of the Group's growth drivers. Combined with supply chain management consulting, Overseas Logistics provides a RELIABLE and OPTIMISED response in a highly strategic segment.

SUPPLY CHAIN MANAGEMENT CONSULTING, A DRIVER OF PERFORMANCE

Supply Chain is a major growth driver as well as the weak link in the risk chain. For this reason, CLASQUIN offers its clients a dedicated consulting solution, "CLASQUIN Supply Chain Consulting", based on its international expertise, tailored methodologies and relevant certification.

David CANARD-VOLLAND, in charge of its development, supports our sales force in order to make Supply Chain Management a RECOGNISED area of expertise. This approach is reflected in the systematic training of CLASQUIN teams and in the integration of a supply chain offering in all tenders.

2.3 Innovation at the heart of our know-how

CLASQUIN designs and offers numerous upstream and downstream logistics solutions to OPTIMISE its clients' SUPPLY CHAINS: end-to-end management of shipments, reduced transhipment of cargo and number of carriers, personalised service, etc.

High added value services, anywhere in the world and regardless of the business sector:

2011/2012

Implementation of a process for improving the reliability of its clients' inspections in Dhaka (Bangladesh).

2015

Opening of a warehouse of over 3,000 m^2 in Shanghai to meet the specific needs of its pharmaceutical industry clients, ISO 9001 certified in the same year.

2017

Creation of a rail transport solution from China to Europe (Germany, France, Benelux): faster than sea freight and cheaper than air freight, this solution is an innovative and interesting alternative in terms of price/transit time ratio.

2018

Step-up in the development of Overseas Logistics to improve response to client requirements.

3 TEAMS STRIVING FOR CONTINUOUS IMPROVEMENT

CLASQUIN's continuous improvement plan is managed by the Human Resources department. Business training is provided by the teams in charge of transformation or by the regional managers.

By optimising internal organisation and LISTENING to teams on the ground, this approach helps drive the Group's DEVELOPMENT and improve its response to client requirements.

"INTEGRATING SUPPLY CHAIN MANAGEMENT ADDS VALUE AND DRIVES PERFORMANCE."

DAVID CANARD-VOLLAND, GROUP VP SUPPLY CHAIN MANAGEMENT

The CLASQUIN continuous improvement programme focuses on:

- **> training employees and strengthening their commitment via business line committees and workshops;**
- **> gradual formalisation and standardisation of the Group's operating procedures;**
- **> reliable and seamless in-house and external reporting processes;**
- **> analytical performance measurement and action plan monitoring;**
- **> consummate management of client processes: order entry, setting up decision-making support tools, IT system connections, after-sales service, etc.**

FOCUS

LCI-CLASQUIN, LEADER IN THE ROLL ON/ ROLL OFF SECTOR

In 2017, LCI-CLASQUIN strengthened its position as a major player in road haulage to and from North Africa while continuing to expand into new markets. This is also the case in Turkey, thanks to perfectly orchestrated management of shipments to and from this country (combined use of French drivers and Turkish containers via Ro-Ro Pendik-Toulon).

IN FIGURES

38,000

shipments in 2017, up 13% over 2016.

Since its acquisition in 2015, LCI-CLASQUIN has offered logistics services in line with those offered by the CLASQUIN group. The efficiency and appropriateness of its combined service between Asia and Tunisia, demonstrating the added value of pooled expertise, is a perfect example of this.

LCI-CLASQUIN, already present in Villefranche (Rhône), Vitrolles (Bouches-du-Rhône) and La Crèche (Deux-Sèvres), also finalised the opening of its new site in Garonor (Aulnay-sous-Bois, Seine-Saint-Denis). The company is therefore focusing on new horizons and anticipates strong growth through the acquisition of new markets.

Cédric Chavent,
General Manager.

B. THE OVERSEAS MARKET

1 CLASQUIN… AT THE HEART OF INTERNATIONAL TRADE

The market in which CLASQUIN operates is highly sensitive to developments in international trade.

Before 2010: a booming market
For 20 years, benefiting from the globalisation of trade and the boom in intercontinental shipments, the air and sea freight sector grew at a spectacular rate on Asia-Europe and Asia-USA routes, as well as between Asian countries.

IN FIGURES

1.3%
Recovery in 2016.

4.7%
Global growth in trade in 2017, according to the WTO.

Since 2010: a tense environment
After the initial shock of the 2008-2009 financial crisis and since 2010, the freight forwarding market slowed considerably, even recording a decline in 2012 (down 4.1 %) and 2013 (down 3.2 %). Sluggish growth in demand, particularly in Europe, set the stage for increased competition between logistics and international transport players.

A disappointing recovery
Recovery proved more modest than expected: up 2.8 % in 2014, 2.8 % in 2015 and 1.3 % in 2016, compared to real GDP growth of 2.3 %. This growth rate was the lowest since the financial crisis, with a trade to GDP growth ratio below 1 in 2016 (0.8).

2017: the rebound
Trade volumes grew by 4.7 % in 2017, the highest rate since 2011, mainly due to economic factors, specifically the increase in capital expenditure and consumption. This growth went hand in hand with global GDP growth of 3 %, with the trade to GDP growth ratio ("income elasticity of trade") thus increasing from 0.8 in 2016 to 1.5 in 2017, nearing the historical average.

Sea freight market volumes grew by more than 4 % and air freight by 8-9 %.

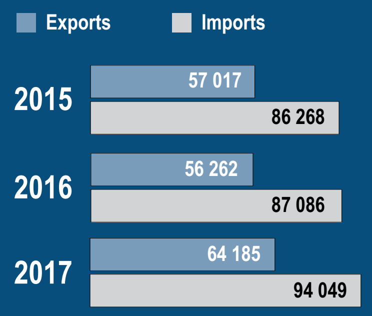
Lastly, economic conditions underlying the market (e.g. exchange rates, oil prices and freight rates) fluctuate with increasing volatility. This trend undoubtedly favours nimble and responsive businesses.

FOCUS

2017 FRANCE-ASIA TRADE

After a 1.3% decline in 2016, exports to Asia have made a strong return to growth (14.1 %), while imports from Asia have grown sharply (up 6.8 % compared to 0.9 % in 2016).

Overview of French trade with Asia* (€bn):



**Source: French Customs - all Asian countries combined excluding military equipment*

2018 outlook
The WTO has forecast growth of 4.4 % in goods trade volumes in 2018, more or less stable compared to 4.7 % in 2017.

The growth rate is expected to fall to 4.0 % in 2019, below the 4.8 % average recorded since 1990 but still largely exceeding the post-financial crisis average of 3.0 %.

However, certain indicators suggest that escalating trade tensions may already be affecting companies' confidence and investment decisions, which could affect the current outlook.

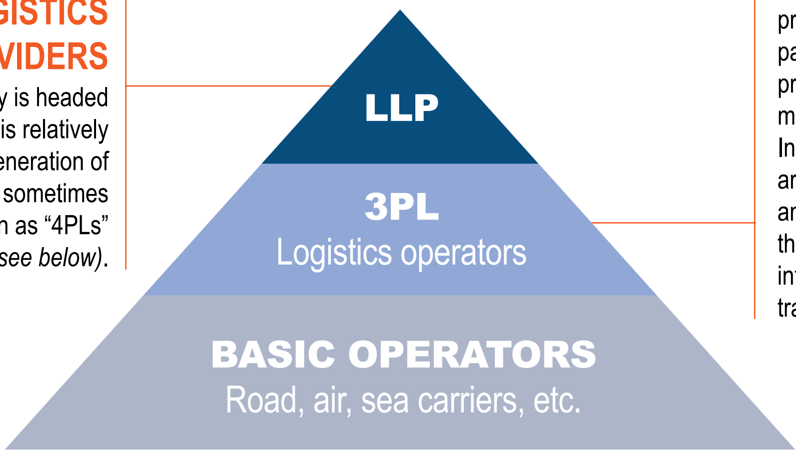
"HOWEVER, GIVEN CURRENT TRENDS IN INTERNATIONAL TRADE, PARTICULARLY TO AND FROM ASIA, THE OVERSEAS MARKET WILL CONTINUE TO GROW IN THE LONG TERM."

2 CLASQUIN: A LEAD LOGISTICS PROVIDER

A number of operators are involved in logistics chains (road and rail carriers, freight forwarders, customs agents, air and sea freight companies, customs warehouses, etc.). Merrill Lynch has ranked these different operators according to the extent to which they outsource or sub-contract logistics operations:

LEAD LOGISTICS PROVIDERS

The industry is headed by this relatively recent generation of companies sometimes known as "4PLs" *(see below)*.



3PLs

(Third Party Logistics Providers)
These logistics service providers add storage, packaging and order preparation to transport management.
In practice, market giants are often both operators and 3PLs. Furthermore, they operate in both international and national transport segments.

OPERATORS

Operators are those owning the means of transport.
For example, this category includes:

- **for road transport:** XPO, Geodis;
- **for air freight:** Air France Cargo, Lufthansa, Singapore Airlines, Korean Air;
- **for sea freight:** Maersk, MSC, CMA-CGM, NYK, Evergreen, K Line;
- **for rail:** SNCF.

CLASQUIN belongs to the type of Lead Logistics Provider including companies free of the constraints of owning their own transportation or storage assets. They are free to organise, control and optimise the flow of goods and services before and after transportation. They aim to provide increasingly high added value services in a highly competitive market.

A STRONG DRIVE TOWARDS CONCENTRATING THE TRANSPORT OFFERING IN 2017

Recent months have been marked by the concentration and alliance of sea freight companies: the market share held by the top 15 companies in the sector increased from 78.6 % at the end of 2016 to 85.1 % at the end of 2017[a]. Furthermore, the main operators have strengthened their ties via three major alliances that now account for 96 % of sea freight capacity on EAST > WEST routes.

Sea freight carriers continue to double their efforts to end a cycle marked by structural over-capacity, downward pressure on freight rates and a continued decline in profits. This cycle led to the momentous collapse of Korean operator Hanjin (no. 8 worldwide) in February 2017.

While the increase in volumes shipped in 2017 (number of TEUs up 7 % for the top 10 Chinese ports) filled part of this overcapacity, the arrival of several new vessels carrying over 18,000 TEUs could disrupt this trend favourable to operators.

Air freight carriers also benefited from a sharp recovery in volumes of transported goods in 2017 (up 9.9 %), although the year was marked by a strong desire to optimise their margins by consciously limiting the increase in capacities and by constantly reallocating aircraft in anticipation of demand.

OUTLOOK

Analysts from Transport Intelligence are optimistically awaiting the 2016-2020 period for the entire sector, forecasting a compound annual growth rate (CAGR) of 4.1 %[b].

The increase in rates therefore became widespread in 2017, with peak season periods during which many shippers experienced difficulties loading their goods.

The concentration of freight forwarders and overseas logistics operators is still limited, with two distinct types of operator:

> The global forwarding top 20 account for around 60 % of the market
Several major merger-acquisitions were carried out in 2015/2016 among these industry giants that manage the largest volumes shipped. The aim was to balance the growing concentration of the air and sea freight offering. This race to achieve critical mass may resume in 2018 after a respite over the last few quarters. Between the leader of the top 20 (7.9 % market share) and the 20th position (2.3 %), a number of combinations are possible...

> The remaining 40% of the market is covered by tens of thousands of smaller companies
While they are all faced with growing market demands as well (door-to-door service, tracking and logistics flow integration tools, etc.), they rely more on the quality of their local relationships with clients. Agility, reliability and the capacity for digital transformation will be their main strengths in meeting challenges up to 2020.

(a) Source Alphaliner 2017.
(b) http://focusedcargonetwork.com/download/Focused-Whitepaper-Global-Freight-Forwarding.pdf

C. A UNIQUE MARKET POSITIONING

1 CLASQUIN, THE ONLY MULTINATIONAL SME IN ITS SECTOR

An expert in innovative, agile and customised solutions in the International Freight Management and Overseas Logistics sector, the CLASQUIN Group supports its clients as the ARCHITECT, ORGANISER and COORDINATOR of their projects.
This recognised know-how has been exported for twenty-five years through the COMMITMENT of 762 employees in France and worldwide (including 250 in Asia). Guided by their pride in belonging to a constantly evolving Group, the teams are committed to demonstrating the company's core values on a daily basis, as summed up by the motto:

> “ BIG ENOUGH TO DO THE JOB, SMALL ENOUGH TO DO IT BETTER. ”

AN IT SYSTEM AT THE HEART OF THE SERVICE OFFERING | **TEAM EXPERTISE AND COMMITMENT** | **INTEGRATED GLOBAL NETWORK** | **DIVERSIFIED AND BALANCED CLIENT BASE** | **STRONG FINANCIAL STRUCTURE**

A sound basis for growth with a unique competitive position

The CLASQUIN Group is structured around solid fundamentals, drivers of GROWTH and PROFITABILITY.

> a balanced and diversified portfolio of prestigious and loyal **CLIENTS**;

> a pool of outstanding **TALENT** committed to the “Clients, Profit & Fun” culture and to the Group’s core values of “Professionalism, Enthusiasm and Integrity";

> an IT system and collaborative tools dedicated to **CLIENT PERFORMANCE**;

> an integrated and controlled international **NETWORK** spanning over 5 continents, with a long-standing foothold in Asia;

> a **SOUND** financial position underpinning the Group’s development.

E-CLIENT SOLUTIONS, a generic name for high added VALUE SERVICES:

> **E-TRACING,** used to trace shipments and obtain real-time data on their status.

> **E-CONNECT**, a dedicated collaborative order tracking web portal that highlights major deadlines and includes a web database (transportation documents, invoices, packing lists, sales invoices, etc.) and cost analyses for every shipment.

> **E-REPORT**, which measures the overall profitability of operations and generates a set of management indicators. Various tailored KPI (Key Performance Indicator) reports or discrepancy reports highlight compliance with the service commitment or SLA (Service Level Agreement). This service is based on a unique and powerful decision-making tool, Statistics On Demand ®, which collates and displays online all transactional data, thus providing management and certain clients with maximum visibility of the business.

> **E-ORDER** inputs past orders into Clasquin's systems via the TMS (Transport Management System), enabling it to offer accurate tracking (per client reference - SKU).

> **E-STOCK** provides a detailed view of client inventories, taking into account product ranges and storage and distribution points. By exchanging information via EDI interfaces and key performance indicators (KPIs), this tool gives CLASQUIN access to a wide array of data and enables it to manage its clients' supply chains.

> **TAILOR-MADE** caters for the requirement to constantly improve productivity and enables CLASQUIN to design sophisticated solutions (Purchase Order Management, cost analyses, interfaces, EDI, etc.) by integrating flawlessly into the ERP and warehouse management tools available on the market.

THIS APPROACH ENSURES THAT CLASQUIN BECOMES THE DIGITAL PARTNER FOR ITS CLIENTS.

D. KEY SUCCESS FACTORS

1 DIGITAL TOOLS TO SERVE OUR CLIENTS

1.1. A structural and technological revolution

CLASQUIN's structural and technological revolution has resulted in profound CHANGES enabling operating teams to adapt to the NEEDS of our clients.

> A "USER INTERACTION" department was set up in 2017 to increase employee RESPONSIVENESS and provide clients with RELIABLE and accurate information through IT solutions.

> An "INFORMATION SOLUTIONS & TECHNOLOGY" (IST) department now comprises teams tasked with developing processes, managers responsible for choosing software and project managers in charge of implementing technological offers. This PROXIMITY has made it possible to speed up the processing of client orders and to ensure CUSTOMISED solutions with optimal service QUALITY.

> In order to keep up with TECHNOLOGICAL DEVELOPMENTS, Clasquin has adapted its IT system and migrated certain applications to the Cloud in order to guarantee the SCALABILITY and SECURITY of the services offered.

1.2 A customised service for our clients

Backed by its experience in integration tools, CLASQUIN helps its clients gain VISIBILITY, EFFICIENCY and PRODUCTIVITY via a comprehensive range of digital solutions, which can be ADAPTED regardless of their size or technological development.

FOCUS

MANAGING THE DEPLOYMENT OF CARGOWISE

Powered by CargoWise One

In 2017, four Group entities migrated to the new generation CargoWise One TMS in accordance with the project schedule:

- > Italy in April;
- > Hong Kong in May;
- > China in August;
- > Australia in December.

40% of the Group's business.

In January 2018, over 40 % of the Group's total business was processed in CargoWise One. Following the extensive knowledge acquired through two pilot programmes, the next two deployments presented an opportunity to enhance the solution's core model with new processes (specifically relating to sales and customs) and a number of improvements.
Each deployment relied on close cooperation between the central project team and local operating teams, which included defining local specificities, training programmes and joint input of the first shipments. An overhaul of infrastructures at each site was also carried out. Finally, 2017 was also dedicated to preparing for the launch in France, scheduled for February 2018.

1.3 Governance structure geared to the IT system in order to steer strategic investments

The IST (Information Solutions & Technology) Strategic Committee chaired by Yves Revol meets regularly to discuss ONGOING developments to be made to CLASQUIN's IT system.

It is tasked with defining STRATEGIES for these developments and ensuring the STRUCTURED EVOLUTION of its digital solutions, taking into account current technological breakthroughs, changes in information consumption and the joint development of processes by clients and partners.

THE OBJECTIVES ASSIGNED TO THE COMMITTEE ARE AS FOLLOWS:

- **> Attain the highest standards in the industry;**
- **> Aim for excellence in productivity;**
- **> Enhance IT systems for communicating with clients, suppliers and partners;**
- **> Innovate in all areas that bring added value to clients and their staff.**

The committee is working on the following areas:

> The development of powerful digital solutions
INNOVATION is at the heart of CLASQUIN's strategy. Ensuring a high level of PERFORMANCE and FLEXIBILITY in a rapidly changing environment. These digital solutions are tailored to the market and legal framework of the 20 countries in which the Group operates. They give users REAL-TIME access to data in a PRODUCTIVE and INTERACTIVE management system fully AVAILABLE to CLASQUIN's clients and business partners.

> The selection and management of CargoWise One (new generation TMS)
The IST Strategic Committee monitors the gradual roll-out of CargoWise One. Officially selected in 2016, this TMS will be deployed throughout the CLASQUIN network by 2019. At the end of 2017, over 40 % of the Group's total business was processed in CargoWise One (see Focus section above).

Led by Laurent Guillen, Clasquin Group CIO, this deployment relies on both Business Process Owners and key users (Cargowisers), as well as on local teams tasked with helping users to master the software, led by a project manager from the central teams, all under the responsibility of the Country Manager.

The roadmap of the CargoWise One functionalities includes standard business processes as well as advanced functions such as solutions for quotations, tracking, electronic document management, as well as workflows and a number of automated processes.

IN FIGURES

40%
Group business processed in CargoWise One.

12
Number of Group offices that migrated to CargoWise in 2017.

Expected benefits:

- **> For clients: a tailored service providing more visibility and added value information;**
- **> For users: more collaborative and comfortable work, real-time visibility over shipments and improved client satisfaction;**
- **> For the Group: improved efficiency and operational service quality.**

FOCUS

LOG System, specialist in software development and IT services

Founded in 1986, LOG SYSTEM specialises in software development and IT services. CLASQUIN Group's IT services and software engineering subsidiary handles:

> Freight forwarding, international trade and customs management in its role as a software developer:

AEOLUS, designed for managing operations with international forwarding agents. This multimodal (sea, air, road and combined transport modes) and multilingual tool is used in 25 countries around the world and at over 180 sites.

COSMOS, developed for customs management, goods transfer declarations, export documents and international trade documents.

> Pathological anatomy and cytology (medical department), with the publication of two software packages:

CYAN and **CACP**, designed for public and private labs, are software applications suited to any type of structure, no matter the size: private firms, hospitals, cancer research centres.

> IT services:

Consulting and deployment of CargoWise: sale, operation, finances, interface, etc.

Expert in Microsoft solutions: Business intelligence, EDI, etc.

System and network offering: audit, support, hosting and monitoring.

Customised development of digital solutions: web portal, mobility, document digitisation, etc.

LOG SYSTEM is founded on the skills and abilities of around thirty experienced developers, project managers and consultants based in Lyon and Paris.

2 THE "CLIENTS, PROFIT & Fun COMPANY"

More than a slogan: a personal adventure

The Group's human capital comprises 762 employees speaking over 15 languages. Operating in 20 countries and sharing the same ENTHUSIASM, these men and women make up the Group's DNA. Most of the Group's employees operate outside France: almost half are outside Europe (43 %) and one third are based in Asia (250 employees).

Attracting and retaining the BEST PEOPLE, coordinating MULTICULTURAL teams and promoting INTERDISCIPLINARY skills are some of the issues underpinning CLASQUIN's strategy. Despite its wide dispersal throughout the world, the Group is committed to developing and strengthening a strong corporate culture that is summed up in its motto "CLIENTS, PROFIT & FUN". We are proud of our teams' professionalism, enthusiasm and commitment.

Sharing these core values while promoting the professional DEVELOPMENT of every employee has been a key success factor in the past and will continue to be so in the future.

"CLASQUIN DRAWS ON A POOL OF OUTSTANDING TALENT, WHO FLOURISH THANKS TO THEIR SHARED CULTURE, TEAM SPIRIT AND A DEEP SENSE OF BELONGING."

LAURENCE ILHE, GROUP GENERAL SECRETARY, GROUP VP RH

2.1 Shared values

CLASQUIN has built its success on the COMMITMENT of its teams, all organised into autonomous profit centres but UNITED in search of a common objective.

PROFESSIONALISM
ENTHUSIASM
INTEGRITY

BREAKING NEWS

A new LOG System site has been opened in Tunisia. It specialises in Microsoft solutions, business process outsourcing and the deployment of Log System solutions in French-speaking Africa.

TIME FOR BALANCED DIALOGUE

THE "Fun@WORK" APPROACH

CLASQUIN has developed a corporate culture founded on regular DISCUSSIONS with managers and TEAM SPIRIT. Eager to improve WELL-BEING and FUN at work, enhance team COMMITMENT and PERFORMANCE, but also to understand the various obstacles they face, the Group implemented an in-house satisfaction scale. The purpose was to encourage all of its employees to express their opinions and suggestions with regard to service, management, confidence in the Group, and to use this internal consultation to develop an ambitious and proactive ACTION PLAN. The questionnaire will be filled out several times a year, in an effort to track and measure changes in Fun@Work.

IN FIGURES

85.5%

of CLASQUIN employees participated in this survey highly conducive to team spirit.

86%

of Group employees feel good at work.

91%

of employees are confident in the Group's future.

"SUMMER UNIVERSITIES" (SU)

This FESTIVE, MULTICULTURAL SPORTING event, built on a culture of fun and performance, rallies the Company's staff around its main projects. The most recent event, held in Asia for the first time, gathered over 200 employees in Shenzhen in November 2017. From now on, the event will take place every year, alternating between Europe, Asia and the Americas (the Group's core regions).

Objectives of the SUs for CLASQUIN:

1. Strengthen the sense of belonging;
2. Develop a spirit of competition, an appreciation for hard work, performance and success;
3. Drive home the Group's motto: "Clients, Profit & Fun".

China. Shenzhen, 2017.

WORLD MANAGEMENT COMMITTEE MEETING (WMCM)

This annual committee meeting provides an opportunity for all country managers, sales managers, operating managers and Management Committee members to meet in a FRIENDLY atmosphere.
The goal is to approve the company's main projects, discuss priorities and define action plans.

THE PROFILES:

- Profit Centre Managers: boasting recognised expertise in air and sea freight and international logistics, they assess requirements and develop innovative, efficient and secure solutions in order to offer optimal service in terms of quality, cost and performance;
- International Transport Coordinators: experts in air and sea freight forwarding as well as logistics, storage and distribution, they are fully conversant with international trade operating techniques and overseas practices. They deal with clients and suppliers on a daily basis.
- Sales Managers and Business Development Managers: experienced professionals in international freight forwarding and logistics and specialists in the geographical areas and business sectors in which they are involved, they ensure business development and the implementation of the sales strategy;
- Back office specialists (IT, finance, legal, HR): each in their area of expertise and providing support to front office, they rally the Group around projects relating to transformation of information systems, talent management and the financial fundamentals vital to the Company's success.

2.2 Recruitment: a sacred act!

A fundamental requirement

Highly demanding when it comes to candidates' PROFESSIONAL skills and VALUES, CLASQUIN hires people capable of developing their expertise as part of multicultural teams. This EXACTING approach is one of the cornerstones of the Company's success and reputation for quality.

Targeted profiles

A detailed analysis of recruitment needs in different countries, regions and markets enables CLASQUIN to prepare for the DEVELOPMENT of potential sites and contact TALENT that may complement the Group's development strategy. This network enhances the capacity to identify relevant profiles rapidly whenever there is an effective recruitment need.

2.3 Optimised career paths and drivers of success

CLASQUIN's appeal is based on its ability to offer talent good prospects in terms of PROMOTION, RESPONSIBILITY and PERSONAL DEVELOPMENT over the long term.

This approach rests on three pillars: developing in-house SKILLS, leveraging EXPERIENCE and promoting INTERNAL MOBILITY.

"AS A GUARANTEE OF PERSONAL FULFILMENT AND OPTIMISED CAREER PATHS, INTERNAL MOBILITY CONTRIBUTES TO GROUP TEAMS' HIGH LEVEL OF EXPERTISE AND PROMOTES COLLECTIVE SUCCESS."

LAURENCE ILHE, GROUP GENERAL SECRETARY, GROUP VP RH

MILESTONES

Creation of an In-house Academy for HR development:

- Identification of talent, HR and business career development;
- Individual and group coaching (team building);
- Internal mobility support in France/abroad;
- Personalised assessments;
- In-house training sessions combining e-learning and classroom training;
  - Sessions on business solutions (e.g. CargoWise),
  - Sessions on sales performance,
  - Sessions on communication, management, leadership and recruitment,
  - English training under the CPF support scheme (French individual training account)

IN FIGURES

170

Number of training sessions provided in 2017 totalling 1,851 hours.

50%

More than one in two employees were trained or guided in HR development.

Clasqu'IN

BECOME A GROUP AMBASSADOR BY REFERRING CANDIDATES!

Clasqu'IN encourages staff referrals and is working to enhance the Group's reputation by publishing job offers and sharing news on social media. Clasqu'IN can be accessed via computer or smartphone and enables news and job offers to be shared across an employee's network in a single click.

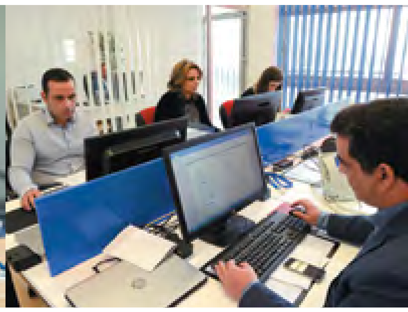
- 189 **active users**
- 110 **job offers published**
- 57 **news articles**
- 43 **applications**

OUR DNA

CLIENTS
Our success,
helping our clients
to succeed

PROFIT
Our challenge,
working together to boost
our Company's performance

Fun
Our business,
a truly personal,
happy and shared adventure



ENTHUSIASM
Our challenge,
transforming our passion
into success

PROFESSIONALISM
Our ambition,
striving for operational
excellence

INTEGRITY
Our commitment,
acting fairly
and transparently

OUR VALUES

FOCUS

FOSTERING EMPLOYEE MOBILITY AND EVOLUTION

Juan Carlos MILLAN
Country Manager Spain

Having spent ten years with a carrier firm, Juan Carlos discovered the world of freight forwarding fifteen years ago when he joined Spanish company TI INTERCARGO 1999, where he was appointed sales coordinator. He joined CLASQUIN in 2012, when INTERCARGO was acquired by the Group. He was appointed General Manager of the business unit, a role he performed with great success. In 2017, when CLASQUIN Spain merged with INTERCARGO, Juan Carlos was appointed Country Manager of this new Iberian entity: CLASQUIN INTERCARGO. Since then, he has managed a team of 40 people across three offices. Today, the Spanish subsidiary is one of the CLASQUIN Group's best performers.

Vincent LAVEILHE
Project Manager
CargoWise, Hong Kong

Originally from Toulouse, Vincent began his career at CLASQUIN when he joined the office located in his home city, before transferring to Mulhouse in 2013, where he spent three years as an international coordinator. In early 2017, Vincent expressed his desire to take a position in Asia. Backed by his operations experience and knowledge of Chinese, Vincent was offered a new position, tasked with supporting the deployment of the new TMS chosen by CLASQUIN, CargoWise One, in the Asia-Pacific region. He therefore made his way to Hong Kong in April 2017, spending the year travelling through China in order to train operating teams to use this new tool. Vincent will spend 2018 coordinating the deployment of CargoWise One in other Asia-Pacific countries.

2.4 Encouraging an entrepreneurial culture

CLASQUIN's capital has been controlled by its management since 1983. This long-standing attribute of the Company influences the way it is managed, with two objectives in mind:

> spreading the ENTREPRENEURIAL spirit;
> pursuing ECONOMIC PERFORMANCE.

This approach is based on a variable remuneration policy tied to COLLECTIVE PERFORMANCE.

This unique system encourages employees to commit AS A TEAM to the performance of their Profit Centre:

> the variable, 'performance-based' salary (Collective Performance Sharing) is calculated on the economic results of each Profit Centre;
> the Individual Performance Salary rewards individual contribution to the achievement of motivational targets.

IN FIGURES

70%
of employees residing in France subscribed to the employee shareholding scheme upon the Company's initial offering on Alternext.

50%
of employees are shareholders in France via the Company Savings Plan.

56.3%
the share of capital owned by management and employees (employee mutual fund).

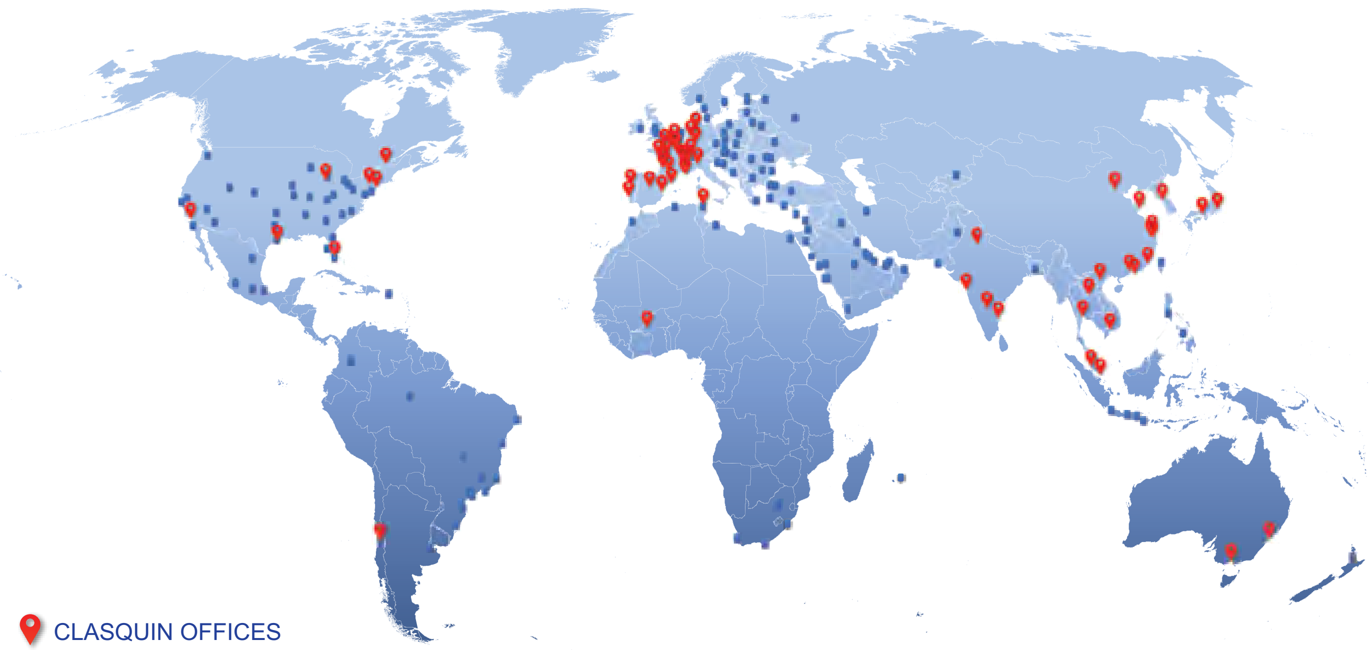
For French companies, the Company Savings Scheme, topped up by an attractive policy of employer contributions, provides a return on employee investments in the CLASQUIN PERFORMANCES company investment fund.

"BY INVESTING IN THE CREATION OF ITS OWN OFFICES SINCE 1984, PARTICULARLY IN ASIA, THE GROUP'S HISTORICAL FOOTHOLD, CLASQUIN CHOSE TO FORM AN INTEGRATED INTERNATIONAL NETWORK."

3 AN INTEGRATED AND CONTROLLED NETWORK ON 5 CONTINENTS

By investing in the creation of its own offices since 1984, particularly in Asia, the Group's historical foothold, CLASQUIN chose to form an INTEGRATED INTERNATIONAL NETWORK.

As a guarantee of its PROXIMITY and PRIVILEGED RELATIONS with clients, this international network, comprising 30 offices in Europe and Africa, 23 in Asia-Pacific and 9 in the Americas and Caribbean, offers CUSTOM SOLUTIONS to client needs and GUARANTEED goods tracking.



CLASQUIN OFFICES

CLASQUIN IS A FOUNDING MEMBER OF WFA
OFFICES LOCATED IN 136 COUNTRIES

9 OFFICES IN THE AMERICAS

Chicago, Hasbrouck Heights (New Jersey), Houston, Los Angeles, Miami, Montreal, New York airport, Santiago city centre, Santiago airport.

23 OFFICES IN ASIA-PACIFIC

Bangalore, Bangkok, Beijing, Chennai, Guangzhou, Hanoi, Ho Chi Minh, Hong Kong, Kuala Lumpur, Melbourne, Mumbai, New Delhi, Ningbo, Osaka, Qingdao, Seoul, Shanghai, Shenzhen, Singapore, Suzhou, Sydney, Tokyo, Xiamen.

30 OFFICES IN EUROPE AND AFRICA

Annecy, Barcelona, Bobo-Dioulasso, Bordeaux, Düsseldorf, Frankfurt, Grenoble, La Crèche, Le Havre, Lille, Lisbon, Lyon HO, Lyon Saint Exupéry, Madrid, Marseille, Milan, Mulhouse, Nantes, Paris (Art Shipping), Paris (Garonor), Paris (Porte de Versailles), Paris (Villepinte), Paris CDG, Porto, Toulouse, Tours, Tunis (LCI), Valencia, Villefranche-sur-Saône (LCI), Vitrolles (LCI).

3.1 Asia, a historic foothold

A feature of the CLASQUIN GROUP is its strong foothold in Asia, going back over thirty years. CLASQUIN opened its very first offices in 1984 in Japan and Hong Kong. The Company now has 23 offices throughout the Asia-Pacific region, giving it a firm rooting in the local economy backed by staff who fully understand local commercial practices, cultural habits and legislation.

3.2 Unique coverage

CLASQUIN, already present in the Americas (United States, Chile, Canada), Europe (Italy, Spain, Portugal and Germany) and North Africa (Tunisia), extended its international network and strengthened its management structure in 2017.

3.3 A network of high-performing partners

To further enhance its coverage, CLASQUIN draws on a network of INDEPENDENT agents under the WFA (World Freight Alliance) which covers 136 countries. CLASQUIN is one of the 5 founding members of the WFA.

> SITE OPENINGS :

France :
Fairs & Events Paris - Villepinte,
LCI-CLASQUIN Garonor,

> NEW HIRES :

USA : Matt Ingram
South-East Asia : Fulvio Moletti
Africa : Emmanuel Chiva

COMPANY PROFILE
SHAREHOLDER INFORMATION
CONSOLIDATED FINANCIAL STATEMENTS
NOTES

FOCUS

CLASQUIN SPAIN, THE GROUP'S STRATEGIC PILLAR

As the Group's second largest European market, CLASQUIN Spain accounts for 7 % of its total business and posts operating income of around €1 million. It is one of the Group's most profitable entities, the second biggest contributor to the Group's sea freight business and manages a number of key clients, including three amongst the Group's top 15.

This momentum, seen at offices located in Madrid, Barcelona and Valencia, is based on the high level of expertise of its 40 committed and passionate employees, led by their Country Manager Juan Carlos Millan. It is also the result of the merger between CLASQUIN Spain and Intercargo teams, following its acquisition in 2012, which strengthened the Group's presence and profile in the Iberian peninsula. CLASQUIN's business will be promoted on the Spanish market under the CLASQUIN brand, with the Intercargo brand covering the Cuban market.

The Group's goals in Spain include stepping up development with a high level of economic performance, developing sales synergies with the CLASQUIN network, strengthening the Sales & Management teams via new hires and extending CLASQUIN's footprint in Spain.

4 A PRESTIGIOUS CLIENT PORTFOLIO

CLASQUIN, a true creator of value for the companies it works with, has progressively broadened its scope of intervention thanks to its personalised service geared to both international SMEs and large groups.

IN FIGURES

< 2%

No. 1 key account share of GP.

< 17%

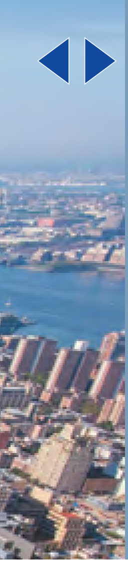
Top 30 clients' total share of GP.

CLASQUIN works in many sectors: consumer goods, fashion and luxury, industrial goods, pharmaceuticals and cosmetics, large retail, wines and spirits, etc.
CLASQUIN's portfolio of clients is also balanced. The top thirty clients account for less than 17 % of gross profit and the largest key account for less than 2 %.
Thanks to the quality and high added value of its offer, CLASQUIN has earned the trust of prestigious clients who are major players in their line of business.

A WORD FROM…

Fermob **PHILIPPE JOUSSE,**
DEPUTY CEO OF FERMOB

“ Since the beginning of our partnership with CLASQUIN, the relationship with the teams has always been friendly, professional and serious. Requests for quotations, specifically for air freight, are always answered quickly and are generally more competitive than those of other partners. Our partners in Asia are highly satisfied with the implementation of bookings with Clasquin China. Order tracking is transparent, from order confirmation to setting up delivery times. Dealings with our logistics partners in France are seamless. To sum up, it is a relationship based on efficiency and openness in a friendly and professional environment. ”



FOCUS

CLASQUIN USA

Created over 23 years ago by Didier Vanderperre, CLASQUIN USA posted excellent results in 2017, thanks to the professionalism of the 15 members of its team working from offices at New York Airport, in Chicago and in Los Angeles.
CLASQUIN has also strengthened its presence in the United States since the late 2014 acquisition of ECS (Express Consolidation Systems), founded by Michel Fuchs in 1982. The commitment of its 27 employees, who work in Miami and Hasbrouck Heights (New Jersey), contributes to the ongoing improvement in its results. Matt Ingram, recently appointed CEO USA, has been tasked with leveraging the appeal of the US market to make North America a CLASQUIN Group pillar in terms of both size and economic performance. In order to step up this development, all of CLASQUIN's business in the United States is now carried out under the CLASQUIN brand, the ECS brand being dedicated to the Caribbean market, where it has a well-established reputation. This momentum will also be driven by the recruitment of new sales representatives.

E. A SOLID, WINNING STRATEGY

For 25 years, CLASQUIN has demonstrated its capacity for strong GROWTH, particularly in high growth countries.

This AMBITIOUS development has positioned CLASQUIN as a major player in the sector, by strengthening its expertise in transport organisation and the creation of additional services.

Our goal is to continue applying this BOLD business model on these historic markets, in addition to continuing to seize new external growth opportunities.

> A GLOBAL PLAYER

Operations in 8 of the top 10 countries in world trade: *China/Hong Kong, USA, Germany, Japan,* the United Kingdom, *France,* the Netherlands, *Korea, Italy, Canada.**

> A EUROPEAN PLAYER

Operations in 6 of the top 12 partner countries in the European Union: *USA, China,* Russia, Switzerland, Norway, Turkey, *Japan, Korea, India,* Brazil, Saudi Arabia, *Canada*.*

> A STRATEGIC PRESENCE

In 6 of the top 8 highest growth countries: *Vietnam, India,* Turkey, Bangladesh, *Malaysia, Korea, China,* Indonesia.*

** The countries in italics are those where the CLASQUIN Group has its own offices.*

1. **SUPPORTING** clients' growth;
2. **CREATING** customised, original and complex solutions (quality control and transport of clothing on hangers for the fashion industry, order consolidation and preparation before overseas shipment for distribution networks, etc.);
3. **WINNING** market share wherever it is present by recruiting the best talent;
4. **LEVERAGING** its international network by opening new offices and/or subsidiaries;
5. **IDENTIFYING** and building links with partners operating in its core business;
6. **STEPPING UP** its geographical and product development in order to further improve its performance;
7. **BROADENING** its range of high added value solutions by gearing itself to a multi-service supply chain management business, in particular by developing its Overseas Logistics services;
8. **MAKING** acquisitions focused on its three core regions: North America, Western Europe and Asia;
9. **STEPPING UP** growth in South-East Asia and India;
10. **SEIZING** opportunities in fast-growing trading regions such as the Middle East and Northern and Sub-Saharan Africa;
11. **SEEKING** vertical and niche markets that are inherently more profitable.

GROUP CORPORATE SOCIAL RESPONSIBILITY

People *Profit* Planet

"CLASQUIN BELIEVES THAT CSR SHOULD ALWAYS BE A PROACTIVE AND PARTICIPATORY INITIATIVE."

YVES REVOL, CHAIRMAN & CEO

A. BUILDING ON THE GROUP'S HUMAN CAPITAL

CLASQUIN considers its people as its primary strength. Diversity and cultural differences are in its DNA, where a number of cultures, nationalities, generations and professional backgrounds are represented *(see point 2, p.24)*.

A variety of initiatives aimed at employees are regularly carried out.

THE OBJECTIVES OF THESE ACTIONS ARE:

- **Leveraging TALENT and building SKILLS;**
- **Promoting its employer BRAND;**
- **Protecting the HEALTH, SAFETY and WELL-BEING (FUN@WORK) of its employees;**
- **Promoting a global policy in favour of DIVERSITY;**
- **Encouraging MOBILITY;**
- **Creating jobs for DISABLED people.**

B. LIMITING THE ENVIRONMENTAL IMPACT

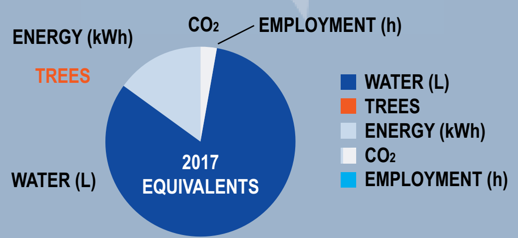
CLASQUIN helps its clients adopt ENVIRONMENTALLY SUSTAINABLE solutions in order to REDUCE their CO_2 emissions, by encouraging them to favour the greenest modes of transport such as river/canal or rail.

For this purpose, the Group has formed a partnership with CARBON IMPACT. By measuring the CO2 emissions of its transport assignments, CLASQUIN can model a number of scenarios and highlight those with the least impact on the environment.

SETTING A GOOD EXAMPLE:

The CLASQUIN Group headquarters and the CLASQUIN LYON SAINT-EXUPERY branch outsource the recycling of paper, cups and plastic bottles to ELISE. Every quarter, the environmental report for this initiative is sent to all employees concerned. In 2017, this initiative helped save:

- 51 trees (36 in 2016),
- 90,690 litres of water (64,170 in 2016),
- 1,663 kg of CO2 (1,176 kg in 2016),
- 15,115 kWh of energy (10,695 kWh in 2016).



Lastly, CLASQUIN has just been assessed by Ecovadis, one of the leading rating agencies for corporate social responsibility. It received a score of 52/100 in 2017 and was awarded a silver medal.

Determined to operate in an EXEMPLARY and SUSTAINABLE manner, CLASQUIN is stepping up its collective and individual actions in order to reduce greenhouse gas (GHG) emissions and encourage its employees to lessen their carbon footprint.

> **Creation of a travel policy: optimisation of business travel, use of video conferences and conference calls;**
>
> **Creation of a vehicle policy in favour of vehicles with low GHG emissions;**
>
> **Implementation of tangible actions to prevent pollution;**
>
> **Encouraging employees to adopt a "green" attitude (specifically regarding waste sorting and recycling).**

C. INVOLVEMENT IN LOCAL COMMUNITIES

Besides its commitment as an employer, CLASQUIN supports local and national organisations that exemplify its motto: Clients, Profit & Fun.

IN PRACTICE:
The Group is a founding member of the Emergences foundation, whose mission is to support projects aimed at developing initiatives under the banner 'LIVING BETTER TOGETHER'. CLASQUIN provides them with man-hours, skills and experience to bring these projects to fruition.

D. INVESTING IN THE SOCIAL ECONOMY

Collaboration with French ESAT-affiliated and other businesses employing disabled people is continuously increasing. This initiative, in place at the Group's French branches, will eventually be extended to its offices abroad.

> "IN 2017, CLASQUIN PROVIDED 38 HOURS OF WORK FOR PERSONS WITH DISABILITIES."

Development project in Burkina Faso:

Led by its Chairman and CEO, Yves Revol, for a number of years the CLASQUIN Group has implemented a social entrepreneurship policy in Western Africa to create jobs and contribute to the country's export activities.

> **Creation in 2012 of a socially responsible CLASQUIN branch in Bobo-Dioulasso, intended for "small producers" hoping to break into export markets;**
>
> **Launch of the "Foot Of Africa" project.**

ZOOM SUR...

AT THE "FOOT OF AFRICA" PROJECT

The aim of this project is to set up a "Made in Africa" leather shoe factory in Burkina Faso, creating around fifty jobs and improving the lives of some 500 people, while promoting the use of local raw materials. The profits will be reinvested into development projects.

Studies for the construction of a building were launched in 2012. Having been delayed (coup d'etat in 2014, terrorist attacks in January 2016), the project was relaunched at the end of 2016, after the country democratically elected a new government in December 2015. Priorities include the start of production and training of Burkinabe personnel in the first half of 2018.

Challenges include the gradual development of local expertise, the use of raw materials of African origin, collaboration with artisan groups and synergies with other local operators eager to start job-creating export activities.

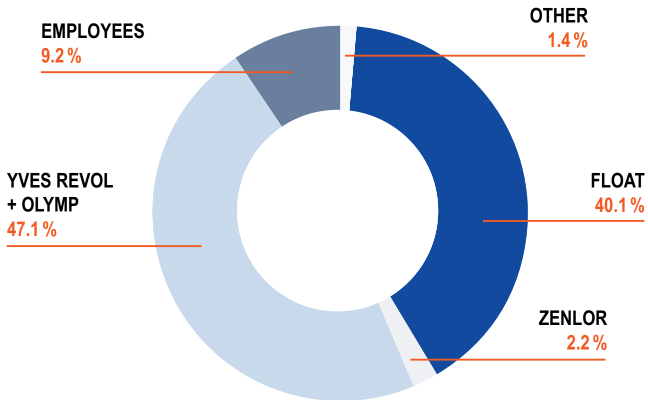
The products will target the European market and, specifically, countries where the CLASQUIN Group is present, through the creation of a specific "Foot of Africa" range of African-inspired products using a maximum of local components.

SHAREHOLDER & INVESTOR INFORMATION

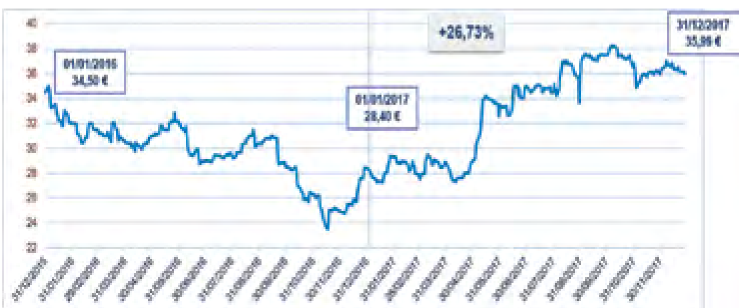
A. STOCK MARKET INFORMATION

- **> IPO date:** 31 January 2006
- **> IPO price:** € 15.50
- **> ISIN code:** FR0004152882
- **> Bloomberg code:** ALCLA FP
- **> Reuters code:** ALCLA PA
- **>** ICB classification:
  - 2000 Industries
  - 2770 Industrial Transportation
- **> Market:** Euronext Growth
- **> Listing:** continuous
- **> Share capital as at 31 December 2017:** € 4,612,802 divided into 2,306,401 shares with a par value of € 2.00 each.

B. SHAREHOLDERS AS AT 31 DECEMBER 2017



C. SHARE PRICE IN 2017



Closing share price at 1 January 2017: € 28.40
Closing share price at 31 December 2017: € 35.99
Highest closing price in 2017: € 38.21
Lowest closing price in 2017: € 27.29

Average daily volume in 2017:
1,608 shares traded
Market capitalisation at 31 December 2017: € 83.0m
Public float at 31 December 2017: 40.1 %

D. DIVIDEND POLICY

Under a proper dividend policy, dividend payouts are naturally linked to company earnings, available funds and return on investments, as well as short and medium-term financing requirements.
The Company's dividend policy is situated within this constantly changing context - it aims to pay out at least 20 % of net profit Group share (except in exceptional circumstances), with no upper limit. A dividend of € 0.80 per share - i.e. 74.1 % of 2017 consolidated net profit Group share - will be proposed at the 7 June 2018 Annual General Meeting.

E. LISTING SPONSOR

CM-CIC Market Securities acts as the Listing Sponsor for the CLASQUIN group.

F. LIQUIDITY CONTRACT

In order to improve and regulate liquidity for its shares, a liquidity contract was signed between CLASQUIN SA and ODDO CORPORATE FINANCE on 14 September 2009, the agreement being tacitly renewed each year. On 13 October 2014 the agreement was amended to increase the value of funds paid into the liquidity contract.

This contract was transferred to ODDO & Cie, sole shareholder of ODDO CORPORATE FINANCE through the universal transfer of the latter's assets and liabilities effective on 1 March 2016.

This agreement complies with the AMAFI (French Association of Financial Markets) code of ethics.

G. FINANCIAL ANALYSIS

Four financial analysts tracked the CLASQUIN share during 2017:

> **ODDO MIDCAP**
Responsible for the research note: Jérémy GARNIER

> **KEPLER CHEVREUX**
Responsible for the research note: Baptiste DE LEUDEVILLE

> **MIDCAP PARTNERS**
Responsible for the research note: Florent THY-TINE

> **CM-CIC Market Solutions**
Responsible for the research note: Claire DERAY

Their analyses are available on the Company's website **www.clasquin.com** in the **"Investors/ Financial information"** section, **"Stock Analysts notes (EN)"** tab.

H. SOURCES OF INFORMATION AND DOCUMENTATION

The annual report is published in French within four months following the end of the financial year. It is available on request from the Company's head office or can be downloaded from the Company's website **(www.clasquin.com)** under the heading **"Financial reports"**.

Legal documents - in particular articles of association and statutory auditors' reports - can be consulted at CLASQUIN's head office.

The corporate website, **www.clasquin.com**, contains the main information concerning organisational structure, operations, news, financial data and press releases. The website **www.euronext.com** provides financial and market information concerning the Company.

I. 2018 SHAREHOLDERS' AGENDA

> **Thursday 26 APRIL:**
Business report as at 31 March 2018
> **Thursday 7 JUNE:**
Combined Annual General Meeting
> **Thursday 30 AUGUST:**
Business report as at 30 June 2018
> **Wednesday 19 SEPTEMBER:**
2018 half year results
> **Thursday 25 OCTOBER:**
Business report as at 30 September 2018

J. PERSONS RESPONSIBLE FOR REPORTING

> **Philippe LONS**
Deputy Managing Director/Group CFO
> **Domitille CHATELAIN**
Group Head of Communication

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CLASQUIN
OVERSEAS FORWARDING & LOGISTICS EXPERTS

2017 CONSOLIDATED FINANCIAL STATEMENTS

A. FINANCIAL STATEMENTS

B. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

C. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

EUROPE

UNIQUE COVERAGE

The CLASQUIN Group operates in Europe (Italy, Spain, Portugal and Germany). The Group was able to consolidate its networks in 2017, specifically in Spain, where the Group intends to expand its footprint.

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Claire and Aurélie
CLASQUIN Head Office

A. FINANCIAL STATEMENTS

1 CONSOLIDATED INCOME STATEMENT

(in euro thousands)	Notes	2017	2016
SALES	4.1	**290,587**	**235,024**
Cost of sales		(227,696)	(177,525)
GROSS PROFIT		**62,891**	**57,500**
Other purchases and external charges		(14,200)	(12,310)
Taxes and duties		(854)	(722)
Staff expenses	5	(40,469)	(37,363)
Net depreciation, amortisation and provisions		(1,903)	(1,965)
Other current income		1,268	908
Other current expenses		(857)	(859)
CURRENT OPERATING INCOME		**5,875**	**5,188**
% gross profit		*9.3%*	*9.0%*
Other operating income	4.3	125	78
Other operating expenses	4.3	(561)	(668)
OPERATING INCOME		**5,440**	**4,598**
Net cost of debt	8.2.1	(209)	(168)
Other financial income	8.2.2	931	771
Other financial expenses	8.2.2	(1,432)	(1,117)
Income from equity affiliates		95	55
PROFIT BEFORE TAX		**4,825**	**4,139**
Income tax	6	(1,927)	(1,507)
GROUP CONSOLIDATED NET PROFIT		**2,898**	**2,632**
Attributable to:			
• Parent company shareholders		2,489	2,173
• Non-controlling interests		409	459
Net profit — group share per share:	9.4		
• Basic earnings per share (€)		1.08	0.94
• Diluted earnings per share (€)		1.08	0.94

"2017, robust business and earnings growth."

2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in euro thousands)	2017	2016
GROUP CONSOLIDATED NET PROFIT	**2,898**	**2,632**
ITEMS OF OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR AFTER TAX	**(1,424)**	**199**
ITEMS OF OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS	**(1,441)**	**53**
Cash flow hedges	52	(197)
Translation differences	(1,478)	195
Tax effect	(14)	55
ITEMS OF OTHER COMPREHENSIVE INCOME NOT RECLASSIFIABLE TO PROFIT OR LOSS	**17**	**146**
Actuarial gains/losses	23	254
Tax effect	(6)	(108)
2017 COMPREHENSIVE INCOME	**1,474**	**2,831**
Attributable to:		
• Parent company shareholders	1,193	2,344
• Non-controlling interests	281	487

LCI-CLASQUIN

3 BALANCE SHEET

(in euro thousands)	Notes	31 December 2017	31 December 2016
ASSETS			
Goodwill	7.1	14,729	14,974
Intangible assets	7.2	4,854	4,104
Property, plant and equipment	7.3	5,095	5,167
Financial assets available for sale		150	-
Other financial assets		838	945
Investments in equity affiliates		152	96
Deferred tax assets	6.3	1,628	1,728
NON-CURRENT ASSETS		**27,446**	**27,014**
Trade receivables	4.2	73,569	65,467
Other current assets	4.4	4,001	2,382
Current tax receivables	6.1	1,487	1,015
Cash and cash equivalents	8.1.2	20,223	22,493
CURRENT ASSETS		**99,280**	**91,357**
TOTAL ASSETS		**126,726**	**118,372**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital	9.1	4,613	4,613
Additional paid-in capital		4,245	4,245
Consolidated reserves		8,378	9,766
Net profit Group share		2,489	2,173
SHAREHOLDERS' EQUITY — GROUP SHARE		**19,726**	**20,798**
• Non-controlling interests		3,152	2,976
SHAREHOLDER'S EQUITY		**22,877**	**23,773**
Non-current provisions	10	43	19
Non-current provisions for pensions	5.2	872	816
Non-current financial liabilities	8.1	14,403	16,551
Put options granted to non-controlling shareholders — more than one year	2.3.1	3,062	3,035
Deferred tax	6.3	363	408
Other non-current liabilities	4.5	145	197
NON-CURRENT LIABILITIES		**18,888**	**21,026**
Current provisions	10	38	183
Current financial liabilities	8.1	18,222	13,953
Put options granted to non-controlling shareholders — less than one year	2.3.1	343	-
Trade and other payables		53,465	49,861
Current tax payables		389	314
Other current liabilities	4.5	12,503	9,261
CURRENT LIABILITIES		**84,960**	**73,573**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**126,726**	**118,372**

4 CASH FLOW STATEMENT

(in euro thousands)	Notes	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES			
Group consolidated net profit		2,898	2,632
Income from equity affiliates		(95)	(55)
Dividends received from equity affiliates		29	119
Non-cash income and expenses	12.1	2,492	2,703
Net cost of debt	8.2.1	209	168
Tax expense (payable and deferred)	6.1	1,927	1,507
GROSS OPERATING CASH FLOW		**7,460**	**7,074**
Income tax paid		(2,341)	(2,420)
Changes in working capital	12.2	(2,722)	(2,728)
NET CASH FLOW FROM OPERATING ACTIVITIES		**2,396**	**1,926**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisitions of intangible assets	7.2	(2,320)	(2,524)
Acquisitions of property, plant and equipment	7.3	(1,266)	(1,026)
Disposals of intangible assets and PP&E		71	3
Acquisitions of financial assets		(423)	(127)
Disposals of financial assets		200	154
Acquisitions of controlling interests, net of cash acquired (1)		(2)	(646)
NET CASH FLOW USED BY INVESTING ACTIVITIES		**(3,739)**	**(4,166)**
CASH FLOW USED BY FINANCING ACTIVITIES			
Parent'share capital increase and decrease			
Transactions between the Group and owners of non-controlling interests		27	-
Dividend payments to Shareholders of the Company	9.3	(1,844)	(2,878)
Dividends paid to non-controlling interests		(113)	(18)
Increase, loans and financial liabilities	8.1.3.2	3,658	6,863
Decrease, loans and financial liabilities	8.1.3.2	(5,444)	(4,116)
Interest paid, net	8.2.1	(209)	(168)
NET CASH FLOW USED BY FINANCING ACTIVITIES		**(3,924)**	**(317)**
IMPACT OF EXCHANGE RATE FLUCTUATIONS		**(1,078)**	**2**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(6,346)**	**(2,555)**
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**14,079**	**16,634**
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		**7,733**	**14,079**

(1) At 31 December 2017, this transaction related to the takeover of EAST ASIA LOGISTICS Ltd. — see Note 2.1.1.
At 31 December 2016, the main transactions mainly related to — see Note 2.2:
– the acquisition of ART SHIPPING INTERNATIONAL — €462,000 outflow, including €902,000 outflow relating to the purchase price and €440,000 inflow relating to net cash acquired.
– the acquisition of additional shares in SCI LACHA for an amount of €141,000 (€190,000 for the acquisition of additional shares and €50,000 in net cash acquired).
– the acquisition of additional shares in CLASQUIN Vietnam for €43,000.

5 CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in euro thousands)	Share capital	Additional paid-in capital	Treasury shares	Reserves & Consolidated results
AT 31 DECEMBER 2015	**4,613**	**4,245**	**(90)**	**11,957**
Other comprehensive income (loss) for the year				
Net income of the year				2,173
Consolidated comprehensive income for the year				**2,173**
Dividends paid [(1)]				(2,878)
Purchases and sales of treasury shares			(27)	
Change in percentage interests resulting in the acquisition/loss of control of subsidiaries [(2)]				(169)
Change in percentage interests not resulting in acquisition/loss of control of subsidiaries [(3)]				(184)
AT 31 DECEMBER 2016	**4,613**	**4,245**	**(118)**	**10,899**
Other comprehensive income (loss) for the year				
Net income of the year				2,489
Consolidated comprehensive income for the year				**2,489**
Dividends paid [(1)]				(1,844)
Purchases and sales of treasury shares			(8)	
Change in percentage interests resulting in the acquisition/loss of control of subsidiaries [(2)]				
Change in percentage interests not resulting in acquisition/loss of control of subsidiaries [(3)]				(416)
Other changes				3
AT 31 DECEMBER 2017	**4,613**	**4,245**	**(126)**	**11,132**

(1) See Note 9.3 for dividends paid. Dividends paid on non-controlling interests during the year mainly relate to the CLASQUIN US entities, those of sub-group LCI and ART SHIPPING INTERNATIONAL of €53,000, €47,000 and €12,000 respectively (2016: CLASQUIN US: €18,000).

(2) At 31 December 2017, no significant transaction relating to the acquisition/loss of control of subsidiaries have been recorded during the year. The €334,000 impact recorded in 2016 mainly related to the acquisition of a controlling interest in SCI LACHA (see Note 2.2.2) and the acquisition of ART SHIPPING INTERNATIONAL (see Note 2.2.1), for €246,000 and €89,000 respectively.

(3) At 31 December 2017, the €395,000 decrease mainly relates to the change in commitments to buy out non-controlling interests in sub-group LCI and ART SHIPPING INTERNATIONAL as well as the acquisition of a minority interest in CLASQUIN PORTUGAL for €430,000, €20,000 and €15,000 respectively. The €264,000 decrease recorded in 2016 mainly related to the change in commitments to buy out non-controlling interests in sub-group LCI as well as the acquisition of CLASQUIN VIETNAM shares (see Note 2.2.3) for €209,000 and €43,000 respectively.

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Cash flow hedges	Foreign exchange translation reserves	Actuarial gains/losses	Shareholders' equity Group share	Non-controlling interests	Total shareholders' equity
-	**1,069**	**(81)**	**21,712**	**2,083**	**23,795**
(119)	161	130	171	28	199
			2,173	459	2,632
(119)	**161**	**130**	**2,344**	**487**	**2,831**
			(2,878)	(18)	(2,896)
			(27)	18	(27)
			(169)	503	334
			(184)	(81)	(264)
(119)	**1,229**	**49**	**20,798**	**2,975**	**23,773**
31	(1,348)	21	(1,296)	(128)	(1,424)
			2,489	409	2,898
31	**(1,348)**	**21**	**1,193**	**281**	**1,474**
			(1,844)	(113)	(1,956)
			(8)	-	(8)
			(416)	22	(395)
			3	(12)	(7)
(88)	**(119)**	**69**	**19,726**	**3,152**	**22,877**

CLASQUIN Head Office
accounting department

B. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 GENERAL ACCOUNTING PRINCIPLES

The parent company CLASQUIN SA is a French public limited liability company (*société anonyme*). The Company was established in 1959 and its registered office is located at 235 Cours Lafayette, Lyon.

CLASQUIN has been listed on the Euronext Growth market in Paris since 2006 (ticker symbol: ALCLA).

The consolidated financial statements for the year ended 31 December 2017, as well as the related notes, were approved by the Board of Directors on 20 March 2018 and will be submitted to the shareholders' Annual General Meeting on 7 June 2018 for approval.

1.1. Reporting framework

Pursuant to European regulations nos.1606/2002 and 1725/2003, the Group consolidated financial statements were drawn up in compliance with the international accounting standards issued by the IASB (International Accounting Standards Board) and applicable in the European Union as at 31 December 2017. These rules may be consulted on the following website:

http://ec.europa.eu/finance/accounting/ias/index_en.htm.

1.1.1 Main standards, amendments and interpretations adopted by the European Union and mandatory for years beginning on or after 1 January 2017

Main standards, amendments and interpretations which were mandatory as of 1 January 2017	
Amendments to IAS 7	Amendments to IAS 7, included in "Disclosure initiative", concerning changes with regard to financial liabilities presented in the balance sheet.
Amendments to IAS 12	IAS 12 covers the accounting and measurement of deferred tax assets or liabilities. The published amendments aim to clarify provisions for the accounting of deferred tax assets relating to debt instruments measured at fair value, in order to reflect diverse practices.

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1.1.2 Main standards, amendments and interpretations adopted by the European Union mandatory for years beginning on or after 1 January 2017 for which the Group has not opted for early application

Main standards, amendments and interpretations	Date of application	
IFRS 15 **Revenue from Contracts with Customers and amendments to IFRS 15**	1 January 2018	IFRS 15 will replace IAS 11, IAS 18 and IFRIC and SIC interpretations relating to the recognition of income from continuing activities and introduces a new accounting model for this income. Clarifications to the standard were published by the IASB on 12 April 2016 following the publication of the "IFRS 15 clarification" report published in July 2015. The European Union adopted IFRS 15 on 22 September 2016.
IFRS 15 **Clarification to IFRS 15**	1 January 2018	On 12 April 2016, the IFRS Foundation published clarifications to IFRS 15 "Revenue from Contracts with Customers".
IFRS 9 **Financial Instruments**	1 January 2018	On 24 July 2014, the IASB finalised its plan to replace IAS 39 "Financial Instruments", by publishing the complete version of IFRS 9. The IASB has made major changes with regard to IAS 39 as it currently exists: – provisions relating to the classification and measurement of financial assets will now be based on the joint analysis of the investment model for each asset portfolio and contractual characteristics of the financial assets; – the impairment model has set aside the current approach based on actual losses in favour of an approach based on expected losses; – finally, the hedging component includes a number of significant advances in favour of reconciling the Company's accounting and risk management policy.
Amendments to IFRS 2	1 January 2018	Classification and Measurement of Share-based Payment Transactions
Annual improvements (2014–2016) to IFRS	1 January 2018/ 1 January 2017	Various provisions relating to IFRS 1, IFRS 12 and IAS 28
IFRS 16 **Lease agreements**	1 January 2019	On 13 January 2016, IASB published IFRS 16 "Lease agreements". IFRS 16 will replace IAS 17 as well as the related IFRIC and SIC interpretations, and will remove the previous different accounting treatments for "operating lease agreements" and "finance lease agreements". Lessees will be required to account for all leases with a term of more than one year in a manner similar to the terms currently provided for finance leases by IAS 17 and thus recognise an asset representing the right to use the leased asset as a contra-entry to a liability representing the obligation to pay for this right. The application of this standard is currently being analysed by the Group.

IFRS 9 and IFRS 15 were not applied early in the consolidated financial statements for the financial year ended 31 December 2017.

IFRS 15

IFRS 15 "Revenues from Contracts with Customers" was published on 28 May 2014 by the IASB and adopted by the European Union in October 2016. This standard is applicable to financial years beginning on or after 1 January 2018.
The standard introduced a new model for recognising revenue, as well as new provisions relating to information to be provided in the notes to the financial statements.
In this respect, the Group has performed analysis in order to identify the potential impacts of these new provisions.
The Group has prepared an overview of these different activities and has reviewed certain agreements deemed significant, in order to identify matters likely to give rise to discrepancies with regard to the Group's current accounting practices. The analysis thus examined obligations relating to its business as a freight forwarder and those relating to the IT services business. These analyses did not identify any material impacts.

The freight forwarding business is the Group's main business activity. Given commercial conditions that provide for payment for the service rendered within one year, trade receivable amounts do not need to be adjusted to take financing into account. The analysis also covered discounts granted to clients.

The IT services business is considered an additional activity to the Group's main business activity. The Group's current contracts contain very few specific performance obligations with regard to maintenance.

The analysis performed did not identify any material impacts at the transition date.

IFRS 9

IFRS 9 "Financial instruments" replacing IAS 39 was published in July 2014 by the IASB and adopted by the European Union in November 2016. This standard is applicable to financial years beginning on or after 1 January 2018.
The Group has reviewed changes resulting from the application of this new standard. The main impact relates to the impairment method for trade receivables. This impact is currently being assessed, however at this stage is not expected to be significant, given the credit risk management system implemented by the Group.

1.1.3 Principal standards, amendments and interpretations published by the International Accounting Standards Board (IASB) not yet adopted by the European Union

Main standards, amendments and interpretations		Date of application
IFRIC 22 Foreign Currency Transactions and Advance Consideration	Interpretation of IAS 21 "The Effects of Changes in Foreign Exchange Rates" on the exchange rates to be used to recognise purchases and sales subject to upfront payments.	1 January 2018
IFRIC 23 Uncertainty over income tax treatments	Treatment of tax risks relating to income tax. IFRIC 23 specifies IAS 12 "Income taxes" on the treatment to be used to account for any uncertainty with regard to a company's tax position in the valuation and recognition of tax and deferred taxes.	1 January 2019
Amendments to IFRS 9	Amendments to IFRS 9 "Financial Instruments", entitled "Prepayment features with negative compensation"	1 January 2019
Amendments to IAS 28	Amendments to IAS 28 entitled "Long-term interests in associates and joint ventures".	1 January 2019
Annual improvements (2015–2017) to IFRS	Various provisions relating to IFRS 3, IFRS 11, IAS 12 and IAS 23.	1 January 2019
Amendments to IAS 19	Amendments to IAS 19 "Employee Benefits" regarding plan amendment, curtailment or settlement.	1 January 2019

The Group is currently assessing potential impacts of the first-time application of these standards.

1.2 Basis of preparation

1.2.1 Basis of valuation

The consolidated financial statements were prepared according to the historic cost principle, with the exception of:

- assets and liabilities remeasured at fair value as part of a business combination, pursuant to the principles set out in IFRS 3;
- derivatives measured at fair value.

The consolidated financial statements are presented in thousands of euros and are rounded to the closest thousand. They include individually rounded data.

1.2.2 Use of estimates and judgement

The preparation of IFRS financial statements requires management to exercise its judgement in making estimates and assumptions which have an impact on the application of accounting methods and on the amounts of assets, liabilities, income and expenses. The actual values may be different from the estimated values.

The underlying estimates and assumptions are continually reviewed. The impact of changes in accounting estimates is recognised during the period of change and during all subsequent periods affected.

The main assumptions concerning future events, as well as other sources of uncertainty related to the use of estimates at the closing date, changes to which could entail a significant risk of material adjustments to the net book values of assets and liabilities during the following financial year, mainly relate to:
- Pension commitments and similar benefits (Note 5.2.2);
- Goodwill (Note 7.1);
- Impairment of assets (Note 7.4);
- Provisions (Note 10).

1.2.3 Conversion methods for foreign company financial statements

The Group's functional currency is the euro, which is also the presentation currency of the consolidated financial statements.

Financial statements for entities whose operating currency is other than the euro are converted using the following procedures:
- the income statement is converted using the average exchange rate for the year,
- the balance sheet statements are converted using the closing rate with the exception of capital and reserves, which are maintained at the historic cost,
- the resulting conversion differences are recorded under reserves in shareholders' equity.

NOTE 2 CONSOLIDATION SCOPE

Since 1 January 2014, the Group has applied the new standards on consolidation scope, i.e. IFRS 10, 11 and 12 and IAS 28 amended.

IFRS 10 “Consolidated Financial Statements” supersedes IAS 27 as well as interpretation SIC 12 “Consolidation — Special Purpose Entities” for all aspects relating to control and consolidation procedures using the full consolidation method. It redefines the notion of control over an entity on the basis of three criteria:

- the investor has power over the investee, i.e. the ability to direct the activities of the investee that significantly affect the investee’s returns,
- the investor is exposed, or has rights, to variable returns, which may be either positive, in the form of dividends or any other type of economic benefit, or negative, from its involvement with the investee,
- the link between this power and these returns, i.e. the ability to use its power over the investee to affect the amount of the investor’s returns.

In practice, companies in which the Group directly or indirectly holds the majority of voting rights at the Annual General Meeting, or on the Board of Directors or equivalent management body, giving it the power to direct their operational or financial policies, are generally deemed to be controlled and consolidated using the full consolidation method.

To determine control, the Group carries out an in-depth analysis of the existing governance structure and an analysis of other shareholders’ rights. Where necessary, an analysis is also carried out of instruments held by the Group or third parties (potential voting rights, dilutive instruments, convertible instruments, etc.) which, if exercised, could change the type of influence exercised by each party.

Full consolidation consists of:

- incorporating the items from the consolidated companies’ accounts into the accounts of the consolidating company, after any restatements have been applied,
- distributing shareholders’ equity and the profit between the consolidating company’s interests and non-controlling interests,
- eliminating transactions between the fully consolidated company and the other consolidated companies.

IFRS 11 “Joint Arrangements” supersedes IAS 31 for all aspects relating to the accounting of entities under joint control. IAS 28 amended defines the notion of significant influence and describes the equity method applicable to investments in associates and joint ventures within the meaning of IFRS 11.

Associates are companies in which the Group exercises significant influence, i.e. in which it has the right to participate in decisions relating to the financial and operating policy of the company, but without exercising control or joint control over said policies.

The Group has no interests under joint control.

The Group’s investments in associates are accounted for using the equity method: the interest in an associate is initially recognised at its acquisition cost in the consolidated statement of financial position, and is later adjusted in order to account for the Group’s share in net income, and other items of the associate’s comprehensive income.

Christine and Laura
CLASQUIN Head Office

2.1 Transactions carried out in 2017

2.1.1 Acquisition of EAST ASIA LOGISTICS Ltd.

On 25 March 2017, CLASQUIN acquired 49% equity stake in EAST ASIA LOGISTICS Ltd. for €5,000. Located in Vietnam, this company specialises in the same area of business as CLASQUIN SA. The assets and liabilities acquired as well as the resulting badwill are not considered material.

2.1.2 Increase in equity interest in CLASQUIN PORTUGAL

On 31 March 2017, CLASQUIN PORTUGAL performed a share capital increase, 20% of which was subscribed by non-controlling interests, increasing CLASQUIN SA's equity interest to 80%. This transaction was followed by another capital increase on 22 December 2017 in order to strengthen the company's shareholders' equity. CLASQUIN SA's shareholding amounted to 90% at year-end.

In accordance with IFRS, these transactions do not give rise to reclassifications between Group and minority reserves. No goodwill was recognised.

2.1.3 Creation of FAIRS & EVENTS

The Group created FAIRS & EVENTS on 14 November 2017 in order to provide its clients a global offering. This company began operating in January 2018 and specialises in logistics for trade fairs, shows and events.

2.1.4 Merger of CLASQUIN SPAIN and TRANSITOS INTERNACIONALES INTERCARGO 1999 SA

On 28 December 2017, CLASQUIN SPAIN and TRANSITOS INTERNACIONALES INTERCARGO 1999 SA, both located in Spain and wholly owned by CLASQUIN SA, were merged with retroactive effect as of 1 January 2017. This transaction had no impact on the Group's financial statements.

2.2 Transactions carried out in 2016

2.2.1 Acquisition of ART SHIPPING INTERNATIONAL

On 4 May 2016, CLASQUIN SA acquired an 80% equity stake in ART SHIPPING INTERNATIONAL, a company specialised in the transportation of artwork.

Following the valuation of identifiable assets, liabilities and contingent liabilities, this acquisition resulted in the recognition of goodwill of €0.7m. These items are described in more detail in the section relating to goodwill (see Note 7.1).

A put option over minority interests, corresponding to the purchase of a 20% stake in ART SHIPPING INTERNATIONAL, was recognised at a discounted amount of €132,000 at 31 December 2016.

2.2.2 SCI LACHA

LCI-CLASQUIN previously exercised joint control of SCI LACHA, in which it held a 50% stake. This company was therefore an equity-accounted company. On 18 July 2016, LCI-CLASQUIN increased its stake in SCI LACHA from 50% to 62.5%. The company was a member of the LCI sub-group acquired in 2015. This transaction did not give rise to any surplus as a result of the revaluation of the previous equity stake.

2.2.3 CLASQUIN VIETNAM

On 1 February 2016 CLASQUIN SA increased its equity stake in CLASQUIN VIETNAM from 51% to 99%.

Pursuant to IFRS, this transaction resulted in the transfer of minority interest reserves to Group reserves, and no goodwill was recorded.

2.3 Commitments relating to the consolidation scope

2.3.1 Financial liabilities relating to commitments to purchase non-controlling interests

The Group may commit to purchasing shares of non-controlling interests (put options of non-controlling interests) in some of its subsidiaries. Pursuant to IAS 32, put options granted in relation to fully consolidated subsidiaries are presented under “financial liabilities”. The exercise price for these put options may be fixed or calculated based on a predefined formula. “Fixed-price put options” are recognised at their present value and “variable-price put options” at their fair value. These options may be exercised at any time or on a specific date. As of 2017, the Group presents the amount of “put options of non-controlling interests” directly in the consolidated balance sheet.

Since the application of IAS 27 amended from 1 January 2010, followed by IFRS 10 (applicable from 1 January 2014), the accounting treatment for additional acquisitions of shares in companies has been specified. The Group treats these operations as transactions between shareholders. Accordingly, the difference between purchase commitment liabilities and the book value of non-controlling interests is recognised as a reduction in shareholders’ equity Group share.

At subsequent balance sheet dates, these commitments are remeasured. Any changes identified are then recognised under equity.

2.3.1.1 Breakdown of put options of non-controlling interests

					SCHEDULE		
(in euro thousands)	Carrying value	% held by the Group	Commitment to non-controlling interests	Fixed or variable price	< 1 year	1 to 5 years	> 5 years
ART SHIPPING INTERNATIONAL (1)	112	80%	20%	Variable		112	
LCI FINANCIÈRE (1)	2,950	80%	20%	Variable		2,950	
ECS (2)	343	80%	20%	Variable	343		
TOTAL COMMITMENTS	**3,405**				**343**	**3,062**	**-**
• *current*	*343*						
• *non-current*	*3,062*						

(1) The value of commitments to non-controlling interests is defined according to a multi-criteria valuation incorporating gross profit, current operating income and net income indicators; each aggregate carries own weighting.
(2) The value attached to the ECS put corresponds to the price floor.

2.3.1.2 Change in put options of non-controlling interests

(in euro thousands)	Amounts at 1 January 2017	New transactions	Fair value adjustments recorded under consolidated reserves	Foreign exchange differences	Other changes	Amounts at 31 December 2017
Commitments to non-controlling interests	3,035		418	(48)		3,405

The €370,000 change primarily relates to updated assumptions used to determine the fair value of put options of non-controlling interests.

2.3.2 Off balance sheet commitments

Commitments to purchase or sell shares (put and call options) are valued based on the profitability of companies via a multi-criteria approach. Valuations are therefore calculated based on the most recently published results if the option may be exercised at any time, or based on projected results for future years if the option may be exercised as of a specified date.

When the Group grants put options of non-controlling interests, it is also granted call options. The value presented corresponds to put options granted.

Put options amounted to €3,405,000 at 31 December 2017, up from €3,035,000 at 31 December 2016 and concern ECS, ART SHIPPING INTERNATIONAL and FINANCIÈRE LCI. These options may be exercised as of 2018 for ECS, 2019 for ART SHIPPING INTERNATIONAL and 2022 for FINANCIÈRE LCI.

NOTE 3 SEGMENT INFORMATION

In accordance with IFRS 8 “Operating Segments”, the segment information presented below is based on internal reporting used by Senior Management to assess performance and allocate resources to different segments. Senior Management is the chief operating decision maker within the meaning of IFRS 8.

Operating segment 1 comprises 3 business lines:

- Air freight forwarding and related services,
- Sea freight forwarding and related services,
- Other services not included in air and sea freight (including related services) are grouped into the “Others” business line.

3.1 Key indicators by operating segment

(in euro thousands)	Overseas Freight	IT Services	Inter-segment eliminations	CLASQUIN Group
Sales	289,265	2,978	(1,656)	290,587
Gross profit	61,724	2,648	(1,481)	62,891
Operating income	5,739	170	(33)	5,875

3.2 Key indicators by geographical area: Gross profit

(in euro thousands)	2017	2016
France	34,271	31,356
EMEA (excluding France)	6,802	6,654
Asia-Pacific	16,793	15,447
Americas	7,715	6,309
Total before consolidation entries	**65,581**	**59,767**
Consolidation entries	(3,857)	(3,361)
TOTAL OVERSEAS FREIGHT	**61,724**	**56,405**

3.3 Key indicators by business: Gross profit

(in euro thousands)	2017	2016
Air freight	20,721	18,432
Sea freight	30,156	27,662
Other	10,847	10,311
TOTAL OVERSEAS FREIGHT	**61,724**	**56,405**

Jim and Nicole
CLASQUIN Qingdao

NOTE 4 OPERATING FIGURES

4.1 Sales

Sales figures include the following businesses:

Freight and logistics

Sales recorded in the income statement only include income recognised once the service has been provided and include the following services:

- services for air and sea freight forwarding, customs, insurance, etc.,
- road haulage services,
- storage, warehousing and handling services, etc.

Invoicing for customs liquidation (customs duties and VAT reinvoiced to clients) is directly recorded in the balance sheet.

IT services

LOG SYSTEM is an IT service provider, offering the following services and applying the following accounting methods:

- technical assistance, consulting, training and development services,
  - services recognised in sales on a time-spent basis:
    these services are recognised in sales, at the end of the month, or according to the contract terms and based on the services provided.
  - services covered by a fixed-price contract:
    these services are recognised using the percentage of completion method.
- sales of materials and licences,

  Income generated from the sale of products is valued at the fair value of the consideration received or receivable, net of any returns and refunds, sales discounts and volume discounts.

  Income is recorded in the income statement when non-negligible risks and rewards incident to the ownership of goods have been transferred to the buyer, when consideration is likely to be recovered, when the related costs incurred or to be incurred and the potential return of the goods can be reliably assessed, when the Group is no longer involved in managing the products and when the amount of income can be reliably measured.

  The transfer of risks and rewards is assessed based on the terms and conditions of the sales agreement.

  For the sale of IT equipment and licences, the transfer occurs upon delivery.

  Sales of equipment and licences are recognised in sales at the time of delivery.

  Any payback on licences or commissions for business facilitators generate a credit note, issued by the Company at the time of invoicing. These credit notes are entered under purchases.

CLASQUIN Group sales amounted to €290,587,000 in 2017, up from €235,024,000 in 2016, an increase of 23.6%. Changes in exchange rates had a negative impact of 0.9%. At constant exchange rates, consolidated sales increased 24.8% from 2016 to 2017.

The Group's gross margin increased 9.4% to €62,891,000 in 2017, compared to €57,500,000 in 2016. At constant exchange rates, the gross margin increased 10.3%. Between 2016 and 2017, changes in exchange rates had a 0.9% negative impact on the gross margin.

4.2 Trade receivables

Receivables are valued at their nominal value. The effect of discounting receivables is negligible.

Impairment provisions are recorded for doubtful receivables if their recovery is uncertain and if their age is considerable.

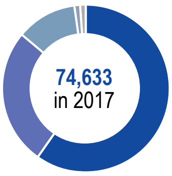
Trade receivables are written down taking account of various criteria, such as: the client's financial situation, late payments, credit rating from an independent agency and geographical location.

At year-end, Group companies value their foreign currency receivables on the basis of closing exchange rates.

Receivables hedged against foreign exchange rate fluctuations are valued according to the rate provided for by the hedge contract.

4.2.1 Breakdown of trade receivables

(in euro thousands)	2017	2016
Trade receivables	74,633	66,966
Impairment of trade receivables	(1,064)	(1,499)
Net receivables	**73,569**	**65,467**



(in euro thousands)		2017	2016
59.8%	- Not due	44,666	41,839
26.4%	- Less than 1 month overdue	19,684	18,299
11.7%	- More than 1 month and less than 6 months overdue	8,744	5,453
1.0%	- More than 6 months and less than 1 year overdue	777	955
1.0%	- More than 1 year overdue	762	419
Gross trade receivables		**74,633**	**66,966**

Gross trade receivables not due and less than one month overdue at 31 December 2017 amounted to €44,666,000 and €19,684,000 respectively, i.e. 86.2% of total gross trade receivables (89.8% at 31 December 2016). Overdue receivables have been written down in an amount of €1,064,000 (€1,499,000 at 31 December 2016).

4.2.2 Impairment of current assets

(in euro thousands)	2017	2016
At 1 January	**(1,499)**	**(1,820)**
Additions	(176)	(486)
Reversals	552	801
Foreign exchange difference	59	6
At 31 December	**(1,064)**	**(1,499)**

4.3 Other operating income and expenses

Other operating income and expenses are presented separately in order to facilitate reading of the Group's performance.

They mainly break down into two types:

- major items that, given their characteristics and exceptional nature, cannot be considered inherent to the Group's business, in accordance with CNC recommendation 2013-03. These include limited, exceptional, unusual or infrequent income and expenses, and significant amounts, such as restructuring costs and provisions and charges for risks and disputes.
- items that, by nature, are not included in the assessment of business unit current operating performance, such as disposals of non-current assets, impairment of non-current assets, impacts of changes in the consolidation scope and subsidiary restructuring expenses.

(in euro thousands)	2017	2016
Income from asset disposals	71	3
Other non-recurring income	53	75
Other operating income	**125**	**78**
Net values of assets disposed of or retired	(250)	(367)
Other non-recurring expenses	(311)	(301)
Other operating expenses	**(561)**	**(668)**

4.4 Other assets

(in euro thousands)	2017	2016
Other receivables	2,463	1,388
Tax receivables	1,418	938
Social security receivables	120	55
Derivatives — fair value hedge (assets)	-	1
TOTAL	**4,001**	**2,382**

Tax receivables mainly comprise receivables relating to VAT at French entities.

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India

4.5 Other liabilities

(in euro thousands)	2017	2016
Accrued tax	487	475
Employees related liabilities	7,990	7,010
Current tax payables	389	314
Derivatives — fair value hedge	17	5
Derivatives cash flow hedge	145	197
Deferred income	176	161
Other creditors	3,833	1,611
TOTAL	**13,037**	**9,773**
• *non-current*	*145*	*197*
• *current*	*12,892*	*9,576*

4.6 Lease agreements

Finance lease agreements

In accordance with IAS 17 “Leases”, fixed assets held under finance leases, for which the risks and benefits have been transferred to the lessee, are stated on the balance sheet at the discounted present value of the minimum lease payments or, if lower, at their market value. The corresponding liabilities are recorded as balance sheet liabilities under “Loans and borrowings.”

Depreciation is in accordance with the aforementioned methods and depreciation rates used by the Group. The tax impact of this adjustment is taken into account.

At the balance sheet date, the Group was not party to any finance leases.

Operating leases

Lease agreements under which the lessor retains substantially all of the risks and benefits attached to ownership of the leased asset are treated as operating lease agreements. Payments made under operating lease agreements are recognised under operating expenses on a straight-line basis until the agreement’s expiry.

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Milan

4.6.1 Operating lease commitments (off-balance sheet)

The CLASQUIN Group has operating leases on properties, cars and IT equipment.

At 31 December 2017 and 31 December 2016, the schedule for future minimum payments under these agreements is as follows:

(in euro thousands)	2017	2016
< 1 year	2,781	1,683
1 to 5 years	1,552	1,843
> 5 years	-	-
Total minimum payments	**4,332**	**3,526**

(in euro thousands)	2017	2016
Minimum payments recognised	3,694	2,944
Income recognised from sub-leases	-	-

4.7 Off-balance sheet commitments

4.7.1 Commitments given

Commitments disclosed in the table below represent the maximum potential amounts (undiscounted) that might have to be paid under guarantees granted by the Group.

(in euro thousands)	2017	2016
Securities and bank guarantees given	5,733	6,218
Guarantees given in connection with disposals of non-currents assets (1)	280	280
Total commitments given	**6,013**	**6,498**
Maturities:		
< 1 year	*2,530*	*-*
1 to 5 years	*-*	*280*
> 5 years	*3,483*	*6,218*

(1) Corresponds to the asset-liability guarantee following the disposal of shares in FINANCIÈRE GUEPPE in 2015.

4.7.2 Commitments received

Commitments presented in the table below represent the maximum potential amounts (undiscounted) under guarantees received.

(in euro thousands)	2017	2016
Guarantees received in connection with acquisition of non-current assets (1)	2,504	5,255
Total commitments received (2)	**2,504**	**5,255**
Maturities:		
< 1 year	*904*	*2,630*
1 to 5 years	*1,600*	*2,625*
> 5 years	*-*	*-*

(1) Mainly corresponds to asset/liability guarantees:
– following the acquisition of GARNETT shares in 2014, the Group obtained an US$800,000 guarantee valid until 31/12/2017,
– during the acquisition of business assets of AWC JFK, the Group was granted a US$200,000 guarantee ending on 01/08/2018,
– during the acquisition of GÖRITZ AIRFREIGHT GmbH sHares, the Group was granted an uncapped guarantee ending 31/12/2018,
– following the acquisition of sub-group LCI in 2015, CLASQUIN SA received a guarantee of an initial amount of€2,400,000. At the balance sheet date, this guarantee amounted to €1,600,000 valid until 31/03/2018. As of this date, the guarantee will amount to €800,000, until 31/03/2019.
– the acquisition of ART SHIPPING INTERNATIONAL in 2016 is covered by the normal guarantees, amounting to €37,000 until 30/04/018, then €19,000 until 30/04/2019.
(2) The change recorded between 2016 and 2017 is mainly the result of the asset/liability guarantee received by the Group during the INTERCARGO acquisition. This guarantee expired in 2017.

NOTE 5 HEADCOUNT AND EMPLOYEE BENEFITS EXPENSES

5.1 Headcount

Average consolidated headcount breaks down as follows:

(in euro thousands)	2017	2016
France (excl. LOG SYSTEM)	286	251
EMEA (excluding France)	128	128
Asia-Pacific	254	248
North America	65	61
TOTAL EXCL. LOG SYSTEM	**733**	**688**
LOG SYSTEM	29	28
TOTAL	**762**	**716**

5.2 Employee benefits

Employee benefits are valued in accordance with IAS 19 amended, applicable as of 1st January 2014. It breaks down between short and long-term benefits.

Group employees receive short-term benefits such as paid leave, sick leave, bonuses and other benefits (other than severance pay) payable within twelve months following the period in which the employees provided the related services.

These benefits are recognised under current liabilities and recorded as expenses for the financial year in which the employee provided the service.

Within the CLASQUIN Group, long-term benefits include pension payments.

The various benefits offered to each employee are based on local legislation, contracts or agreements in force at each Group company.

These benefits break down into two categories:

- defined contribution plans;
  These plans do not include future commitments as the employer's obligation is limited to making regular contributions. The impact of these plans is recognised under staff costs when they fall due.
- defined benefit plans;
  Under these plans, the employer guarantees a future level of benefits. An obligation is then recognised under liabilities on the statement of financial position (see Note 5.2.2.).

5.2.1 Employee costs

Employee costs break down as follows:

(in euro thousands)	2017	2016
Salaries and wages	30,828	29,068
Employee-related expenses	9,642	8,295
Pension cost defined contribution plans	85	41
TOTAL	**40,554**	**37,404**

In France, the Group receives the French competitiveness and employment tax credit (CICE), which is based on a portion of compensation paid to French employees who work for a French company. This tax credit is paid by the government, regardless of the entity's corporate tax position; it is paid by the government within three years if the entity does not pay corporate income tax.

In 2017, the Group recognised CICE income of €477,000 (€392,000 in 2016) as a reduction in employee costs.

5.2.2 Provisions for pensions

As presented at the beginning of Note 5.2, long-term benefits under defined benefit plans give rise to an obligation binding on the company. This obligation is recognised under provisions for pensions. This provision is measured according to IAS 19 based on the rights that would be acquired by the employees for the calculation of their retirement benefits, based on:

- their respective collective bargaining agreements,
  - for CLASQUIN SA and LCI-CLASQUIN, the Road Haulage and Ancillary Services agreement applies,
  - for LOG SYSTEM, the SYNTEC agreement must be used.
- their seniority,
- financial assumptions (discount rate, wage increases),
- demographic assumptions (staff turnover rate, retirement age, life expectancy).

Discount rates are determined with reference to yields earned on bonds issued by blue-chip companies with maturities equivalent to those of the liabilities at the measurement date.

Actuarial gains and losses are generated when differences are identified between the actual figures and previous forecasts, or following changes in actuarial assumptions. In the case of post employment benefits, actuarial gains and losses are recognised on the statement of comprehensive income, net of deferred tax in accordance with IAS 19.

The calculations are performed every year by a qualified actuary.

5.2.2.1 Main actuarial assumptions applied

The principal average assumptions used to determine the value of the actuarial liability of the pension plans are as follows:

(in euro thousands)	2017	2016
Discount rate	1.30%	1.31%
Expected rate of future salary increase	2% to 3%	2% to 3%
Mortality table	INSEE 2013-2015	INSEE Men/Women 2002
Staff turnover	Depending on age range	Depending on age range

The sensitivity analysis, by varying the discount rate of +/- 0.5%, did not reveal any significant difference (+/- €30,000) in the commitment.

Bonbon and Emily,
CLASQUIN Guangzhou

5.2.2.2 Change in retirement benefit obligations

Changes recorded under liabilities are as follows:

(in euro thousands)	2017	2016
COMMITMENTS AT START OF THE YEAR	**816**	**1,000**
Actuarial (gains) or losses recorded under items of other comprehensive income related to:	(23)	(254)
• *changes in financial and demographic assumptions*	*(9)*	*(260)*
• *experience adjustments*	*(14)*	*6*
Change in consolidation scope	-	6
Items recognised on the income statement	92	56
• *service cost*	*85*	*41*
• *interest cost*	*7*	*15*
Exchange rate fluctuations	(13)	9
COMMITMENTS AT YEAR END	**872**	**816**

Amounts recorded on the income statement for the year are as follows:

(in euro thousands)	2017	2016
Service cost	85	41
• *including service cost rendered during the period*	*89*	*44*
• *including past service cost*	*(4)*	*(3)*
Interest cost	7	15
Taxes	(13)	(21)
Net cost of benefits on the income statement	**79**	**35**
Actuarial (gains) or losses recorded under items of other comprehensive income related to:	(23)	(254)
• *changes in financial and demographic assumptions*	*(9)*	*(260)*
• *experience adjustments*	*(14)*	*6*
Exchange rate fluctuations	(13)	9
Taxes	6	108
Net cost of benefits impacting items of other comprehensive income	**(30)**	**(138)**
Net cost of benefits under comprehensive income	**49**	**(103)**

5.2.3 Defined contributions

Some subsidiaries make payments to external management organisations and participate in defined contribution plans. At 31 December 2017, the Australian, Hong Kong and Korean subsidiaries recorded a charge of €149,000 (€132,000 at 31 December 2016).

5.3 Director compensation

Directors include those persons having authority and responsibility for planning, managing and controlling the activities of the entity, directly or indirectly, including both executive and non-executive board members of this entity.

The remuneration paid to members of administrative and management bodies amounted to €1,259,000 for 2017, including €26,000 of benefits in kind. This comprised remuneration under employment contracts and for corporate office.

Within the CLASQUIN Group, no deferred benefits such as share-based payments or non-competition indemnities are granted to current or former members of the administrative and management bodies.

NOTE 6 TAXES

The income tax expenses includes current and deferred tax of consolidated companies.

Tax relating to items recorded directly under other comprehensive income are recognised under items of other comprehensive income, and not on the income statement.

6.1 Analysis of income tax expenses

(in euro thousands)	2017	2016
Current income tax	1,965	2,130
Deferred tax	(38)	(623)
Total income tax expenses recorded on the income statement	**1,927**	**1,507**
Income tax on items recorded in "Other comprehensive income"	**(21)**	**(53)**

For the financial year ended 31 December 2017, the Group recorded a tax expense of €1,927,000, corresponding to an effective tax rate of 39.9%.

6.2 Tax proof

(in euro thousands)	2017	2016
Profit before tax (excluding share of associates)	**4,825**	**4,139**
Normal tax rate in France	33%	33%
Theoretical tax (charge)/income	**(1,608)**	**(1,380)**
Impact of:		
• Differences in foreign tax rates	141	124
• Unrecognised deferred tax assets and unused tax losses	(878)	(190)
• Use of previously unrecognised tax losses	67	29
• CVAE	(274)	(252)
• Tax credits	159	112
• Permanent differences between accounting and taxable income	467	49
Actual income tax expenses	**(1,927)**	**(1,507)**

6.3 Deferred tax

Pursuant to IAS 12, the Group records deferred taxes as soon as a temporary difference occurs between the book value and the tax value of the assets and liabilities, and on unused tax losses.

Deferred taxes are calculated according to the liability method, by applying the last tax rate in force for each company. Deferred tax is determined using the tax rate which has been enacted by the end of the reporting period and which is expected to apply to the period when the deferred tax asset is realised or the deferred tax loss settled.

Tax assets and liabilities are offset when taxes are due to the same tax authority provided that this is authorised by the local tax authorities.

Deferred tax assets are only considered insofar as it is likely that the Group will receive future taxable profits against which the corresponding time difference can be offset. Deferred tax assets are examined at the end of each financial year and are reduced pro rata where it is no longer likely that a sufficient taxable profit will be available.

(in euro thousands)	Amount at 1 January 2017	Change in consolidation scope	Impact on profit	Impact on reserves	Foreign exchange difference	Amount at 31 December 2017
DEFERRED TAX ASSETS						
Intangible assets	40		30	(4)		66
Organic	11		(6)			5
Provision for pension payments	145		13	(7)		151
Financial instruments	57		4	(14)		46
Other temporary differences	644		(56)	4	(44)	548
Tax losses carried forward	932		10	(7)	(17)	918
DTA/DTL offset	(102)		(5)			(107)
TOTAL	**1,727**	**-**	**(10)**	**(28)**	**(61)**	**1,628**
DEFERRED TAX LIABILITIES						
Accelerated depreciation	(2)		(9)			(12)
Intangible assets	(10)		1			(8)
Property, plant and equipment	(386)		43			(343)
Other temporary differences	(112)		9	(7)	3	(107)
DTA/DTL offset	102		5			107
TOTAL	**(408)**	**-**	**49**	**(7)**	**3**	**(363)**
NET	**1,320**	**-**	**38**	**(35)**	**(58)**	**1,264**

At 31 December 2017, the Group's unrecognised deferred tax assets break down as follows:

(in euro thousands)	Base	Potential tax saving
Tax losses available for carryforward from 2018 through 2022	133	37
Tax loss carryforwards in 2022 and beyond	288	61
Losses carried forward indefinitely	5,712	1,787
TOTAL	**6,134**	**1,884**

CLASQUIN
Singapore

NOTE 7 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

7.1 Goodwill

The assets, liabilities and contingent liabilities of the acquired entity are recorded at their fair value at the end of a valuation period of up to 12 months following the acquisition date.

The positive differences between the acquisition cost and the purchasing company's share in the fair value of the identifiable assets, liabilities and contingent liabilities are recorded as goodwill under balance sheet assets. If goodwill is negative, it is immediately recognised as profit in the income statement.

Since revised IFRS 3 came into force on 1 January 2010, the Group has applied the following principles:

- transaction costs are recorded immediately as other operating expenses when they are incurred,
- for each business combination, the Group analyses the appropriateness of opting for "full" goodwill recognition, i.e. taking account of the proportion of goodwill attributable to non-controlling interests as at the acquisition date (measured at fair value), or for recognition of "partial" goodwill, which entails measuring the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets,
- any potential price adjustment is measured at its fair value on the acquisition date. This initial measurement can only be adjusted afterwards per contra goodwill in the light of new information associated with the circumstances existing at the acquisition date and insofar as this measurement takes place during the roll-forward period (12 months). Any adjustment made to the financial liability recognised as a price addition after the roll-forward period and not meeting these criteria is recognised per contra the Group's comprehensive income.

In application of IAS 36, goodwill is subject to impairment tests, as soon as there is any indication of impairment and at least once a year, using the Discounted Cash Flows (DCF) method.

For the purposes of these tests, assets are grouped according to the smallest group of assets to generate cash inflow from continued operations which is completely separate from the cash inflows generated by other assets or groups of assets.

Considering the Group's organisational structure, two CGUs have been identified corresponding to the two operating segments, a described in Note 3:

- air and sea freight forwarding and related services (the Group's core business),
- the IT service segment (LOG SYSTEM).

The impairment test methods for the CGUs are set out in paragraph 7.4 of this chapter.

Where goodwill has been assigned to a CGU or group of CGUs and part of the operations within that unit are sold, the goodwill associated with the sold operation is included in the book value of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed of in this circumstance is measured based on the relative values of the sold operation and the portion of the CGU retained. When subsidiaries are sold, the difference between the sale price and the net assets sold plus cumulative conversion differences and the net value of the goodwill is recognised in the income statement.

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Marseille

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Goodwill per CGU breaks down as follows:

(in euro thousands)	At 1 January 2017	Acquisitions	Disposals	Foreign exchange differences	Other	At 31 December 2017
CGU 1 — Overseas Freight						
LCI INTERNATIONAL	10,137					10,137
ECS US	1,992			(245)		1,746
CLASQUIN INTERCARGO	1,141				1	1,143
ART SHIPPING INTERNATIONAL	711					711
GÖRITZ AIRFREIGHT (GAF)	627					627
CLASQUIN THAILAND	153					153
CLASQUIN JAPAN	57					57
CLASQUIN CANADA	44					44
SECURE CUSTOMS BROKERS	3					3
CLASQUIN ESPAÑA	1				(1)	0
SUB-TOTAL	14,866			(245)		14,621
CGU 2 — IT SERVICES						
LOG SYSTEM	108					108
TOTAL	**14,974**	**-**	**-**	**(245)**	**-**	**14,729**

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CLASQUIN, THE CLIENTS, PROFIT & Fun COMPANY

7.2 Other intangible assets

Other intangible fixed assets

Other intangible assets are valued at their acquisition or production value.

Intangible assets resulting from an acquisition are recognised separately from goodwill when they can be identified, are controlled by the Group and are likely to generate future economic benefits.

In-house research and development costs

Research costs are recognised as expenses as they are incurred. Development expenditure is recognised under intangible assets where it meets the criteria defined by IAS 38 and, in particular, if and only if it is possible to demonstrate:

- the technical feasibility required in order to complete the software for the purpose of using or selling it;
- the intent to complete the software and to use or sell it;
- the ability to use or sell the software;
- the way in which the software, during development, will generate probable future economic benefits; in particular, the existence of a market for the software under development must be demonstrated;
- the availability of technical, financial and other resources appropriate to complete development and to use or sell the software,
- the ability to reliably measure expenditure attributable to the software during development.

Compliance with these criteria is determined in respect of each individual product. Software development costs that cannot be capitalised are immediately recognised as expenses.

Amortisation is recorded for assets with a finite useful life. In the Group, useful life is generally as follows:

Type of asset	Useful life
Software developed in-house	4 to 8 years
Other software	1 to 6 years
Research & development costs	2 years

They are reviewed at each closure.

Changes in intangible assets are presented in the following tables:

(in euro thousands)	At 1 January 2017	Change in consolidation scope	Increases	Reductions	Reclassification	Foreign exchange difference	At 31 December 2017
GROSS VALUE	**14,154**	**-**	**2,320**	**(315)**	**-**	**(68)**	**16,091**
Software developed in-house	7,334		1,907	(195)			9,046
Other software	5,734		390	(106)		(5)	6,015
R&D costs and other assets	1,085		22	(14)		(64)	1,030
AMORTISATION	**(10,050)**	**-**	**(1,338)**	**120**	**-**	**32**	**(11,237)**
Software developed in-house	(4,995)		(705)				(5,700)
Other software	(4,395)		(535)	106		4	(4,821)
R&D costs and other assets	(660)		(98)	14		28	(716)
NET VALUE	**4,104**	**-**	**981**	**(195)**	**-**	**(36)**	**4,854**

88% of the change recorded under “Software developed in-house” mainly relates to the investment in the new CargoWise One TMS.

7.3 Property, plant and equipment

In compliance with IAS 16, property, plant and equipment is stated on the balance sheet at acquisition cost (purchase price and related expenses).

Property, plant and equipment is valued at its historical cost and is not subject to revaluation.

Maintenance and repair costs are directly recorded as expenses for the financial year, with the exception of those leading to improved performance of the asset in question or to an extension of its useful life.

Depreciation and amortisation are calculated using the straight-line method over the useful life of assets, which are generally:

Type of asset	Useful life
Buildings	37 years maximum
Fixtures & fittings	10 years maximum
Vehicles	4 to 7 years
Office and IT equipment	3 to 5 years

Useful life is reviewed at each closure.

Changes in PP&E break down as follows:

(in euro thousands)	At 1 January 2017	Change in consolidation scope	Increases	Reductions	Reclassification	Foreign exchange difference	At 31 December 2017
GROSS VALUE	**14,041**	**-**	**1,266**	**(492)**	**-**	**(549)**	**14,266**
Buildings	4,431					(286)	4,146
Fixtures/fittings	3,167		518	(245)		(78)	3,362
Other PP&E	6,443		748	(247)		(185)	6,758
DEPRECIATION	**(8,875)**	**-**	**(1,001)**	**437**	**-**	**267**	**(9,172)**
Buildings	(1,394)		(199)			48	(1,545)
Fixtures/fittings	(2,087)		(282)	248		63	(2,059)
Other PP&E	(5,393)		(520)	189		156	(5,568)
NET VALUE	**5,167**	**-**	**265**	**(55)**	**-**	**(282)**	**5,095**

The change in "Other PP&E" mainly relates to investments made in France and Asia in IT equipment.

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7.4 Impairment of non-current assets

Intangible fixed assets with a defined useful life and property, plant and equipment

Assets subject to depreciation or amortisation undergo an impairment test when there is an indication of loss of value, where, due to special events or circumstances, it is uncertain whether their book value can be recovered. The recoverable value of fixed assets is then estimated and impairment is recognised when the book value of an asset is higher than its recoverable value.

Recorded impairment losses can be written back later if the recoverable value again becomes greater than the net book value, up to the limit of the initially recognised impairment charge less depreciation/amortisation that would have been recognised if no impairment loss had been recorded.

The recoverable value of an asset is the higher value out of the sale price of the asset net of disposal costs and its value in use, determined by estimating future cash flows generated by the asset.

Intangible fixed assets with an undefined useful life and goodwill

Assets with an indefinite useful life are not amortised but are subject to annual impairment testing at each closure and whenever there is any indication of impairment.

For this test, the fixed assets are grouped into a Cash Generating Unit (CGU) which is defined as a uniform group of assets generating distinct cash inflows from those of other asset groups.

The Group has defined two distinct CGUs:
- operating entity generating independent cash flows,
- for which operating income is regularly reviewed by the entity's main operational decision-maker in order to take decisions about the resources to be allocated to a segment and to assess its performance,
- for which separate financial information is available.

Given this definition, the CGUs defined within the Group are the following:
- Segment 1: Air and sea freight forwarding and related services ("Overseas Freight"),
- Segment 2: IT service contractor ("IT services").

The assets' value in use is defined using the Discounted Cash Flow (DCF) method. Determining the value in use therefore requires, on the one hand, determination of cash flows arising from the continued use of the asset or from its withdrawal and, on the other hand, application of the relevant discount rate to these flows.

The methods used to determine the discount rate must ensure consistency with the nature of the risks taken into account when determining the actual cash flows. Thus the standard defines the discount rate as a rate that reflects current market appraisals of the time value of money and the risks specific to the asset for which the cash flows have not been adjusted.

This is the rate of return on investment required by investors if they were to choose an investment generating cash flows with an amount, maturity and risk profile equivalent to those that the Company would hope to obtain from the asset in question. The rate is therefore in principle a market factor, not a factor specific to the Company or its ability to generate cash flows from using the tested asset.

The discount rate (WACC) may therefore be specific and incorporate risks specific to each CGU.

These impairment tests are also subject to sensitivity tests on the perpetuity growth rate and on WACC, to ensure that modifying these assumptions does not alter the outcome of the impairment test.

Impairment losses are recognised under a specific income statement account when the net book value of an asset or its CGU is higher than its recoverable value determined as above. An impairment loss recognised in respect of a CGU is first allocated to reducing the book value of all goodwill allocated to the CGU, then to reducing the book value of other assets of the CGU (in proportion to the book value of each CGU asset).

Goodwill impairment is irreversible and cannot be written back even if the recoverable value of the goodwill is restored to a level higher than its book value. The book value of an asset plus the write-back of an impairment loss must not be higher than the book value that would have been measured, net of depreciation, if no impairment loss had been recognised.

Impairment test

As at 31 December 2017, the assumptions used to determine the discount rate for each CGU were as follows:

- a risk-free rate of 0.80%, which is the 2017 monthly average of the rate of 10-Year Constant Maturity Treasuries,
- a market risk premium of 6.13% (retrospective application over the long term), defined by referring to the risk premium required by investors on the small and mid-cap market,
- a specific risk rate ("beta"), which takes into account the activity of each subsidiary, its maturity, the existence (or not) of a portfolio of recurring business and the breakdown of clients in this portfolio, valued at 1.2% for the Overseas Freight CGU and 1.3% for the IT Services CGU.
- a financial cost rate of 2.5%.

WACC thus amounted to 7.30% for Overseas Freight and 11.2% for IT Services, and a perpetuity growth rate prudently set at 2%.

Sensitivity tests

Based on a combined deviation of +/- 1% from the assumptions used for the calculations (discount rate and growth rate), there is no impairment to be recorded. The growth rate after the reference period is 2%.

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NOTE 8 FINANCING AND FINANCIAL INSTRUMENTS

Other financial assets

Other financial assets are analysed and assigned to one of the following four categories:
• those held for trading (securities purchased and held mainly for short-term resale),
• those held to maturity (non-derivatives with fixed or determinable payments and fixed maturities that the Group has the express intention and ability to hold to maturity),
• loans and receivables,
• those available for sale (all financial assets that are not assigned to one of the above categories).

Financial assets are assigned according to the reasons for their acquisition. The category is determined upon initial recognition.

Securities held for trading are measured at fair value, while unrealised gains and losses are recognised in the income statement.

Financial assets designated as held to maturity are measured at amortised cost using the effective interest rate method.

Loans and receivables are measured at amortised cost using the effective interest rate method. An impairment provision may be recognised if there is objective evidence of loss of value.

Securities available for sale are recorded at their fair value (determined by the market price if available). Unrealised gains and losses corresponding to temporary changes in the fair value of these assets are recognised in shareholders' equity. When securities are disposed of or impaired, the cumulative unrealised gains and losses previously recognised in shareholders' equity are transferred to the income statement.

Investments in non-consolidated companies are classified as securities available for sale. When they correspond to unconsolidated minority interests in listed companies (securities available for sale), these securities are valued at their listed market price at the end of the financial year. If the fair value cannot be reliably estimated, the investments continue to be stated at historic cost.

The deposits and guarantees that comprise most of this item are treated as loans and receivables. These assets are impaired when their net book value is higher than their recoverable value as estimated on the basis of the impairment tests, if there is evidence of loss of value. The loss of value is recognised in the income statement.

Financial liabilities

Financial liabilities correspond to the following items:
• either a contractual obligation to provide a counterparty with cash or another financial asset,
• or a contract which will or may be settled using the company's shares, for the portion that does not correspond to the definition of the shareholders' equity component.

The Group recognises financial liabilities when contractually bound, i.e. on the date when it commits to such transactions.

Financial liabilities mainly consist of current and non-current loans and borrowings with banks. These liabilities are initially recorded at fair value, including any directly related transaction costs. They are subsequently valued at amortised cost on the basis of their effective interest rate.

Derivatives

To cover market risks (interest rates and currencies), the Group primarily uses derivatives. In accordance with IAS 39 and 32, derivatives are measured at their fair value.

Recognition of changes in fair value depend on the future use of the derivative and the resulting classification.

Derivatives may be designated as hedging instruments as part of a fair value or future cash flow hedge:
• a fair value hedge hedges against exposure to variations in the fair value of a recognised asset or liability, or an unrecognised firm commitment attributable to a particular risk that would impact net income presented,
• a future cash flow hedge hedges against variations in future cash flows flux attached to existing or future assets or liabilities.

In the case of a fair value hedge, changes in the value of a derivative are recorded under profit or loss for the period, offsetting unrealised gains and losses recognised on the hedged instrument up to the effective portion.

In the case of a future cash flow hedge, changes in the value of the derivative are recorded under equity for the effective portion and under profit or loss for the ineffective portion. The amount recorded under equity is reclassified to income when the hedged item impacts it.

Hedge accounting applies if:
• the hedging relationship is clearly defined and documented on the date it is implemented,
• the effectiveness of the hedging relationship is demonstrated from its inception for as long as it continues.

8.1 Net debt

8.1.1 Breakdown

(in euro thousands)	2017	2016
Bank borrowings	19,987	21,833
Bank overdrafts	12,490	8,414
Other financial liabilities	147	257
Financial liabilities	**32,624**	**30,504**
Cash and cash equivalents	(20,223)	(22,493)
Net debt	**12,401**	**8,011**

8.1.2 Cash and cash equivalents

Cash equivalents are initially measured at their purchase or subscription price, excluding related charges. They consist of euro money-market instruments.

Short-term investments are measured at fair value, while unrealised or realised gains or losses are recorded under financial income/expense. The fair value is determined by referral to the market price at the end of the financial year.

Treasury shares are recognised as a reduction in shareholders' equity. Gains and losses on disposal of treasury shares and the associated dividends are directly recorded in shareholders' equity and do not affect profit or loss.

(in euro thousands)	2017	2016
Cash equivalents	212	212
Cash	20,011	22,281
TOTAL	**20,223**	**22,493**

8.1.3 Financial liabilities

8.1.3.1 Breakdown

(in euro thousands)	2017	Nominal amount	Rate type	Issuance date	Maturity
Bank borrowings	11,259	17,261	Fixed	2014 to 2017	2017 to 2022
	8,722	12,224	Variable	2015	2022 to 2029
Other financial liabilities	147				
Bank overdrafts	12,490				
Accrued interest	6				
TOTAL	**32,624**	**29,485**			

(in euro thousands)	2016	Nominal amount	Rate type	Issuance date	Maturity
Bank borrowings	10,997	14,320	Fixed	2014 to 2016	2017 to 2021
	10,828	13,828	Variable	2012 to 2015	2017 to 2029
Other financial liabilities	257				
Bank overdrafts	8,414				
Accrued interest	8				
TOTAL	**30,504**	**20,443**			

8.1.3.2 Variation

(in euro thousands)	2017	2016
Financial liabilities at opening	**30,504**	**23,020**
New loans	3,658	6,690
Loan repayments	(5,355)	(4,061)
Bank overdrafts	4,079	4,605
Other financial liabilities	(89)	118
Change in consolidation scope	-	43
Foreign exchange difference	(173)	90
Financial liabilities at closing	**32,624**	**30,504**

8.1.4 Net borrowings by currency

	2017		2016	
(in euro thousands)	Value	%	Value	%
EUR	30,976	*95%*	28,839	*95%*
HKD	610	*2%*	776	*3%*
JPY	222	*1%*	244	*1%*
USD	815	*2%*	645	*2%*
TOTAL	**32,624**	***100%***	**30,504**	***100%***

8.2 Net financial income/(expense)

Net cost of debt

Net cost of debt corresponds to the amount of interest recorded in relation to borrowings, and interest income in the amount of interest received on cash investments.

Other financial income and expenses

Other financial income and expenses mainly consisted of:

- the result of interest rate hedging transactions,
- the results of transactions that do not qualify as hedging within the meaning of IAS 39 on financial instruments relating to foreign exchange transactions,
- net interest expenses on provisions for pensions and similar commitments, which include the impact of unwinding discounts on commitments to take into account time lapsed and income on the expected return on funds allocated to cover these commitments.

Conversion method for currency transactions

Any transactions expressed in foreign currencies are converted at the exchange rate in force at the time of the transaction.

On account cut-off, balances in foreign currencies are converted at the closing rate or the hedge rate for the hedged part. Any foreign exchange differences recorded at that time and those generated on foreign currency transactions are, where applicable, recorded under financial income/expense.

8.2.1 Net finance costs

(in euro thousands)	2017	2016
Interest expenses on borrowings	(287)	(251)
Income from cash and cash equivalents	78	84
Net finance cost	**(209)**	**(168)**

8.2.2 Other financial income and expenses

(in euro thousands)	2017	2016
Foreign exchange gains	891	770
Other financial income	1	1
Write-back of impairment of financial assets	39	-
Other financial income	**931**	**771**
Provision for impairment of investments in equity affiliates	-	(100)
Provisions for financial risk	(8)	(15)
Foreign exchange losses	(1,411)	(997)
Other financial expenses	(14)	(5)
Other financial expenses	**(1,432)**	**(1,117)**
Other financial income and expenses	**(501)**	**(346)**

8.3 Classification of financial assets and liabilities according to IAS 39 and fair value

IFRS 13 requires the different techniques for valuing each financial instrument to be ranked by priority.

The categories are defined as follows:

- Level 1: direct reference to quoted prices (unadjusted) on active markets, for identical assets and liabilities
- Level 2: valuation technique based on inputs relating to the asset or liability, other than quoted prices included in Level 1 inputs, directly or indirectly observable
- Level 3: valuation technique based on unobservable inputs.

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8.3.1 Financial asset and liability classifications by type of instrument

(in euro thousands)	Carrying value	Presentation according to IAS 39 – 31 December 2017 Amortised cost	Fair value through equity	Fair value through profit or loss
ASSETS				
Non-current financial assets:				
• Financial assets available for sale	152	152		
• Loans	14	14		
• Deposits and guarantees	824	824		
Trade receivables	73,569	73,569		
Cash and cash equivalents	20,223			20,223
LIABILITIES				
Non-current financial liabilities:				
• Cash flow hedge derivatives	145		145	
Bank borrowings	19,987	19,987		
Other financial liabilities	147	147		
Liabilities relating to put options granted to non-controlling shareholders	3,405		3,405	
Trade payables	53,465	53,465		
Other current financial liabilities:				
• Derivatives — fair value hedge (liabilities)	17			17
Bank overdrafts	12,490			12,490

(in euro thousands)	Carrying value	Presentation according to IAS 39 – 31 December 2016 Amortised cost	Fair value through equity	Fair value through profit or loss
ASSETS				
Non-current financial assets:				
• Financial assets available for sale	96	96		
• Loans	10	10		
• Deposits and guarantees	936	936		
Trade receivables	65,467	65,467		
Other current financial assets:				
• Derivatives — fair value hedge (assets)	1		1	
Cash and cash equivalents	22,493			22,493
LIABILITIES				
Non-current financial liabilities:				
• Derivative liabilities with hedge accounting	197		197	
• Derivatives — fair value hedge (liabilities)	2			2
Bank borrowings	21,833	21,833		
Other long-term borrowings	257	257		
Liabilities relating to put options granted to non-controlling shareholders	3,035		3,035	
Trade payables	49,861	49,861		
Other current financial liabilities:				
• Derivatives — fair value hedge (liabilities)	3			3
Bank overdrafts	8,414			8,414

8.3.2 Fair value of financial assets and liabilities

(in euro thousands)	2017 Carrying value	2017 Fair value	2017 Level	2016 Carrying value	2016 Fair value	2016 Level
ASSETS						
Other current financial assets:						
• Derivatives — fair value hedge (assets)				1	1	2
Cash and cash equivalents	20,223	20,223	1	22,493	22,493	1
LIABILITIES						
Non-current financial liabilities:						
• Derivative liabilities with hedge accounting				197	197	2
• Cash flow hedge derivatives	145	145	2	2	2	2
Bank borrowings	19,987	19,987	2	21,833	21,833	2
Liabilities relating to put options granted to non-controlling shareholders	3,405	3,405	3	3,035	3,035	3
Other current financial liabilities:						
• Derivatives — fair value hedge (liabilities)	17	17	2	3	3	2
Current bank loans and overdrafts	12,490	12,490	1	8,414	8,414	1

8.4 Risk management policy

The main risks attached to the Group's financial instruments include market risks (currency risks, interest rate risks and equity risks), credit risks and liquidity risks.

Monitoring and management of financial risks are ensured by the Group's finance department.

In order to manage its exposure to interest and exchange rate fluctuation risks, the Group uses derivatives such as interest rate swaps and foreign exchange forward transactions. These include OTC instruments traded with leading banks.

These transactions or derivatives are eligible for hedge accounting.

8.4.1 Summary of derivatives financial instruments

The table below presents derivatives by type of risk covered and accounting classification:

(in euro thousands)	2017 Assets	2017 Liabilities	2016 Assets	2016 Liabilities
Interest rate derivatives	**-**	**(145)**	**-**	**(199)**
Cash flow hedges		(145)		(197)
Fair value hedge				(2)
Exchange rate derivatives	**-**	**(17)**	**1**	**(3)**
Fair value hedge		(17)	1	(3)
TOTAL DERIVATIVES	**-**	**(162)**	**1**	**(202)**
• *non-current*	*-*	*(145)*	*-*	*(197)*
• *current*	*-*	*(17)*	*1*	*(5)*

8.4.2 Market risk

8.4.2.1 Exposure to foreign currency risk

Given that the Group operates on an international scale, the Group is exposed to translation risks. The balance sheet and income statement are sensitive to changes in exchange rates when consolidating foreign subsidiaries outside the eurozone, as well as transaction risks for transactions not performed in euros.

Derivative financial instruments held in order to hedge foreign exchange risks break down as follows:

	2017			2016		
(in euro thousands)	Notional amount	Fair value	Maturity	Notional amount	Fair value	Maturity
Purchase/(Sale) EURO against foreign currencies						
HKD/EUR	(1,100)	(11)	< 1 year	(430)	(2)	< 1 year
CNY/EUR	(1,600)	(5)	< 1 year	(430)	1	< 1 year
EUR/JPY	240	-	< 1 year	240	-	< 1 year
TOTAL	**(2,460)**	**(17)**		**(620)**	**(1)**	

The Group's overall net exposure (on balance sheet positions) based on notional amounts, break down as follows:

	2017				2016
(in euro thousands)	Total	USD	EURO	Other	Total
Exposed trade receivables	13,227	7,075	5,312	840	7,744
Other exposed financial assets	2,633	1,221	1,386	26	4,698
Exposed trade payables	(6,024)	(2,856)	(2,354)	(814)	(3,363)
Exposed borrowings	(732)	(732)	-	-	-
Gross balance sheet exposure	**9,104**	**4,708**	**4,343**	**52**	**9,078**
Forward sales	(2,700)		(2,700)		(860)
Forward purchases	240		240		240
Net exposure	**6,644**	**4,708**	**1,883**	**52**	**8,458**

Sensitivity analysis

A 10% appreciation of the euro at 31 December 2017 and 2016 against currencies to which the Group is exposed would have the following impact on pre-tax income:

(in euro thousands)	2017	2016
Exposure to the US dollar	471	341
Exposure to the euro	188	540
Other currencies	5	(35)
TOTAL	**664**	**846**

8.4.2.2 Exposure to interest rate risk

Interest rate risk depends on the Group's borrowings, financial investments and financial conditions (fixed and variable portions).

Loans taken out by the Group may be at fixed or variable rates.

Depending on trends in market rates, the Group can set up hedging mechanisms at any moment on its own initiative.

Summary table of interest rate hedges in notional amounts

	Contract notional amounts by maturity				Fair value of derivatives	
(in euro thousands)	Total	< 1 year	1–5years	> 5 years	Total assets	Total liabilities
2017	**8,214**	**-**	**8,214**	**-**	**-**	**(145)**
2016	8,513	299	8,214	-	-	(199)

Exposure to interest rate risk of financial liabilities before and after economic hedging

	2017		2016	
(in euro thousands)	Exposure	% total debt	Exposure	% total debt
Fixed rate	11,406	35%	11,254	37%
Bank borrowings	*11,259*		*10,997*	
Other financial liabilities	*147*		*257*	
Variable rate	21,213	65%	19,242	63%
Bank borrowings	*8,722*		*10,828*	
Bank overdrafts	*12,490*		*8,414*	
Financial liabilities before hedging	**32,619**	**100%**	**30,496**	**100%**
Fixed rate	19,620	60%	19,767	65%
Bank borrowings	*19,473*		*19,510*	
Other financial liabilities	*147*		*257*	
Variable rate	12,998	40%	10,729	35%
Bank borrowings	*508*		*2,314*	
Bank overdrafts	*12,490*		*8,414*	
Financial liabilities after hedging	**32,619**	**100%**	**30,496**	**100%**

Analysis of sensitivity to interest rate risks

At 31 December 2017, 65% of current and non-current borrowings are at variable rates (63% at 31 December 2016).

A variation of +/- 1% in the interest rates applied to financial assets and liabilities at variable rates would therefore have an impact of +/- 3.4% on the net cost of debt for 2017, i.e. €7,000, compared to +/- 7% or €12,000 in 2016.

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8.4.2.3 Exposure to equity risk

Neither CLASQUIN SA nor the Group companies hold third-party share portfolios or units in equity mutual funds, the available cash investments essentially being made in monetary unit trusts or interest-bearing accounts.

Variations in the CLASQUIN share price have no effect on the Group's net earnings, treasury shares being offset by shareholders' equity.

8.4.3 Management of credit risk

Credit risk refers to the risk that a client or counterparty to a financial instrument will default on its contractual obligations, resulting in financial loss for the Group.

The Group is exposed to counterparty risk in various aspects: through its operations, cash investments and derivatives.

8.4.3.1 Counterparty risk relating to operations

In connection with its operations, the Group has an exposure to credit risk.

The Group has a diversified client portfolio where no single client accounts for more than 5% of the Group's consolidated gross profit for the 2017 financial year. The CLASQUIN offer targets all business sectors and in particular SMEs developing international business and large groups looking for customised services. The loss of a client is not likely to have a material impact on CLASQUIN's sales, given the diversity of the portfolio and the respective contribution of each client to the Group's sales.

Each logistics operation is subject to a transport contract. In general, there are few formalised annual commitments, although some key accounts use calls for tenders.

Moreover, due to its activity as a freight forwarder, in France CLASQUIN has right of lien over the goods that it handles. This right serves to reduce the risks of non-payment for services rendered.

In general, each client is covered by credit guarantee insurance issued by ATRADIUS and EULER HERMES. This requirement means that financially sound clients can be selected, which helps to reduce the risk of default. However, the Group cannot exclude the possibility of working with a company which, despite approval by ATRADIUS and EULER HERMES, finds itself, at any given time, faced with serious cash flow problems, causing it to cease trading.

In this case, the credit guarantee insurance companies will pay compensation to the Group in accordance with the portion stipulated in the contract.

In certain cases, the Group may work with clients not covered by the credit guarantee insurance companies mentioned above. However, these cases are subject to prior authorisation by management on the basis of additional financial analysis.

8.4.3.2 Counterparty risk relating to investment activities and hedging

The Group is exposed to financial counterparty risk in connection with transactions performed on financial markets for cash and risk management purposes. Counterparty limits are set by considering counterparties' ratings with ratings agencies. They also help avoid excessive concentration of market transactions with a limited number of financial institutions.

8.4.4 Management of liquidity risk

The Group aims to maintain ample access to liquidity in order to meet its commitments and fund investments.

The Group primarily invests in IT equipment (hardware and software) and fixtures and fittings. Investments are financed through medium — and long-term loans or with equity.

Working capital is financed by the Group's cash flow and occasionally by bank overdrafts.

Working capital is subject to significant changes throughout the year due to monthly payments of customs duties and VAT to the Customs Authorities and due to the Cargo Accounting Settlement System (C.A.S.S.), an organisation that groups together airline companies in order to simplify billing and payments between airlines and freight forwarders.

No Group loans are subject to bank covenants.

Exposure to liquidity risk

This table represents the repayment schedule for financial liabilities recorded as at 31 December 2017 and 31 December 2016, at their nominal amount, including interest and without taking discounting into account.

(in euro thousands)	Book value at 31 December 2017	< 1 year	1 to 5 years	Over 5 years
Bank borrowings	19,987	5,648	14,069	269
Other non-current liabilities	147	83		64
Trade payables and other current liabilities	53,465	53,465		
Bank overdrafts	12,490	12,490		
Non-derivative financial liabilities	**86,090**	**71,687**	**14,069**	**333**

(in euro thousands)	Book value at 31 December 2016	< 1 year	1 to 5 years	Over 5 years
Bank borrowings	21,833	5,444	14,490	1,899
Other non-current liabilities	257	95	143	19
Trade payables and other current liabilities	49,861	49,861		
Bank overdrafts	8,414	8,414		
Non-derivative financial liabilities	**80,365**	**63,814**	**14,633**	**1,918**

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NOTE 9 SHAREHOLDERS’ EQUITY AND EARNINGS PER SHARE

9.1 Breakdown of share capital

At 31 December 2017, CLASQUIN SA’s share capital amounted to €4,612,802, consisting of 2,306,401 shares with a par value of €2 each, unchanged compared to 31 December 2016.

Additional paid-in capital amounted to €4,245,000.

9.2 Treasury shares

Treasury shares are recorded at their purchase price as a reduction from shareholders’ equity. Any proceeds from disposals of these shares are directly recorded as in increase in shareholders’ equity, so that any gains or losses, net of tax, do not impact net income for the year.

Under a liquidity contract the CLASQUIN Group buys back its own shares on the stock market (3,455 shares held at 31 December 2017).

This liquidity contract was agreed on 15 September 2009 with the service provider ODDO & Co.

In this respect, in 2017 CLASQUIN SA acquired 25,302 shares with a total value of €836,000 and a weighted average unit value of €33.05.

Over the same period, CLASQUIN SA sold 25,598 shares at a total sale value of €836,000, representing a weighted average unit value of €32.65.

Transactions carried out on treasury shares were eliminated from the consolidated financial statements.

9.3 Dividends

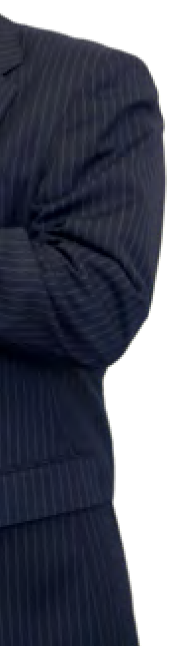
During 2017, CLASQUIN SA paid its Shareholders a dividend of €1,845,000 (€0.80 per share) compared to €2,878,000 in 2016, less €3,000 for dividends attached to treasury shares held under the liquidity contract, i.e. a net amount of €1,844,000.

9.4 Net earnings per share

Basic earnings per share is calculated by dividing net income — Group share — for the financial year attributable to ordinary shares by the weighted average number of outstanding equity shares during the financial year. The average number of shares outstanding during the accounting period is the number of ordinary shares outstanding at the beginning of the financial year, adjusted for the number of ordinary shares bought back or issued during the financial year.

To calculate diluted earnings per share, earnings per share is adjusted to take account of the effects of exercising dilutive instruments or converting them into shares.

(in euro thousands)	2017	2016
Consolidated net profit — Group share (in euro thousands)	**2,489**	**2,173**
Weighted average ordinary shares outstanding, adjusted for dilutive shares	2,302,946	2,302,651
Net earnings per share (€)	**1.08**	**0.94**
Weighted average ordinary shares outstanding	2,306,401	2,306,401
Treasury shares held at year-end	(3,455)	(3,750)
Dilutive instruments (convertible shares)	-	-
Weighted average ordinary shares, adjusted for dilutive shares	**2,302,946**	**2,302,651**
Net diluted earnings per share (€)	**1.08**	**0.94**



NOTE 10 PROVISIONS

In accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, a provision is recorded when:

- a present obligation (legal or constructive) has arisen as a result of a past event,
- there is a probable outflow of resources representing economic benefits,
- the amount can be estimated reliably.

This account includes commitments whose maturity or amount is uncertain, resulting from trade disputes, labour disputes or other risks.

Generally speaking, the various disputes in which the Company is involved were subject to a management review at the time of closure and, after taking external advice where relevant, the provisions considered necessary were set aside to cover the estimated risks.

Changes in provisions during the year break down as follows:

(in euro thousands)	Amounts at 1 January 2017	Change in actuarial gains/losses	Change in consolidation scope	Charges	Reversals		Foreign exchange difference	Amounts at 31 December 2017
					Used	Unused		
Commercial disputes	36			16	(18)	(9)	(3)	23
Other provisions	30			50	(30)			50
Staff risks	136				(128)			8
TOTAL PROVISIONS	**202**	**-**	**-**	**66**	**(176)**	**(9)**	**(3)**	**81**
• *non-current*	*19*							*43*
• *current*	*183*							*38*

NOTE 11 RELATED PARTY TRANSACTIONS

Transactions with non-consolidated related parties are summarised in the table below:

(in euro thousands)	TOTAL		SCI DE LA LOUVE		OLYMP SAS		SCI CALLIOPE		SCI MAIALYS	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Trade receivables	**34**	**23**	**10**	**5**		**1**	**7**	**7**	**16**	**9**
Trade payables	**124**	**8**	**6**	**-**		**-**	**118**	**8**	**-**	
Management fees	132	132			132	132				
Other external expenses	596	567	191	191			185	165	220	211
Operating expenses	**708**	**699**	**191**	**191**	**132**	**132**	**165**	**165**	**220**	**211**
Operating income	**36**	**37**	**4**	**4**	**20**	**27**	**6**	**2**	**6**	**4**

Services rendered in 2017 by these related parties are set out in the statutory auditors’ special report on regulated agreements.

NOTE 12 CASH FLOW BREAKDOWN

12.1 Non-cash expenses (income)

Non-cash expenses and income in 2017 and 2016 break down as follows:

(in euro thousands)	2017	2016
Depreciation and amortisation	2,339	2,204
Provisions and write-backs	(60)	154
Unrealised gains/(losses) on changes in fair value	35	(19)
Capital gains/(losses) on disposals	178	364
TOTAL	**2,492**	**2,703**

12.2 Change in working capital

Changes in the main working capital items in 2017 and 2016 were as follows:

(in euro thousands)	2017	2016
Trade receivables	(10,449)	(2,397)
Trade payables	7,255	(1,156)
Other receivables and debt	472	825
TOTAL	**(2,722)**	**(2,728)**

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NOTE 13 INCOME STATEMENT BALANCE

(in euro thousands)	2017	%	2016	%	Change in %
SALES	**290,587**		**235,024**		**23.6%**
COST OF SALES	(227,696)		(177,525)		28.3%
GROSS PROFIT	**62,891**	**100.0%**	**57,500**	**100.0%**	**9.4%**
Premises and related expenses	(5,372)	-8.5%	(4,724)	-8.2%	13.7%
Communication expenses	(2,048)	-3.3%	(1,876)	-3.3%	9.2%
Marketing	(1,014)	-1.6%	(940)	-1.6%	7.9%
Travel expenses	(2,713)	-4.3%	(2,252)	-3.9%	20.4%
Fees	(1,755)	-2.8%	(1,278)	-2.2%	37.3%
Insurance	(913)	-1.5%	(871)	-1.5%	4.9%
Sundry	(603)	-1.0%	(494)	-0.9%	22.0%
TOTAL EXTERNAL EXPENSES	**(14,419)**	**-22.9%**	**(12,435)**	**-21.6%**	**16.0%**
ADDED VALUE	**48,472**	**77.1%**	**45,064**	**78.4%**	**7.6%**
Staff expenses	(41,104)	-65.4%	(37,960)	-66.0%	8.3%
EBITDA	**7,368**	**11.7%**	**7,104**	**12.4%**	**3.7%**
Net depreciation and amortisation charges	(1,903)	-3.0%	(1,965)	-3.4%	-3.2%
Other current income	1,268	2.0%	908	1.6%	39.6%
Other current expenses	(857)	-1.4%	(859)	-1.5%	-0.2%
CURRENT OPERATING INCOME	**5,875**	**9.3%**	**5,188**	**9.0%**	**13.2%**
Other operating income	125	0.2%	78	0.1%	61.0%
Other operating expenses	(561)	-0.9%	(668)	-1.2%	-16.1%
NET OPERATING INCOME AND EXPENSES	**(436)**	**-0.7%**	**(590)**	**-1.0%**	**26.2%**
OPERATING INCOME	**5,440**	**8.6%**	**4,598**	**8.0%**	**18.3%**
Financial income	1,009	1.6%	855	1.5%	18.0%
Financial expenses	(1,718)	-2.7%	(1,369)	-2.4%	25.5%
NET FINANCIAL INCOME/EXPENSE	**(709)**	**-1.1%**	**(514)**	**-0.9%**	**-38.0%**
Income from equity affiliates	**95**	**0.2%**	**55**		
PROFIT BEFORE TAX	**4,825**	**7.7%**	**4,139**	**7.2%**	**16.6%**
Income tax	(1,927)	-3.1%	(1,507)	-2.6%	27.9%
PROFIT FROM CONTINUING OPERATIONS	**2,898**	**4.6%**	**2,632**	**4.6%**	**10.1%**
PROFIT FROM DISCONTINUED OPERATIONS				**0.0%**	
GROUP CONSOLIDATED NET PROFIT	**2,898**	**4.6%**	**2,632**	**4.6%**	**10.1%**
Minority interests	409	0.6%	459	0.8%	-10.9%
NET PROFIT GROUP SHARE	**2,489**	**4.0%**	**2,173**	**3.8%**	**14.5%**
GROSS OPERATING CASH FLOW	**7,460**	**11.9%**	**7,074**	**12.3%**	**5.4%**

NOTE 14 CONSOLIDATED COMPANIES

NAME OF COMPANY	Registered office	Consolidation method	% interest 2017	% interest 2016
PARENT COMPANY				
CLASQUIN SA	Lyon	Parent company	Holding company	Holding company
DIRECTLY OWNED COMPANIES				
ART SHIPPING INTERNATIONAL SAS	Paris	Full consolidation	80%	80%
CLASQUIN AUSTRALIA PTY Ltd.	Melbourne	Full consolidation	100%	100%
CLASQUIN BURKINA FASO	Bobo-Dioulasso	Full consolidation	100%	100%
CLASQUIN CANADA Inc.	Montreal	Full consolidation	100%	100%
CLASQUIN CHILE	Santiago	Full consolidation	100%	100%
CLASQUIN ESPAÑA SL	Barcelona	-	-	100%
CLASQUIN FAIRS & EVENTS	Lyon	Full consolidation	100%	-
CLASQUIN FAR EAST Ltd.	Hong Kong	Full consolidation	100%	100%
CLASQUIN GERMANY GmbH	Frankfurt	Full consolidation	100%	100%
CLASQUIN INDIA PVT Ltd.	Delhi	Full consolidation	100%	100%
CLASQUIN ITALIA SRL	Milan	Full consolidation	100%	100%
CLASQUIN JAPAN KK Ltd.	Tokyo	Full consolidation	100%	100%
CLASQUIN KOREA Ltd.	Seoul	Full consolidation	100%	100%
CLASQUIN MALAYSIA Ltd.	Kuala Lumpur	Full consolidation	100%	100%
CLASQUIN PORTUGAL LDA	Lisbon	Full consolidation	90%	100%
CLASQUIN SILK ROAD	Hong Kong	Full consolidation	51%	51%
CLASQUIN SINGAPORE PTE Ltd.	Singapore	Full consolidation	100%	100%
CLASQUIN THAILAND CO Ltd.	Bangkok	Full consolidation	49%	49%
CLASQUIN USA Inc.	New York	Full consolidation	80%	80%
CLASQUIN VIETNAM Ltd.	Hô Chi Minh City	Full consolidation	99%	99%
EAST ASIA LOGISTICS Ltd.	Hô Chi Minh City	Full consolidation	49%	-
EXPRESS CONSOLIDATION SYSTEMS Corp.	Rutherford (New Jersey)	Full consolidation	80%	80%
FINANCIÈRE LCI SAS	Lyon	Full consolidation	80%	80%
LOG SYSTEM SARL	Lyon	Full consolidation	70%	70%
CLASQUIN T.I. INTERCARGO 1999, SA	Barcelona	Full consolidation	100%	100%
INDIRECT SUBSIDIARIES				
COMPANY OWNED BY CLASQUIN SILK ROAD:				
CLASQUIN GEORGIA	Tbilisi	Full consolidation	51%	51%
COMPANIES OWNED BY CLASQUIN FAR EAST Ltd.:				
CLASQUIN SHANGHAI Ltd.	Shanghai	Full consolidation	100%	100%
EUPHROSINE Ltd.		Full consolidation	69%	69%
COMPANY OWNED BY CLASQUIN USA INC.:				
SECURE CUSTOMS BROKERS INC.	New York	Full consolidation	80%	80%
COMPANIES OWNED BY EXPRESS CONSOLIDATION SYSTEMS Corp.:				
EXPRESS CONSOLIDATION SYSTEMS BARBADOS Ltd.	Saint-Michael	Full consolidation	80%	80%
COMPANIES OWNED BY FINANCIÈRE LCI SAS:				
LCI-CLASQUIN	Villefranche	Full consolidation	80%	80%
LCI TUNISIE SARL	La Marsa	Full consolidation	80%	80%
LCI TRANSPORT SARL	Rades	Equity method	36%	36%
MED TIR SA	Rades	Equity method	39%	39%
SCI LACHA	Villefranche	Full consolidation	50%	50%

NOTE 15 STATUTORY AUDITORS' FEES

(in euro thousands)	SEGECO AUDIT		MAZARS		PAN-CHINA (H.K.)	
	2017	2016	2017	2016	2017	2016
AUDIT						
Statutory auditors: certification of the Company and consolidated financial statements	75	77	139	136	14	14
Services other than certification of the financial statements						
AUDIT TOTAL	**75**	**77**	**139**	**136**	**14**	**14**
OTHER SERVICES						
TOTAL FEES	**75**	**77**	**139**	**136**	**14**	**14**

NOTE 16 POST BALANCE SHEET EVENTS

Acquisition of COSMOS CONSULTANTS by LOG SYSTEM

In January 2018, LOG SYSTEM acquired COSMOS CONSULTANTS. This company specialises in publishing international trade and customs management solutions.

C. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Financial year ended 31 December 2017.

To the CLASQUIN SA Annual General Meeting,

Opinion

In application of the assignment entrusted to us by your Annual General Meeting, we conducted an audit of the CLASQUIN SA consolidated financial statements for the financial year ended 31 December 2017, as appended to this report.

We hereby certify that, in accordance with the IFRS framework as adopted in the European Union, the consolidated financial statements provide a true and fair view of the earnings for the year ended, financial position, assets and liabilities of all companies and entities included in the consolidation.

Basis of the opinion

Audit framework

We performed our audit in accordance with the professional standards applicable in France. We believe that the evidence we have received provides a reasonable basis for our opinion.

Our responsibilities in light of these standards are set out in the section "Statutory Auditors' responsibilities in relation to the audit of the consolidated financial statements" in this report.

Statutory Auditors' independence

We performed our audit in accordance with the rules of independence applicable to us, for the period from 1 January 2017 to the date our report was issued; in particular, we did not provide any services prohibited by the code of ethics governing statutory auditors.

Justification of assessments

Pursuant to Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we hereby bring to your attention the following assessment which, in our professional opinion, was the most significant for the audit of the consolidated financial statements for the financial year.

At every balance sheet date, the Company carries out impairment tests for goodwill and assets with an indefinite useful life, pursuant to the procedures set forth in note 7.4 in the notes to the consolidated financial statements. As part of our assessments, we examined the approach used by the Company, the manner in which the impairment tests were carried out as well as the consistency between all the assumptions used and the resulting valuations.

The assessments carried out as a consequence are within the context of our audit of the consolidated financial statements, taken as a whole, and the formation of our opinion as expressed above. We have not issued an opinion on individual components of the consolidated financial statements.

Verification of the information relating to the Group included in the Management Report

In accordance with professional standards applicable in France, we also carried out the specific testing, required by law, of the information relating to the Group contained in the Board of Directors' management report.

We have no comments to make regarding its accuracy and whether it concurs with the information presented in the consolidated financial statements.

Responsibilities of management and those charged with corporate governance in relation to the consolidated financial statements

Management is responsible for preparing the consolidated financial statements presenting a true and fair view in accordance with IFRS as adopted in the European Union, and for implementing the internal control measures that it deems necessary for the preparation of consolidated financial statements free of material misstatements, whether resulting from acts of fraud or errors.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue operating as a going concern, presenting any requisite going concern information in these statements, and applying the going concern accounting principle, unless the Company is expected to be liquidated or cease trading.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' responsibilities regarding the audit of the consolidated financial statements

It is our responsibility to prepare a report on the consolidated financial statements. Our aim is to attain reasonable assurance that the consolidated financial statements, taken as a whole, are free of material misstatements. "Reasonable assurance" means a high level of assurance, however with no guarantee that an audit conducted in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise due to acts of fraud or errors, and are considered material when it can reasonably be expected that they may, taken individually or as a whole, impact economic decisions made based on the financial statements.

As set out in Article L. 823-10-1 of the French Commercial Code, our certification assignment of the financial statements does not involve providing a guarantee of the viability or quality of the management of your company.

As part of an audit conducted pursuant to professional standards applicable in France, the statutory auditors exercise their professional judgement throughout the audit. Furthermore, they:

- identify and assess the risk of the consolidated financial statements including material misstatements, whether due to fraud or error, define and implement audit procedures to deal with these risks, and gather information deemed adequate and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from an error, as fraud may imply collusion, falsification, voluntary omissions, false declarations or circumventing internal control;
- obtain an understanding of internal control relevant to the audit in order to define the audit procedures appropriate under the circumstances, and not in order to issue an opinion on the effectiveness of such internal control;
- assess the appropriateness of accounting methods applied and the reasonable nature of accounting estimates made by management, as well as information on these methods and estimates provided in the consolidated financial statements;
- assess the appropriateness of management's application of the going concern principle and, according to the information gathered, whether significant uncertainty exists in relation to events or circumstances likely to compromise the company's ability to continuing operating as a going concern. This assessment is based on information gathered up until the date of their report, it being specified that subsequent circumstances or events may compromise the Group's continued operations. If the Statutory Auditors identify the existence of significant uncertainty, they draw readers' attention to the information provided in the consolidated financial statements relating to this uncertainty or, if this information is not provided or is not relevant, issues a qualified opinion or a refusal to certify;
- assess the overall presentation of the consolidated financial statements and determine whether the consolidated financial statements provide a true and fair reflection of the underlying transactions and events;
- concerning financial information relating to individuals or entities included in the consolidation scope, they gather information deemed sufficient and appropriate for the basis of an opinion on the consolidated financial statements. They are responsible for the coordination, supervision and completion of the audit of the consolidated financial statements, as well as that opinion issued with regard to said financial statements.

Executed in Lyon and Villeurbanne on 23 April 2018

The Statutory Auditors:	MAZARS Paul-Armel JUNNE	SEGECO Audit Alain DESCOINS

CLASQUIN Head office
Finance

OVERSEAS FORWARDING & LOGISTICS EXPERTS

NOTES

1. Board of Directors management report

2. Text of resolutions

AMERICAS

STRENGTHENED FOOTHOLD

CLASQUIN, already present in North (United States, Canada) and South America (Chile), extended its international network and strengthened its management structure in 2017 (appointment of a new CEO USA).

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CLASQUIN, THE CLIENTS, PROFIT & Fun COMPANY

1. BOARD OF DIRECTORS' MANAGEMENT REPORT

on the financial statements for the year ended 31 December 2017

Dear Shareholders,

We have called you to this Combined General Meeting, pursuant to the Company's articles of association and the law governing commercial companies, to:

- report on the operations of our Company, its subsidiaries and the CLASQUIN Group for the financial year ended 31 December 2017, as well as the results of these operations and the outlook for the future,
- submit for your approval the balance sheet, the company and consolidated financial statements for the financial year and the recommended appropriation of earnings,
- recommend that you reappoint SEGECO AUDIT, whose office is scheduled to expire, as regular Statutory Auditor, and appoint SDGS as alternate Statutory Auditor, replacing Jean-Loup Rogé, whose office is scheduled to expire,
- recommend that you approve the allocation of directors' fees,
- recommend that you authorise the Board of Directors to buy back the Company's shares and reduce the share capital by cancelling treasury shares.

CLASQUIN
Ho Chi Minh

A. Business overview of the CLASQUIN Group, CLASQUIN SA and its subsidiaries

1. CLASQUIN Group

2017 HIGHLIGHTS

- The Group launched the deployment of the new Transport Management System (TMS), CargoWise One (published by market leader WISETECH), as planned.
- Installed base: Italy, Hong Kong, China and Australia: 12 offices.
- Deployment was launched in France on 18 February 2018.
- The Group recently hired:
  – a new CEO USA,
  – a new CEO South-East Asia,
  – A new Chairman and CEO at LOG SYSTEM, the IT subsidiary, following the retirement of the former CEO.

Restructuring:
- Downsizing at CLASQUIN GERMANY.
  – Positive effects to be seen in 2018.

COMPANIES CREATED OR ACQUIRED IN 2016

- ART SHIPPING INTERNATIONAL, specialising in the transportation of artwork, acquired in May 2016: business volumes and earnings in line with the business plan. Profit recorded in 2017.
- CLASQUIN PORTUGAL, launch of operations in October 2016: satisfactory integration, however ramp-up fell short of targets. Losses in the first year (2017).
- CLASQUIN CHILI, launch of operations in November 2016: strong business levels, in line with expectations. Slight loss in the first year (2017).

BUSINESS VOLUMES AND EARNINGS

In 2017, sea freight market volumes grew by more than 4% and air freight by 8–9%.

In this buoyant environment and thanks to strong sales momentum, the Group once again outperformed the market.

Growth in the number of sea and air freight shipments reached 11.1% and 10.1% respectively.

Two thirds of this growth results from the acquisition of new clients.

In terms of volumes shipped, sea freight growth of 17.1% was 4–5 times higher than that of the market, while air freight, up 18.8%, was around two times higher.

Gross profit in the air and sea freight businesses (81% of total Group gross profit) increased by over 10.4% for the year, mirroring growth in shipments (up 10.7%) and reflecting steady unit margins despite rising freight rates.

The RO/RO business (11% of Group gross profit) saw a slight decline of 1.3% in gross profit due to the immediate impact of a new client mix.

Current operating income rose 13.2% to €5.9m, reflecting:
- Strong growth in gross profit (up 9.4%), and
- A 10.2% increase in operating expenses, mainly comprising:
  – Consolidation effect (ART SHIPPING INTERNATIONAL, CLASQUIN PORTUGAL, CLASQUIN CHILI) and changes: 1.6%
    At constant consolidation scope and exchange rates (like-for-like), current operating income rose 21.4%.
  – New TMS (CargoWise) and IT architecture: 1.4%
  – Non-recurring expenses (Downsizing at CLASQUIN GERMANY, etc.): 1.0%

FINANCIAL POSITION

	2017	2016
Shareholders' equity (€m)	22.9	23.8
Net debt (€m)	15.8	11.1
Gearing	**69.1%**	**46.5%**

	2017	2016
Gross operating cash flow (€m)	7.5	7.1
% of gross profit	11.9%	12.3%

2. CLASQUIN SA and its subsidiaries

CLASQUIN SA sales, the Group's parent company and also the Company combining all the operations in France, increased by 30.0% to €157.7m from €121.3m in 2016.

(in euro thousands)	2017 sales	2017 gross profit	2017 v 2016 change in gross profit	2017 operating income	2016 operating income
ART SHIPPING INTERNATIONAL	1,310	633	*61.9%*	190	90
CLASQUIN AUSTRALIA	3,827	630	*24.4%*	46	(149)
CLASQUIN BURKINA FASO	199	54	*15.9%*	26	(6)
CLASQUIN CANADA	3,700	604	*5.1%*	85	54
CLASQUIN CHILE	6,431	864	*1,196.6%*	(153)	(65)
CLASQUIN ESPAÑA					6
CLASQUIN FAIRS & EVENTS	-	-		(18)	-
CLASQUIN FAR EAST	26,512	4,620	*1.7%*	1,142	621
CLASQUIN GERMANY	8,363	1,168	*4.7%*	214	(162)
CLASQUIN INDIA	4,080	695	*17.1%*	198	139
CLASQUIN ITALIA	4,234	1,101	*10.8%*	139	144
CLASQUIN INTERCARGO	26,733	4,050	*18.4%*	1,032	980
CLASQUIN JAPAN	11,358	2,368	*21.3%*	253	162
CLASQUIN KOREA	4,054	993	*-28.7%*	59	229
CLASQUIN MALAYSIA	1,847	352	*-11.2%*	44	37
CLASQUIN PORTUGAL	1,238	157	*1,678.6 %*	(267)	(143)
CLASQUIN SILK ROAD	-	-	-	(2)	(2)
CLASQUIN SINGAPORE	2,292	470	*-10.3%*	57	31
CLASQUIN THAILAND	3,549	574	*8.1%*	33	38
CLASQUIN USA	10,180	2,411	*11.3%*	296	348
CLASQUIN VIETNAM	3,319	586	*2.8%*	100	66
EAST ASIA LOGISTICS Ltd.	156	34	*100.0%*	(13)	-
ECS US	14,619	2,920	*10.9%*	72	(29)
FINANCIÈRE LCI	-	-	-	(3)	(13)
LOG SYSTEM	2,978	2,648	*4.1%*	175	185
TOTAL	**140,980**	**27,932**	*8.3%*	**3737**	**2561**

Philippe and David

B. Economic and financial results for the CLASQUIN Group, CLASQUIN SA and its subsidiaries

1. Presentation of the Company and consolidated financial statements

The company and consolidated financial statements for the year ended 31 December 2017 submitted for approval were prepared in compliance with the rules of presentation and valuation methods set forth in the regulations in force.

1.1 Consolidated financial statements

The consolidation methods are described in the notes to the consolidated financial statements.

1.1.1 Companies consolidated

Consolidated companies included in the CLASQUIN Group are listed in the notes to the consolidated financial statements.

• CLASQUIN FAIRS & EVENTS joined the consolidation scope.

• EAST ASIA LOGISTICS Ltd. also joined the consolidation scope.

• CLASQUIN SPAIN was absorbed by CLASQUIN INTERCARGO as part of a merger and was therefore deconsolidated.

Pursuant to the consolidation rules, the other holdings were not consolidated.

1.1.2 Consolidated results for the year ended 31 December 2017

(in euro thousands)	IFRS accounting standards		
	At 31 December 2017	31 December 2016	Change
Net sales	290,587	235,024	*23.6%*
Cost of sales	(227,696)	(177,525)	*28.3%*
Gross profit	62,891	57,500	*9.4%*
Current operating income	5,875	5,188	*13.2%*
Income before tax	4,825	4,139	*16.6%*
PROFIT FROM CONTINUING OPERATIONS	**2,898**	**2,632**	***10.1%***
PROFIT FROM DISCONTINUED OPERATIONS	**-**	**-**	***0.0%***
GROUP CONSOLIDATED NET PROFIT	**2,898**	**2,632**	***10.1%***
NET PROFIT GROUP SHARE	**2,489**	**2,173**	***14.6%***

Consolidated results for the year included net profit Group share of €2,489k compared to net profit Group share of €2,173k for the previous financial year, an increase of 14.6%. As at 31 December 2017 after net profit for the year, shareholders' equity Group share amounted to €19,726k, minority interests €3,153k and share capital €3,153k.

2017 net sales came to €290,587k compared to €235,024k for the previous year, up 23.6% compared to a 0.35% increase in the previous year.

2017 gross profit amounted to €62,891k compared to €57,500k for the previous year, up 9.4% compared with growth of 3.4% in the previous year.

Current operating income came in at €57,500k compared to €5,188k for the previous year, down 13.2%. Non-recurring items amounted to a net expense of €436k compared to a net expense of €590k in the previous year.

Total consolidated net profit amounted to €2,898k, with Group share amounting to €2,489k.

1.2 Company financial statements

The financial statements for CLASQUIN SA for the year ended 31 December 2017 showed a profit of €859,564, the main components of which are as follows:

(in euros)	At 31 December 2017	31 December 2016	Change
Net sales	157,650,851	121,210,970	*30.06%*
Operating income	159,580,220	122,193,244	*30.60%*
Operating expenses	159,143,444	122,304,494	*30.12%*
EBIT	436,776	(111,250)	*-492.61%*
Financial income	2,639,334	2,359,484	*11.86%*
Financial expenses	465,339	372,581	*24.90%*
Net financial income/expense	2,173,995	1,986,903	*9.42%*
Pre-tax operating earnings	2,610,770	1,875,654	*39.19%*
Non-recurring income	23,114	(3,552)	*-750.73%*
Non-recurring expenses	339,239	429,512	*-21.02%*
Net non-recurring expenses	(316,125)	(433,064)	*-27.00%*
Employee incentive and profit-sharing scheme	1,573,009	1,115,455	*41.02%*
Income tax	(137,928)	64,500	*-313.84%*
NET EARNINGS PER SHARE	**859,564**	**262,635**	***227.29%***

2017 net sales amounted to €157,650,851 vs €121,210,970 for the previous year.

Total operating income came to €159,580,220 and total operating charges came to €159,143,444, resulting in EBIT of €436,776, compared to an EBIT loss of €111,250 for the previous year.

Total financial income amounted to €2,639,334 and total financial expenses came to €465,339, resulting in net financial income of €2,173,995 compared with €1,986,903 for the previous year.

Pre-tax operating earnings thus came to €2,610,770 compared with €1,875,654 for the previous year.

Total non-recurring income amounted to €23,114 and total non-recurring expenses came to €339,239, resulting in net non-recurring expenses of €316,125 compared with €433,064 for the previous year.

The Company financial statements for the year ended showed a net profit of €859,564 compared with €262,635 for the previous year.

The table of results referred to in Article R. 225-102 of the French Commercial Code is appended to this report.

1.3 Application of IFRS

Please refer to the point B “Notes to the consolidated financial statements”, Note 1 “General accounting principles”, and point 1.1 “Reporting framework” in the consolidated financial statements.

2. Financial analysis of risks

2.1 Financial risk management

2.1.1 Liquidity risk management

CLASQUIN Group invests primarily in IT accessories (hardware and software) and fixtures and fittings.

Investments are financed through medium — and long-term loans or with equity.

Working capital is financed by the CLASQUIN Group’s cash flow and occasionally by bank overdrafts.

Working capital is subject to significant changes throughout the year due to monthly payments of customs duties and VAT to the Customs Authorities and due to the Cargo Accounting Settlement System (C.A.S.S.), an organisation that groups together airline companies in order to simplify billing and payments between airlines and freight forwarders. At the time of these operations and depending on the settlement dates, the working capital requirement registers significant variations.

No CLASQUIN Group loans are subject to bank covenants.

2.1.2 Interest rate risk

The loans taken out by the CLASQUIN Group can be arranged at a fixed or variable rate of interest (see table in paragraph 8.1.3.1 "Breakdown" of point B "Notes to the consolidated financial statements").

Depending on trends in market rates, the Group can set up hedging mechanisms at any moment on its own initiative.

2.1.3 Inflation risk

The Company does not consider itself exposed to any inflationary risk, inasmuch as the increase in freight rates, due to inflation, is passed on to the sales prices.

This impact is not effective immediately due to the time required for it to take effect, but may be observed over time.

2.1.4 Currency impact on performance indicators

CLASQUIN Group is an international business comprising 33 companies at 31 December 2017, with 62 branches located in Europe, America, Asia, the Pacific region and Africa. The strategy relies upon continuous development of its activities in the international segment.

As the CLASQUIN Group presents its consolidated financial statements in euros, foreign exchange fluctuations can have a positive or negative impact on CLASQUIN's level of operations and performance indicators.

2.1.5 Currency risk

The euro is the currency used by CLASQUIN for preparing its financial statements and for all invoicing between subsidiaries. The currency risk is thus essentially borne by the subsidiaries based outside the euro zone. The Group also develops a policy of monthly exchange rate hedging on subsidiaries which generate considerable exchange flows.

The Group has also set up a "Clearing Office" which centralises all settlements between the various entities. In this way, a given entity's exposure to currency risk can be essentially summed up as the risk applicable to an offset balance of receivables and payables with all of the other Group entities. The currency risk is therefore easier to measure.

Given that the CLASQUIN Group engages in an international business activity, exchange rate fluctuations could have an adverse impact on the profits of its subsidiaries situated outside the euro zone, which are insufficiently hedged or not hedged at all, considering their import and/or export flows, and thus on the financial position and profits of the CLASQUIN Group.

2.2 Risks arising from variations in the share price

In order to improve and regulate liquidity for its shares, a liquidity contract was signed between CLASQUIN SA and ODDO CORPORATE FINANCE brokerage firm on 14 September 2009, the agreement being tacitly renewed each year. On 13 October 2014 the agreement was amended to increase the value of funds paid into the liquidity contract. This contract was transferred to ODDO & Cie, sole shareholder of ODDO CORPORATE FINANCE through the universal transfer of the latter's assets and liabilities effective on 1 March 2016.

This agreement complies with the AMAFI (French Association of Financial Markets) code of ethics.

2.3 Sector risks

- Macroeconomic environment: the sector is a market strongly correlated with global trade outlook and economic market developments.
- Talent: talented employees are a vital resource; employee recruitment and loyalty present challenges for service companies.
- IT — Technological developments: IT systems, networks and related processes are essential to the Group's business operations. Adapting to technological developments, such as the digitisation and automation of processes, is a constant challenge.
- Compliance: the sector is subject to a range of increasingly complex national and international laws and regulations.
- Dependence on third parties: there are many players involved in the logistics chain (shipping companies, airlines, road carriers, etc.) and freight forwarders depend on other market players.

C. CLASQUIN SA client and supplier payment terms

Breakdown of euro-denominated trade payables and receivables by due date as at 31 December 2017.

Unpaid overdue invoices issued as at 31 December 2017

(in euros)	1–60 days	31–60 days	61–90 days	Over 90 days	Total amount due
Number of invoices					7,630
Balance (incl. VAT) due as at 31/12/2017 — in €	13,264,888	2,599,667	1,110,664	1,642,897	18,618,115
% of Total Sales including VAT	8%	2%	1%	1%	11%

Unpaid overdue invoices received as at 31 December 2017

(in euros)	1–60 days	31–60 days	61–90 days	Over 90 days	Total amount due
Number of invoices					6,016
Balance (incl. VAT) due as at 31/12/2017 — in €	14,568,116	524,215	122,380	379,220	15,593,931
% of Total Purchases excluding VAT	10%	-	-	-	11%

Invoices excluded relating to disputed trade receivables at 31 December 2017

Number of invoices	25
Total amount	371,011

D. Research and development

CLASQUIN Group invested €2,036k in R&D in 2017, i.e. 10.3% of CLASQUIN SA's gross profit.

It is made up of changes to the Group's historical software, AEOLUS, and the cost of the project to replace Aeolus with Cargowise launched in September 2016 following the signing of an agreement with the publisher WISETECH on 28 July 2016, global leader in the sector.

E. Important events that have taken place since year-end

LOG SYSTEM (Group IT subsidiary) acquired COSMOS Consultants in January 2018, international trade and customs management software publisher.

F. Foreseeable changes in the position of the Group of companies included in consolidation and outlook

Market — Estimated volume growth:

• Sea > 5% (source IHS Global Insight. August 2017)

• Air > 4% (source IATA. December 2017)

CLASQUIN — Growth significantly higher than market growth.

G. Earnings appropriation

Please note that, in the prospectus drawn up for the Company's floatation on Alternext, provided that the Group is able to fund the capital expenditure required to drive its growth and insofar as the results allow, the Company has announced its intention to proceed with an annual dividend payout of at least 20% of consolidated net profit Group share.

We would like to propose total dividends for the year ended 31 December 2017 amounting to approximately 74% of consolidated net profit Group share, which amounted to €2,489,329.

We therefore recommend that you allocate CLASQUIN SA's net profit for the year amounting to €859,564.26 as follows:

- Dividend distribution: €1,845,120.80

Drawn from net profit for the year, amounting to €859,564.26,

With the balance of €985,556.54 taken from "Other reserves".

The earnings appropriation covers existing shares. At the time the dividend is paid, should the Company hold any treasury shares that do not give entitlement to a dividend, the earnings corresponding to the unpaid dividends for these shares will be transferred to "Other reserves".

Each shareholder will thus receive a dividend of €0.80 per share.

This dividend will be paid on 13 June 2018.

It is hereby reminded that, unless an exception exists, dividends received by French tax residents are, pursuant to Article 117 *quater* of the French Tax Code, subject to withholding tax of 12.8%, plus social security contributions at a rate of 17.2%. Pursuant to Article 200 A, 1 of the French Tax Code, in the year following their payment, dividends are subject to income tax at a single flat rate of 12.8%, after deduction of the withholding tax at a rate of 12.8%, unless taxation of their global income and capital gains is selected in accordance with the progressive income tax brackets provided for in Article 200 A, 2 of the same code.

It is also specified that this dividend distribution is eligible for the 40% allowance set out in Article 158-3-2 of the French Tax Code for taxpayers who opt for taxation of their global income and capital gains in accordance with the progressive income tax brackets as set out in Article 200 A, 2, mentioned above.

In accordance with the provisions of Article 243 *bis* of the French General Tax Code, below we have provided a reminder of the amounts distributed as dividends for the previous 3 years, as follows:

FINANCIAL YEAR	Dividend distribution per share
2016	€0.80
2015	€1.25
2014	€0.80

H. Non-tax deductible expenditure

In accordance with the provisions of Article 223 *quater* and *quinquies* of the French General Tax Code, we hereby inform you that the 2017 financial statements include €121,649 in respect of non tax deductible expenses, and that corporate tax paid on this amount at the base rate came to €40,549.

I. Subsidiaries and shareholdings

We have presented the activity of the subsidiaries by reporting the Company's activity.

The table of subsidiaries and shareholdings is included in this report.

During 2017, the Company acquired new equity investments or increased its equity interest and voting rights in companies having their head office in France and abroad, as stated below:

- Creation of CLASQUIN FAIRS & EVENTS, wholly owned at the end of the year,
- reduction of the interest in CLASQUIN PORTUGAL from 99.8% to 90%,
- merger-absorption of CLASQUIN SPAIN by CLASQUIN INTERCARGO,
- 49% equity interest in EAST ASIA LOGISTICS Ltd.,
- 30% equity interest in FOOT OF AFRICA in France.

The company does not have any branches in France.

J. Controlled companies

As at 31 December 2017, the Company controlled the following companies directly or indirectly:

List of subsidiaries directly controlled by CLASQUIN SA:

NAME OF COMPANY	Registered office	% interest 2017	% interest 2016
PARENT COMPANY			
CLASQUIN SA	Lyon	Holding company	Holding company
DIRECTLY OWNED COMPANIES			
ART SHIPPING INTERNATIONAL SAS	Paris	80%	80%
CLASQUIN AUSTRALIA PTY Ltd.	Melbourne	100%	100%
CLASQUIN BURKINA FASO	Bobo-Dioulasso	100%	100%
CLASQUIN CANADA Inc.	Montreal	100%	100%
CLASQUIN CHILE	Santiago	100%	100%
CLASQUIN ESPAÑA SL	Barcelona	-	100%
CLASQUIN FAIRS & EVENTS	Lyon	100%	-
CLASQUIN FAR EAST Ltd.	Hong Kong	100%	100%
CLASQUIN GERMANY GmbH	Frankfurt	100%	100%
CLASQUIN INDIA PVT Ltd.	Delhi	100%	100%
CLASQUIN ITALIA SRL	Milan	100%	100%
CLASQUIN JAPAN KK Ltd.	Tokyo	100%	100%
CLASQUIN KOREA Ltd.	Seoul	100%	100%
CLASQUIN MALAYSIA Ltd.	Kuala Lumpur	100%	100%
CLASQUIN PORTUGAL LDA	Lisbon	90%	100%
CLASQUIN SILK ROAD	Hong Kong	51%	51%
CLASQUIN SINGAPORE PTE Ltd.	Singapore	100%	100%
CLASQUIN THAILAND CO Ltd.	Bangkok	49%	49%
CLASQUIN USA Inc.	New York	80%	80%
CLASQUIN VIETNAM Ltd.	Hô Chi Minh City	99%	99%
EAST ASIA LOGISTICS Ltd.	Hô Chi Minh City	49%	-
EXPRESS CONSOLIDATION SYSTEMS Corp.	Rutherford (New Jersey)	80%	80%
FINANCIÈRE LCI SAS	Lyon	80%	80%
LOG SYSTEM SARL	Lyon	70%	70%
CLASQUIN T.I. INTERCARGO 1999, SA	Barcelona	100%	100%

Finance team
CLASQUIN Head Office

List of subsidiaries indirectly controlled by CLASQUIN SA:

NAME OF COMPANY	Registered office	% interest 2017	% interest 2016
INDIRECT SUBSIDIARIES			
COMPANY OWNED BY CLASQUIN SILK ROAD:			
CLASQUIN GEORGIA	Tbilisi	51%	51%
COMPANIES OWNED BY CLASQUIN FAR EAST Ltd.: :			
CLASQUIN SHANGHAI Ltd.	Shanghai	100%	100%
EUPHROSINE Ltd.		69%	69%
COMPANY OWNED BY CLASQUIN USA INC.:			
SECURE CUSTOMS BROKERS Inc.	New York	80%	80%
COMPANIES OWNED BY EXPRESS CONSOLIDATION SYSTEMS Corp.:			
EXPRESS CONSOLIDATION SYSTEMS BARBADOS Ltd.	Saint-Michael	80%	80%
COMPANIES OWNED BY FINANCIÈRE LCI SAS:			
LCI-CLASQUIN	Villefranche	80%	80%
LCI TUNISIE SARL	La Marsa (Tunisia)	80%	80%
LCI TRANSPORT SARL	Rades (Tunisia)	36%	36%
MED TIR SA	Rades (Tunisia)	39%	39%
SCI LACHA	Villefranche	50%	50%

K. Agreements specified under Articles L. 225-38 et seq. of the French Commercial Code

The statutory auditors will read their report, which refers to agreements duly authorised by the Board of Directors in respect of this financial year and agreements signed in previous years that continued during the year ended 31 December 2017.

L. Board member and statutory auditor appointments

No Board member appointments are due to expire at the end of this general meeting.

The terms of office of SEGECO AUDIT, regular Statutory Auditor, and Mr Jean-Loup Rogé, alternate Statutory Auditor, are due to expire at the end of this meeting. We recommend that you reappoint SEGECO AUDIT a regular Statutory Auditor for a term of six years, and to appoint SDGS as alternate Statutory Auditor for a term of six years.

M. Recommended allocation of directors' fees

We recommend allocating the Board of Directors total directors' fees of €23,000 for 2018.

CLASQUIN
Ningbo

N. Authorisation granted to the Board of Directors by the Annual General Meeting of Shareholders

Authorisation granted to the Company to buy back its shares on the market

We recommend that you authorise the Company to trade on the stock market in its own shares, pursuant to the provisions of Article L. 225-209 of the French Commercial Code, and provided that the applicable statutory and regulatory provisions are satisfied when this authorisation is exercised, for the following exclusive purposes, in order of priority:

- transactions carried out by an investment service provider as part of a liquidity contract drawn up pursuant to the AMAFI (French Financial Markets Association) ethical code,
- coverage of stock option or bonus share allocation schemes,
- coverage of other forms of share allocation to Group employees and/or corporate officers under conditions and according to procedures specified by the law, particularly with regard to Company profit sharing as part of a Company savings scheme,
- retention and subsequent exchange or payment as part of transactions such as acquisitions, mergers, demergers or contributions,
- coverage of debt securities convertible to shares,
- cancelling purchased shares.

Other uses of this share buyback programme are not being considered.

The transactions performed as part of a buyback programme shall be carried out pursuant to applicable regulations.

An information document will be circulated in accordance with current regulations.

The maximum number of shares to be acquired will represent a maximum of 10% of the Company's share capital (including shares already held), including 5% of the Company's share capital if they are shares acquired by the Company to keep and later transfer as payment or in exchange as part of a merger, demerger or contribution.

The maximum purchase price per share, subject to adjustments linked to transactions relating to the Company's capital, will be set at €50 (excluding transaction fees).

The maximum theoretical amount for carrying out this programme is €11,532,005 (maximum theoretical amount excluding treasury shares), financed either from equity or via short- to mid-term external financing.

Shares may be repurchased via any procedure, including acquisition of share blocks in one or more transactions, including during a public tender offer.

The authorisation will be valid with effect from the date on which the Annual General Meeting approves the 2017 financial statements and until the date of the next Annual General Meeting called to approve the financial statements, within the statutory limit of eighteen (18) months.

If you adopt this resolution, the Board of Directors will report to you every year on the use of this authorisation.

We are also asking you to authorise the Board of Directors, for a period of eighteen (18) months, on one or more occasions and at its sole discretion, to cancel, subject to a cap of 10% of the share capital calculated as at the date of the decision to cancel, having deducted any shares cancelled during the previous 24 months, shares that the Company holds or may hold following repurchases made under the buyback programme and to reduce the Company share capital by the same amount pursuant to current statutory and regulatory provisions. The Board of Directors would therefore have the necessary powers to do what is required in such matters.

O. Stock options — Bonus share allocations

Pursuant to the provisions of Articles L. 225-184 and L. 225-197-4 of the French Commercial Code, the Annual General Meeting must be kept informed of stock option and bonus share plans.

We hereby notify you that the Company has not implemented a stock option programme and has not issued any bonus shares.

P. Report on the transactions carried out by the Company on its own shares during the financial year

In application of the provisions of Article L.225-211 (2) of the French Commercial Code and pursuant to the authorisation granted by the Combined Annual General Meeting of 7 June 2017, we hereby inform you that the Company carried out the following transactions during the financial year ended 31 December 2017:

- Number of shares purchased during the financial year: 25,303 shares,
- Number of shares sold during the financial year: 25,598 shares,
- Average purchase price: €33.0520,
- Average sale price: €32.6550,
- Transaction costs: nil
- Number of shares registered in the Company's name as at 31 December 2017: 3,455 shares,
- Estimated purchase cost of shares: €124,345.45,
- Share par value: €2.00
- Proportion of share capital represented: 0.15%.

Information on the execution of share purchase transactions per objective set in the share buyback programme decided by the Combined Annual General Meeting of 7 June 2017:

OBJECTIVES	Number of shares acquired	Average purchase price (€)	Number of shares sold	Potential reallocations
Liquidity contract	25,303	€33.0520	25,598	N/A

For information purposes, at 2 January 2017 CLASQUIN shares were trading at €28.40, and at 29 December 2017 were trading at €35.99.

Q. Information relating to the share capital and voting rights

In accordance with the provisions of Article L. 233-13 of the French Commercial Code and in view of information and notices received pursuant to Articles L. 233-7 and L. 233-12 of said Code, we hereby inform you of the following:

- Identity of shareholders, at the end of the financial year, directly or indirectly holding more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.66%, 90% and 95% of the Company share capital or voting rights:
  - OLYMP held 42.46% of share capital and 55.92% of voting rights,
  - Mr Yves REVOL held 4.64% of share capital and 6.12% of voting rights.
- Breakdown of share capital and voting rights, in view of threshold crossing disclosures made to the Company between the dates of the previous report and the current report:
- LAZARS FRÈRES GESTION has declared that the set of mutual funds under its management exceeded the threshold of 5% of the share capital (letter dated 25 February 2017),
- FINANCÈRE DE L'ÉCHIQUIER declared that it had exceeded the threshold of 2.5% of the share capital (letter dated 6 April 2017),
- AVIVA INVESTORS France exceeded the threshold of 2% of the share capital (letter dated 9 June 2017),
- FINANCIÈRE TIEPOLO exceeded the threshold of 5% of the share capital (letter dated 14 December 2017).

R. Share transactions carried out by directors or closely related persons

Pursuant to statutory and regulatory provisions, below you will find a summary statement of the transactions performed on Company shares during 2017 by directors and persons closely related to them. This statement has been produced based on information we have received:

- Number of shares sold: 113,240 shares,
- Number of shares purchased: 109,519 shares,
- Number of shares subscribed: Nil
- Number of shares exchanged: Nil

PERSONS CONCERNED	Number of shares sold during the year	Number of shares purchased during the year
OLYMP	8,831	N/A
Hugues MORIN and related persons	99,549	109,519
Philippe LONS	4,860	N/A

S. Company employee share ownership

In accordance with the provisions of Article L. 225-102 of the French Commercial Code, we hereby provide information on the situation concerning the employee share ownership scheme at year-end and the proportion of share capital represented, as at 31 December 2017, by the shares held by Company employees and by employees of affiliated companies, as defined in Article L. 225-180 of the French Commercial Code, within the framework of a company savings plan and an FCPE employee investment fund.

As at 29 December 2017, the CLASQUIN PERFORMANCES investment fund held 3.78% of the Company's share capital.

CLASQUIN
Beijing

T. Board of Directors' report on corporate governance

1. Information concerning corporate officers

1.1 List of offices and positions held

In accordance with Article L. 225-102-1 of the French Commercial Code, we hereby list below all the offices and positions held during the year in all relevant companies by each director. This list has been drawn up based on information provided by each party concerned.

Positions and offices held by Mr Yves Revol, Board member and Chief Executive Officer
Chairman of OLYMP
Chairman of CLASQUIN FAR EAST
Board member of CLASQUIN JAPAN
Chairman of CLASQUIN SINGAPORE
Chairman of CLASQUIN MALAYSIA
Chairman of CLASQUIN AUSTRALIA
Chairman of CLASQUIN CANADA
Chairman of CLASQUIN USA
Chairman of CLASQUIN SECURE CUSTOMS BROKERS
Chairman of CLASQUIN THAILAND
Chairman of CLASQUIN VIETNAM
Board member of EAST ASIA LOGISTICS Ltd.
Chairman of CLASQUIN SHANGHAI
Chairman of CLASQUIN KOREA
Sole Board member of CLASQUIN ESPAÑA
Board member of EUPHROSINE
Chairman of CLASQUIN SILK ROAD
Board member of CLASQUIN INDIA
Chairman and Board member of CLASQUIN INTERCARGO
Chairman of EXPRESS CONSOLIDATION SYSTEMS Corp.
Chairman and member of the FINANCIÈRE LCI Supervisory Board
Joint managing director of CLASQUIN BURKINA
Chairman of the Board of Directors of CLASQUIN CHILE
Managing director of CLASQUIN PORTUGAL up to 30/09/2016
Chairman of LYMAGE
Managing director of SCI DE LA LOUVE
Managing director of SCI APHRODITE
Managing director of SCI HERA
Managing director of SCI MAIALYS
Managing director of SCI CALLIOPE
Managing director of SCI HESTIA
Chairman of FOOT OF AFRICA BURKINA
Chairman of FOOT OF AFRICA

Positions and offices held by Mr Philippe Lons, Board member and Deputy Managing Director
Chief Financial Officer of CLASQUIN SA
Board member of CLASQUIN JAPAN
Board member of CLASQUIN ITALIA
Representative of CLASQUIN, Board member of CLASQUIN FAR EAST
Board member of CLASQUIN SINGAPORE
Board Member of CLASQUIN KOREA
Board member of CLASQUIN MALAYSIA
Board member of CLASQUIN AUSTRALIA
Board Member of CLASQUIN THAILAND
Board Member of CLASQUIN CANADA
Board member of CLASQUIN USA
Board member of SECURE CUSTOMS BROKERS
Board member of CLASQUIN SHANGHAI
Board member of CLASQUIN SILK ROAD
Board member of CLASQUIN INDIA
Board member of CLASQUIN INTERCARGO
Member of the FINANCIÈRE LCI Supervisory Board
Board member of CLASQUIN CHILE

Positions and offices held by OLYMP, Board member, represented by Mr Philippe Le Bihan
Nil

Positions and offices held by Mr Philippe Le Bihan, permanent representative of OLYMP (until 14 December 2017)
Managing director of LOG SYSTEM

Positions and offices held by Mr Jean-Christophe Revol, permanent representative of OLYMP (as of 15 December 2017)
Offices: Nil
South Europe International Sales Director at CLASQUIN INTERCARGO

Positions and offices held by Mr Hugues Morin, Board member and Deputy Managing Director
Executive Vice President of CLASQUIN SA
Chairman of CLASQUIN ITALIA
Member of the FINANCIÈRE LCI Supervisory Board
Board member of CLASQUIN MALAYSIA
Board member of CLASQUIN INDIA
Board member of CLASQUIN SINGAPORE
Joint managing director of CLASQUIN BURKINA
Board member of CLASQUIN CHILE
(and CEO until 6 March 2017)
Managing director of CLASQUIN PORTUGAL
Board member of EXPRESS CONSOLIDATION SYSTEMS, Corp
CEO of CLASQUIN FAIRS & EVENTS
Managing Director of ARIANE PARTICIPATIONS

Positions and offices held by Ms Claire Mialaret
Offices: Nil
Electronic communications ombudsman

Positions and offices held by Mr Christian Ahrens
Offices: Nil
Interim manager

Positions and offices held by Ms Laurence Ilhe, (Deputy Managing Director)
Offices: Nil
Group General Secretary of CLASQUIN SA

Positions and offices held by Mr Quentin Lacoste, (Deputy Managing Director)
Offices: Nil
Group Chief Operating Officer of CLASQUIN SA

1.2 Information on the exercise of Senior Management

It is hereby reminded that the Combined Annual General Meeting of 8 June 2015 decided to reappoint Yves Revol as Board member for a period of six years, extending until the end of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2020.

The Chairman having been appointed for the duration of his term of office as a Board member, it fell upon the Board of Directors to approve his reappointment as Chairman and his simultaneous term of office as Chief Executive Officer.

The Board of Directors meeting of 8 June 2015 unanimously decided to reappoint Yves Revol as Chairman and Chief Executive Officer.

1.3 Duration of Board member appointments

Mr Yves REVOL was reappointed as Board member by the Annual General Meeting on 8 June 2015 until the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2020, and as Chief Executive Officer by the Board of Directors on 8 June 2015.

Mr Philippe LONS was reappointed as Board member by the Annual General Meeting on 8 June 2015 until the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2020, and as Deputy Managing Director, for the duration of the Chief Executive Officer's term of office, by the Board of Directors on 8 June 2015.

OLYMP was reappointed as Board member by the General Meeting on 7 June 2016 until the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2021.

Mr Hugues MORIN was reappointed as Board member by the General Meeting on 7 June 2016 until the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2021. He was reappointed as Deputy Managing Director by the Board of Directors on 8 June 2015 for the duration of the Chief Executive Officer's term of office.

Ms Claire MIALARET was appointed as Board member by the Annual General Meeting on 5 June 2014 until the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2019.

Mr Christian AHRENS was appointed as Board member by the General Meeting on 8 June 2015 until the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2020.

1.4 Agreements entered into by a manager or major shareholder of the parent company with a subsidiary

Pursuant to the French Commercial Code, we hereby inform you that no agreements were entered into, directly or via an intermediary, between i) any of the corporate officers or shareholders holding more than 10% of the voting rights in the Company and ii) another company in which the Company directly or indirectly holds over half of the share capital, with the exception of agreements covering continuing operations and entered into under normal conditions.

Joseph,
CLASQUIN Shanghai

1.5 Summary table of current delegations granted by the general meeting of shareholders with regard to capital increases

In accordance with the French Commercial Code, information relating to the following is presented below:

• currently valid powers granted by the Annual General Meeting to the Board of Directors for capital increases,

• exercise of the aforementioned authorisations during the year.

Currently valid powers granted by the Annual General Meeting to the Board of Directors with regard to capital increases	
Delegations granted by the Combined Annual General Meeting of 7 June 2017	• authorised the Company to increase its share capital by a maximum par value of €3,000,000 (and €40,000,000 in respect of debt-based securities, relating in particular to bonds) by issuing any securities, with preferential subscription rights, as appropriate, with authority granted to the Board of Directors to decide on said capital increases during a twenty-six (26) month term,
	• authorised the Company to increase its share capital by a maximum par value of €3,000,000 (and €40,000,000 in respect of debt-based securities, relating in particular to bonds) by issuing any securities, without preferential subscription rights, as appropriate, with authority granted to the Board of Directors to decide on said capital increases during a twenty-six (26) month term,
	• authorised the Company to increase share capital by a maximum par value of €3,000,000 by issuing ordinary shares or any other securities, as part of an offer specified under Article L. 411-2 (II) of the French Monetary and Financial Code, without shareholder preferential subscription rights, with authority granted to the Board of Directors for a twenty-six (26) month term to carry out said capital increases,
	• authorised the Board of Directors, for a twenty-six (26) month term, to increase the number of securities to be issued as part of capital increases, as stipulated above, if a surplus of subscription requests is received, pursuant to the provisions of Article L. 225-135-1 of the French Commercial Code,
	• authorised the Board of Directors, for a twenty-six (26) month term, to carry out share capital increases at its sole discretion, subject to a maximum par value increase of €300,000, without preferential subscription rights in favour of individuals belonging to a company savings plan through an FCPE employee investment fund (or any other plan for which, under Articles L. 3332-18 et seq. of the French Labour Code, a capital increase may be reserved for members of the plan under equivalent conditions) of the Company or companies belonging to its Group, as defined in Article L. 225-180 of the French Commercial Code.
Delegations granted by the Combined Annual General Meeting of 7 June 2016	• authorised the Board of Directors, for a thirty-eight (38) month term, on one or more occasions and at its sole discretion, to make bonus allocations of its choice, either of existing shares in the Company originating from previous purchases or of new shares issued via a capital increase, to members of staff employed and directors and officers of the Company and of related companies within the meaning of Article L. 225-197-2 of the French Commercial Code, or to specific categories of employees or directors and officers, where the total number of shares resulting from this authorisation to allocate bonus shares, whether existing or to be issued, may not exceed a total of four percent (4%) of the total shares making up the Company's share capital on the allocation date,
Exercise of the aforementioned authorisation during the year	
	Nil.

U. Audit by the statutory auditors

We are going to provide you with the reports from the statutory auditors concerning:

• the Company financial statements,

• the consolidated financial statements,

• agreements specified under Articles L. 225-38 et seq. of the French Commercial Code,

• cancellation of shares purchased by the Company under its share buyback programme,

We hope that all of the resolutions presented to you will meet with your approval.

The Board of Directors

NOTE 1

Statement of financial results for the last five years

(in euros)	At 31 December 2013	At 31 December 2014	At 31 December 2015	At 31 December 2016	At 31 December 2017
CAPITAL AT YEAR-END	-			-	-
Share capital	4,612,802	4,612,802	4,612,802	4,612,802	4,612,802
Number of ordinary shares	2,306,401	2,306,401	2,306,401	2,306,401	2,306,401
Number of priority dividend shares					
Maximum number of new shares to be issued:					
- by converting bonds					
- through subscription rights					
OPERATIONS AND RESULTS	-			-	-
Sales (excl. VAT)	112,281,553.27	124,148,098.01	124,559,858	121,210,968.98	157,650,851.47
Profit before tax, profit sharing, amortisation, depreciation and provisions	4,252,783.17	4,451,469.15	2,639,851.51	2,615,104.59	3,739,863.79
Income tax	172,878.00	93,033.33	107,188.00	64,500.00	(137,928.00)
Employee incentive and profit-sharing scheme	962,744.00	872,900.00	1,126,382.00	1,115,454.64	1,573,009.00
Profit after tax, profit sharing, amortisation, depreciation and provisions	1,872,099.69	2,358,838.37	1,027,783.29	262,635.57	859,564.26
Earnings distributed	1,843,414.00	1,843,314.00	2,883,001.25	1,845,120.80	
EARNINGS PER SHARE	-	-	-	-	-
Profit after tax and profit sharing, before amortisation, depreciation and provisions	1.84	1.55	0.61	0.62	
Profit after tax, profit sharing, amortisation, depreciation and provisions	0.81	1.02	0.45	0.11	
Allocated dividend	0.8	0.8	1.25	0.8	
EMPLOYEES	-	-	-	-	-
Average number of employees	206	216	237	232	240
Wages	8,177,112.70	9,361,221.46	9,851,390.04	10,648,762.63	11,744,982.90
Employee welfare expenses (social security, charities)	3,596,723.00	4,068,117.81	4,305,000.90	4,761,505.22	5,279,399.88

CLASQUIN
Bangkok

NOTE 2

Subsidiaries and shareholdings

SUBSIDIARIES AND SHAREHOLDINGS (over 50% equity interest) *(in euros)*	Share capital (excluding share premium)	Shareholders' equity at 31 December 2017	Equity (%)	Book value of investment	
				(gross)	(net)
CLASQUIN FAR EAST [(4)]	96,272	4,567,304	100%	128,893	128,893
CLASQUIN AUSTRALIA	477,281	521,480	100%	365,428	365,428
CLASQUIN JAPAN	92,140	669,221	100%	196,746	196,746
CLASQUIN KOREA	202,746	340,488	100%	214,493	214,493
CLASQUIN SINGAPORE	233,468	631,969	100%	232,047	232,047
CLASQUIN THAILAND [(1)]	175,825	279,808	49%*	145,956	145,956
CLASQUIN MALAYSIA	229,021	253,562	100%	225,417	225,417
CLASQUIN ESPAÑA [(5)]		-	-	-	
CLASQUIN ITALIA	100,000	678,228	100%	945,655	678,228
CLASQUIN USA	14,994	737,654	80%	99,148	99,148
CLASQUIN CANADA	195,298	162,908	100%	179,990	162,908
LOG SYSTEM	7,622	838,237	70%	88,039	88,039
CLASQUIN VIETNAM	68,840	231,551	99%	81,500	81,500
CLASQUIN GERMANY	200,000	886,362	100%	200,000	200,000
CLASQUIN INDIA	882,323	866,383	100%	929,293	866,383
CLASQUIN SILK ROAD [(2)]	62,184	(27,720)	51%	31,685	-
CLASQUIN BURKINA FASO	15,245	7,788	100%	15,245	7,788
CLASQUIN INTERCARGO	90,165	2,525,800	100%	2,901,837	2,901,837
CLASQUIN CHILE [(3)]	1,436,805	1,253,766	100%	1,500,000	1,500,000
CLASQUIN Portugal [(3)]	200,000	180,171	100%	180,000	180,000
ART SHIPPING INTERNATIONAL [(3)]	10,000	508,711	80%	884,920	884,920
FINANCIÈRE LCI	3,000,000	8,644,140	80%	2,400,000	2,400,000
ECS US (formerly GARNETT)	94,169	336,791	80%	1,666,097	1,666,097
CLASQUIN FAIRS & EVENTS [(3)]	50,000	32,118	100%	50,000	50,000
EAST ASIA LOGISTICS Ltd.	10,493	(8,977)	100%	4,987	4,987

(1) CLASQUIN THAILAND is 49% directly held and 100% controlled.
(2) In the case of CLASQUIN SILK ROAD, given that the Group share of shareholders' equity is negative (€14,137), the shares have been written off and an additional impairment charge recognised as a provision for financial risks and contingencies.
(3) The gross value of the equity investments in CLASQUIN CHILE, CLASQUIN PORTUGAL, ART SHIPPING INTERNATIONAL and FAIRS & EVENTS are exclusive of incorporation costs.
(4) Including a €1,115,812 guarantee for CLASQUIN SHANGHAI.
(5) CLASQUIN ESPAÑA was merged with CLASQUIN INTERCARGO in 2017.

Advances and loans granted by the company		Amounts of guarantees and securities given by the company on 31 December 2017	Sales for the financial year	2017 net profit	Dividends received by the Company during the year
Initial amount	Capital outstanding				
		1,993,904	26,512,246	1,586,234	888,458
		143,281	3,827,393	39,608	
		369,900	11,358,172	112,152	51,069
			4,053,773	15,902	173,214
		239,946	2,291,827	37,643	
450,000	450,000	85,000	3,549,068	1,280	
		61,792	1,847,152	21,622	
			-	-	100,000
		100,000	4,233,757	125,196	
			10,180,143	213,194	212,723
			3,700,398	54,854	
			2,978,123	137,176	
		75,013	3,319,231	68,851	
		355,000	8,362,853	205,060	
			4,080,073	160,791	
16,101	16,101		-	1,240	
39,672	9,672		199,053	23,882	
			26,732,955	685,737	700,000
		1,250,210	6,431,143	(120,911)	
690,000	175,000		1,238,422	(290,062)	
			1,309,994	122,769	48,000
2,100,000	1,000,000		-	2,412,550	
1,084,841	911,611	416,737	14,618,525	(89,034)	
			-	(17,882)	
			155,767	(13,040)	

LCI-CLASQUIN

2. TEXT OF RESOLUTIONS

Resolutions proposed at the Combined Annual General Meeting of 7 June 2018

A. Ordinary resolutions

***First resolution** (Approval of 2017 Company financial statements)*

Following the presentation of the Board of Directors report and the reading of the statutory auditors' general report on the Company financial statements for the year ended 31 December 2017, the Annual General Meeting approves the Company financial statements as presented as well as the transactions reported in these statements or summarised in the reports.

The Annual General Meeting also approves the total amount of expenses and charges not deductible from profits and subject to income tax amounting to €121,649, as well as the tax incurred on the aforementioned expenses and charges amounting to €40,549.

***Second resolution** (Final discharge of Board members)*
The Annual General Meeting discharges the Board members from their responsibilities for the financial year ended 31 December 2017.

***Third resolution** (2017 earnings appropriation)*

Further to the proposal by the Board of Directors, the Annual General Meeting resolves to allocate the net profit for the year ended 31 December 2017, amounting to €859,564.26, as follows:

• Dividend distribution: €1,845,120.80

Drawn from net profit for the year, amounting to €859,564.26,

With the balance of €985,556.54 taken from "Other reserves".

Each shareholder will thus receive a dividend of €0.80 per share.

This dividend will be paid on 13 June 2018.

The earnings appropriation covers existing shares. At the time the dividend is paid, should the Company hold any treasury shares that do not give entitlement to a dividend, the earnings corresponding to the unpaid dividends for these shares will be transferred to "Other reserves".

It is hereby reminded that, unless an exception exists, dividends received by French tax residents are, pursuant to Article 117 *quater* of the French Tax Code, subject to withholding tax of 12.8%, plus social security contributions at a rate of 17.2%. Pursuant to Article 200 A, 1 of the French Tax Code, in the year following their payment, dividends are subject to income tax at a single flat rate of 12.8%, after deduction of the withholding tax at a rate of 12.8%, unless taxation of their global income and capital gains is selected in accordance with the progressive income tax brackets provided for in Article 200 A, 2 of the same code.

It is also specified that this dividend distribution is eligible for the 40% allowance set out in Article 158-3-2 of the French Tax Code for taxpayers who opt for taxation of their global income and capital gains in accordance with the progressive income tax brackets as set out in Article 200 A, 2, mentioned above.

The Annual General Meeting formally notes that the following amounts were distributed as dividends over the past three financial years:

FINANCIAL YEAR	Dividend distribution per share
2016	€0.80
2015	€1.25
2014	€0.80

***Fourth resolution** (Approval of the 2017 consolidated financial statements)*
After the presentation of the Board of Directors report including the Group's management report and after the reading of the statutory auditors' general report on the consolidated financial statements for the year ended 31 December 2017, the Annual General Meeting approves the consolidated financial statements as presented, as well as the transactions recorded in these statements and summarised in the reports.

***Fifth resolution** (Approval of the agreements specified under Articles L. 225-38 et seq. of the French Commercial Code)*
After hearing the statutory auditors' special report on the agreements governed by Articles L. 225-38 et seq. of the French Commercial Code, the Annual General Meeting approves the agreements entered into during the financial year ended 31 December 2017 and acknowledges continuing agreements entered into in previous financial years.

Sixth resolution *(Reappointment of the regular Statutory Auditors)*
The Annual General Meeting, noting that the term of office of the regular statutory auditors, SEGECO AUDIT, expires today, resolves to reappoint SEGECO AUDIT, whose offices are located at 170 Boulevard Stalingrad (69006) Lyon, France, as regular statutory auditors for a further six-year term, i.e. until the Annual General Meeting called to approve the financial statements for the year ending 31 December 2023.

Seventh resolution *(Appointment of the alternate Statutory Auditor)*
The Annual General Meeting, noting that the term of office of alternate statutory auditor, Mr Jean-Loup Rogé, expires today, resolves to appoint SDGS as his replacement, having its offices at 170 Boulevard Stalingrad, 69006, Lyon, France, as alternate statutory auditor for a six-year term, i.e. until the Annual General Meeting called to approve the financial statements for the year ending 31 December 2023.

Eighth resolution *(Directors' fees)*
The Annual General Meeting sets the amount of directors' fees to be distributed among the Board members for the year ending 31 December 2018 at €23,000.

Ninth resolution *(Renewal of authorisation granted to the Board of Directors for the Company to purchase its own shares)*
Further to the proposal by the Board of Directors, in compliance with the provisions of Article L. 225-209 of the French Commercial Code, and subject to compliance with the statutory and regulatory provisions applicable at the time, the Annual General Meeting resolves to authorise the Company to buy its own shares on the market and to retain them, subject to a cap equivalent to 10% of the Company's share capital, for the exclusive purposes, in order of priority, of:

- transactions carried out by an investment service provider as part of a liquidity contract drawn up pursuant to the AMAFI (French Financial Markets Association) ethical code,
- coverage of stock option or bonus share allocation schemes,
- coverage of other forms of share allocation to Group employees and/or corporate officers under conditions and according to procedures specified by the law, particularly with regard to Company profit sharing as part of a company savings scheme,
- retention and subsequent exchange or payment as part of transactions such as acquisitions, mergers, demergers or contributions,
- coverage of debt securities convertible to shares,
- cancelling purchased shares.

The transactions performed as part of a buyback programme shall be carried out pursuant to applicable regulations.

Purchases of shares made pursuant to this authorisation shall not exceed the following price and are subject to adjustments linked to any transaction relating to the Company's capital: the maximum purchase price per share shall not exceed €50 (excluding transaction fees) per share having a par value of €2.

The maximum theoretical amount for carrying out this programme is €11,532,005 (maximum theoretical amount excluding treasury shares), financed either from equity or via short- to mid-term external financing.

Shares may be repurchased by any procedure, including acquisition of share blocks in one or more transactions, including during a public tender period within the limits permitted by stock market regulations.

In case of capital transactions and in particular the capitalisation of reserves, allocation of bonus shares, stock splits or reverse stock splits, the aforementioned prices will be adjusted accordingly.

To this effect, full powers are granted to the Board of Directors, with the option to further delegate such powers to the Chief Executive Officer, to place trading orders and conclude any agreements, particularly with regard to maintaining registers of share purchases and sales, make any declarations to the French Financial Markets Authority (AMF) and any other bodies, complete any other formalities and generally do all that is necessary.

This authorisation shall be valid until the next Annual General Meeting called to approve the financial statements, and shall not exceed the statutory period of eighteen months as of today.

Every year, the Board of Directors shall inform the Annual General Meeting of the transactions performed pursuant to this authorisation.

B. Extraordinary resolutions

Tenth resolution *(Renewal of authorisation granted to the Board of Directors to reduce share capital by cancelling treasury shares)*

The Annual General Meeting, having considered the Board of Directors' report and after reading the statutory auditors' special report, authorises the Board of Directors to:

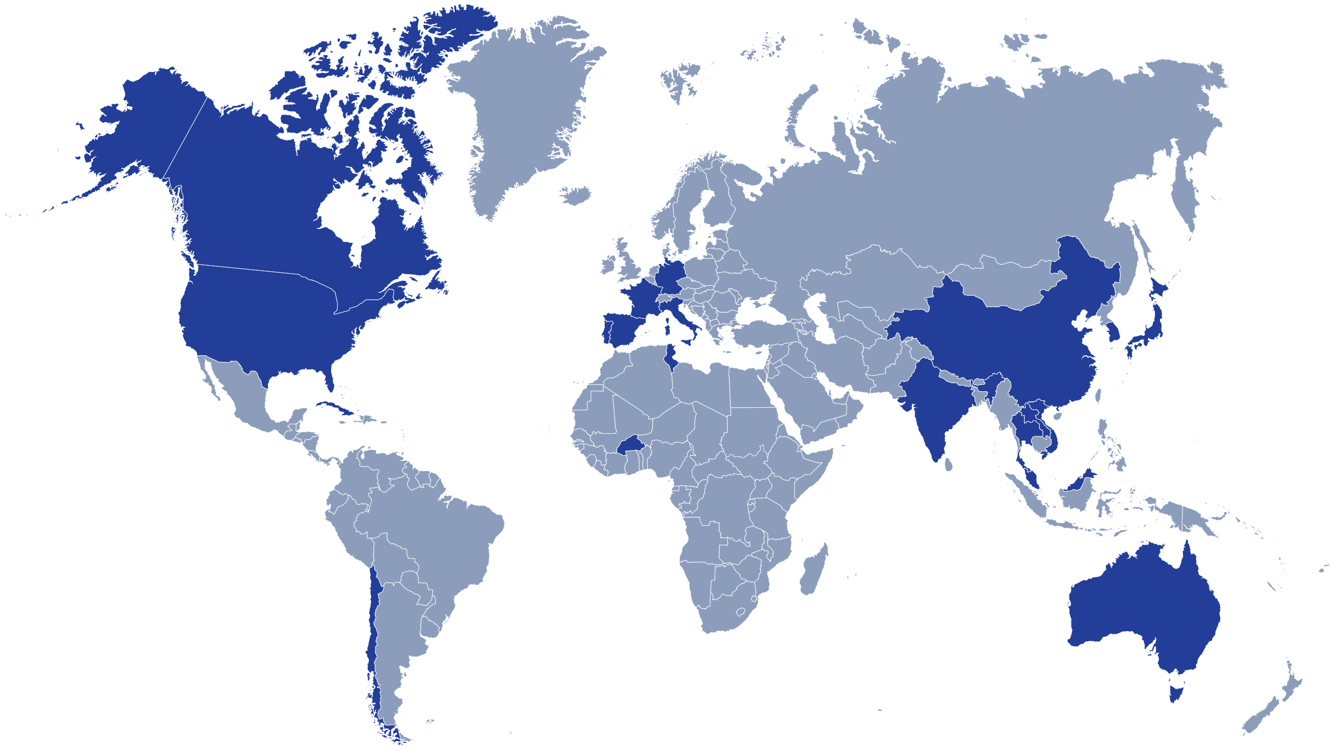
- cancel treasury shares held by the Company or acquired by it as part of the share buyback programme, up to a limit of 10% of the Company's share capital in any period of twenty-four months,
- reduce the share capital by the value of the cancelled shares,
- amend the articles of association accordingly and generally do all that is necessary.

This authorisation is granted for a period of eighteen months with effect from this Annual General Meeting.

Eleventh resolution *(Powers for formalities)*
The Annual General Meeting grants full powers to the bearer of originals, copies or extracts of these minutes, for the purpose of completing all the required formalities for filing these minutes, in addition to any other formalities incumbent upon the bearer.

Philippe and John

WHEREVER WE ARE, WE ARE THERE FOR YOU



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20 COUNTRIES

62 OFFICES

AMERICAS

CHICAGO
HOUSTON
LOS ANGELES
MIAMI
MONTREAL
NEW YORK (JFK)
NEW YORK (NEW JERSEY)
SANTIAGO (ENEA)
SANTIAGO (PROVIDENCIA)

EUROPE / AFRICA

ANNECY
BARCELONA
BOBO DIOULASSO
BORDEAUX
DUSSELDORF
FRANKFURT
GRENOBLE
LA CRECHE
LE HAVRE
LILLE
LISBON
LYON
LYON - HEAD OFFICE
MADRID
MARSEILLE
MILAN
MULHOUSE
NANTES
PORTO
PARIS
PARIS - ART SHIPPING
PARIS - GARONOR
PARIS - PORTE DE VERSAILLES
PARIS - VILLEPINTE
TOULOUSE
TOURS
TUNIS
VILLEFRANCHE S/S
VALENCIA
VITROLLES

ASIA PACIFIC

BANGALORE
BANGKOK
BEIJING
CHENNAI
GUANGZHOU
HANOI
HO CHI MINH
HONG KONG
KUALA LUMPUR
MELBOURNE
MUMBAI
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